

# BILL—CHURCH OF ENGLAND LANDS.

## Second Reading.

The ATTORNEY GENERAL (Hon. T. Walker—Kanowna) [10.31] in moving the second reading said: The measure in my charge requires very little explanation. It seeks to put the Anglican Church in regard to lands from time to time granted to it for ecclesiastical purposes in the same position as the Roman Catholic Church and the Presbyterian and other bodies. The fact is the Anglican Church has hitherto loosely dealt with the lands granted to it and furthermore there has been a looseness in the way the lands have been granted. There have been only two measures under which land could be granted, namely, the land regulations which existed prior to 1898 and the Land Act of 1898. Section 39 of the Land Act dealing with grants from the Crown prescribes that there may be grants for the purpose of sites for churches and chapels, but there have been lands granted for ecclesiastical purposes. The Land Act allows of grants for no such purpose, and these grants have been more or less illegal. Nevertheless dealings have been made and the object of the Bill is to validate those dealings and make valid certain contracts at present suspended but honourably undertaken, so that they may be honourably completed. As we have Acts relating to other bodies containing similar provisions, I think we are justified in passing this measure for the Anglican Church. I move—

*That the Bill be now read a second time.*

Question put and passed.

Bill read a second time.

## In Committee.

Bill passed through Committee without debate, reported without amendment, and the report adopted.

# BILL—LICENSING ACT AMENDMENT CONTINUANCE.

## Second Reading.

The ATTORNEY GENERAL (Hon. T. Walker—Kanowna) [10.35] in mov-

ing the second reading said: This Bill requires very little explanation. We passed a measure last session and provision was made that if the necessity arose we should be able to continue it. Whilst the war continues we should possess the power which is no more than to enable the Government to regulate the hours of closing public houses during war time if the necessity arises. This Bill merely seeks to continue the same measure of which the House unanimously approved last session. I move—

*That the Bill be now read a second time.*

Question put and passed.

Bill read a second time.

## In Committee.

Bill passed through Committee without debate, reported without amendment, and the report adopted.

*House adjourned at 10.38 p.m.*

# Legislative Council,

*Wednesday, 27th January, 1915.*

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

## PERSONAL EXPLANATION.

*Hon. W. Kingsmill and the debate on the Whaling License.*

Hon. W. KINGSMILL (Metropolitan) [4.32]: Before the business of the House is proceeded with, I would like to make a few remarks in personal explanation. Last night I moved an amendment on the motion by Mr. Jenkins on the question of whaling licenses. This amendment, it has been urged, was not seconded. It is a great relief to me now to find that it was actually seconded by the Hon. C. McKenzie. I make these few remarks in the first place because I am glad to do so for my own sake. Hon. members will realise that it is a very unpleasant thing that a motion or an amendment should lapse for want of a seconder. It was, therefore, a relief to me to find that Mr. McKenzie had seconded the motion, and I make the explanation in deference to the hon. gentleman who did second it. I regret very much that the amendment was not put. It might possibly have altered the fate of the motion. It was nobody's fault, however, that it was not put, and therefore the motion was carried. I have pleasure in making this explanation in justice to Mr. McKenzie and in justice to myself.

The PRESIDENT: This only shows the advisability of a motion being moved and seconded in words that can be heard. Those formally seconding motions or amendments are apt to elude the notice of the presiding officer whoever he may be. I spoke out at the time that this amendment needed a seconder, and no one replied.

## SITTING HOUR, THURSDAY.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [4.34]: I move—

*That for the remainder of the session, unless otherwise ordered, the House do meet on Thursdays at 3 p.m., instead of at 4.30, as provided by Standing Order 48.*

In submitting this motion I may state that if I had followed the advice of many hon. members I would have submitted it before. I am not submitting it until it is

really necessary. The session is not likely to last much longer. It certainly is not likely to last more than two or three weeks. It may close down at any time, and certainly will close down as soon as the Estimates are passed. Hon. members will realise that this motion is necessary. We will sit on Thursdays, if the motion is carried, at 3 o'clock instead of 4.30, and we may sit at night as well if there is business to be got through.

Hon. J. E. DODD (Honorary Minister): I second the motion.

Question put and passed.

## BILLS (2)—THIRD READING.

- 1, Esperance Northwards Railway.
  - 2, Postponement of Debts Amendment.
- Passed.*

## MONEY BILLS PROCEDURE.

*Assembly's Message.*

Message from the Assembly received and read asking concurrence in the following resolution:—The Legislative Assembly acquaints the Legislative Council that it concurs in the resolution contained in Message No. 9, and in accordance therewith has appointed a committee of five members to inquire into the procedure of Money Bills with power to call for persons and papers, and to confer with a similar committee of the Legislative Council, and requests the Legislative Council to appoint a similar committee accordingly.

The COLONIAL SECRETARY (Hon. J. M. Drew (Central) [4.37]: I move—

*That consideration of the Message be made an Order of the day for the next sitting of the House.*

The PRESIDENT: It may be made an Order of the day by the permission of the House.

The COLONIAL SECRETARY: Mr. Gawler, I think, has charge of this.

The PRESIDENT: The question is—

*That the Message be dealt with at once.*

I am speaking now in accordance with Standing Order 321.

Question passed.

Hon. D. G. GAWLER (Metropolitan-Suburban) [4.40]: I move—

*That a Select Committee be appointed consisting of the Chairman of Committees (Hon. W. Kingsmill), Hon. H. P. Colebatch, Hon. A. G. Jenkins, Hon. J. Cornell, and the mover, with power to call for persons and papers, to confer with a similar Committee of the Legislative Assembly, and to report on Tuesday next, 2nd February, and that a message to this effect be sent to the Legislative Assembly.*

Hon. J. F. CULLEN (South-East) [4.45]: I second the motion.

Question passed.

#### BILL—LOAN ACTS AMENDMENT.

##### *Second Reading.*

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [4.48] in moving the second reading said: A technical difficulty has occurred in connection with the flotation of a loan of two million pounds, which was issued in London during April, 1913. The object of the Bill is to remove that difficulty. The full amount of the loan was not for the purpose set forth in the Loan Act of 1912. Portion of it was raised for the purpose of redeeming Treasury bills issued by a previous Government to carry out works referred to in the Supplementary Loan Act of 1904 and in the Loan Act of 1906. Under these Acts the Treasury bills were issued in the first instance. Inasmuch as the Act of 1912, an Act passed during the regime of the present Government, had no application whatever to the £650,000 required to redeem Treasury bills, the Bill before the House is necessary to permit the money to be so utilised and to bring the recent loan within the scope of the Loan Act of 1905 to the extent of £500,000, and under the Supplementary Loan Act to the extent of £150,000. The prospectus was issued correctly. It clearly stated what we proposed to do with the money, but we omitted to state that the money was being raised under the Act of 1912 and under

the Loan Acts of 1904 and of 1906. I must confess that the mistake was made at this end and not by the Agent General. We cabled the authorities under the Loan Act of 1912, whereas we should have included the Acts of 1904 and of 1906, which would have covered the provision of £650,000 to redeem the Treasury bills. The only other provision in the Bill is that dealing with the sinking fund. Under the Loan Acts of 1904 and 1906 the sinking fund is fixed at one per cent., whereas under the General Loan Act and the Inscribed Stock Act the minimum rate is one half per cent. Therefore for the purpose of uniformity it is desired to bring the £650,000 within the provision of the latter Act, so that when the sinking fund for the issue of the two million loan commences to accrue the Treasury shall not be required to contribute more than one half per cent. That was the understanding, and it was set forth in the prospectus, and no good purpose can be now served by departing from what was agreed upon. It is a rate that has been adopted for the sinking fund in recent years. The loan was raised under these conditions, and to make any difference now in the payment of sinking fund would mean extra expense in the way of keeping different accounts at the Treasury. I move—

*That the Bill be now read a second time.*

Question put and passed.

Bill read a second time.

##### *In Committee.*

Bill passed through Committee without debate, reported without amendment, and the report adopted.

#### BILL—NAVAL AND MILITARY ABSENTEES' RELIEF.

##### *In Committee.*

Resumed from the previous day. Hon. W. Kingsmill in the Chair, Hon. J. E. Dodd (Honorary Minister) in charge of the Bill.

The CHAIRMAN: Progress was reported on Clause 2, to which an

amendment was moved to insert after "Majesty" the words "or prisoners of war."

Hon. J. E. DODD: I think the wish of the Committee was that all civilians who may be taken prisoners of war should also be included in the Bill and not be regarded as absentees. With that object we are only too anxious to insert the necessary provision. If Mr. Sommers will withdraw his amendment I will move certain amendments prepared by the Parliamentary Draftsman.

Hon. C. SOMMERS: I desire leave to withdraw my amendment.

Amendment by leave withdrawn.

Hon. J. E. DODD: I move an amendment—

*That after "Majesty" in line 3 the words "or by reason of his being made a prisoner of war whether on such service or not when temporarily absent from the State" be inserted.*

The CHAIRMAN: As the hon. member proposes to amend the Title also, the amendment to the clause will be in order.

Amendment put and passed.

On motions by Hon. J. E. DODD the words "or being taken prisoner" were inserted after "service" on the first appearance of the word in line 5; also the words "or imprisonment" were inserted after "service" in the second position in the same line.

Clause as amended agreed to.

Clause 3—agreed to.

Title:

Hon. J. E. DODD: I move an amendment—

*That after the word "service" the following be inserted:—"and to prisoners of war."*

Amendment passed, the Title as amended agreed to.

Bill reported with amendments.

## BILL—POLICE ACT AMENDMENT.

### *Second Reading.*

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [5.2] in moving

the second reading said: The object of this Bill is to legalise the appointment of special constables appointed since the outbreak of war, and to enable the Commissioner of Police to appoint special constables whenever necessary.

Hon. W. Kingsmill: Does he not appoint now.

The COLONIAL SECRETARY: Yes. Under the present law, special constables can be appointed only in "the event of riot or turmoil. In the past it has been the practice to appoint special constables to perform escort and other police duties, and ships' officers have been frequently employed for the purpose of seeing that prisoners not considered dangerous are safely delivered at certain ports. Our present law is exactly the same as in force in England before the outbreak of the war; but since then it has been found necessary in England to amend the law to make it in accordance with what is proposed in the Bill now submitted for the consideration of the House. At the present moment we have special constables guarding water works in various parts of the State, and it is necessary that their position should be legalised. The amendment of the Act is consequently necessary. I beg to move—

*That the Bill be now read a second time.*

Question put and passed.

Bill read a second time.

### *In Committee.*

Bill passed through Committee without debate, reported without amendment, and the report adopted.

## BILL—INDUSTRIES ASSISTANCE.

### *Second Reading.*

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [5.8] in moving the second reading, said: The object of this Bill is to place on a more business basis such assistance as it may be considered necessary to render to settlers in the agricultural districts who have suffered

through the drought, and, further, to help those engaged in mining and other industries to tide over the period during which trade will be disorganised as a consequence of the war. The Bill specially mentions agriculture and mining; but it is not limited to those industries. Mining and co-ordinate industries have become unsettled owing to the war, and help to the agricultural industry is needed as a result of the bad season. It will be remembered that immediately after war was declared the copper, lead and tin mining industries became disorganised, and were threatened with cessation. They would have been closed down had not the Government come to their assistance in the way they did. We were also desirous of doing something for the pearling industry, but owing to the fact that at present there is no market for pearl shell we had to act with caution. It is our intention, however, to go as far as we can to help necessitous cases. The Government had no legislative power to do what they did, but this Bill legalises what has been done and provides machinery whereby future assistance may be rendered on lines sanctioned by the legislature. Neither the Agricultural Bank Act nor the Mining Development Act furnishes the authority required. They were framed to meet the conditions of normal times, and, as hon. members know, these times are abnormal; hence special legislation is called for if our industries are to be preserved. The agricultural settlers who are suffering most severely to-day are those who started active operations in 1909-10. That was just at the end of the good seasons; and they are now feeling, in addition to shortage or total failure of their crops, the special burden of increased land rents consequent on the comparatively big prices they paid for their land four or five years ago. Unfortunately, too, many of those who were induced to select during what may be termed the boom period went on to their blocks without sufficient capital, and in many instances, I may add, with little or no experience. They have expended their small savings, and in addition to this, have expended the loans they have ob-

tained through the Agricultural Bank; and no doubt much of that money was expended in the form of buying experience. I think it will be admitted that owing to the experience gained through these adversities those men are better farmers to-day than they were four or five years ago, and they are more likely to succeed than would be others who would take their places if forced out. It was because the Government recognised this that they came to the rescue of those selectors in 1911 by deferred payments and special assistance for cropping under the old Seed Wheat Board. The Bill applies only in those cases in which assistance is rendered. When assistance is rendered in the form of seed wheat, fertilisers, fodder, necessities of life, etc., then the advance is automatically covered by first mortgage or bill of sale over the landed property and growing crops of the applicant. Interest on the advance is likewise a first charge. Those claims having been satisfied, the Treasurer, as regards liabilities due in other directions, comes in and gets his share of the surplus with the other creditors, as provided in the first schedule in the Bill. In order to keep down the cost a simple form of acknowledgment is provided which has the effect of a mortgage and bill of sale, and will be exempt from duty or registration fee. In lieu of registration at the Supreme Court a register will be kept at the Agricultural Bank which will be open to public inspection. Those special provisions do not, of course apply to mining and other industries. Those advances will be secured by ordinary process. Provision is made that all advances shall carry interest at not less than 6 per cent.; but this is more than compensated for by the fact that we put the farmer on a cash basis with consequent buying advantages; and of course the cost of administering those advances must be taken into consideration. Demand for repayment is provided for, but it is incumbent on the Treasurer, under Clause 16, to take into consideration every time the financial position of the borrower before calling upon him to repay. Repayments go

into a suspense account out of which interest and sinking fund are to be paid on the moneys used, and the balance may be readvanced until the continuation of the board is no longer necessary. When the board goes out of existence, and the Act ceases to operate, all the remaining funds are repaid to loan or revenue account, as the case may be.

