

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

Ayes	..	..	..	..	7
Noes	..	..	..	..	13

Majority against .. .. 6

#### AYES.

Hon. A. M. Clydesdale	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. R. G. Moore
Hon. G. Fraser	Hon. T. Moore
Hon. E. H. Gray	

#### NOES.

Hon. E. H. Angelo	Hon. G. W. Miles
Hon. C. F. Baxter	Hon. J. Nicholson
Hon. L. B. Bolton	Hon. H. V. Pierson
Hon. L. Craig	Hon. H. Seddon
Hon. C. G. Elliott	Hon. C. H. Wittenoom
Hon. V. Hamersley	Hon. H. Tuckey
Hon. W. J. Mann	

#### PAIR:

Aye.	No.
Hon. C. B. Williams	Hon. J. J. Holmes

Clause thus negatived.

Clause 3—Amendment of Section 9:

Hon. C. F. BAXTER: I move an amendment—

That paragraph (a) be struck out.

This is consequential on the striking out of Clause 2.

Hon. J. NICHOLSON: I suggest to Mr. Baxter that he strikes out also "as follows" at the end of line 3 of the clause.

The CHAIRMAN: If Mr. Baxter's amendment be carried, the correction proposed by Mr. Nicholson will have to be made by the clerk.

Amendment put and passed.

Hon. R. G. MOORE: I have an amendment to move, but I understand the Bill is to be recommitted to-morrow.

Clause, as amended, agreed to.

Clause 4—agreed to.

Title:

The HONORARY MINISTER: I move an amendment—

That the words "four and" be deleted from the Title.

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

Bill reported with amendments, and an amendment to the Title.

House adjourned at 10.13 p.m.

## Legislative Assembly,

Tuesday, 27th November, 1934.

Question: Judiciary, appeals and retiring ages	PAGE
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The SPEAKER took the Chair at 4.30 p.m., and read prayers.

### QUESTION—JUDICIARY.

#### Appeals and Retiring Ages.

Mr. HAWKE asked the Minister for Justice: 1, How many cases were decided on appeal from the Supreme Court of Western Australia by the High Court of Australia during its recent visit to this State? 2, What were the results of the various appeals? 3, Is there a retiring age for stipendiary magistrates in this State? 4, What are the respective ages of the stipendiary magistrates in this State? 5, Is there a retiring age for judges in this State? 6, Is there a retiring age for judges in the other States? 7, What are the respective ages of the present occupants of the Supreme Court Bench in this State?

The MINISTER FOR JUSTICE replied: 1, Five. 2, In four of the cases the decisions of the Supreme Court were reversed. In one case, which was a motion for leave to appeal, the motion was dismissed. 3, Yes, 70 years. 4, One 66 years; one 64; one 63; one 62; two 59; one 57; one 50; one 45; one 38. 5, No, but the President of the Arbitration Court, who holds office under similar conditions to the judges, retires at 70 years. 6, Yes, New South Wales, 70 years; Queensland, 70 years. 7, Two 69 years; one 54 years.

### BILL—BUILDERS' REGISTRATION.

Read a third time and transmitted to the Council.

### BILL—AGRICULTURAL BANK.

In Committee.

Resumed from the 22nd November. Mr. Sleeman in the Chair: the Minister for Lands in charge of the Bill.

Clause 50—Statutory charge:

The MINISTER FOR LANDS: During the debate on Thursday evening it was suggested in the remarks that were made, that returned soldiers would raise an objection if they were not represented on the Discharged Soldiers' Land Settlement Board. The Returned Soldiers' Association saw me in the matter and we discussed it together. I said I would look into the question. I do not want it to go abroad that the association do not regard the interests of their members, some of whom may think they should have representation on the board in question. If that Act is taken over by this piece of legislation, they would not have representation on the board in future. I merely desire to say that I told the association I would look further into the matter.

Mr. WARNER: This is one of the most important clauses in the Bill. It looks as if everything a farmer produces can be taken from him under statutory lien. We have no idea who the commissioners are to be, and I am fearful that much hardship may be suffered under this clause. Later on I desire to move an amendment.

