

Legislative Council.

Wednesday, 12th August, 1936.

	PAGE
Swearing-in of Member	52
Federal Senate vacancy	52
Committees for the Session	52
Bill: Supply (No. 1) £2,200,000, all stages	52
Address-in-reply, third day	56

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

SWEARING-IN OF MEMBER.

Hon. E. H. H. Hall (Central) took and subscribed the oath, and signed the roll.

FEDERAL SENATE VACANCY.

The PRESIDENT: With reference to Message No. 1 from His Excellency the Lieut.-Governor, and in conformity with the Joint Standing Rules and Orders relating to the election of a Senator to the Federal Parliament, I desire to inform hon. members that after the House rose yesterday afternoon I consulted Mr. Speaker on the question of the joint sitting of the two Houses. The Speaker and I were in agreement, and arrangements have been concluded whereby a meeting of the Legislative Council and the Legislative Assembly will be held in the Chamber of the Legislative Council on Wednesday, the 19th August, 1936, at 4.30 p.m., for the purpose of electing a Senator to the Federal Parliament in the place of the late Senator William Carroll.

COMMITTEES FOR THE SESSION.

On motion by the Chief Secretary, Sessional Committees were appointed as follows:—

Standing Orders.—The President, the Chief Secretary, Hon. J. Cornell, Hon. C. F. Baxter, and Hon. J. Nicholson.

Library.—The President, Hon. C. F. Baxter, and Hon. G. Fraser.

Printing.—The President, the Honorary Minister, and Hon. W. J. Mann.

Joint House.—The President, Hon. J. Cornell, Hon. E. H. Gray, Hon. V. Hamersley, and Hon. G. W. Miles.

BILL—SUPPLY (No. 1), £2,200,000.

First Reading.

Received from the Assembly, and read a first time.

Standing Orders Suspension.

THE CHIEF SECRETARY (Hon. J. M.

Drew—Central) [4.35]: I move—

That so much of the Standing Orders be suspended as is necessary to enable a Supply Bill to pass through all stages at one sitting.

We have already been one month without Parliamentary authority, and we have entered into another month, of which half has nearly expired; and therefore I shall be pleased if we can get through the Supply Bill as speedily as possible.

Question put and passed.

Second Reading.

THE CHIEF SECRETARY (Hon. J. M.

Drew—Central) [4.36] in moving the second reading said: This is the usual Supply Bill presented at this time of the year. Its purpose is to authorise the Government to finance operations until the passing of the Estimates. It is hoped to present these at an earlier date than in the past. To obviate the necessity of a further Bill for Supply in two or three weeks' time, Supply is asked for three months, the same period as that granted last year. The amount to be approved, £2,200,000, is made up as follows:—

£	
Expenditure out of Consolidated	
Revenue Fund	1,300,000
General Loan Fund	600,000
Treasurer's Advance Account ..	300,000

It is anticipated that the amount of £1,300,000 will be allocated as follows:—July, £470,000; August, £420,000; and September, £410,000. This expenditure does not cover amounts under Special Acts, such as interest. General Loan Fund expenditure is estimated at the rate of £200,000 per month. Treasurer's Advance—representing expenditure which, at the time it is incurred, cannot be charged against Consolidated Revenue or General Loan Fund—comprises monthly advances to departments, and involves sums which are later charged against either General Loan Fund or Consolidated Revenue, accordingly as may be determined.

I move—

That the Bill be now read a second time.

HON. H. SEDDON (North-East) [4.45]: The Bill for Supply, I think, affords mem-

bers opportunity to make a few remarks on finance generally. I should like to refer to the progress made during the last two or three years, particularly in regard to the way in which certain figures have altered. Last year the Government finished up with a surplus of £88,378, and I think we can all join in the feeling of satisfaction that such a result should have been achieved. It is, however, most desirable that we should continue to progress in the same direction for a considerable time to come. Unfortunately, a Government with a surplus is shot at from all quarters and there are indications that the present Government are going to have that experience, but I urge that the Government should be particularly careful, indeed cautious, in granting requests for financial assistance, because it should be remembered that we have an accumulated deficit to meet of quite formidable proportions before we can say that our annual finances are in order. Thus at the end of June, 1935, the accumulated deficit was £5,316,525, while at the end of last year, owing to the surplus, the accumulated deficit was reduced to £5,228,247. So members will see that we have quite a long way to go before we can overtake our accumulated deficit. In the past it has been the practice to allow deficits to accumulate, and then eventually they have been funded, with the result that the State has had to take upon its shoulders the payment of interest and sinking fund on that over-expenditure for a considerable number of years.

Hon. A. Thomson: I presume we are paying interest and sinking fund on it now.

Hon. H. SEDDON: Yes, and I think our children also will be paying interest and sinking fund on the balance. The period is, I think, 58 years.

Hon. G. W. Miles: And we have to pay an extra 4 per cent. on it, have we not?

Hon. H. SEDDON: Of this amount a considerable portion has been raised by Treasury bonds, and it is a matter of importance that these bonds be met or retired on account of the short-term period for which they are raised. I understand that pressure has been put on the Government to see that the bonds are retired. I think it is a most unsatisfactory method of finance, in view of certain of its features. The trend of the market during the depression rendered this form of finance a cheap and valuable method of meeting the pressure on Government in a time of crisis. Now that we are, I hope,

approaching more normal times, it is desired that we should get our finances on to a more permanent basis. The present outlook for both interest and capital makes it desirable that we should get away from this form of finance. Moreover, the failure of the recent loan, I think, should not be ignored.

Hon. A. Thomson: Hear, hear!

Hon. H. SEDDON: I hope the Chief Secretary will be able to inform us at an early date of the floating debt position, and as to whether the surplus has been applied to the reduction of these bonds. The month of July closed with a deficit of £125,851. These are the best figures for July for many years past. In 1932 the amount of the July deficit was £378,439. So it will be seen that the Government have achieved a very considerable improvement by this material reduction of the annual July deficit to the figure I have quoted. But it is the expenditure figures that concern us most. The expenditure for July of this year was the highest we have yet had, being £100,000 higher than in July of 1931, when the depression was most marked. The reduction this year has been achieved because revenue has increased. It is interesting to note that while the expenditure increased by £100,000 as against July of 1931, the revenue for July of this year was £320,000 higher than in July of 1931. Thanks to the efforts of our financial representatives in London, our interest bill is still decreasing, so we have the anomaly that while our public debt is increasing, the interest on that debt is still falling. The figures for interest for the years 1935 and 1936 are as follows:—

	1935.	1936.	De-
	£	£	crease.
Interest—			
Overseas ..	1,779,354	1,730,551	48,803
			plus
Australia ..	1,452,209	1,498,610	46,201
			De-
Totals ..	3,231,563	3,229,161	2,402

Members will notice that the decrease of £48,803 was achieved by the fact that some of our loans in London were renewed at a lower rate of interest. However, it appears to me that we have just about exhausted the possibility of further reduction of interest so far as the overseas markets are concerned, and next year I am afraid we can expect to see the interest rising in proportion to the amount of debt being incurred. Fortunately, we are still re-

stricted to the internal market for our loans, and I hope we shall be restricted in that manner for many years to come, for the charges for overseas payments have to be met through export and that has not been very satisfactory for some time past, so far as Australia is concerned, although Western Australia is in a more favourable position. These interest figures do not include exchange, which in 1935 amounted to £469,237. Actually this figure should be included in the interest charges.