Hon. D. G. Gawler: Are only advances to settlers subject to a first charge?

The COLONIAL SECRETARY: Only advances to settlers in the way of seed wheat, fertilisers, and for the maintenance of stock.

Hon. D. G. Gawler: A first charge?

The COLONIAL SECRETARY: A first charge. After that the Government come in with the other creditors. A clause has been inserted to relieve farmers of the obligation of any contract made for forward sales, but I shall deal with that matter later on. Forward sales are deemed to refer to his own crop. Relief is to be obtained by applying to a resident magistrate, and the application is to be heard in open court after proper notice to the other party to the contract of the date appointed for the hearing of the case. If the magistrate be satisfied there has been a total loss he may relieve the applicant entirely of his contract; if a partial loss he can allow the seed and other requirements of the applicant to be retained by him and make an order for the handing over of the balance. In order not to have this matter hanging over the farmer's head unduly long, it is provided that action must be commenced before the end of next March. If those who agree to buy take no action before the 31st March next, then the liability of the farmer simply ceases.

Hon. W. Kingsmill: Is the board to be honorary?

The COLONIAL SECRETARY: The board appointed under this particular clause?

Hon. W. Kingsmill: It would be very interesting to know.

The COLONIAL SECRETARY: The clause appears to be equitable and just. It relieves those who cannot fulfil, and

under it others will fulfil merely in proportion to their ability to do so. The Bill, it seems to me, is drawn on sound economic principles, and not only guarantees permanency of occupancy to genuine settlers, but maintains the assets of those storekeepers and machinery agents who, after all, we must admit, have done a power of good in the direction of helping agricultural development. It is proposed to keep farmers going, and one effect of passing the Bill must certainly be to improve the farmer's credit with the merchants. All we ask preference for under the measure is interest on money advanced, and any payment of current expenses connected with the production of next season's crop. This done, and after the payment of interest, the Government come in on the same lines, as I have already stated, with other creditors. Clause 3 makes provision for the appointment of a board called the Industries Assistance Board. The board is to consist of three members, to be appointed by the Governor; and notice of every appointment must be published in the *Government Gazette*. Clause 14 constitutes the board a corporate body endowed with all the powers and subject to all the responsibilities of such bodies. Power is given the Governor to dissolve the board when its functions have been performed and when there is, accordingly, no further need for its existence. Clause 6 gives the Governor the right to appoint a chairman of the board, and also a deputy chairman, if the Governor thinks the latter appointment necessary. Clause 7 is simply a provision generally found in Bills authorising the appointment of boards to perform public functions.

Hon. W. Kingsmill: Cannot the hon. member tell us a little more about the payment of this board?

The COLONIAL SECRETARY: I am not in a position to do so now.

Hon. W. Kingsmill: Or about the probable constitution of the board?

The COLONIAL SECRETARY: I have no idea as to the probable constitution. That is a matter which will be considered by Cabinet after the Bill is

passed. Clause 8 merely enables the Governor to fill a temporary vacancy when a member is absent or ill. Clause 9 authorises the Treasurer to afford assistance, on application, to the class of settler for whom the Bill is designed. Assistance can be supplied by guarantee or, otherwise, upon credit in the form of seed wheat or other cereals, fertilisers, hay, chaff, flour, implements, machinery, live stock, and any other commodity. The Treasurer may also make advances to applicants to enable them to pay for the agstment of live stock, and to enable them to pay rents overdue to the Department of Lands and Surveys, or moneys due to any other Government institution if those moneys are already a charge, or intended to be a charge, on holdings. Clause 10 defines the class of person entitled to apply for assistance: freeholders, conditional purchase leaseholders, and holders of homestead farms, who have suffered from the drought. Clause 11 explains itself, and the same may be said of Clause 12. Under Clause 13, an applicant for assistance must sign an acknowledgment and contract in the form contained in the First Schedule to the Bill, or an acknowledgment and contract to similar effect. Clause 14 gives the board power to fix the cost of any commodity supplied, but notice must be given to the applicant. The person who receives the assistance must repay the advance, with interest at the rate of not less than 6 per cent. per annum, either on demand, or upon the alienation of his interest in the land mentioned in the acknowledgment and contract signed by him under Clause 13. He may, however, at any time repay the whole or part of the advance; and the Treasurer in case of hardship will have power to extend the time for repayment. Under Clause 15 the interest on all advances, and also the principal until repaid, remain a first charge on the land, crops, stock, and so forth of the applicant. Clause 16 is a direction to the Treasurer to take into consideration, before making any demand for repayment, the profits made by a person from the lands charged with the advance. Clause 17 gives power to the board to examine

applicants on oath, and provides a penalty for the making of any false statement. Under Clause 18, where commodities have been supplied before the passing of this Bill and an application has been signed in accordance with the Second Schedule to the Bill, the cost of such commodities will be regarded as an advance under this measure, and the advance will be protected under this measure. Clause 19 is self-explanatory. Clause 21 gives the Treasurer discretionary power to apply, towards the discharge of other duties and obligations of the applicant, in the order set forth in the Third Schedule to the Bill, any surplus proceeds of assigned crops or other securities of the applicant. Clause 23 relieves contracts under this measure from the obligation to register under the Bills of Sale Act, 1899; but a register and index must be kept at the office of the board in Perth, and such register and index will of course under this Bill be open to public inspection. Clause 23 protects the farmer who may have entered into a contract for the sale of wheat for future delivery, as all such contracts made prior to the passing of this measure shall, unless the contrary is proved, be deemed to be contracts for the sale of wheat the proceeds of his own crop. It will not be necessary for a farmer so placed—as it would be but for this measure—to buy wheat in the open market in order to fulfil his contract. It will not be necessary for him to do that if this Bill be passed; but otherwise it will be essential. In the absence of this provision, he would be liable to action for breach of contract unless he carried out his obligations in that regard. Provision is also made for a farmer who is unable to complete a delivery by reason of crop failure to apply to a resident magistrate to be relieved of the obligation under the contract. All such applications must be heard in open court, and the magistrate is empowered to release the farmer either wholly or in part. In the event of a failure in crop being only partial, the magistrate, after ascertaining the requirements of the farmer, would release the applicant only to the extent of such failure; that is to say, the farmer

would have to complete his contract in respect of any surplus wheat he may hold above his own requirements. Clause 24 authorises the Treasurer to render financial assistance, either by way of advance or guarantee, to any person engaged in mining or in any other industry who cannot obtain assistance through the ordinary channels. Such advances are to bear interest at not less than 6 per cent. per annum, calculated on the daily balance.

Hon. J. F. Cullen: What would be the security?

The COLONIAL SECRETARY: That will be for the Government to decide. Each application will be considered by the Government on its merits. In the case of a pearler, for example, the security would be the pearl shell. Undoubtedly, some risk must be undertaken at the present time; but great care is being exercised by the Government.

Hon. W. Kingsmill: Yes; there is no doubt about that.

The COLONIAL SECRETARY: Clauses 25 and 26 make provision for expenditure by way of appropriation by Parliament for the purposes of the measure, for the holding of repayments in the suspense account as already explained, for the keeping of proper accounts, and for the presentation to Parliament of a financial statement and of the Auditor General's report thereon. Clauses 28 and 29 provide for the manner in which notices or demands may be given or made, and for the framing of regulations by the Governor in Council, such regulations being subject to the usual requirements of presentation to Parliament. I think I have dealt with all the salient points of the Bill, and now I move—

*That the Bill be now read a second time.*

Hon. H. P. COLEBATCH (East) [5.26]: I understand it is the desire of the Government that this Bill should be passed as expeditiously as possible, and as I take it that no member of this House is opposed to the second reading, and that the Bill thus becomes for the most part a

measure for consideration in Committee, I propose to make what remarks I have to make on the Bill, at once. There is nothing in the marginal notes of this Bill to indicate the source from which it has been taken, or the origins of the various clauses; but I think I am right in assuming that the measure has been drafted almost entirely from a somewhat similar Act passed by the South Australian Parliament very recently. I come to that conclusion, partly because, so far as I am aware, the neighbouring State of South Australia is the only one that has passed legislation of this kind, and partly because, on comparing the South Australian Act with the Bill now before us, I find that the wording of the different sections is almost identical—indeed, so close to being completely identical as to make it apparent that the one measure has been practically copied from the other. But, whilst there is this similarity in the measure, there are points of difference to which I desire to direct the attention of the House; and I regret to say that every one of those points of difference proves, on comparison, to be against this Bill. That is to say, each point of difference makes this Bill less acceptable—whether one looks at it from the point of view of the farmer himself, or from the point of view of those who, in the past, have been engaged in assisting the farmer financially and otherwise—less acceptable than the South Australian measure would prove. In the first place, let us take the all-important element of time. Long before the conclusion of the last general election, it was known that the harvest in this State was not going to be a success; it was known that the harvest would be a partial or a complete failure in some districts, and that everywhere assistance would be needed, not merely in the interests of the settlers themselves, who are entitled to all the assistance the State can give, but in the interests of the State itself; because we all realise that only by large production from the soil have we any chance of getting out of our present financial and industrial difficulties. This being the case, and the necessity for having such arrangements made in good time being well known,