Hon. C. G. LATHAM: The clause should be struck out. I admit that when the legislation governing the Bank was amended some time ago, a clause having a similar effect to this one was introduced by the Government of the day in order to protect the interests of the farmers.

Hon. N. Keenan: It was not retrospective, as this is.

Hon. C. G. LATHAM: That is so. This clause will have a very far-reaching effect. I hardly think there is the same necessity for a clause of this nature as there was when the Act was last amended. It was thought then that the creditors would seek to obtain from the proceeds of the farm all the money owing to them, whereas the Government also had to be protected. Under this clause all the powers vested by the Industries Assistance Act will be vested in the commissioners, and anything the farmer possesses can be disposed of without authority. Under the Industries Assistance Act, provision is made to finance the farmer, but this clause takes away from him the right to dispose of any of his proceeds, and provides nothing for the maintenance of the farm. The Bill does not permit of any short-dated advance being made, although

it enables the commissioners to re-advance any instalment of principal that has been repaid, or of any interest. If this clause is passed as printed, it will set up the most socialistic system of farming in the world. The commissioners will control the disposal of even a pound of butter or a few fowls. The director appointed under the Farmers' Debts Adjustment Act points out that for last year, in order to finance the season's operations, money was advanced by the Associated Banks to the amount of £22,874, many thousands of pounds from other sources, and only £170 by the Agricultural Bank. I do not know how the Minister expects credit to be granted to the farmers if this clause is left in the Bill. If it is not amended, the Government will soon have many thousands of farms on their hands.

The Minister for Lands: I am not stampeding, as you are.

Hon. C. G. LATHAM: But it is common sense.

The Minister for Lands: I have information from other sources.

Hon. C. G. LATHAM: Is the Minister suggesting that we have not enough common sense ourselves to see what this clause means? The clause also provides that if the Agricultural Bank has a mortgage over one farm, and the owner of that farm has other holdings, the proceeds from the latter are also to be taken into account.

The Minister for Lands: Do you not know that that is the position under the present Act?

Hon. C. G. LATHAM: The section the Minister refers to is not so far-reaching as the clause, with its retrospective application. I presume the Minister refers to Section 37(a), but that provided for a lien over crop proceeds only. During the past three years the Associated Banks, stock firms, or private individuals have assisted farmers to stock their holdings, purchase machinery, spare parts and super., but under the clause an automatic lien will be provided for the Agricultural Bank over the property. If the Minister thinks that credit will be forthcoming for the farmers in those circumstances, he must have a distinctly different opinion regarding the commercial world from that which I hold. The whole clause should be deleted, for there is not the need for its provisions there may

have been formerly. I move an amendment—

That in lines 1 and 2 the words "on any account" be struck out.

Mr. PIESSE: I am surprised that the Minister has not taken more notice of members representing agricultural districts who pointed out the far-reaching effect of the clause. During my second reading speech I pointed out that the clause was altogether too drastic, and struck at the root of the existing legal protection, with the result that it would seriously restrict and impede future credit available for clients of the Agricultural Bank. For that reason I believe the clause should be rejected. It will certainly not assist in the rehabilitation of the industry. The clause goes a lot further than the much-debated Section 37(a) of the original Act. Although latterly officers of the Agricultural Bank adopted a more reasonable attitude towards clients than at the outset, they would probably construe the clause, if agreed to in its present form, only too literally, and that would not be in the interests of the industry. The Minister would be well advised to re-draft the clause to make it more in conformity with present requirements, and, while protecting the securities of the Bank, also have regard to future financial assistance from outside sources. The record of liabilities shows that the Agricultural Bank is not a trading bank in the ordinary sense of the word.

The CHAIRMAN: I do not want to restrict the discussion, but the hon. member is getting away from the amendment.

Mr. PIESSE: The clause represents the crux of the Bill.

The CHAIRMAN: But only the amendment may be discussed at present.

Mr. PIESSE: Unless the amendment be agreed to, the clause will act to the detriment of the clients of the Agricultural Bank, and will not have the effect the Minister anticipates. In that event, how will the commissioners be able to carry on the farmers in future, seeing that so much depends upon assistance from the Associated Banks and private traders?