Hon. A. Thomson: Does this State have to pay that additional £469,237 for exchange?

Hon. H. SEDDON: Yes, as hon. members will find on consulting the budget table of figures for last year. The sinking fund payments have risen by £20,000 to £338,471 for 1936. Loan expenditure last year was just over 2½ million pounds, whereas in 1935, it was 2¼ millions, and in addition to that we had a deficit of one-eighth of a million. In 1934 the loan expenditure was 2½ millions, and we had a deficit of three-quarters of a million. However, the general expenditure from Consolidated Revenue is undoubtedly increasing. Last year it was higher than in any previous year except 1929, 1930 and 1931. Members will note that unfortunately revenue seems to lag considerably behind expenditure. This year was the first one in which we could count on an improvement in that respect. That improvement was very largely due to the increased grant received from the Federal Government, the amount available last year being larger than in the previous year. Departmental expenditure increased by £180,000 last year. In regard to revenue, the taxation item has very considerably increased. It is £1,100,000 more than it was in 1932. I ask members to make note of that: the taxation figure is £1,100,000 more than it was in 1932, because the imposition of taxation has materially increased. However, that is by the way. Incidentally, the general revenue was two millions more than it was in 1932. From the financial emergency tax we get some very interesting figures. The estimated return for last year was £685,000, and the amount received £827,000, which is very much more than the estimate, no less than twice the amount received in 1933, and four times the amount received in

1932. So the financial emergency tax constitutes a very important part of the revenue at the present time. I should like very much to have submitted to us in comparable form the production figures for the State during the last few years. I regard them as the most important figures that could be placed before Parliament, because they are an indication of the efficiency of the community, if only they can be prepared and submitted on a comparable basis. But unfortunately the figures have been altered from year to year, and apparently the basis of calculation is revised, with the result that if we look at the table of production submitted by the Government Statistician for 1930 and try to compare the same table with the table for 1935, it is impossible to get anything like a comparison. The basis has been altered, although in the "Year Book" there is a table showing the returns from the various branches of production on the basis of net value. There is a marked discrepancy between those figures and the figures published in previous years. For instance, we find that on the table of net value the statistician gives the total reduction at 24.7 million, and in 1931 at 13.9 million, whereas for this year the figure of net value is 20.3 million. If we could have the statistician's tables in the "Quarterly Abstract" accompanied by another table giving figures for the net value of production under the various headings, they would assist us very materially, and would enable us to compare the production of our people from year to year, and they would also be valuable in calculating the national income. We are endeavouring to find a way out of the financial morass in which all countries are floundering to-day, and my contention is that the most valuable basis upon which we can attack that problem is by tabulation of the statistics of production, and for that reason I trust that complete figures relating to production will be made available. As I said at the opening of my remarks, a false idea amongst the workers of the country has been created by reason of the apparent success of Government finance, and if we are to get on to a sound basis we must adopt and stick to sounder methods. For instance, while we have been able to show a surplus in respect of Government finance

during the year just concluded, on the other hand we find that one half of the farmers are on the dole, and that Governments of to-day are facing the writing down of the indebtedness of farmers, and creditors are being asked to accept a considerable reduction on the amounts owing to them. Although the gold position has saved us very considerably, the fact remains that the outlook at the present time is such that we will need to be very cautious, for the reason that the enormous production of gold throughout the world is having its effect upon world prices. Hon. members may have seen from time to time references to the position of the Old Country, and even the countries that are off gold are still conducting their financial transactions on a gold ratio. The effect of the continued gold production must inevitably be the same as it has been in the past. If members will read their history, they will see that the effect of a big increase in the production of gold during any period of the world's history has been to increase prices of commodities. That position is going to be complicated. We have that factor operating, and there is the effect of the drought position in the United States on wheat production all over the world. We must realise also that there is a relationship between the price of gold and the price of wheat, and we cannot have the world providing gold as it has been and is doing without a re-action on price levels. Countries which are off gold have still to take it into account internally and externally, and currency and banking policies are linked up to it still. So that we have before us a signal for caution, and the Government should very seriously consider their programme for the immediate future. The Government, I think, are to be congratulated upon the results they achieved last year. I simply make these few remarks on general lines, because I wish the general public to appreciate the position, and not run away with the idea that because the Government have achieved one surplus they are therefore to be approached for concessions in various directions. I support the second reading of the Bill.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central—in reply) [5.5]: I have listened to Mr. Seddon's speech with great interest, and with a measure of appreciation. To a large extent I agree with much

that he has said. With regard to last year's surplus he takes up an attitude different from that of the bulk of the community. Since 1st July when the fact of the surplus was made known, every Minister has been deluged with requests for all sorts of expenditure. The remark has been made "Oh, you are £88,000 to the good, what do you propose to do with it?" Requests have come from different sections of the community who seem to forget that the first essential is to use whatever surplus we may have towards reducing the accumulated deficit.

Hon. H. Seddon: That is where it should go.

The CHIEF SECRETARY: We must face this position, or eventually we shall find ourselves in a much worse position than we are in at the present time. The Financial Agreement Act will come into operation if the accumulated deficits are funded. There will be a 4 per cent. sinking fund, and with interest the amount may be something like 8 per cent. That will mean increased taxation which the community as a whole shall have to meet in some form or other. While from my limited study of economics I agree with Mr. Seddon that a greater production of gold leads to high prices, I cannot agree with his conclusion that high prices indicate depression. Low prices are parallel with depression. A large production of gold such as occurred in Victoria, in the fifties, led to high prices and general prosperity. Depression in my opinion is caused in the first place by a scarcity of gold. Gold which is locked up is not in circulation, but now there is a larger production of this commodity in the world, larger than ever before, and high prices and prosperity will continue. No two economists agree as to the causes of depression, but I am taking the old school of economists who declared that good times followed the increased production of gold. Although we may have good times and an increase of revenue, we should remember that we have heavy obligations which must be met, and those who take an interest in the welfare of the country, who wish it to prosper on sound lines—not a fictitious prosperity—should do as Mr. Seddon has suggested, that is, assist the Government in the financing of the State and so help to establish the country on a sound basis. In that way not only the State, but the Common-

wealth, will avoid the experience of the last five or six years.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Read a third time and *passed*.

ADDRESS-IN-REPLY.

Third Day.

Debate resumed from the previous day.