I do say that it was the bounden duty of any Government entrusted with the confidence of the people to make it their first business to put upon the statute-book the legislation needed by them in order to carry out this work. They knew that the work had to be done; they knew the importance of doing the work at once; and therefore it ought to have been their first business to prepare this legislation and submit it to Parliament. Now, there are two reasons why it was necessary that this course should be adopted. First, because the longer the acquiring of the necessary seed is delayed, the higher its price will probably be. It was necessary from the point of view of the settler himself, and it was still more necessary from the point of view of banking and insurance companies and other financial institutions, because it stands to reason that their operations must be impeded so long as there is hanging over their heads a piece of legislation which they know will interfere with their securities to some extent, but to what extent they are unaware. For these reasons it was most important that this legislation should have been enacted as quickly as possible. It has been said that Parliament has been responsible for the delay, but that is entirely untrue. The Government and the Government alone are responsible for the delay. This Bill had never been seen by any member of Parliament unless by members of Caucus, and possibly by the present allies of the Government until about ten days ago. So far as this House is concerned, I believe no member had a glimpse of it until last Thursday. Another place passed the Bill with all expedition and we are prepared to do the same. Therefore, it is idle to attempt to cast on Parliament the blame for the delay which has occurred. This is an important point of difference as compared with the South Australian legislation. The South Australian Act was assented to—not merely introduced, but assented to—by the Governor on the 12th November of last year. Ten weeks ago the whole of this legislation in South Australia was complete, so that Government officers got to work and settlers knew what would be done, and financial institutions knew the extent to which their securi-

ties were likely to be interfered with. I think it would be very difficult to estimate the prejudicial consequences of the delay which has taken place. About ten weeks ago, when the measure in South Australia was passed, it would have been an easy matter for the Government to have bought all the seed wheat they required at about 6s. a bushel. At that time officers of the Government were endeavouring to purchase wheat throughout the State, and were always offering a little less than the market price, while a Royal Commission, acting under the authority and apparently with the approval of the Government, were endeavouring to drive into the mills, at a price unfair to the farmers, wheat which it was really important should be kept for seed purposes, and we had the spectacle on more than one occasion of the Commission and a Government officer, acting in the interests of the proposal of the Government to assist farmers, taking up opposite attitudes, the Commission trying to compel people to send seed wheat into the mills, and this officer on behalf of the Government endeavouring to secure that very wheat for seed purposes. What has been the result? A board has been appointed and has now fixed the price of wheat at 7s. 4d., and I think rightly so, because that is the present market value and one cannot do other than wrong by trying to compel people to sell something they have for less than it is worth. This is one of the effects of the delay which has taken place—the wheat instead of being secured at 6s. will cost 7s. 4d., and there is also a very grave danger—and on this I take the view of people competent to form a right estimate—that there will be a considerable shortage and that sufficient wheat will not be acquired, and that thousands of acres of land which ought to be cropped will be left untouched, and hundreds of deserving settlers will be bitterly disappointed. There is also the further grave trouble that the banks and financial institutions are still on tenterhooks, and do not know what to do. In many cases they are unprepared to give a decided answer to their clients. This legislation is hanging over them. They say they know Parliament intends to interfere with their securities, and is it to be wondered at that

they desire to know exactly the extent of the interference before they proceed to make further advances? The second point of difference is that the South Australian Act is purely an emergency measure intended to meet a special case, and has been very carefully prepared so that the case might be met thoroughly. The Western Australian measure is a piece of general legislation intended not only for this emergency, but apparently to apply to all cases. I have not the least objection to the Government going to the assistance of the mining industry, both in the present emergency and at all times, but I think it is a great mistake to embody the two matters in the one Bill. It would have been far better and more convenient had the Government introduced two Bills, one dealing with the agricultural emergency and the other with the mining proposals, which apparently are intended to have a continued application. The third difference is that the South Australian Act is limited in its operation so far as the making of advances is concerned, to the 31st December of the present year, whereas this measure has no limit. The Western Australian Bill is evidently intended to be a permanent piece of legislation, and that is a very important difference when we come to consider Clause 15 of the Bill, which interferes with the prior rights of first mortgagees. The fourth difference is in regard to the matters for which advances may be made. These matters are provided for under Clause 9 of our Bill. Section 3 of the South Australian Act is somewhat similar to Clause 9 of our Bill, in fact, so alike are they that Clause 9 has evidently been copied from it. The only important differences in paragraph (a)—and I do not know that they are very important—are that our clause contains the words “by guarantee or otherwise,” and also provides for advances on machinery. The South Australian Act provides for advances on implements but not on machinery.

Hon. W. Patrick: I should think implements would include machinery.

Hon. H. P. COLEBATCH: I take it there is not much difference. Paragraph

(b) of our Bill provides for advances to applicants for the payment of stud fees, which are not contemplated under the South Australian law. When we come to paragraph (c) of our Bill, the difference is very striking indeed. In South Australia under paragraph (c) advances are to be made to applicants who have fallowed any land held or farmed by them. I do not know that that provision is necessary, because the general provisions of paragraph (a) of our Bill would meet that case. But paragraph (c) of the Bill we are now considering is, to my mind, a very objectionable provision. Its object is to enable the Government to make advances to farmers in order to repay debts due to the Government, that is, to pay land rents, rates, apparently, and other charges. This is entirely objectionable because it simply means the transfer of loan money into revenue account—surely a very dangerous method of financing. I do not know whether it would apply to machinery purchased, for instance, from the State Implement Works, and whether it is contemplated that the Government shall make these advances, and to a certain extent secure them even in preference to the first mortgagee of the land, so that persons can buy machinery from the State Implement Works, thereby in a fictitious fashion placing those works on a cash basis. The fifth difference and one of the most striking of the lot is in regard to interest. The Colonial Secretary has pointed out that provision is made in Subclause 4 of Clause 14 that interest shall be at the rate of not less than £6 per centum per annum. I should like to know why the words “not less than” are included. Is it the intention of the Government to charge distressed settlers more than six per cent.? What is the history of this money which is to be loaned to the farmers? It was in the first instance lent to the Commonwealth Government by the Associated Banks, the five per cent. patriots of the Premier's sarcasm, and lent to the Commonwealth free of interest for 12 months. Then the money was lent by the Commonwealth to the State Government—

The Colonial Secretary: The Associated Banks received Commonwealth notes in return.

Hon. H. P. COLEBATCH: But the Associated Banks lent their gold free of interest for 12 months. The Commonwealth Government passed the money on to the State Government at  $4\frac{1}{2}$  per cent. interest, thus making a very handsome profit on the deal, and now the State Government propose to push aside first mortgages and all preferential claims, so that the advances they make shall be made without any element of risk, and charge a minimum interest rate of six per cent.

Hon. D. G. Gawler: That is worse than the St. George's-terrace "farmers."

Hon. H. P. COLEBATCH: The five per cent. patriots, as the Premier called them, lent their money to the Commonwealth Government for nothing. The Commonwealth Government made  $4\frac{1}{2}$  per cent. profit by lending it to the State, and the State Government now propose to make themselves absolutely secure and then charge the farmers not less than six per cent. interest, and I do not know how much more. My object is to compare the course of action adopted by the Western Australian Government with that of the South Australian Government. Subsection 3 of Section 9 of the South Australian Act begins—

The applicant to whom any advance is made, or is deemed to be made under this Act shall repay such advance with interest thereon calculated from the 1st day of February, 1916, to the date of payment—

I emphasise that the interest in South Australia is to be calculated from the 1st day of February, 1916. The South Australian Government are lending the money to the farmers free of interest until the 1st February, 1916, the idea being to give them an opportunity to put in their crops and pay off the advance before the interest starts. If the advance is not paid by the 1st February, 1916, it is to be charged to the date of payment at the rate of  $4\frac{1}{2}$  per cent. per annum. The South Australian Government do not contemplate making a profit out of the deal. They are giving the

money free of interest till the 1st February, 1916, and if the farmer cannot then repay it, he is to be charged interest at the rate of  $4\frac{1}{2}$  per cent. But there is a further provision under Subsection 1 of the same section, that the Minister may, in any case which he considers to be one of special hardship, extend and from time to time further extend the date of repayment of the whole or any part of the advance made to an applicant, and may fix any date later than the 1st February, 1916, as the date from which interest on the advance shall be calculated and paid by the applicant. Consequently, they not only contemplate lending the money free until the 1st February of next year, but also contemplate in cases of special hardship that the loan shall continue for a further period without interest. The sixth difference between the South Australian and Western Australian measures is on that very controversial Clause 15. Section 10 of the South Australian Act deals with this matter, and it is in some respects similar to the first portion of Clause 15 of our Bill. Section 10 of the South Australian Act states—

Notwithstanding any provision of The Real Property Act, 1886, or any other Act or law to the contrary, the amount of an advance and interest thereon as provided by Section 9 shall be, and until fully paid shall remain, a first charge upon all lands owned by the applicant, and his interest in all lands held by him under lease, at the time when such advance was made, or the commodity in respect of which such advance is deemed to have been made was supplied, under this Act.

That is the beginning and end of the security as far as the South Australian Government are concerned, and it has to be remembered that, although precedence is taken over the first mortgage which may be right or wrong, it applies only to loans advanced for a special purpose, it applies only to loans made during the present year, it applies to loans which are to be free of interest for a period of twelve months and possibly longer if the Minister thinks there is justification for it, and to loans which,

if they are not repaid a year hence, will carry interest at only  $4\frac{1}{2}$  per cent. What does our Bill demand in the way of security? It demands priority over the first mortgage, not only in respect of the purposes for which the South Australian Government may advance money to settlers, but also to the payment of interest on advances made for other purposes under this Act. If the Government advance to a man money with which to pay his debts to the Government, the interest would take priority of a first mortgage, and if we make the interest on a debt take prior claim over a first mortgage it will be tantamount to making prior claims for the Government in respect of all advances. The Government also demand a first charge upon all crops to be sown in or grown upon such lands, and the produce thereof, and upon all implements, live stock, and the progeny thereof, and other chattels supplied to the applicant under this measure. In other words, the Government of this State desire to take everything by way of security. Having set a higher rate of interest than the money is costing, and desiring to charge not less than six per cent. interest, and goodness knows how much more, they wish to take all the security which the South Australian Government take when advancing money free of interest, as no doubt the whole of the money lent in that State will be repaid before the interest starts, and they also wish to take security on the growing crops, and all implements, live stock and the progeny thereof, and other chattels supplied to the applicant under this measure. In South Australia the first mortgagee would be quite willing to stand aside under the circumstances. He knows that the advance is made for specific purposes, this year free of interest, but in our case the advance may be made for almost any purpose, and the mortgagee in this State has no idea of the nature, extent, and interference with his security. South Australia does not touch the crop, but here the crop is portioned out. It may be necessary that we should do something in the way of as-

signing and distributing the crop here in view of the previous large amount advanced but I hope the Government will not oppose some amendment of Clause 15, which will have the effect of securing the rights of the first mortgagee. Unless we do that it seems that for every pound the Government advances to settlers under the Bill they will drive a couple of pounds of private money out of the country. There is no doubt that two-thirds of the advances made under the Bill will be made to clients of the Agricultural Bank. If the Government advances a sum of £750,000, as has been mentioned, two-thirds of that amount will be advanced to clients over whom the Government already have a first mortgage. Is it necessary in order to get this extreme security for the remaining £250,000 to disturb the whole system under which the farmer has been able to get credit from private institutions in the past? The underlying principle to my mind is that if there is a risk to be taken the State should be prepared to take it. We are going to do more harm than good if we let it get abroad that this Parliament will interfere with mortgages in a wholesale manner. It can have no other effect than to deter people from investing their money in Western Australian securities. We should show people who invest their money in Western Australia that they need not be afraid of legislative interference depriving them of the security which they think they have. At the end of the Bill we find an important difference in the two measures in regard to the framing of regulations. This Bill was altered in the Assembly in the hope that this House would pass Clause 29. It was set out in the original clause that the regulations when placed on the Table of both Houses of Parliament, would have the full force of law unless they were disallowed by both Houses, and if we pass the Bill in its present form it will still have that effect. It will be necessary for the regulations to be disallowed by both Houses to render them null and void. The wording of the South

Australian Act might well be copied in this Bill. A day or two ago an agreement was laid on the Table of this House, and there was some idea that it was necessary that the final resolution should be passed within 14 days, and in another place there has been some talk of altering the regulation and again laying it on the Table to overcome this difficulty. The South Australian Act says:—

If either House of Parliament passes a resolution disallowing any such regulation of which resolution notice has been given at any time within 14 sitting days of such House after such regulation has been laid before it, such regulation shall thereupon cease to have effect but without affecting the validity or obscuring the invalidity of anything done or of the omission of anything in the meantime. This subsection shall apply notwithstanding that the said 14 days or some of them do not occur in the same session of Parliament as that in which the regulation is laid before it.

That seems to be a common sense way of wording it. It should not be necessary to get the resolution through within 14 days. The intention clearly is that if notice is given within 14 days that should meet all requirements, and it does not matter if the resolution is arrived at within the 14 days or not. I do not think there are any other matters with which I need deal on the second reading. There may be one or two questions which in Committee I may have a word or two to say upon. I regret the Bill was not introduced earlier. City members cannot have any idea of the anxiety of the people in the country. Settlers who are relying on the Government are despairing, and those who are depending on private banks are greatly delayed in coming to any definite decision, for the banks will not decide anything until the Bill has been put through. Under the Grain and Foodstuff Act the Government have appointed a board and there is to be a board under this Bill. The work of these two bodies will practically be one undertaking. I do not think I am

wrong in saying that he board appointed under the Grain and Foodstuff Act is giving satisfaction in the country. The gentlemen appointed have the confidence of the people. Under the relief Bill the Government have appointed a board consisting of Mr. Paterson, Mr. Sutton, and Mr. Carmm, and I think the Government have made a wise selection. The present climatic conditions, in the opinion of those qualified by long experience to judge, are in favour of a bountiful rainfall and a big harvest. Settlers are prepared to go on, if the Government will give them a chance, and I think they ought to be given a better chance than they are given in this Bill. Certain public servants are refusing to have their hours reduced. The farmers are not anxious for any statutory wages or 8 hours a day. They are prepared to work a great deal longer than that, and they are trying to overtake old liabilities. They must have several fairly good seasons before they have any chance of securing a spendable income equal to the ordinary wages man. Therefore, we cannot give too much consideration to them. I hope the Government will not refuse to agree to some amendment of Clause 15. If it is found necessary to insist on the six per cent. or other objectionable conditions let the Government do that, but amend the clause so that they will not drive money out of the country, for it is by the assistance of private capital that the industry must continue to be developed. I have much pleasure in supporting the second reading.