Hon. P. D. FERGUSON: I am genuinely anxious to consider the interests of the Agricultural Bank and the State, as well as those of the Bank's clients. It is not altogether possible to confine the discussion to

the three words covered by the amendment, because the clause represents the crux of the position and we must give reasons why the amendment should be agreed to. I take it that the words "on any account" will refer to commitments to the Bank under any heading whatever, associated with the various activities that are to be taken over by the commissioners. While it is necessary to have a clause dealing with that phase, it should not be so drastic. It should be sufficient to safeguard the Bank in connection with overdue interest, with sheep supplied or purchased out of advances made by the commissioners, and also in respect of cows supplied or purchased similarly. There should be no necessity to cover the whole of the assets of clients where their activities have been financed from outside sources such as an Associated Bank, a stock firm or a private individual. Those outside sources should be protected to the extent of the amount of their financing. The clause will not provide any protection in respect of those who render good service to the State and to the Bank by furnishing that additional financial assistance. How can the Minister expect outside sources to help Agricultural Bank clients under such conditions, particularly as the State will not be in a position to provide all the money necessary? Those outside sources of finance should be encouraged, not discouraged.

Mr. STUBBS: I have had considerable experience in years gone by for which I had to pay dearly, and I think it but right to make use of that experience at this stage in order that wiser counsels may prevail. If the clause is agreed to as it stands in the Bill, 95 per cent. of the business people will close down altogether, and the Minister will defeat the object he has in view.

The Minister for Lands: What business people are you speaking of?

Mr. STUBBS: If Tom Jones put in a crop that produced £300 or £400, according to my reading of the clause, should there be any interest, past or current, owing to the Agricultural Bank, the country storekeepers will get very little return until the Agricultural Bank commissioners have collected what they consider their just due. I do not suppose the Minister has it in mind that should a farmer's wife take a pound of butter or a dozen eggs to the storekeeper in order to make some pin money, that money will be taken.

Hon. P. D. Ferguson: It is not what the Minister intends, but what is in the Bill.

Mr. STUBBS: Yes. I do not suggest the Minister intends to do that. Every bushel of wheat or oats, every pound of butter produced on a farm, every egg laid, will be under the control of the Agricultural Bank if the clause passes in its present form. It will be a retrograde step, in view of which 95 per cent. of business men in country districts will refuse to give the farmer any further credit. Will the Minister tell me how the farmer and his family are going to exist while the crop is growing if the farmer cannot get credit? If the Minister says the Agricultural Bank will guarantee sustenance for the family during the growing of the crop, I should like to see it embodied in the clause. Under the clause, the Agricultural Bank will take the last penny of their interest, and the storekeeper may go hang. There are others besides the Agricultural Bank vitally interested in this clause.

The MINISTER FOR LANDS: This clause has been deliberately put in the Bill for very good reasons. It is true, as the member for Irwin-Moore said, the amendment cannot be discussed without reference to the whole clause. It is as well to start from first principles. In 90 per cent. of the cases that will come under the Act the Agricultural Bank has been responsible for the basis of all the operations of the farmer: the Agricultural Bank found the necessary money and maintained the farmer for years. Business men and private banks did not come in until the Agricultural Bank had founded the farm, and now the Agricultural Bank has to stand out of its interest while the Associated Banks and the merchants take everything.

Mr. Stubbs: Who suggested that?

The MINISTER FOR LANDS: It is not a suggestion: it is a fact.

Hon. C. G. Latham: Are not the Associated Banks second mortgagees?

The MINISTER FOR LANDS: Yes, but they never come in without very good security. When they do come in they compel the client to sign a dragnet mortgage under which everything can be taken. The Agricultural Bank sets up the farmer, but its mortgage is only on the crops, wheat, oats, barley, fruit, potatoes, and the like. And the Agricultural Bank has never exercised that lien, except over wheat. Settlers have

grown oats in order to feed them to sheep. The Agricultural Bank respects that, but the private banks take everything. The Agricultural Bank could take any crop, but has not done that. The private bank is a second mortgagee, and the second mortgagee takes everything. One would think the first mortgagee had that right.

Hon. C. G. Latham: Of course he has.

The MINISTER FOR LANDS: The Agricultural Bank invests its money in proper security, but then the second mortgagee comes in and takes everything. The clause gives the commissioners security over all crops and wool clips, and live stock, and in the South-West, butter.