HON. H. V. PIESSE (South-East) [5.13]: We all regret the passing of our beloved King and there is no doubt that his memory will be cherished by us over the many years to come. We are also loyal to King Edward VIII. who, like his illustrious father, endeared himself to us in Australia on the occasion of his visit some years ago. We also have pleasant memories of the visits of two of the present King's brothers to this country. I should like to make a passing reference to defeated members, Messrs. Yelland and Richard Moore. Mr. Yelland was with us for 12 years and during the period served faithfully the Province he represented. Mr. Moore likewise was a good representative of the gold-fields. But under our present electoral system it rests with the people to decide who is to represent them. At the recent election Mr. Heenan and Mr. Wood were chosen as the successors to the gentlemen I have named. Mr. Wood has been known to me from boyhood and I remember, as a lad, attending Parliament when his father was a Minister of the Crown. He was also a member of this Chamber for many years. I congratulate Mr. Heenan on his speech in moving the adoption of the Address-in-reply and particularly upon his remarks regarding the mining industry. There is no doubt that an industry that can directly employ 16,000 men must be a great help to the State. That particular primary industry, together with wheat and wool production, represent the backbone of the State. In the course of his speech, Mr. Heenan advocated shorter hours of labour and stressed the need for a 40-hour working week. That may be all right for the mining industry. I am not sufficiently acquainted with the condi-

tions to express an opinion on the point, but I am conversant with other industries of the State and I am certain that the primary producers could not possibly entertain a 40-hour week. I hope that if those improved conditions are made applicable to the mining industry, there will be no move to have the change applied generally to other industries. Referring to the Lieut.-Governor's Speech, I am pleased to note that the Government intend to introduce legislation to deal with the aborigines and with prospecting for oil and for the purpose of amending the Municipal Corporations Act. The Honorary Minister has taken a deep interest in the affairs of the aborigines. Whenever we have sought information from his department it has been furnished most willingly. The report presented by Mr. H. D. Mosceley, who was appointed a Royal Commissioner to inquire into the treatment of aborigines, is a splendidly informative document and will enable members of Parliament thoroughly to understand the conditions under which those unfortunate people exist. It must be realised that they are indeed unfortunate. We took their country from them, and it is for us to give the aborigines the rights of citizenship. The half-caste problem is one to which we must give most careful consideration. I am acquainted with many excellent persons who are being reared but have black blood in them. A Bill to amend the Municipal Corporations Act is long overdue and I trust we will be able to deal with such a measure in due course. I was at Nannup a few weeks ago when the Minister for Mines (Hon. S. W. Munsie) delivered a speech there. The Minister said it was the intention of the Government to introduce legislation to deal with prospecting for oil. It is necessary that such legislation shall be passed. If we could discover oil in Western Australia, it would spell the end of many of our troubles.

Hon. A. Thomson: It would be more valuable to us than gold.

Hon. H. V. PIESSE: That is quite true. During the course of the Minister's remarks, he informed his hearers that the oil production of the world was on the down grade and we would have to look to further discoveries to maintain necessary supplies. From a military point of view, it must be realised that Australia is in a most unenviable position with re-

gard to oil supplies. If a war were to break out to-morrow, Australia's oil reserves would be found to be infinitesimal and would hardly be of any assistance at all. It was gratifying to note the references in the Speech to the surplus recorded for the last financial year. I congratulate the Government upon having been in power when a surplus was recorded. Although Ministers cannot claim the whole of the credit for achieving that financial result, we may rejoice that the improved conditions obtaining in the State helped to secure that satisfactory result. Recently the annual Road Board Conference was held and I desire to mention a few matters that were discussed by that body. First I will touch upon the great eastern highway. Frequently we have heard Mr. Thomson talk in advocacy of the railway he claims should be built from Kalgoorlie to link up with the trans-Australian line. That project has been discussed from a defence point of view. If financial considerations preclude the construction of that line, I consider that we certainly can afford, particularly while money is still available from the petrol tax, to construct a splendid highway connecting us by road with the Eastern States. At any rate, that undertaking would be the next best to the railway line that has been advocated, and would greatly assist in the defence of Australia. Another subject dealt with at the conference was soil erosion and the encroachment of salt. In my opinion, a reserve at least five chains wide should be provided around all lakes and the timber within that reserved area should be left intact. The settlers should have right of access to the reserved area, but it should be specifically laid down that no trees or undergrowth should be destroyed. Any practical man knows that where all the timber is cleared from land, the encroachment of salt is manifest. The rabbit scourge has to be taken into consideration as well. Where country has been selected and would be resumed under my proposal, the settler on the adjoining land should be permitted to have free use of the area taken from him but he should not be permitted to destroy trees or scrub and should be allowed to fence the reserved area to enable him to deal with the rabbit problem.

Hon. T. Moore: The reserve should be 40 chains wide rather than five chains.

Hon. H. V. PIESSE: I do not mind; let us make a start. Another matter discussed at the conference was the question of third party insurance. A private Bill has been introduced in the Victorian Parliament and if passed its provisions will compel owners of motor cars to effect this insurance. It will be the motor car that will be insured, but the proponent will be allowed to select the company with which he desires to insure. No policy will be necessary, as the requirements will be contained in the Act. Under its provisions, protection is provided for the payment of hospital fees not exceeding £50, while provision is also made for doctors' fees, nurses' charges and so on. In my opinion, the time is long overdue for legislation along these lines. Members should consider the position that could easily arise if an individual had just paid a deposit on a motor car and was learning to drive it. He might have no other assets at all and he might be unfortunate enough to kill someone. The dependants of the victim would be the sufferers, and I hope the Government will see the necessity for introducing legislation to safeguard such a position. I would like to ask the Minister for Lands to give consideration to granting a subsidy to the more recently established road boards throughout the State. I refer to those that were established within the last 10 or 15 years. I have in mind such boards as those operating in the Kent, Kulin, Kondinin and other districts. In consequence of the depression, those local governing authorities have had great difficulty in collecting their rates and they have not been able to establish a sound financial position. It will be a step in the right direction if the Minister can see his way clear to assist those boards by way of a subsidy. I was also asked to place before the Government the bicycle allowance for school children. Education in country districts represents a most important matter and yesterday during his speech Mr. Baxter said that while the Government could spend huge sums in the metropolitan area, the education vote for the country districts had been skimped. I must admit that we have had reasonable treatment in my province. We requested the provision of a school at Pallinup and I notice that tenders

have been called for the work, which is to be carried out. In the past children have been permitted to drive to school by means of sulkies and so on and the expense has been partially borne by the department. I trust that the Government will reconsider the small provision that they grant as a bicycle allowance to children in the rural districts. With regard to the Vermin Act, I hope the wire-netting provisions will be continued, and that the farmers will be able in consequence to push on with the netting of their properties. It is only by that means that we can deal with the rabbit scourge. I have in mind a property I inspected last week. Eight years ago, 130 bales of wool were produced from the holding, whereas last year the production was only 35 bales. The drop has been occasioned by the ravages of rabbits. The holding adjoins one of the large lakes, which are a real haven for the rodents. The farmer has been unable to secure the necessary finance to enable him to enclose his cleared land with netting, and without rabbit-proof fencing, the property is practically valueless. Efforts have been made to dispose of the property by tender, and it has been submitted at auction, but no application has been received for it. One man, who was acquainted with the property eight or ten years ago, visited the holding with the intention of making a good offer for it. After inspecting it, he informed me he would not pay £10 a year for the lease as the property was a liability and not an asset. That gives the House some idea of the extent of the ravages of rabbits in that particular district. During the past fortnight, I had an opportunity to visit the Wickopin, Hyden and Karlgarin districts. The feeling amongst the wheatgrowers and graziers there is particularly optimistic. In many instances the farmers have splendid crops, and in the Hyden and Karlgarin areas I consider there are the finest crops I have seen this year. I was rather surprised when I arrived at Hyden to meet the first thriving farmer who was in a position to stand up and declare that Mr. McCallum was the saviour of the Agricultural Bank. This particular farmer commenced to talk, and although there were several members of Parliament present, they were quite unable to carry on a conversation. The farmer said, "I may tell you, gentlemen, that there is one thing about our district. Fortunately, our farmers had not Government money advanced to them to too great an extent, and