Hon. A. SANDERSON (Metropolitan Suburban) [5.55]: I ask you, Mr. President, if you have ever listened to a more blistering comment on a Bill than that which we have just heard. The lame and impotent conclusion was supporting the second reading.

Hon. H. P. Colebatch: We must have some Bill.

Hon. A. SANDERSON: It is not a Bill you want; it is cash. If the Agricultural Bank and the Government had husbanded their resources as the private

banks did, they would be in a position, as the private banks are, to carry on.

The Colonial Secretary: We were denounced for husbanding our resources.

Hon. A. SANDERSON: That must be a little joke on the part of the leader of the House, but I am trying to deal seriously with this matter. I regret deeply that my friend Mr. Colebatch has thought fit to shoulder the responsibility, which everyone does who supports the second reading of a Bill like this, in view of such a measure as that before us. I am not going to take up more time than necessary. Fifteen minutes will give me an opportunity for protesting as strongly as I can against a measure of this kind. It is injuring the country as a whole. Perhaps the Government are getting desperate. The Government may be getting desperate, or they may be—and that is the solution I give—prepared to have the full courage of their convictions, and are now going in for the nationalisation of industries. Do the Government think that any prudent person would conduct operations in a country like this after what we have seen during the last 5 months? This question of mortgagees' security is a matter of business. I do not wish to go further. Morality seems to have gone. We seem to have a new morality in these days. I put it as a matter of business. I think I agree with the whole matter of the speech of Mr. Colebatch, cutting out the first and the last lines, supporting the second reading. To the rest I can say ditto to my friend. The Bill raises false hopes in the people of the country, because the Government know they cannot possibly meet the demands that will be made on them, even in the agricultural industry, and in the Bill we have the mining industry and other industries mentioned. It is the labour platform, and therefore the Government are to be congratulated in carrying out, in difficult times, their platform.

Hon. V. Hamersley: They are getting it on the statute-book.

Hon. A. SANDERSON: The distressing part of it is that all parties in the

country except the little band of which I am one, are supporting this legislation. Have you ever listened, Mr. President, to a speech on the second reading of a Bill, containing such severe criticism, as we heard from Mr. Colebatch, and then he will allow the second reading to go through? The responsibility, which is considerable, must rest on him and other hon. members who will pass the second reading of the measure, because, as pointed out on other occasions, once we get into Committee we shall have this question "Is it a money Bill?" We had better have it before we get into Committee. That is the position of affairs in regard to this House. We cannot by any possible means make a satisfactory Bill out of this, and if I could get my own way it would be rejected on the second reading. What the Government require, as they know, is a large increase in the capital of the Agricultural Bank, owing probably to the fact that they have insufficient capital or else that they have been too free with what they already have. In these circumstances I entirely agree with my hon. friend that it is highly probable that three-quarters of the assistance would be given to the Agricultural Bank and that we shall be driving out the assistance of the banks and other financial institutions by measures of this kind. How can there be any other result? This is no occasion for an impassioned oration; it is the hardest and coldest of businesslike propositions. Suppose we have £50,000 to invest, or that we have invested this money, on a first mortgage which in all parts of the State and the Commonwealth has been looked upon as a gilt-edged and first-class security. I ask the Minister as a prospective mortgagee to view the matter in that light. Let me assume that he is a trustee and has put £10,000 out on mortgage and that he says to himself "Am I doing my duty in lending any further money on mortgage in a country in which we have a Bill of this description." We might well pause for a reply. Then there is the cost of administration, and here the hon. Mr. Kingsmill has raised a very pertinent question,

which, however, I do not intend to pursue at this juncture. How are we going to finance this Bill, assuming that we pass it? The answer I give is the answer which the leader of the House gives; it is a blank, a perfect blank. I do not pretend to understand the administration of this country, although I endeavour to take an intelligent interest in the public finances of the State. It is a time of stress. But there never has been in this country any occasion whatever for a panic of any kind. It is too serious for a panic. This has been going on for a long time, quietly and gradually. We knew six months ago that it was going on. The Bill is apparently going to pass the second reading and then will come the wrangling in Committee and the wrangling with the other House, and the whole business will be upset so far as outside people are concerned. The hon. Mr. Colebatch has pointed out that the people in the towns hardly realise with what anxiety this legislation is being followed by the people in the country. I might, however, retort that possibly the people in the country do not realise what serious and heavy responsibility is placed upon the financial institutions and the people in the cities in dealing with a measure of this kind. And yet we are to pass the second reading. I would be prepared, knowing that assistance is required, to hand over, in view of all the circumstances, more cash to the Agricultural Bank. At the first breath of trouble the Agricultural Bank collapsed and all the other institutions went on nobly and are to the best of their ability, and with great wisdom, caution and strength, seeing their customers through. The Agricultural Bank practically collapsed at the first breath of trouble. I do not wish to go into the question of the wisdom or not of the establishment of an Agricultural Bank. I will take the position as it is and ask what is to be done? I say the Government have the best men they can get and the men most intimately acquainted with personal matters and agricultural questions, in the agricultural Bank. Let us hand over to them another

half million or a million, if the Government can get it. If they cannot get it, what is the use of the Bill? I do not know whether it is advisable or necessary to go any further. As members of this chamber we are holding a position that calls for great anxiety on our part in safeguarding the interests of the people. What are we going to do? If there are clients of the Agricultural Bank in trouble at the present time it is the duty of that bank to see them through. If the bank is going to wind a client up the responsibility then, with great justice, must be thrown upon the Agricultural Bank. In the great majority of cases I feel perfectly certain that had the Agricultural Bank sufficient funds it would be prepared to deal with these people and see them through as other institutions are doing. The hon. Mr. Colebatch is possibly better acquainted with the proportions of bank clients than I am, and I will therefore take his figures, showing that three-quarters of those in distress are the clients of the Agricultural Bank and one-fourth of the other institutions. Let them go to the Government and see what the position of affairs will be. I have not the slightest doubt that some arrangement would be made. I do not know whether it is desirable to go on with the mining and other interests of the State, except to emphasise the difficulty of carrying on these industries and the manner in which it will tax the resources of the Government and of the country to do so. Then there is the question of the cost of administration. We know it must be considerable if we are going to bring into being these boards. If the boards are fit to be there at all the members of them ought to receive very handsome remuneration for acting upon them. It was only yesterday that £140,000 or £150,000 was, so to speak, passed for 60 settlers in the Esperance district. The Government must have a lot of money put away somewhere if for these 60 settlers they would spend this large amount of money.

Hon. C. Sommers: 62 settlers.

Hon. J. W. Kirwan: That is not a proper representation of the case.

Hon. A. SANDERSON: I can hardly expect my hon. friend to agree to this. It is a representation which can fairly be put before this chamber and a representation which will carry considerable weight with the country.

Hon. W. Kingsmill: There will be four more railway Bills next week.

Hon. A. SANDERSON: The responsibility is on the shoulders of members of this chamber who will pass the second reading of the Bill. I shall be quite prepared to do what I can in Committee—if we get there. I will ask hon. members, who have not already made up their minds, to consider whether they realise the responsibility which rests upon them individually, as well as that which rests upon the Government. We have individual responsibilities in the matter and this must not be forgotten. Let us give the Government a million of money for the Agricultural Bank, or whatever they want—if they can get it. But to pass legislation of this kind, I say, will raise false hopes in the breasts of the farmers and the miners and those engaged in other industries, and will seriously injure the country as a whole, because it may frighten and alarm financial institutions who see their gilt-edged and first-class securities whittled away by the members of this chamber. I oppose the second reading.

*Sitting suspended from 6.10 to 7.30 p.m.*

Hon. C. SOMMERS (Metropolitan) [7.30]: Mr. Colebatch has already dealt with many points I intended to touch upon. I agree with him that the Bill is one to be approached with caution. It is very far-reaching in its effect and we must be careful that in endeavouring to help the unfortunate settler, to give him temporary relief, we do not do him and others connected with the industry a very great injury. If Clause 15 is passed as printed it will do enormous damage to the country. It proposes to set aside existing first mortgages and to place the Government in a superior position, although possibly they will lend only a small amount in comparison with what has already been lent by private in-

vestors, not only giving them power to take a mortgage over the land and its improvements, but over the stock, implements and machinery. During the past 10 years I have had a good deal to do with settling people on the land, and I have been the means of passing a great deal of money to those people by way of mortgage. I know the position, not only from a borrower's point of view, but very intimately indeed from the point of view of the investor. Some years ago no lender would advance money on country lands except upon the freehold security. Under the Liberal Government a great deal of land settlement went on, and during the *regime* of Mr. Mitchell as Minister for Lands money began to flow pretty freely into the country, confidence was displayed in the ultimate result of farming operations, and investors were induced to regard conditional purchase security as being almost as good as freehold. A great deal of money has been advanced by outside lenders on those securities, but unfortunately the late Minister for Lands (Mr. Bath) by an irreparable blunder put upon the securities what has become known as the "Bath blot." That was the first set-back the industry sustained; because it meant that a great deal of money hitherto lent on conditional purchase securities was withdrawn and invested in freehold securities in Perth. A second attempt is now being made through Clause 15, and a blow is aimed at the sanctity of a first mortgage, even on freehold security. If Clause 15 is passed it must mean that no one outside a lunatic asylum will ever think of lending on country securities. If the Government can come in and set aside what has been looked upon as gilt-edged security, putting the first mortgagee in a secondary position, it stands to reason that no sane man would run such a risk. I am of opinion that at a crisis such as this, due to bad seasons, so much depends on the agricultural industry that help should be freely given by the Government to those in distress; but before we should be asked to consider a Bill of such importance the leader of the House should take us into his confidence, and tell us how much money is



required to furnish the necessary help and, secondly, where the money is coming from. Because, if the Government are not in a position to find the money, what is the use of bothering the House and upsetting all existing arrangements, harrowing the feelings of those holding securities, and then perhaps after all being unable to find the necessary money. For that reason it would be well if the leader of the House would take us into his confidence as I suggest. I think the money should be advanced, where, in the opinion of the board, the land is of fair quality and the rainfall is reasonably secure, and where the farmer has shown by his previous workings that he is entitled to further assistance. Of course, as with farms, so there are some farmers who are hopeless, and in such cases it is perhaps as well to make the first loss the last one. In making advances it is reasonable that the Government should have some security; but they are not entitled to ask for any more security than is represented by a lien over the crop or even successive crops. Any one holding a mortgage should be compelled to give that preference and stand aside for one or two seasons so that the Government may have an opportunity of collecting the money advanced, and the mortgagee should not be allowed to step in and sell the property, perhaps at a critical time, just before the crop is harvested. If the Government are prepared to find the money for seed wheat, bags and manure they are entitled to reasonable security. The proposal of the Government is this: Assuming that a settler has already borrowed £1,000 from a private lender and requires, say, another £400 to enable him to put in his crop, the Government say, "If the mortgagee will not lend it, we will, and we will take a first mortgage over the property." That is hardly fair, because it must be remembered that the £1,000 originally advanced by the private lender has made his security. Any money lender would lend on the security the Government demand. It may be that £2,000 has been already loaned on the property, and the Government are asked to

lend another £600. In this case, also, any private lender would furnish the money on the same security as the Government are asking. There is nothing generous about that.

The Colonial Secretary: The Bill does not prevent a private money lender from lending the money.

Hon. W. Kingsmill: But it discourages him a bit.