Mr. Stubbs: Could you get any crop grown were it not for the assistance given to the farmer by outside people?

The MINISTER FOR LANDS: Were it not that the Agricultural Bank established the property and made it produce, the other people would have nothing. What would the stock merchants do with a property, but for the Agricultural Bank? They would not touch it. Here is an extract from the mortgage which the client of a private bank has to sign:—

The mortgagor does hereby grant assign and transfer to the Bank all that farm or station called or known as . . . containing an area of . . . acres or thereabouts situate in the district of . . . in the said State and comprising all those lands described in the first schedule hereunder written and all other farms stations blocks of country and pieces or parcels of land of whatsoever tenure which are now or shall at any time hereafter be held used or occupied by the mortgagor in connection with the said farm or station (all which said premises are hereafter called and referred to as "the said farm") and all buildings, erections and improvements thereon and all rights of grazing and depasturing and of pre-emption and all other rights and privileges belonging or appertaining to the ownership possession or occupation of the said farm or any part thereof together with the present and future grants deeds leases licenses certificates and other documents of title thereto and also all those sheep cattle horses and other live stock now being on or belonging to or depasturing upon the said farm or some part thereof particulars of which or some of which said sheep cattle horses and other live stock are set forth in the second schedule hereto and all the present and future increase and progeny of all the said sheep cattle horses and other live stock and all other sheep cattle horses and other live stock now being or which may hereafter become the property of the mortgagor and which now are or shall hereafter be brought to or placed on or in the vicinity of the said farm

and their increase and progeny and also all wool tallow hides and other produce of the said sheep cattle horses and other live stock and also all crops now sown upon or about to be sown or grown upon or which may hereafter be growing upon the said lands or any part thereof and also all motors vehicles tractors machinery carts carriages drays harness farming and station implements fences stock yards hurdles furniture rations supplies stores live and dead stock and other goods chattels and effects of every description whatsoever now being in about or upon the said farm or belonging thereto and also all other motors vehicles tractors machinery carts carriages drays harness farming and station implements fences stock yards hurdles furniture rations supplies stores live and dead stock and other goods chattels and effects of every description whatsoever which shall at any time or times during the continuance of this security be or be brought upon the said farm or any part thereof or be used in connection therewith or otherwise appertaining thereto and also all policies of fire insurance issued or to be issued in respect of the said motors vehicles tractors machinery and other the premises aforesaid including insurances effected on any live stock or crops growing upon the said land and also the right to use sell and transfer all those the brands and earmarks for the time being registered in the name of the mortgagor for use on the said farm and also all debts sums of money and choses in action which now are or shall at any time hereafter be due or owing to or receivable by the mortgagor or by any person or persons whatsoever for or in respect of the sale or other disposition of any of the property hereinbefore expressed to be hereby assured or otherwise in respect of the said farm and all the estate right title interest term or terms of years leases licenses benefit claim and demand whatsoever of the mortgagor in to out of or upon all the said premises herein described and expressed to be hereby assured or any part thereof.

That is a second mortgage. Yet members complain of this clause. There is no occasion for their complaint. And those private institutions have 1,756 of these second mortgages. Under that mortgage they take everything, and the Agricultural Bank has nothing.

Mr. Patrick: The Agricultural Bank has the first mortgage.

The MINISTER FOR LANDS: Yes, but the other banks have a second mortgage and take everything. All those banks compel their clients to bank with them, and so all the proceeds of the farm go through those banks.

Mr. Piesse: It is competent for the Agricultural Bank to take everything.

The MINISTER FOR LANDS: And now members opposite regard the clause as a

terrible blemish because it provides that the Agricultural Bank, as first mortgagee, shall have the right over all the produce of the farm. The private banks themselves are more concerned about this clause than about all the other clauses. It is said by members opposite that if this clause passes, the farmer will get no further assistance from other sources. Well, let us pass it and see.

Hon. C. G. Latham: It is too risky to pass it.

The MINISTER FOR LANDS: We will take a chance. If the private banks say they will not assist the development of this country any more, well, we should know it.

Hon. P. D. Ferguson: There are not only the private banks, but a lot of other institutions. I am not concerned about the banks.