therefore they are not in the same position as other farmers who took advantage of the financial policy earlier in their history of development." We discussed the matter at length with him, and a young man who accompanied me during the trip said that the conversation would make marvellous copy for the newspapers, and he would see that it was distributed. He added that he thought Mr. McCallum would pay a premium for the publication of the report, as it would give him credit for what he was endeavouring to do. We left that district and proceeded to the next, and there, in conversation with a settler, we learnt quite a different tale. I asked him what about the remarks made by the man at Hyden. He replied, "You must not forget that the Agricultural Bank would not advance him money, but business men in the district advanced him £1,200, and he has had that debt wiped off with rural relief by paying 2s. in the pound." Thus the man first mentioned was feeling satisfied at having improved his farm on money obtained from business people of the district. It is easy enough to improve one's property if one can find somebody foolish enough to provide the money without security. I was greatly interested to read the excellent report by Mr. Nicholson on his tour in the North of Australia. It was most illuminating, and gave me information that I did not previously possess. Speaking of the North-West squatters, we cannot fail to feel sympathy with them on account of the serious drought they are experiencing.

Hon. T. Moore: Not only the North-West squatters, the whole of the squatters.

Hon. H. V. PIESSE: The Government should consider the rentals being charged to those people, particularly this season. While I was in the Eastern States, I was informed that the Queensland Government were thinking of appointing a Royal Commission to consider the question of over-stocking Government land on lease. Some people might laugh at the idea. When my father took up country in the Kojonup district, and also my uncle, the late Mr. C. A. Piesse, natural grasses were plentiful, but those grasses have disappeared through over-stocking. The influx of the rabbit, which always eats the choicest feed, also had a bad effect in denuding the country of grasses containing the feeding qualities so essential to the well-being of stock. There are all sorts of methods of coping with the rabbits, but the

right method will prove to be fencing. Several well-to-do stock-raisers are fencing their properties. Still, in the river country, it will be very difficult to deal with the vermin, a remark which also applies to the Boddington and Williams areas. It will be impossible for settlers there to carry on successfully unless the vermin is effectively dealt with. We hear talk of immigration. At present the farming community are experiencing great difficulty in obtaining suitable labour. It may be said that the farmers do not offer sufficient wages. That is perhaps right, but members know that until lately there has not been a payable price for wheat, and that for a time wool prices also were low. The dearth of domestic help is also a serious problem. In the country districts, it is almost impossible to obtain domestic help. Surely this class of labour is available from England. We should be permitted to revert to immigration under the conditions that prevailed in 1911 and 1912. However high the wages offered, it is almost impossible to get domestic help in the bush, and the difficulty of obtaining such help in the city is also great. I wish to thank the officers of the Department of Agriculture for the excellent work they are doing. I consider that our Department of Agriculture have some of the best men in Australia, but surely the time has arrived when the department should be better housed. The existing accommodation is a disgrace to the State. In Sydney a few weeks ago I had an opportunity to see the marvellous laboratories of the Department of Agriculture situated in the heart of the city. They are a credit to that State. The Millers' Association has recently made a gift of £300 to the Department of Agriculture to assist in the laboratory work of testing wheat, etc. I understand that there has been a discussion as to whether the laboratory should be housed in the Department of Agriculture or at the University, and that the delay in reaching a decision has held up progress. I consider the Department of Agriculture is the right place for the laboratory, and I sincerely hope the time is not far distant when the officials will be housed in suitable quarters. Doubtless a portion of the proceeds of the levy imposed on wool will be utilised for research purposes, and for the building up of laboratories. The production of stock in the heavy rainfall districts is a growing industry. There is no doubt that the grazing capacity of the

districts is increasing through the use of superphosphate. Ten times the quantity of superphosphate used ten years ago is being used now, and in my opinion the quantity will be doubled annually in future. For the heavy rainfall districts such as Mt. Barker, and from Kojonup down the western portion of the South-East province, superphosphate has to be hauled from Picton and the metropolitan area. The time has arrived when the Government should encourage the erection of super works at Albany. This would be of great assistance to railway working, as it would provide back loading for the wheat trucks. The Government have lent money to assist the mining industry, and there is no reason why the superphosphate companies should not be assisted to provide works at Albany. With the development of the fat lamb industry and the provision of freezing works at Albany, a substantial increase may be expected in the trade balance. After the visit of the Minister for Agriculture to the Eastern States, and having heard Mr. Millington's reply to a deputation, I was surprised that the Speech indicated no legislation for orderly marketing. When visiting the Eastern States, I had an opportunity to study the legislation there. It appeared to be a reasonable measure, but it has been tried out in only one or two branches of primary production. I was particularly pleased to get into touch with the Sydney representative of the Marketing Board of Tasmania. Let me give an idea of what the board are doing for Tasmanian potato-growers. An amount of 1s. 3d. per ton is charged for inspection fee on all potatoes exported from Tasmania. Fifty per cent. of this amount is rebated to the board, who are allowed to use it for expenses and advertising the product in Sydney and Melbourne. The officer in Sydney reports to the growers on the quality of their consignments, and keeps growers advised of the quantity likely to be offering on the market. He keeps in touch with the wholesalers, calls on the retailers when time permits, and receives very great help from the Press. I was struck by the excellent manner in which Tasmanian potatoes were advertised in the retail shops. No expense is spared for this purpose. Tasmania is exporting close on 1,000,000 bags of potatoes per annum.

We have no great hope of obtaining a market for our potatoes in the Eastern States, but if we had orderly marketing it would be of great assistance to the men engaged in the industry, and would assure them of a reasonable price for their product. Some of our potato growers are finding it difficult to secure sufficient sustenance to enable them to carry on. Mr. Poole, of Albany, told me to-day that the people there had had to subscribe funds so that several potato-growers might be enabled to carry on. I do not say that is general amongst potato-growers, but the time has arrived when careful consideration should be given to marketing problems, and particularly to the orderly marketing of the commodities we are producing. Contiguous to the capital city we have the fertile Swan Valley which produces probably three-fourths of the dried fruit, wine and table grapes raised in the State. I had the pleasure the other night of coming into personal contact with a number of the growers. These men are endeavouring to carry out their duty both for the benefit of the State as well as themselves, but if they cannot secure orderly marketing for their goods, they will not be successful on their holdings.