Hon. C. SOMMERS: Money has been lent freely on country securities, and people regard a first mortgage much as a bank note, thinking it is a first charge on the property. Mortgagees will wake up one morning and find their securities almost valueless if the Government insist upon taking the security over the heads of first mortgagees. I think it is unfair to trample over the mortgagee's mangled body. He took the risk, say, five years ago, and lent the money, which was spent legitimately on the farm, and now the generous Government come along and say, "We want a security over everything you have, for a few paltry hundreds, and we will upset all the security hitherto looked upon as gilt-edged." And instead of giving this man a helping hand they are doing something, the effect of which will be to crush him in the near future; because no one would ever dream of lending on a country security while such things can happen. It is estimated that £750,000 will be required to provide the necessary relief. Of that amount it is safe to say that there is from £500,000 to £600,000 which will have to be advanced through the Agricultural Bank. That institution, having already advanced to these settlers, is in the position of first mortgagee, and if it does not lend further it cannot get any interest or any land rents, and must either repossess the property or advance the money to enable the settlers to go on. Out of that £750,000 some £600,000 must be advanced by the bank. I am assuming the amount, because the leader of the House has not given us anything to go upon.

The Colonial Secretary: The main amount is approximately correct.

Hon. C. SOMMERS: Well, out of the £750,000 a large proportion will have to be advanced by the Agricultural Bank.

The Colonial Secretary: No, that is not so.

Hon. C. SOMMERS: Well, tell us about how much. I do not want to mislead the House in regard to the amounts.

The Colonial Secretary: Separate provision is made for the Agricultural Bank to get business on the old lines.

Hon. C. SOMMERS: Well, for the sake of argument, I will say £750,000, and a great proportion of this amount will be required by Agricultural Bank customers. Therefore from £150,000 to £200,000 will have to be found by private mortgagees or by the Government, who will step in and lend the amount and take precedence over the security. Assuming that it is £150,000 for which the Government will take precedence over the existing mortgagees: It would have to be a very bad season indeed for the whole of that £150,000 to be lost, but it would pay the country better to lose the £150,000 than to interfere with the securities which we have always looked upon as gilt-edged. It is not worth while upsetting the existing securities, it is too paltry, too small altogether. It must be asked, what will outsiders say about it, mortgagees who are living in the other States or in the old land? Fancy the case of a mortgagee who, living in England and being asked to advance a further sum upon one of our country properties, receives information—before he can reply to the request—that his first mortgage has been set aside, and the Government have stepped in and are going to lend an unlimited amount. It must be remembered that the mortgagee has always regarded his mortgage as sound and good, and now he finds himself in a secondary position with no information as to where his interest is to come from. What would be his answer if at any future date he is asked for a loan on Western Australian farming property? This Bill is calculated to do enormous damage to the State. To my mind a first mortgage should be on a par

in value with a bank note. If a man has a bank note for £5 he considers that to be, so to speak, a first mortgage on the whole of the assets of the bank. If this sort of legislation goes on, the holder of a note might wake up one morning to find that he cannot cash it for £5 but that there was another person in with a claim to the extent of 50s. Supposing the Agricultural Bank lent £1,000 to a settler, and that settler went to the Bank wanting a further loan of £400, to put in a crop, or for stores, or for machinery, or for any other purpose proposed in this Bill. The Manager of the Bank says he will not lend any more money—it may be that he has not the spare cash or he has not sufficient confidence in the borrower. If that man approached a private lender with a proposition to borrow and the private lender agreed to lend him £400 provided he was given the first mortgage over the land and crop. What would Mr. Paterson say if the proposition were put to him to allow the private lender to come in as the first mortgagee. I think I know what he would think, and also what he would probably say. The Government would not allow anyone to come in ahead of them; yet in this Bill they propose to reverse the procedure and come in ahead of others. I would strongly advise the Government to be satisfied with taking merely a lien over the crop. The Government is anxious to do a great deal for the Estate and for the settlers on the land. It is in their interests to be as generous as they can be. They must keep the settlers on the land because they have so much at stake themselves. The Government are not like private money lenders. They have their railways and would lose money on that undertaking if there were no return from the land. I think it would be reasonable of the Government to do this even if there was a loss. It has to be remembered that the private lender has lent his money which has been used in the development of farming, yet the Government now proposes to step in and take precedence of the first mortgagee. Advances have been made in Vic-

toria as well as in this State for seed wheat, manures, etc. I remember that in the Mallee country in Victoria very liberal advances were made by the Government, but if the Government had attempted to step in in that State, as the Government here proposes to do, it would never have lived. All the Government is entitled under this Bill to do is to lend money for the assistance of a settler to put in a crop, and all they should ask is to be given a first mortgage over the crop. In the Victorian Parliament a Bill was introduced lately authorising the Minister during the financial year ending 30th June, 1915, to make advances charging interest at the rate of five per cent., not six per cent., as in the case of this Bill. There, one knew exactly what was intended, not only was the money limited, but the time was also limited. They did not ask for any further mortgage such as is provided here. Mr. Colebatch has dealt with the question of interest. I think that the Government should lend this money free of interest during the first year, I think that many of these farmers are entitled to be helped in this way because they would have in the first place to pay up to 7s. 6d. for their seed wheat. Mr. Colebatch pointed out that in Victoria wheat was already being supplied as early as February, here it will be the end of March before the Commissioners will be ready to send wheat to the farms. We do not even know whether the Government will be in a position to get their seed wheat. If a mortgagor wants to effect a mortgage and asks to be immediately advanced the loan, the mortgagee replies "No," yet the farmer can apply to the Farmers' Assistance Board and the mortgagee then gets a letter from the Farmers' Assistance Board something to this effect—"John Brown wants a loan, you are the mortgagee. Question (1) Are you prepared to allow the Government a preferential lien over the crop?" I have seen several such letters, and in every case the answer to this question was "Yes." Later on the mortgagee gets another letter, mind you he has

already agreed to a preferential lien—"Are you willing to grant a first mortgage over the land?" The answer is "No." The Government apparently wished to make a first mortgage absolutely worthless. If the mortgagee pressed for his money, he could not get it. In many cases it would be so. If everybody called in their mortgages, people would have to sell for anything. The result would be that the industry would languish. The Government cannot allow those people to go away, having spent their all, and should be willing to stand back. In Victoria no interest is charged for the first year, here it is to be not less than six per cent., whereas the Government is borrowing at  $4\frac{1}{2}$  per cent. Supposing a man had two farms, one at Geraldton and one at Kellerberrin. He wants an advance on the Kellerberrin property. The Government would make an advance, but would take a mortgage over both his properties. He might have a small overdraft at his bank. A man in the ordinary course of business goes to his banker and gets £4,000 or £5,000 on a bank overdraft. He may use all of that £4,000 or £5,000. What is going to happen? The very day the bank probably sends for him and says "When we lent you the £4,000 or £5,000 we had a security worth £10,000 as first mortgage. To-day what is it worth? Somebody has come in with a first mortgage for an unlimited amount, an unlimited time. We want you to pay up that overdraft as quickly as possible."

Hon. W. Kingsmill: That is the sort of man who evidently ought to be relieved.

Hon. C. SOMMERS: This is not a supposititious case. I know of such cases. I have talked to bankers and insurance managers who control the lending of money, and I know this is the sort of thing that will happen. Directly security is tampered with, financial institutions want their money back. There are others who lend, elderly people, possibly widows, and trustees for children—children have to be maintained and educated—and the interest on the money invested by such lenders is the means of

providing upkeep, and in the case of children education as well. In such cases the trustee, or the widow, or the elderly person, says, "I can lend no more money; I depend on the interest from what I have lent." Then the Government say, under this Bill, "We will step in and lend, if you will not." Let hon. members turn to Schedule 3. Suppose £500 has been advanced by the Government. Out of the crop, the Government take that £500 and such little incidentals as land rent and rates. If there is any thing left, they give the mortgagee 12 months' interest on his principal, though he may have been owed two or three years' interest. There may be another £500 even after paying that, and then some of the unsecured creditors come in. Certainly, the farmer gets a little of the surplus—which is very nice and proper so long as the money is there—but if anybody is entitled to first claim, it is a matter between the mortgagee and the mortgagor.

Hon. D. G. Gawler: Clause No. 1 brings the Government Implement Works in, does it not?

Hon. C. SOMMERS: Yes. They come in before everybody. As regards some institutions, lending hundreds of thousands of pounds a year, to my knowledge, I can predict what is going to happen if this Bill goes through as it stands. Those institutions will not lend any more money on country securities. I waited on the manager of one big institution here to-day and asked, "Are you lending on country securities?" I had no proposal to submit, but asked for the sake of information. The reply I received was, "No; we have had numerous applications, but we are not lending on country properties at all now." That is the first result of such a proposition as this. Let hon. members consider what a loss that means to the country. People who in the past have been able to borrow from institutions are blocked. The managers say, "We have had such a lesson as to what can happen under a measure like this, that we are going to call in the loans as they fall due, and invest the money elsewhere." As I said previously,

for the little immediate benefit the Government are about to confer upon some 80 settlers, they are going to entail, by the withdrawal of capital from the country, untold misery upon a great many people and throw the State back very many years. No one will feel safe if this Bill is passed as it stands. The next thing we shall find will be that even Government bonds and bank notes will be regarded as a risky security, and we shall have people going back to the old system of burying their sovereigns—if they have any—in the ground, and trying to conceal the burying-place from their neighbours. I contend the Government should lend as quickly and as generously as they can, and at as low a rate of interest as possible. Six per cent. is altogether too high. If the Government are going to charge 6 per cent., then I think, having regard to the price of wheat and conditions generally, it will be better for some people to leave off cropping. I do not intend to vote against the second reading of the Bill, because, like Mr. Sanderson, I feel that something must be done, and that by giving way to some extent, by agreeing to a first lien on the crop in order to secure the Government, we shall be doing only what is right by the struggling settlers. I am sure no reasonable mortgagee would refuse to stand back in such a case. If so unreasonable a person should exist, then there will be power under this Bill to overcome his opposition. With these reservations, I support the second reading of the Bill.

Hon. J. F. CULLEN (South-East) [8.5]: I shall not traverse the ground covered so well by Mr. Colebatch and Mr. Sommers, but I have been challenged to state how I can possibly vote for the second reading of this Bill with Clause 15 in it. My answer is that I must vote for the second reading of the Bill for the reason that something must be done to legalise and place on a proper footing what the Government have already done for settlers, and also to legalise that larger assistance which the Government are compelled to give. For that reason I am bound to vote for the second read-

ing, but I wish to offer a suggestion to the Colonial Secretary with regard to Clause 15. A serious principle is impugned in that clause. It is public knowledge that the Government were quite prepared to insert in that clause a provision to the effect that a first mortgagee must be consulted. The Government went even further, and submitted an amendment providing that the first mortgagee's consent must be secured prior to the making of any advance. Now, I suggest to the Colonial Secretary that he should at once get the consent of the Minister in charge of the Bill to a reasonable amendment of Clause 15. By doing so, the Colonial Secretary will save an enormous amount of the time of this House. I say, first, there must be occasion for this Bill, because the Government have a right to help distressed settlers. The Government, representing the whole country, came to the assistance of those in distress; and Parliament and the country at large support that policy of help. It is only right, however, that the Government should legalise such help; and this can be done only by Act of Parliament. Moreover, the Government must go on helping. That is to say, the whole of the people must help those who are in need; and it is only proper that such assistance should be placed on a sound basis. I contend, however, that there can be found a sound basis without bringing in this damaging repudiation of securities based on the legislation of the past. A mortgagee lends money on security granted by the law of the land, and in so doing he furthers the development of the country. Unfortunately, a great many people—and I am afraid some of the Ministers are included in the number—have got into the habit of looking upon mortgagees as sharks or vampires. What could Western Australia have done without the capitalists of Great Britain, who are mortgagees? And what progress could have been made even with that help but for the fact that the men who made money in this country lent it to others here to be employed in the development of Western Australia? I maintain that this Bill, instead of being

accounted as a relief measure, will, if Clause 15 is allowed to stand in its present form, prove a multiplier of distress.

Hon. A. Sanderson: Hear, hear!