Hon. L. Craig: You cannot have orderly marketing with dried fruits now.

Hon. H. V. PIESSE: I am only speaking of this as a State matter just now. Many business houses in Perth have a tendency to buy table grapes at wholesale rates. One picks up a newspaper and sees advertised for Saturday morning that the public may buy Swan Valley grapes at 1s. 6d. a case. The effect of that is to depreciate the value of that product on the market. If I see it advertised that I can buy a case of grapes at one of the big emporiums in Perth for 1s. 6d., I am not going to some smaller shop and pay 3d. or 4d. a lb. for the same thing.

Hon. J. M. Macfarlane: Does it not depend upon the size of the case?

Hon. H. V. PIESSE: These particular grapes were in ordinary 45-lb. or 60-lb. cases. One large business in Perth a few days ago advertised oranges at 4d. per dozen. These were stacked at the back of the emporium, and people had to walk through it in order to get those oranges. I was informed that the man who had sold them to the shop was a Government official, drawing £10 a week, and that he was carry-

ing on his orchard as a sideline. That sort of thing indicates there is no co-operation between the growers. If that is so, they deserve to lose their money. They ought to protect themselves in this direction. They should not sell to these firms their goods at wholesale prices. Rather than do that they should turn their grapes into wine, if they do not get more than £5 or £5 10s. a ton for them.

Hon. E. H. H. Hall: What would you do with the man in Government employment?

Hon. H. V. PIESSE: That is a matter for the Government.

Hon. H. Seddon: Are you advocating the principle of one man one job?

Hon. H. V. PIESSE: No. If a man wants to make provision for the future and take up a farm, he should be allowed to do so, but he should not sell his produce at such low rates.

Hon. L. Craig: Many of the growers have to take whatever price they are offered.

Hon. H. V. PIESSE: The man I refer to is not hard up on £500 a year.

Hon. J. Nicholson: At the time you saw this fruit offered for sale what was the market price prevailing?

Hon. H. V. PIESSE: I bought oranges in St. George's-terrace on that day at 1s. 6d. a dozen.

Hon. J. Nicholson: What was the ordinary market price per case?

Hon. H. V. PIESSE: I was paying from 1s. to 1s. 6d. a dozen, but this particular firm was selling them at 4d. a dozen.

Hon. J. Nicholson: How do you know that the shop did not buy these oranges at a reasonable price, and sell them as a draw line?

Hon. H. V. PIESSE: The firm specified that a person could buy only one case at a time. It would be useless for anyone to attempt to buy 50 cases because he would not get them.

Hon. J. Nicholson: Then it must have been a draw line.

Hon. H. V. PIESSE: But it is making a scapegoat of the producer.

Hon. V. Hamersley: And ruining the market for other people.

Hon. H. V. PIESSE: I remember walking down the street in my town one day, and seeing an advertisement in a shop window stating that fresh eggs were being sold there at 4d. a dozen. On that particular day in the town we were paying a whole-

sale rate of 6d. a dozen. Although the market was not bringing in 6d. per dozen in the metropolitan area or on the goldfields, it suited the traders in the country towns to pay the highest price they could for the primary products of the district, because the money was returned to them in ordinary trade. I remarked to this shopkeeper, "You are selling these eggs at 4d. a dozen and I suppose you have paid 5d." He replied, "I want to tempt the public." When I pointed out that he was bringing down prices, he said at once, "I did not think of that," and he reverted to the average price for eggs.

Hon. G. W. Miles: Do you want legislation to prevent traders from cutting the price?

Hon. H. V. PIESSE: No. I want legislation to provide for orderly marketing so that producers may have an opportunity to control the marketing of their goods. I now come to the Education Vote. Some time ago I attended a meeting at Narrogin at the request of the municipal council. Members of the South-East Province were asked to assist the local people in obtaining a high school there. After listening to the speeches made at the meeting, I took the opportunity of visiting the high school at Albany. It is a marvellous institution, and the principal and his staff are carrying out excellent work. New classrooms are required because 232 pupils are now in attendance at the school. Of these 132 are drawn from the country districts. The course is one of five years, as is the case with the average high school. One of the finest and most astounding features of the school is the reforestation work that has been carried out by the principal. Eight acres of pines have been planted, but this splendid work has not cost the Government one penny. There are many educational endowment areas in and around Albany that could be used in the future for the same good purpose. At some future date this work will produce revenue for the Government. The proceeds from this land will undoubtedly go into the coffers of the Treasury. I noticed, too, that a sports ground was being built at the school. The ground is undulating and I was astounded to find that the students, the staff and employees had shifted 20,000 yards of sand and 4,000 yards of stone

at no cost to the Government. I was told on good authority that £3,000 had been expended in the work of beautifying the grounds and carrying out reforestation, no cost having been incurred by the Government. All that they were now asking for was that the Government should provide £150 with which to fence in the area, a similar sum being found locally on the pound-for-pound basis. It is wonderful to think that the school at Albany has been able to do so much to finance itself. The presence of 232 pupils at the school brings into circulation in Albany at least £40,000 per annum. Quite a sufficient number of children are available to keep the Albany school full, and the time has now arrived when the Government should go further afield. Narrogin is an excellent centre for the establishment of a new high school.

Hon. W. J. Mann: What about Katanning?

Hon. H. V. PIESSE: That is too close to Albany. Because of its railway facilities and of its being an important railway centre, Narrogin is in a specially favoured position for a high school to serve the Great Southern. If the Government cannot build a high school there, I would like to see the same arrangement made in that district as is made at Collie. I now come to the Agricultural Bank. Many statements have been made against Mr. McCallum and the officials of the Bank, and the manner in which the institution is conducted. I have no intention of unduly criticising any of the officials or any Government department. In conversation with the manager of two stock firms in Katanning a few days ago, I learned that the position had greatly improved in the district, and that the new manager of the Agricultural Bank there was operating with every satisfaction in respect to advances. I am referring now to farmers who are on a stable basis and in a comparatively sound financial position. There is no doubt we shall all miss the services of that excellent officer, Mr. Grogan, who has done such marvellous work for Western Australia and the clients of the Bank.

Hon. C. F. Baxter: There is no doubt about that.