Hon. J. F. CULLEN: It will be at once an intimation to all mortgagees who have the right to be in possession to go into possession, and where realisation is possible to realise. Could there be a more direct death blow to this country than any such catastrophe as that? I do not think Ministers are aware of the amount of private money which has been lent on rural properties here, and more especially within the last 10 years. Take a case in point. A country property-owner borrowed £5,000. I am taking an actual case. Recently he encountered distress, and sent in an application for an additional advance of £600, which amount he considered would be ample to save the property. The £600 was lent. Now, however, through intensifying financial stress, the owner of the property is in need of further assistance. I can quite understand the directors of the institution which lent him the £5,000 and £600 should say to him, "We dare not give further assistance; we are trustees for numbers of people, whose money we have lent you; and we must keep as near as possible to a commercial basis." Very well. Now suppose this property-owner comes to the Government saying "I want another £250," and the Government, vested with the powers of the Bill as it now stands, give him the £250, and then the man fails notwithstanding. What would happen? If the Government advertised that property for sale, where would the first mortgagee be? He would either have to come in and buy up, or see his security sold for a song. We must bear in mind, also, that private lenders never contemplate buying up. They are trustees dealing with the money of other people, in many cases the small savings of poor people; and trustees are bound to proceed strictly on commercial lines. The Government, in the case I put, would be destroying the mortgage security.

Hon. A. Sanderson: And yet you say you will vote for the second reading.

Hon. J. F. CULLEN: Yes. But even that is not the end of it. The end of it would be that, over and above the number of people now facing distress, a far greater number would be added to the list; because all these private lenders, who cannot act as Governments can, who cannot act as a whole people may act, but must act as trustees and be faithful to their trust, would be compelled to collect their money or as much of it as they could collect. And, worse still, such a condition of affairs would constitute a death blow to the profitable use of money between mortgagor and mortgagee, and our country people would be thrown back on the Agricultural Bank absolutely. I cannot conceive of a more direct death blow to the future of this State than would result from the creation of doubts as to the soundness of securities based upon the law of the land. Imagine the new cult, the new doctrine that Parliament can do anything, that it can repudiate all its own laws, that it can come in over the heads of a first and second party, come in as a third party and destroy the first party willy-nilly. Nothing more dreadful could be conceived. "But," say Ministers, "we mean well, our object is good." In other words they are willing to do an absolute, glaring wrong because their intentions are good. I recognise the goodness of the end. The country as a whole must try to save the people faced with distress, but is it rational to say that because of this the country as a whole must do like the enemy in Europe is doing—put the women and children in front of them?

Hon. C. Sommers: That is where they are putting the first mortgagee.

Hon. J. F. CULLEN: Yes, the Government are going to battle with the enemy, decidedly, but they will have the unfortunate mortgagee, who represents women and children, in front of their advancing force so that they cannot be fired on. It is an absurd proposition. If there are risks to be taken, surely the country as a whole should take them, and by risks I mean risks for benevolence sake. I suggest that the Minister should consult with his colleague who originated

the Bill and obtain permission to move the amendment which he tabled that these advances should be made with the consent of the first mortgagee.

Hon. A. G. Jenkins: Why the first mortgagee only?

Hon. J. F. CULLEN: Because, as a rule, the second mortgage is a very small thing.

Hon. C. F. Baxter: Not at all.

Hon. J. F. CULLEN: If we are going to consult with more than the prime security holder I am afraid we—

Hon. A. G. Jenkins: Has the first mortgagee more rights?

Hon. J. F. CULLEN: The second mortgagee is really at the mercy of the first mortgagee all the time.

Hon. A. Sanderson: Not all the time.

Hon. J. F. CULLEN: He must be prepared to take up the first mortgage, or leave himself to the mercy of the first mortgagee. If he is not prepared to take up the first mortgage he is in the hands of the first mortgagee.

Hon. C. Sommers: If the property were put up for sale would not the public be consulted?

Hon. J. F. CULLEN: The first mortgagee has power to sell for what he likes—

Hon. C. Sommers: Within reason.

Hon. H. Millington: You wish to consult the third mortgagee?

Hon. J. F. CULLEN: No; the Government should go to the first mortgagee and say—"You have carried this man a certain distance and cannot go any further. We will come in if you will let us come in first." And, in nine cases out of ten, the first mortgagee would say "Yes." The Government have informed the public that it is their uniform practice in connection with the Agricultural Bank to consult the first mortgagee before doing anything. What does that consultation amount to? The Government might say—"Let us come first and we will try to save this man." If the first mortgagee says "No," he might realise on his security. Provision to this effect must be made in the Bill. The Minister might ask—"Why insert it in the Bill? Why

not leave it to the Government to follow their usual custom?" It would be terrible if we, by Act of Parliament repudiated securities under the law. This House has no right to pass this clause as it stands, and the Government should not hesitate to insert the amendment which the Minister in charge proposed in another place. Regarding Clause 23, I do not consider it necessary. It is intended to release the farmer who has sold wheat which he expected to reap, and of which he has reaped only a fraction, from being compelled to deliver the portion of the crop he could not reap. Here again a further important principle is involved. We want to avoid any appearance of repudiation by Act of Parliament and I ask Ministers if they have ever heard of a case of a farmer whose crop failed being held to his contract for the sale of wheat. I heard of a farmer who sold wheat cheaply, and who said "Well, I will cut it for hay, and will not have the wheat." That farmer might be fairly brought to court, but has the Minister ever heard in this State, or in any other State, of a farmer who sold say 1,000 bushels of wheat, expecting his crop to realise it, and reaped only 200, being sued for the balance? It has never been done.

The Colonial Secretary: Scores of letters have been sent out to farmers threatening them.

Hon. J. F. CULLEN: But there has never been an action for specific performance, and if there had been a prosecution no court would order the farmer to find the balance of the wheat.

Hon. C. F. Baxter: You cannot tell what the court would do.

Hon. J. F. CULLEN: I can say what courts have done, and there has never been a case. The farmer is not a dealer or a broker, but is a farmer. When a buyer purchases a crop the farmer, instead of saying that he contracts to sell what his crop yields, assumes that it will yield a certain quantity. There is implied in the contract an expectation of getting that quantity, but the farmer is not under obligation to go out and find the

wheat to make up any shortage. He is merely selling his crop.

Hon. W. Patrick: If it is an unconditional sale it is a contract to be kept.

Hon. C. F. Baxter: The farmer is selling so many bags no matter whether he produces it or not.

Hon. J. F. CULLEN: But there is implied in the contract that it is his product he is selling, and not anything beyond it, and never has a court enforced the production of more than the farmer realised. I want to impress Ministers with the fact that this is what they are acting on. If they were not it would be wrong to have Clause 23 in this Bill. It is because in equity and common law as well as in practice the farmer is not bound to find more than his crop realises that I question whether there is any need for the clause. The Minister might reply that it will make doubly sure. Will it? This clause will involve every farmer, whose crop did not yield as much as he hoped, in going to court and meeting a contest there at considerable expense. Not in one case out of a hundred would there be any attempt to press the farmer. There is another point: if the Minister is going to legislate in this way for the farmer, what answer will he have for the merchant. Say a merchant has bought from 100 farmers and gets only one-tenth of what he has purchased, and that he has sold outside the State the whole quantity he expects to get. Will the Minister do anything for the merchant? No. Do not hon. members see that the Minister raises doubt as to the farmers' safe position in common law that he cannot be bound to produce more than his harvest, and he is making a whip for the back of the merchant. However, these matters can be dealt with in Committee. A point I am anxious about is that this House should insist on putting in some such proviso as the Minister in charge proposed in another place and it will save time if the Colonial Secretary will have it prepared and will consent to it in Committee. I must vote for the second reading, because the Government must be protected for what they have

already done, and what they are going to do.

Hon. C. F. BAXTER: I move—

*That the debate be adjourned.*

Motion negatived.

Hon. E. McLARTY (South-West) [8.27]: I feel sure that every hon. member has only one object in view, and that is to assist the Government as far as possible to get the measure passed. At the same time I take very strong objection to the measure, which objection has already been ably pointed out by previous speakers, so there is no need for me to reiterate it. If the Bill passes its second reading on no condition could I vote for Clause 15, because I cannot conceive that any business man could vote for such a provision to do away with the securities which other financiers have already taken. I am at a loss to understand how such a provision could ever be brought before the House. The strongest objections can be and have been ably raised against it, and I will content myself with saying that I agree with every word uttered by previous speakers in regard to this clause. Having said so much with regard to Clause 15, I am of opinion that while the Government may have the best intentions in coming forward to assist the farmers they will be imposing a rate of interest which the farmers will be unable to bear. Under ordinary conditions the profit on wheat growing is very small indeed. This year the farmers are engaging in the industry under the greatest disadvantage, and we only hope that Providence will bless us with a good season which will enable them to retrieve their losses to a certain extent. At the same time I feel sure that if the farmer has to obtain assistance to any great extent, and pay 6 per cent. interest for the advantage, he will be very little further ahead at the end of the year than he is now. I do not think the Government have well considered this matter. They seem to be wanting to assist the farmers, and, at the same time to make a considerable profit out of the transaction. This is a time when the Government might well come to the rescue

and take a good deal of risk upon themselves and make the rate of interest as low as it can possibly be made. Even if they can get the money at  $4\frac{1}{2}$  per cent. or at all events  $5\frac{1}{2}$  per cent.—which is the very maximum that could be charged—I am certain that the men who have laboured under the burden of the 6 per cent. will have very little left, even assuming that they get a fair average crop. I would like to see the Government come forward, and I think they will get the support of the community in general, with assistance for these unfortunate, struggling farmers who have my entire sympathy. We know that there is a large number of families who are scarcely able to get food, and we do not want to see them saddled with the interest, after working, not the usual eight hours, but more likely 12 or 14 hours a day, and then at the end of long years of labour to have made no advance. That is the point the Government have to consider, namely, the rate of interest. Six per cent. interest is altogether too high. I agree with Mr. Cullen that it will save a good deal of time if the leader of the House would look into the matter, especially as it affects Clause 15, and try to make some reasonable compromise which would be acceptable to members. If this is done, I am sure that there is no hon. member who would not be ready to come to the assistance of the Government in any way he could legitimately do. With these remarks I will support the second reading of the Bill, and reserve the right to vote against the clause I have mentioned in Committee.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central—in reply) [8.32]: I do not propose to reply at any length. There is no opposition to the Bill. I have taken a note of the different objections which have been raised, and we can discuss these matters in Committee. I would like every hon. member who has an amendment to propose to place it on the Notice Paper for to-morrow, so that it can be examined and investigated.

Question put and passed.

Bill read a second time.



**BILLS (5)—FIRST READING.**

1. Municipal Corporations Act Amendment.

2. Yillimining-Kondinin Railway Extension.

3. Boyanup-Busselton Railway Extension.

4. Katanning-Nyabing Railway Extension.

5. Pinjarra-Dwarda Railway Extension.

Received from the Legislative Assembly.

**BILL—LICENSING ACT AMENDMENT CONTINUANCE.**

Returned from the Legislative Assembly without amendment.

**BILL—CHURCH OF ENGLAND LANDS.**

Returned from the Legislative Assembly without amendment.

**BILL—LUNACY ACT AMENDMENT.**

Returned from the Legislative Assembly with amendments.

**BILL—CONTROL OF TRADE IN WAR TIME ACT AMENDMENT.***Second Reading.*

Debate resumed from the previous day.

Hon. J. F. CULLEN (South-East)

[8.40]: This is the time for short speeches, and I will condense my remarks. One hardly knows what to do in the circumstances. The Minister says that the Act which this extends and amends was passed in a hurry, and that the Government did their best. I remember that hurry, and how this House assented to that Bill largely on the assurance of the Government that the object was to have power to prevent any cornering of trade, and a most praiseworthy object, which the Legislature did right to authorise. But there has been such development

since, such multiplying of boards, that one hardly meets a friend without feeling inclined to ask him whether he is on a board. One can hardly walk about the streets without knocking up against a member of a Government board. There is a danger in connection with this rapid growth of boards. I would not mind if the members were not liable to get into mischief. I am prepared to assume that these extensions of the Act, which we passed in such a hurry, are going to be administered as wisely as human nature will admit of. I am going to assume that. Certainly I have a right to assume that as the desire of the Government, and that the Government will do their utmost to secure these ends. But are there any men wise enough to undertake the extensions of the powers proposed in this amending Bill? We gave the Commission power to prevent the cornering of any lines of foodstuff of necessity to the people. Now, what more do they want? They want power to fix and declare the different maximum prices according to the differences in quality or description of the necessities of life, or in the quantities sold; to fix and declare the different maximum prices for different parts of the State.

Hon. J. Cornell: Is not that essential?