Hon. H. V. PIESSE: He has been undoubted in his courtesy to us all and to the clients of the Bank. When he retires

he will have the goodwill of everyone who has come closely into contact with him. In his successor, Mr. Abey, I am sure we shall have a man who will faithfully carry out his duties. His knowledge must be extensive, otherwise he would not have received the appointment. Whenever I have made inquiries of, or written to, the Bank, I have received prompt attention. One cannot say that the replies have always been satisfactory, for in the case of men who owe money it is rare to receive satisfactory replies. At all events, due consideration has been given to every request that has been made. Later on I will deal with those men who have come under the Rural Relief Act and are experiencing such a hard time in carrying on under the Agricultural Bank Act. Under Sections 51 to 53 the Bank was given certain powers. I fought very strenuously against these sections coming into force when they were before this Chamber. Now that the Act is operating, I am of opinion that the Bank officials could deal more generously, under these sections, with the settlers than they do. Section 51 has acted detrimentally to the finances and the carrying on of the State, and in many ways it has curtailed credit. People in the country realise this perhaps more than do the dwellers of the city. In view of the powers granted, I feel that greater discretion should be exercised by the Commissioners and their executive officers, so as to serve the best interests of the primary producers as a whole. I was pleased to hear Mr. Baxter's suggestion of an application for a loan of £500,000 by the Loan Council for the purpose of assisting primary producers with new machinery, stocking up of their farms, and so on. The hon. member stated that if this money was granted, it should be handled by a board free from political control. There are two methods by which the fund could be controlled—either by the Rural Relief Board or by the Agricultural Bank. I agree with what Mr. Angwin says in his report on rural relief, that there are many cases in which it is essential to supply new machinery and re-stock the farm. During my travels recently I met a farmer who had lost four horses, and had struggled on this year with the four animals remaining at his disposal. He was compelled to limit his ploughing, but nevertheless had gone on and put 200 acres under crop. If he could have

been supplied with two additional horses at a cost of £50, what would it have meant to the State? He could have got in 400 or 450 acres, and have had the land seeded in a much better way; and in this coming year his returns would have been undoubted—Section 51 would not have worried him. That is the position with which we are faced in the country every day, especially in the wheat areas. On the other hand, every settler is not in that position. I desire to give credit where it is due. In the course of a conversation I had with a farmer a few days ago, he said, "I have had a splendid write-down by the Agricultural Bank. Admittedly I approached the Associated Banks, who took over one farm. I took the other farm, which was held by my sons and which was over-capitalised. The Agricultural Bank have reconsidered the capitalisation, and have given us a fair deal. I have nothing but good to say about the manner in which the position has been handled. But certain land rents have accumulated, and the amount of money they represent has been capitalised, and I have been asked to pay over a certain period. With the prospects of wheat, that does not worry me. What worries me is this: I have been requested by the Agricultural Bank to sign a bill of sale over my stock. My bank has financed me for the last eight years. I sincerely hope that the Agricultural Bank Commissioners will stay their hands in regard to making this a 100 per cent. requirement. It seems to me that where relief is given, where overdue capital and interest are written off, where the position of the institution has apparently been stabilised, the Agricultural Bank nevertheless ask for a general lien against the man's stock and his crop and everything he possesses." I wrote to the Bank about this matter, referring to a particular case, and received from Mr. Grogan a reply saying "Surely you must realise that this man applied to the stock firm for £130 and was not refused it." That is all right. That man still had his bill of sale with the stock firm; but every item on the farm, every bit of machinery, every horse, had been purchased out of the man's earnings. Why should he be compelled to give the Commissioners a bill of sale over those assets? Surely, with the protection of Section 51, the Agricultural Bank should consider that their interests were sufficiently safeguarded. I notice from Mr. Angwin's report that he and his fellow-members on the board are

greatly worried at the low average of credit returns from the farms. This is brought about by want of efficient machinery, want of horses, and want of help to give the settlers a chance to get on their feet.

Hon. C. F. Baxter: The position will become worse.

Hon. H. V. PIESSE: Mr. Baxter referred to the fact that the Agricultural Bank and the Associated Banks were now levying on the cleared land at the rate of $1\frac{1}{2}$ bushels per acre. I desire to commend the Associated Banks and the Agricultural Bank for their forethought in this respect, because it is much better to have such lands taken up and kept in order. Mr. Baxter, as a practical man, will understand that this is much better than to have the lands lying idle, when other people can feed the grass off them if the rabbits do not get it. Again, there is the risk of improvements being destroyed. During a tour of the Great Southern district this week I noticed fallowing being carried out on hundreds of acres of abandoned Agricultural Bank properties. My son came to me from Dumbleyung and said, "I want you to buy me a tractor, and I want to take up 2,000 acres to fallow out there at a certain price." The rise in the price of wheat is putting fresh heart into the people one and all. My son told me that thousands of acres are being fallowed by men resident on other farms in the district. I know of a man in the Lake Grace district who has fallowed 2,000 acres on Agricultural Bank properties this year. On a trip I made to Kalgarin and Hyden last week, I saw hundreds of acres being fallowed on deserted farms by the neighbours. I agree with Mr. Baxter that perhaps those people may get the benefit of that fallowing and crop with the best results, but I am definitely of opinion that it is a move in the right direction to keep up production on those properties. The lease is for a period of two years, and anyone can tender for a farm subject to the lease of the man in occupation. I will mention the case of a lady who had called at the Agricultural Bank. She said she sat there for three hours waiting for an appointment with an official. After remaining for that long period she saw other people coming in, sitting down for a few minutes, and then getting appointments.

Hon. A. M. Clydesdale: Was the lady young, or old?

Hon. H. V. PIESSE: Medium. Another lady, who was given a very quick appointment with the official, came marching out and said to the first lady, "If you wish to get an appointment without waiting too long, you will have to employ a Perth solicitor to go down to the Bank and make arrangements for you." That may be drawing the longbow a little, but it does seem reasonable that people coming in long distances from the country should have every opportunity of obtaining appointments and getting their business attended to.

Hon. A. Thomson: Do you mean to say that clients of the Bank cannot get prompt appointments unless they employ a lawyer in Perth?

Hon. H. V. PIESSE: That is what the second lady appears to have insinuated. I do not know that it is correct. However, people often come to my office and say, "Will you ring up the Agricultural Bank, so that I can obtain an appointment straight away?" I feel that the fault, if there is a fault, does not lie with the Commissioners. It may be the fault of some official who is not giving the attention he should give to clients, and especially to ladies coming from the country to attend to their husbands' affairs on the farm. Now as to group settlement. From day to day we read in the Press of the position on the groups. A few weeks ago I had the pleasure of visiting the Denmark district and of coming into personal contact with a number of settlers there. It was a pleasant day, because we found only one man who had a serious complaint to make. I do not know whether it is a fact that the people with complaints to make did not come to see us that day. There may be a lot in it. Still, at a meeting held in the town on that day we heard many expressions of satisfaction from settlers concerning the writing-down and revaluation of their farms. But there is no denying that the settlers were all definitely of opinion that the new reading of Section 51 was being used by the trustees in such a manner as to create hardship, and to prejudice the future of the farms. A few days later I read reports of meetings held in the Northcliffe area. I entertain no doubt that the Northcliffe settlers labour under many disabilities. It cannot be gainsaid that if their cream cheques are garnisheed, they cannot possibly carry on and find sustenance for themselves.

Sitting suspended from 6.15 to 7.30 p.m.

Before tea I was referring to the Agricultural Bank and the position of the farmers. I should like to draw attention to the soldier settlement under the Agricultural Bank. I understand that a board has now been appointed by the Minister for Lands to deal with the revaluation of soldiers' repurchased estates, and that when that board reports back to the department the soldier settlers will be able to come under the Rural Relief Act and apply for a writing-down of their debts. One gets many queries and questions in reference to the position of the returned soldiers. Under the Returned Soldiers' Act all goods, chattels, stock and plant on a returned soldier's farm are under security, or are supposed to be under security, to the Agricultural Bank. On several occasions I have been asked by returned soldiers if the Government think it fair to place all those improvements and increases of stock under the ordinary bill of sale. An instance quoted to me showed that a man had to pay stud fees of 12 guineas to secure one foal. He reared the foal until it was four years old, and it was valued at £40 as a colt. But it took ill and so the settler had to pay a fee of £5 to a vet. While the colt was alive it belonged to the Agricultural Bank, but when it was dead it belonged to the settler. If a man is thrifty and produces stock on his farm, automatically the whole of that production comes under the Agricultural Bank fees and the Soldiers' Settlement Act. We noticed the advertisement by the trustees of the Agricultural Bank a little while ago in reference to group settlers. Where a settler considered that he had free stock on his farm, he was given up to a certain date to remove that stock and sell it; if it remained on his farm after that date it came under the lien of the Agricultural Bank. I think this clemency might well be passed on to returned soldiers; because if they found it was untenable to remain on several of their properties, they would have no recourse but to hand over the whole of their stock to the Agricultural Bank should they decide to leave those properties. I was also asked by a returned soldier as to the position once a man left his property; whether he would have opportunity to take up an abandoned property

with the Agricultural Bank. My reply was that I did know of instances in which the Agricultural Bank had permitted returned soldiers who had gone off their properties to take up other properties, but I explained that every case was treated on its merits and consideration given to the capability of the man who was making the application. Here is another important point: a returned soldier said that his house and sheds were valued at £750 and that the Bank had contributed £50 to the building of his house. But they wanted the house insured, and in the event of fire occurring they would collect the full amount. He asked was it reasonable to expect him to spend his own money on the insurance of the bank's property. Those are a few instances of questions asked by returned soldiers who are on bank properties. The present position causes grave discontent amongst the settlers.

Hon. H. S. W. Parker: But surely it is of advantage to insure against fire.

Hon. H. V. PIESSE: Yes, but if a fire were to occur, the whole of the insurance money would go to the bank.

Hon. H. S. W. Parker: But they would restore the house.

Hon. H. V. PIESSE: They could do that, of course; they could re-build it. When in the Eastern States recently I noticed a newspaper controversy in reference to the speeding of motor cars.

Hon. E. H. Gray: You are not going to ask for a 20 mile speed limit, are you?

Hon. H. V. PIESSE: No, but I think it should not exceed 25 miles when passing through country towns. To my thinking that would be a reasonable speed limit. At the same time I am of opinion that the Government might well control the pace of cars by having governors fixed to trucks and to motor cars. I have just purchased a new car, and having travelled 300,000 miles in motor cars in my time, I think I can speak with some knowledge both of pace and long-distance journeys. I can assure the House that for my own protection I have had a governor fixed on my own car. Because, unless one keeps his eyes on the speedometer, he does not realise the pace at which these new cars travel. When discussing this

matter recently with a director of one of the largest firms in the Eastern States, a firm employing 57 motor lorries, I learnt that there are governors fixed to all those lorries and in the event of the seal being broken, the driver of the lorry is at once dismissed. The seal of the governor cannot be broken unless the car exceeds the limit set. This is a definite move in the right direction and I think governors should be fixed on all cars, but particularly on motor lorries. A little time ago I was travelling along a road and found it necessary to overtake and pass a motor lorry carrying 22 relief workers. To pass that lorry I had to speed up to 50 miles an hour. Suddenly I looked round, only to find that the driver of that motor lorry was passing me in turn, although he had to attain 60 miles an hour to do so. Had he met with an accident at that pace, probably the whole of those 22 workmen aboard the lorry would have been killed. It only goes to prove that we ought to bring in special legislation to protect valuable lives. Many of the roads in country centres have been bitumenised, and from time to time we read in the Press of the inordinate number of accidents occurring on the road from Kalgoorlie to Coolgardie since that thoroughfare has been bitumenised. I now come to the subject of rural relief. We have all noticed in the newspapers lately references to this most important question. I should like to say that when this legislation was before this House I, with others, endeavoured to get certain amendments placed in the Bill for the benefit of the men coming under this legislation, and also for the improvement of the conditions of adjustment. It will be remembered that on one occasion we discussed the Bankruptcy Act. I am pleased to see the estates of farmers brought under Part XI. of the Bankruptcy Act, and that such farmers will now be permitted to come under the Rural Relief Act and participate in the funds under that Act. At the outset I wish to say that the Rural Relief Board have a very big undertaking before them. In my view the director of the Farmers' Debts Adjustment Act is one of the busiest men in the Government service to-day. Those relief authorities are to be congratulated on the number of cases they have dealt with. In fact, Western Australia has advanced more money under the Rural Relief Act than has any other State in the Commonwealth. But that is not to say that the board have given complete satisfaction

in the advancing of this money. On my tour of the Eastern States a few weeks ago I had opportunities to meet and interview the controllers of Rural Relief Acts in New South Wales, in Victoria and in South Australia. One big advantage the three Eastern States have over Western Australia is that in each of those three States there is a separate fund provided by the State for the purpose of advancing money for the carrying on of farming operations. Also that separate fund has been used in paying first mortgages; that is to say, in making compositions so far as first mortgages are concerned. The Victorian legislation, in my opinion, is the most workable Act in Australia. I can assure you, Sir, that that board are bringing about and arranging compositions with secured creditors in that State.

Hon. L. Craig: But they are voluntary.

Hon. H. V. PIESSE: Yes, and I personally contend that there should be nothing else when dealing with first mortgages.

Hon. L. Craig: We have a board under the Act.

Hon. H. V. PIESSE: Under the Act we have a board to make voluntary compositions, but we do not appear to have the necessary money, or rather, the Rural Relief Trustees consider they have not sufficient money for the purpose. We have a small advance to-day averaging £329, but that is not sufficient for the purpose. I should like to refer to several cases in Victoria, and the method by which the authorities are dealing with those cases. Where a first mortgage debt exceeds the present-day value of the property, the mortgagee may be asked to reduce the debt to that value. In order to encourage him to do this, and at the same time to restore to the farmer some of his lost equity, the board propose to advance sufficient money to reduce the mortgage debt to 66⅓ per cent. of the value of the property. A simple illustration of this form of adjustment is as follows:—Suppose the mortgage be for £1,100, and the land be worth to-day £900, the mortgagee is asked to write off £200. The mortgagee offered £300 in cash on condition that he writes off £200 and takes a fresh mortgage for £600 for five years at 4 per cent.

Hon. H. Seddon: Are you defending that?