Hon. J. F. CULLEN: It is not only not essential, but it is not possible. This is a further extension of the old socialistic dream that the Government can regulate prices. The Government cannot do it. Ministers admit that, so far, the efforts of their board have been absolutely futile. About the only step out that the Government board has made was the attempt to prevent the price of wheat rising above 4s. 6d., and the Minister, in moving the second reading of this Bill, said it was a failure. They tried to do it, but could not. Now, the Government want extended powers in order that they may be able to do it, and not only that, but that over every part of the State they can fix the maximum prices, and according to the quality, and to the quantity, sold. Why, all the wisdom in the world, with immense capital at its back, could not do this. I want the House to be im-

pressed in passing the Bill, with the possibility of these boards developing into enormous departments, with a lot of paid servants, in a futile attempt to cover the whole of the State and fix the prices at each place according to the quality of the goods and the quantity that is to be sold. It is a vain futile dream. Hon. members will be interested in a few lines from the history of this socialistic dream. This was reproduced in the *West Australian* the other day and reads as follows:—

Flinders Petrie, the noted Egyptologist, writes:—"Diocletian regulated all prices and wages throughout Rome. A maximum value was fixed for every kind of food, grain, wine, oil, meat, fish, vegetables, and fruit. Hence such food would never be produced when the natural conditions prevented a profit within this maximum price; nor would it be transported beyond the distance within which the maximum yielded a profit. Whole districts were cut off from different kinds of supply by such legislation. Meanwhile the wages of labourers and artisans were all regulated, so that the best men could never have their superior ability rewarded. The consequence was that the losses in bad years of supply, owing to weather and other circumstances, fell wholly on the producer, who was ruined by the whole brunt of the loss, instead of being partly compensated by a rise in prices which taxed the whole body of users. No wonder that after such a law the Empire plunged ever deeper into poverty and confusion. The coinage depreciated even more rapidly than before, and the economic distress of such a fixed system with a falling currency was overwhelming. Such were the results of one of the greatest socialistic attempts to remedy the course of events by artificial means. Thus by the establishment of unionism, the feeding of paupers, the devolution of the Empire, and the legislation on prices and wages, the socialistic policy brought to naught the greatest social organism that ever appeared in the world."

I am not hinting that the small efforts to be made here will have any such vast results, because I hope that just as the board failed before it will abjectly fail again. It is an impossible burden that this clause proposes to put on these poor Commissioners. The thing could not be done, but in so far as it is attempted it will tend to stagnation. If prices are beaten down below a margin of profit business will not be done, storekeepers will be ruined by the score and the Government will have to come in and add to their fish shops and butcher's shops little stores in all the country centres of the State. Perhaps that is the wish behind the thought.

Hon. W. Kingsmill: No doubt about that.

Hon. J. F. CULLEN: But I want to impress upon Ministers that this is a foolish extension of the Bill. If they are wise they will drop it. They have now the Act which pretends to do these things, and so far no good has been done and, happily for the country, the little mischief that was attempted to be done was strangled in its infancy. But I shall show on another occasion how even these beginnings were the sowing of bad seed which will have bad effects in the State. I advise the Government to drop the Bill. I for one will vote against it.

Hon. H. P. COLEBATCH (East) [S.50]: I intend to vote against the second reading of the Bill. I fail to see any necessity for the continuation of this particular Commission. As Mr. Cullen has pointed out, we will have now three different bodies, each of them dealing with practically the same thing. We have the Farmers' Assistance Board, the board appointed under the Grain and Foodstuff Act, and now it is contemplated that we shall continue this Commission under the Control of Trade in War Time Act.

Hon. W. Kingsmill: And presently we will have another one.

Hon. H. P. COLEBATCH: Very likely we will have half a dozen more. When the Act was originally passed both the Premier and the Colonial Secretary told members that the sole intention of the

measure was to prevent prices being forced up to an exorbitant rate because of the interference of trade in consequence of the war. It was feared that the trade routes might be temporarily closed and that a shortage of supplies would be created of which merchants would take advantage to put up the prices against the public. As a matter of fact, the Premier made the specific statement that the Bill would only operate so long as that condition of affairs prevailed. He also gave an assurance that it would not be used in regard to the fixing of prices of seed wheat. Yet we find that almost the sole activities of this Commission were in regard to seed wheat. As a rule when one sets out to amend an Act already on the statute-book, it is because it is found that the Act has not worked satisfactorily. What, I may ask, would the effect have been had that Act been on the statute-book in the form in which it is intended to present it now? It was only in regard to these sales of wheat and the attempted forced sales of wheat that the difficulty arose, and the Premier gave as his excuse for introducing this amending Bill that although the Commission under the Act fixed the price at 4s. 6d., people actually disposed of their wheat—to the Government very largely—at a price far in excess of the 4s. 6d. He said, "We want to introduce legislation to prevent that." I want members to consider the cruel injustice that will be done to producers if it be made an offence punishable by fine to sell their wheat above 4s. 6d.. If we are prepared to pass the Bill we are prepared to say that in the event of the Commission again fixing the price at that rate we will make it an offence punishable by a fine of £100 for any person to dare to sell his wheat at more than that price.

Hon A. Sanderson: The penalty in the original Act was £100.

Hon. H. P. COLEBATCH: No, that was a maximum penalty for anyone refusing to sell at a price fixed. There is another feature in the Bill which appeals strongly to me, namely, that although it was introduced simply as a temporary measure, no definite period is stated as

to the operation of the measure. Standing Order 174 reads as follows:—

The precise duration of any Bill, the provisions of which are intended to be temporary, shall be inserted in a distinct clause at the end thereof.

That Standing Order was not observed in regard to the Act of last session, nor is it proposed by the Bill before us to amend the section of last year's Act limiting the duration of the Bill. Under last year's Act the life of the Bill is limited to such time as may be proclaimed whilst a state of war exists. But it is not precisely stated and it does not comply with our Standing Order at all. The Standing Order is very definite that the precise duration of the Bill shall be inserted in a distinct clause. That has not been done. The point I want to arrive at is this: I am not prepared, and I doubt if other members are prepared, to grant this Commission, which has already given some of the most extraordinary decisions, power to fix the price of next year's crop; and if we pass the Bill that is what we shall do. If the Commission fancies that in order to keep down the price of bread to the consumer it is necessary to keep down the price of wheat, I am not prepared to give them that power. Under the Grain and Foodstuff Act provision is made for an appeal from the board to this Control of Trade in War Time Commission. Consider what that means. The Grain and Foodstuffs Board consists of three gentlemen, who, for that particular work and for their knowledge of the industry could not be excelled in this State. I refer to Messrs. Sutton, Monger and Gorrrie. It is contemplated that anyone not satisfied with the decision of these gentlemen should appeal on this matter of wheat values—to whom? To three gentlemen, none of whom know anything about the subject. It is as if we provided an appeal from the High Court of Australia to a bench of honorary justices. It is ridiculous. I should require very strong reasons before I voted for the second reading, and if it is passed, I hope the House will insist on the insertion of a clause that will limit the operation of the measure until some time precedent to

next year's harvest. I cannot see what this Commission will have to do. I understand the Commission will cost in salaries over £2,000 per annum.

Hon. A. Sanderson: Which Commission?

Hon. H. P. COLEBATCH: This Control of Trade in War Time Commission, the Commission under the Bill. No provision is made in the Bill for payment, but it has been stated that two members of the Commission are drawing £750 a year each, and I understand the third is a public servant whose salary has been increased to £750 while he is on this Commission. However, what I am afraid of is that there will be nothing legitimate for these Commissioners to do. In the circumstances if I were satisfied that they would sit tight and do nothing, I would console myself with the reflection that it means a loss to the State of £2,000 per annum and that is all. But we are told that "Satan finds some mischief still for idle hands to do," and I am afraid of the mischief these people will do. One member of the Commission has already shown a marvellous capacity for doing the wrong thing. To-day we have a board hard at work trying to undo some things that Commissioner did in rushing about the country forcing the farmers to sell their wheat to a mill, when it was imperative that the wheat should be secured for seeding purposes. I see no reason for the continuation of the existence of this Commission.

Hon. J. CORNELL (South) [9.0]: Mr. Cullen asks whether we are prepared to trust the Commission in this matter. I go further than that and say that there is not the slightest doubt that in its moral application the parent Act has been a success. If I remember rightly no great opposition was put forward in this House to the passing of the parent Act. One reason for that was that the rise in the prices of commodities immediately at the outbreak of hostilities was out of all proportion. Another reason why there was no serious objection taken here to the present Act is that we were then on the eve of a general election; had we not been I venture to think that the Bill would not have passed.

Member: The general elections had no effect on this House.

Hon. J. CORNELL: Judging by the supreme activity of some members of this House, I should think that the general election had a big effect. Otherwise they would not have been so anxious to see certain members returned to another place.

Member: With good results.

Hon. J. CORNELL: Yes, with good results. The principal Act gave to the Commission powers to fix prices at which commodities could be lawfully charged. It has been found, however, that in its application the parent Act does not give the Commission sufficient power, and therefore this amendment is proposed. It gives the Commission power not only to fix prices under Section 4 of the parent Act, but also to fix prices according to the difference in quality and according to the quantity sold. It has been urged that this is not capable of operation. I will submit that if we had time to sit down and think hard very often we could come to a similar conclusion as to the ultimate effect of many pieces of legislation. But I have heard no argument put forward to show that the Commission are not capable of giving effect to the powers asked for in the Bill now before us. It is all very well for Mr. Cullen to trot out that old hodge of socialism. The only logical method of achieving perfection is by putting proposals into practice, and if evidence of their non-success present themselves to then rectify anomalies and put something workable in their place. In paragraph (b) of Clause 2 of the Bill power is asked for the Commissioners to fix and declare different maximum prices for different parts of the State. Mr. Cullen says that that is an absurdity. It would be a greater absurdity for the Commission in its working to fix a maximum price which would extend and operate right throughout the State. Because, what would be a fair and equitable price, allowing a fair margin of profit, in Perth would not be a fair and equitable price, allowing a fair margin of profit, at Kalgoorlie. I do not think hon. mem-

bers will dispute the correctness of my reasoning. That is the power that is being asked for. I do not think that the Commission, under the parent Act, has proved a failure. Paragraph (c) of the Bill provides that the Commission shall have power to vary any price previously fixed; but so as to apply only to future transactions. That is a fair proposition. As the parent Act stands, when the Commission fixes a price, if that price is too high or too low, there is no machinery whereby they can vary it. I am not going to say that the Commission are not capable of making mistakes. Other hon. members have gone much further and said that they have done nothing else but make mistakes; I am going to be more generous, and I certainly think the powers asked for should be given. The objection taken by Mr. Colebatch to Sub-clause 2 of Section 3 of the Bill, I do not think, is very sound. I think that subsection is necessary. It enlarges the powers of the Commission, and I am prepared to give them the powers asked for. When the parent Act was under consideration this point was raised and I was of the opinion that it had been settled. It was then agreed that the parent Act would remain in force so long as hostilities continued between Great Britain and her enemies. The fact remains that the parent Act was passed on the understanding that it would remain in operation during the continuation of hostilities, and to endeavour to raise the point now is not right. I hope that the House will agree to grant these extra powers asked for to the Commission. It has been alleged that the Commission has not used its powers well. It has gratified me to know that the whole of the criticism aimed at the Commission and its work has been aimed at that member who is not in the civil service, and who is not the appointee of the Government. I have defended that gentleman on the floor of this House, and I will continue to defend him.

Member: Even though he is wrong?

Hon. J. CORNELL: Even though he has made mistakes. If a Commissioner

makes mistakes while acting honestly and conscientiously, he is entitled to support in the carrying out of his duties. I believe that is the reason of the greater portion of the objections which have been raised to the actions of Mr. Rae as commissioner. It is gratifying to know that the two commissioners appointed by the Government have been eulogised—especially one of them; and it is further gratifying to mark that those two were civil servants—gratifying, I say, after the tirade of abuse which has been discharged against civil servants sitting on Royal Commissions. I hope that the House will not defeat this Bill with the object of finally destroying the parent Act. If the Bill is defeated, it would be more honest that some hon. member instrumental in its defeat should rise in his place and Table a motion that the Government be desired to withdraw the parent Act by proclamation. The Government have admitted that the parent Act was hurriedly drafted, and that it does not contain all the powers necessary for the proper exercise by the commissioners of their functions. I hope, therefore, that the House will take the correct course, and give the Royal Commission the powers asked for; and then let us see whether or not the prophecies of evil which have been uttered will be borne out by actual practice.