Hon. H. V. PIESSE: Do not forget that £300 advanced is still owing, and will be

repaid by the farmer over a period of years without interest. This is another position under the Victorian legislation—

Where a mortgage debt is covered by the property on to-day's valuation, no writing off is suggested, but the mortgagee is asked to take a new mortgage for five years at 4 per cent. for 66 $\frac{2}{3}$ ds. per cent. of the value of the property in consideration of the board paying to him in cash the difference between that amount and the amount of his debt. Both these arrangements, and the type of adjustment outlined, is proving attractive to most mortgagees, and the board is finding little difficulty in bringing about an adjustment on these lines. In practically every case a second mortgage is taken by the board payable by the farmer over a long period of years, free of interest.

In every case where a mortgage debt is covered by the property, this is what occurs. The Bank is prepared to advance, say, £300, and reduce the mortgage, say, to £900, when a fresh mortgage is taken for a period of four or five years. Under the Victorian legislation, there is power to suggest a rate of interest, and in many instances that is fixed at not exceeding $\frac{1}{2}$ per cent.

Hon. E. H. Angelo: Would that £900 be a first mortgage?

Hon. H. V. PIESSE: Yes. The debtor is given an equity in the property at once. The Victorian Act can either insist on the money being repaid or make it a gift. It is rural relief money and once that bank is permitted to further advance money, it then uses Federal money. There is another point in that legislation that might well be followed in Western Australia. In the letter written by Mr. Watts to the "West Australian" this morning, that gentleman stated that the small advance now being made would deal with 4,000 odd farmers in Western Australia. Is there any likelihood of those 4,000 farmers applying for relief under the Act? Those who represent the wheat areas must have a fair idea of the number of people who are likely to make application under that Act. In the province I represent probably the largest number have already applied. I think there has been a greater percentage of applications from the South-East Province than from any other part of the State.

Hon. E. H. Angelo: What is the total number of applications?

Hon. H. V. PIESSE: About 1,200, and I think that only 400 odd have been dealt with. The report is on the Table of the House. Large sums are being advanced in the Eastern States. I was informed on good

authority that where a mortgage existed for a big amount, offers were made to advance the money to clean up the mortgage and permit the farmer to go further afield from other sources. I feel that our rural relief trustees have that power. We have given them unlimited powers. I know of one case where a man purchased a property for £12,000, and still owes £8,250. His relations backed him in the improvements that he carried out. He obtained £8,000 or £9,000 on second mortgage, plus interest. This person was not a man of straw: he came from the Eastern States. The second mortgage was advanced by an uncle of his who, unfortunately, died. The trustees of the uncle's estate then asked for further security. A property in the Eastern States was handed over and a second mortgage given over the property in this State. Splendid work was carried out here and an analysis of it would show that he was a good settler and had substantial security: yet if we took his balance sheet it would show that he was desperately involved and that the liabilities were greater than the assets. The trustees have written and said they are prepared to take the assets in full settlement plus £1,000, and then give him a second mortgage. My advice was that he should get in touch with the first mortgagee, who said that he would write off £1,250 from the first mortgage if the owner could get £1,000 to pay the second mortgagee in the Eastern States. I said, "Very well, we will apply to the rural relief trustees and place the whole position before them." I am stating this case because I knew that the trustees had power to do what I suggested. There would be no second mortgage because the property in the Eastern States would be handed over and then the local property would have a mortgage of £7,000 on it. I know of one financial institution that would advance that £7,000 to pay off the first mortgagee. All that was required was that the Rural Relief Board should advance £1,000 and the money would be repaid by the settler over a period of 20 years without interest. That sum of £1,000 would put the settler on his feet. But when one calls at the Rural Relief Office one finds that the suggested limit to be advanced is £500. I have, however, known of cases where an advance of £700 has been made and there are instances where over £1,000 has been advanced.

The chairman of the Rural Relief Board, in his reply to a statement made by me, said that he was fearful of the fact that there would not be sufficient money in the fund if they granted all the advances that were being sought. I cannot understand how in the Eastern States they advance as high as £1,725 to pay unsecured debts, while we can only get an average of £329, the greater proportion of which is used to pay stock accounts, machinery firms, etc. I should also like to touch on the position of unsecured creditors in connection with this business. We have had a long statement with reference to the small amount unsecured creditors are asked to accept. One way to argue this out is to take definite cases. A young man, a returned soldier, at Kojonup had his indebtedness written down by £1,500, which was a liberal writing-off.

Hon. L. Craig: How much was the debt?

Hon. H. V. PIESSE: £3,000, and it was reduced by half. There are many instances in the country where the Agricultural Bank has written down, and by so doing has put men on their feet. There are also many instances where the Bank refused to write down. The proposition of the creditors is this: Say there is £136 owing to a stock firm and the remainder of the debts to unsecured creditors total £120. The unsecured creditors are asked to accept 5s. in the pound, whereas the stock firms are paid in full. In one particular instance one debt was for a cow purchased some six years ago, and that cow produced five or six calves in the period. The stock firm had security while the unsecured creditors had none. To keep this particular individual going, the storekeeper advanced £40 and £17. Surely a reasonable composition could have been made in that case, especially as that man did not give his stock as security to the Agricultural Bank. Although a returned soldier, he does not come under the Soldier Settlement Act. That is why I consider that a larger amount should be paid to the unsecured creditors. We definitely know that the board to-day are valuing the payments that are made to unsecured creditors by the free assets on the farm, and they are taking it for granted that returned soldiers' goods and chattels belong to the Agricultural Bank. I should like to see that sec-

tion of the Act which brings all goods under the control of the Bank tested in the courts. It is a drag-net clause, and when we complain about the small amount paid to country storekeepers in full settlement of the debts, the answer we get is that the goods and chattels belong to the Bank. I do not intend to go further into this matter to-night. I sincerely hope that the Government will give us an opportunity to reconsider this Act. While not a believer in the compulsory writing-down of first mortgages, I consider we have power in the existing Act to deal with that position, but it is essential that the matter be clarified so that we may know just how much money can be advanced. Several members of Parliament informed me that if in New South Wales this money is used up, other funds will be made available for the same purpose. We have nothing definite on that score, but we have been given to understand that when the £12,000,000 is used up, other funds will be provided for the same purpose. In many instances the Rural Relief Act has given men a chance, but where would those men have been without a return of 4s. a bushel for their wheat? In my opinion, 80 per cent. of the farmers who have been rehabilitated could not have carried on successfully without the high price that we have in view this year.

Hon. C. F. Baxter: But they have not the wheat to take advantage of the 4s. a bushel.

Hon. H. V. PIESSE: They will have it. That price will enable many men to carry on, but unless the prices offering for our wheat and wool show an increase or, at any rate, are maintained at the present rate, many of our producers will experience great difficulty in carrying on. Before concluding, there is another point to which I must allude. Where rural relief has been granted, the settler is invariably asked to give full security over the whole of his assets. Not only has he to give a general lien, which we know can be set aside to enable him to raise more money with which to carry on, but the Agricultural Bank requires him to give a further bill of sale over his stock and plant. In many instances that stock and plant have been purchased by the farmer without any aid from the Bank or as a result of advances from outside banks.

On motion by Hon. E. H. H. Hall, debate adjourned.

House adjourned at 8.4 p.m.