Hon. A. SANDERSON (Metropolitan-Suburban) [9.17]: The opposition to this Bill is suggestive of straining at a gnat and swallowing a camel.

Hon. J. Cornell: The other way about; straining at a camel and swallowing a gnat.

The PRESIDENT: The question before the House is the Control of Trade in War Time Bill.

Hon. A. SANDERSON: Yes, Mr. President; and it is the amending Bill we are dealing with. The present Bill deals wholly and solely with trade in war time. The parent Act, if hon. members will look at it, is on the same footing; since Section 3 of it provides that the Act shall operate, first, for only such period as declared by the Governor from time to time—that is a safeguard in itself—and,

secondly, when a state of war exists between the United Kingdom and another power. Will any hon. member seriously maintain that in time of war these powers are not to be given to the Government? I will not waste the time of the Chamber. It seems to me most curious that members will pass the second reading of such a Bill as was carried this afternoon, and then make trouble about the present measure. The parent Act would still exist if this Bill were defeated.

Hon. J. F. Cullen: The parent Act is harmless.

Hon. A. SANDERSON: It is harmless, and this amending Bill is harmless. Always give your opponents what is harmless: it pleases them, and it will not do you any injury. Surely, that is a sound diplomatic dictum.

Hon. J. F. Cullen: The passing of this Bill would make the parent Act dangerous.

Hon. A. SANDERSON: It is to be used only in war time, and when the Governor proclaims it; and it will be an example to our descendants, who will find it difficult to believe that we passed an Act without any meaning. However, in time of war I certainly think any Government are entitled to have exceptional powers. For my own part, without feeling any strong disposition to support either the original Act or this amending Bill, I hope hon. members will give the Government this modification. The parent Act has never been put in force, and, we sincerely hope, will never be put in force; but if the occasion should arise, then undoubtedly it would be of advantage to the country that, without any debate, the Government should have this power. It is comparatively easy for us to take an impartial view of the state of hostilities existing; but, observing the pledge which I gave to the leader of the House, that during the continuance of the war I would do nothing to embarrass the Government, I ask other hon. members to give the Colonial Secretary this Bill. I recognise that in time of war the Government should have the full and drastic power which some members of this Chamber are prepared to grant them, not only

for use in time of war, but for all time. Surely, it would be a graceful act, even on the part of the Country party, to endeavour to learn, at any rate in the urban district, to have some regard for their friends, or allies, or enemies—it is difficult to say which—the Government of this State. Surely they will not refuse the Government this small concession, which admittedly will never be put into force. It is admitted that neither the original Act nor this amending Bill will have any serious effect on the affairs of the country, and for that reason alone the House may well pass the measure.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [9.24]: I move—

*That the debate be adjourned until Tuesday next.*

I desire an opportunity of meeting the commissioners in order that I may get from them information which will enable me to reply to hon. members.

Motion passed, the debate adjourned.

## BILL—PUBLIC SERVANTS.

### *Second Reading.*

Hon. J. E. DODD (Honorary Minister—South) [9.25] in moving the second reading said: This is a short Bill intended to give the Government power to determine the length of service of certain public servants. The public servants in view are those who at any time have been natural born subjects of any power at war with the United Kingdom, or who are the children of any person who has been at any time the natural born subject of any foreign power with which the United Kingdom may be at war. Under this Bill, the Government are given power to determine whether or not those persons shall remain in the Public Service, and whether or not they shall take extended leave of absence. The Bill has been found necessary by reason of the fact that it is quite possible for some of those particular public servants to secure information which may be of use to the powers with which the British Empire is at war. Already two cases have come under the notice of the Government, and have been brought to the notice of the military authorities.

In one of those cases the military authorities considered that the employment should be terminated; but under the Public Service Act there is no power to terminate the employment of such person, except, of course, under the conditions imposed by the Public Service Act. The Government do not consider it right that such persons should enjoy the privileges conferred by the Public Service Act when their employment is terminated for disloyalty. There is not, in my opinion, anything objectionable in the Bill; and I am inclined to believe the House will agree to it. The Premier when in Melbourne, I understand, came into receipt of certain information which showed the absolute necessity for action in the direction proposed by this Bill. The measure is not likely to be brought into operation unless that is absolutely necessary, but if the necessity should arise, then the Government ought to have the necessary power. I move—

*That the Bill be now read a second time.*

Hon. J. F. CULLEN (South-East) [9.27]: I wish to inquire whether the object of this Bill could not have been attained by giving the Government special power to deal with evidences of disloyalty. Personally, I do not like to make mention of particular races. This country has been very free in admitting to its Public Service representatives of all races. It seems to me that the object sought could have been attained by granting the Government special power to deal with any evidences of disloyalty; and that, I think, would have been a manlier course.

Hon. C. F. Baxter: It is difficult to prove disloyalty.

Hon. J. F. CULLEN: I hold that the Government have power always to deal with any official who is not worthy to be in the service. It is all very well to say, "There are the regulations," and so on; but there have been dismissals from the Public Service for no cause whatever. There have been compulsory retirements without scruple. I will not say that those retirements were for no cause, but that they were for no right cause, and that there have been wholesale dismissals which may be so characterised. To the Government

that can take such action, it is not open to plead that they have not power now to deal with any man displaying evidences of disloyalty. I should look upon disloyalty as one of the gravest crimes against the country, and surely the Government could deal with such cases, even without this Bill. If special powers are necessary, could they not have been granted to apply against anyone wanting in loyalty? There have been in this country people, British born, who have shown signs of want of loyalty. During the Boer war, the display of disloyalty was quite a common thing. I would very much rather see the matter dealt with in this way. However, if the Government think the course they have taken is the right one, I will content myself with having expressed my opinion.

Hon. W. PATRICK (Central) [9.30]: We need not have any squeamishness in passing a measure of this description in the time of war. I know many men of even the third generation of foreign parents who, I believe, are disloyal at the present moment.

Hon. C. F. Baxter: That is true.

Hon. W. PATRICK. It is well known that in portions of the States where they have been congregated for generations, men who are as old as I am and natives of Australia are as German as their grandfathers. We need have no hesitation during the present war with the German and Austrian Empires to empower the Government to take whatever steps are necessary to prevent the possibility of disloyalty by any member of an alien race.

Hon. J. E. DODD (Honorary Minister—South—in reply) [9.32]: It is not altogether a question of disloyalty which is involved, but of a public servant being in a position to use information which might be of some advantage to the enemy. Disloyal statements might do no harm, but some public servants might be in a position to do harm, and if the Government did not take steps to obtain means to terminate the employment of such persons if the need should arise, we would be deserving of censure.

Question put and passed.

Bill read a second time.

*In Committee.*

Bill passed through Committee without debate, reported without amendment and the report adopted.

# **BILL—VERMIN BOARDS ACT AMENDMENT.**

*Second Reading.*

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [9.34] in moving the second reading said: The object of this Bill is to supply some omissions discovered in the principal Act passed in 1909, and also to enable the Government to come to the rescue of the vermin board appointed under that Act, and which has been administering the rabbit-proof fence in the Gascoyne district. In 1909 a Bill was passed to give the Gascoyne pastoralists an opportunity of appointing a board so that they could protect themselves against invasion of rabbits. A board were appointed. They approached the Government under the provisions of the Bill and raised money for the erection of a fence running across from the coastline to connect with the fence which had been erected by the Government some time previously. The board have borrowed altogether £66,000 with which they have erected 327 miles of fences. They agreed to pay 5 per cent. interest on the money and to repay the principal in 20 years in half-yearly instalments. They have paid in interest up to date £9,869, and repaid principal to the extent of £3,989; but they did that in the early stages of their existence. Since then the drought has seriously affected them. They have not been able to pay up as they did previously and there is something over £9,000 in the arrears of their payments to the State. The board have been in existence six years. They have suffered from bad seasons and have had difficulty in collecting the rates. When cases were taken to court it was found there was a defect in the principal Act, and that in numerous instances they had no power to compel payment. It is to remove that defect that the Bill is introduced. There is also difficulty in connection with the adminis-

tration of the board, owing to the distance at which members live from the centre from which the affairs of the board are administered. The result is that whilst the board have done certain things in the interests of the pastoralists, those things have not been in accordance with the Act. It is claimed that many meetings were not properly called, and that quorums were not present. Realising the difficulties, the late Minister for Lands (Mr. Bath) agreed to extend the term and to provide that instead of the principal being repaid in 20 years, it should be repaid in 30 years, with consequent reduction in the half-yearly repayments. He also agreed when they were starting to get into arrears to give them an extension of time for 18 months provided they gave him bills for the amount if the arrears. We still have the bills but unfortunately none of them has been met. The position has been drifting from bad to worse. The board have got into arrears with the Government; the pastoralists have got into arrears with the board; owing to the non-payment of rates the board have no money to carry on and the fences have got into a bad state of repair. In some cases the fences have fallen down altogether and there is no money to re-erect them. The Board have appealed to the Government to advance a sum of money but the Government cannot see their way clear to do this in existing circumstances. Recently the board decided to suspend all operations, even stopping all maintenance works. The men engaged in reconstructing the fences were dismissed and dismissed without their wages. The men sued the board and got judgment and the whole of the assets would have been sacrificed had not the Government stepped in. The Government made provision to secure the camels and plant, and no doubt will be able to hold them for the purposes of the board. There are others who have taken out writs against the board. Some of these have been satisfied, but others are still pending. The Government, however, were not prepared, although we have £66,000 at stake, to risk any more money when already we have a difficulty



in getting back that £66,000. We think we had better make a first loss rather than rush in without first ensuring that by Act of Parliament we have a reasonable opportunity of recovering those amounts which it is intended the Government should be able to recover. Those briefly are the general reasons for the introduction of the Bill and I shall be prepared to further explain the measure in Committee. I move—

*That the Bill be now read a second time.*

On motion by Hon. W. Kingsmill, debate adjourned.

## BILL—GOVERNMENT ELECTRIC WORKS.

### *Second Reading.*

Hon. J. E. DODD (Honorary Minister—South) [9.43] in moving the second reading said: This Bill gives the Commissioner of Railways, who is controlling the tramways, the power house, and the electric lighting works of the Government certain power to operate and sell current and to construct works for the distribution of current. When the electric light and power agreement of 1913 was before the House, the authority to sell was omitted, and we are seeking to remedy that so as to empower the Commissioner to sell current and also to provide works for the distribution of current. The provisions of the present agreement are in no way affected by the Bill, but districts may be defined where the Commissioner may establish works for the supply of current. There is a proviso, however, that no buildings or other works of a permanent character shall be erected or acquired without the permission of the Ministry. The Commissioner has very large powers, but in this respect under this Bill he has to first obtain the consent of the Ministry. The incidental powers given to him are very similar to those in other measures of this nature. They are very similar to those conferred under the Commonwealth law in relation to the

fixing of telephones and telegraphs. Before breaking up streets, in almost every case the Commissioner is compelled to make good all damages and give notice before breaking up; and in cases of emergency he may break up certain streets, that it is absolutely necessary he should break up without notice. The streets to be broken up shall be reinstated and he must make good all damages. With regard to the compensation, the Public Works Act of 1902 will apply. There is further provision made, in cases of dispute, for arbitration in certain instances. In regard to personal injury, the same provision applies as is already inserted in the Railways Act; that is that the damages are limited to £2,000. If the Commissioner so desires, any person who may be injured by reason of the works has to submit himself to medical examination. In regard to the employees of the Commissioner, the privileges of the railway employees at the present time in reference to the Industrial Conciliation and Arbitration Act are extended to them; that is those engaged on the tramways or at the power house. I do not know that there is anything else that I can explain. It is purely a machinery Bill. I might say, however, that in Clause 18 it is provided that the accounts in connection with this undertaking have to be submitted quarterly; also that the accounts shall be published in the *Government Gazette*, and shall be laid before Parliament. Further, no rate, tax, or assessment shall be made, charged or levied on any electrical works or line, or on any land resumed or taken or acquired for any of the purposes of this Act. I think that is about all I need explain in connection with the measure. There may be something in Committee that may need to be rectified. I move—

*That the Bill be now read a second time.*

On motion motion by Hon. W. Kingsmill, debate adjourned.

*House adjourned at 9.48 p.m.*