The MINISTER FOR LANDS: Let the private banks come out in the open and say they will not finance any more farmers. The sooner we know where they stand the better it will be for the country. If because of this clause, which is perfectly just by the standards of the private banks, those private banks say they will not go on assisting the farmers any more, let us all know of it. So I tell Country Party members that this clause is in the interests of their own people.

Mr. Patrick: We do not think so.

Hon. C. G. Latham: Now give us the country storekeepers' mortgage.

The MINISTER FOR LANDS: How could they have a mortgage against that of the private banks? The member for Wagin has had experience and I venture to say that he had no mortgage.

Mr. Stubbs: Are you protecting the storekeeper under this clause?

The MINISTER FOR LANDS: We propose to give the Bank a reasonably fair deal. The country storekeeper never was protected.

Mr. Stubbs: Well, he should be.

The MINISTER FOR LANDS: Not one of the amendments of which notice has been given is designed to protect the country storekeeper. All of them are intended to protect the banks.

Mr. Stubbs: That is not fair.

The MINISTER FOR LANDS: The hon. member said that the country storekeeper was an unsecured creditor. Before the depression, stock firms arranged to put stock on the land, in some instances at the very

high price of £2 per head, and ever since they have lost virtually nothing and the Bank has not received a shilling. Is the taxpayer going to tolerate that sort of thing? The clause is not so dreadful as it appears to be. It gives the Bank certain security, but it also provides that the commissioners may waive any charge wholly or in part. The commissioners would have to waive their rights to ensure that stock was put on a farm and that the farmers obtained fertiliser and jute which the Bank could not provide. The other people, however, will have to put their cards on the table. If Jones is a mortgagee and Brown wishes to put sheep on the property, he consults Jones. The Agricultural Bank, however, is not consulted by the other institutions. They have that drag-net bill of sale and include everything. In future they will have to consult the commissioners and put their cards on the table. They will have to say, "Jones requires sheep or fertiliser, are you prepared to waive your lien?" The commissioners would have power to waive it in whole or part. Business would then be done in a proper manner.

Mr. Stubbs: If you were in business in the country and an honest client of the Agricultural Bank asked for £100 worth of credit for 12 months while his crop was growing, would you give him that credit?

The MINISTER FOR LANDS: The storekeeper gives it now. He is an unsecured creditor.

Mr. Stubbs: There will be no credit in future if this clause becomes law.

The MINISTER FOR LANDS: The clause is in the interests of the farmers themselves. Many of their liabilities were incurred through hundreds of travellers inducing them to buy things they did not need.

Member: Thousands of travellers.

The MINISTER FOR LANDS: Yes, the roads were full of travellers out to sell something to the farmers. With the check provided by the clause, a farmer would not be allowed to buy things that he did not want. Recently a certain machinery firm informed the Bank that a farmer wanted a new harvester and asked for a prior lien. The Bank officials said they would investigate and they found that for £20 the man's harvester could be put into working condition. I know hundreds of farmers who

bought machinery that they did not want. That seems to have been a weakness with many of the farmers.

Hon. C. G. Latham: Then we are to take over the management of all those farms.

The MINISTER FOR LANDS: No.

The Minister for Mines: We are already as near to socialised farming as we can be.

The MINISTER FOR LANDS: The clause does not propose the taking over of any farm. In simple language it gives the Bank a first lien over the major products of the farm. It takes that away from the private banks. If those institutions to-morrow desire to supply sheep or fertiliser, all they have to do is to go to the Bank and do business as they do it between themselves. I regard the clause as absolutely necessary. I know that certain institutions are feeling much concerned about it. They do not mind other provisions of the Bill, but they object to this one which interferes with their prerogatives, prerogatives to which they are not entitled.

Mr. Marshall: Self-imposed.

The MINISTER FOR LANDS: I am not disposed to give way. If they decline to go on, let them say so. We shall then see how far they will go. During the Federal election campaign there were talks over the air—

The CHAIRMAN: The Minister cannot discuss the last Federal election on this amendment.

The MINISTER FOR LANDS: I can refer to it.

Hon. C. G. Latham: Then we also will refer to it.

The MINISTER FOR LANDS: If the banks are going to fight the farmer on this ground, let them come into the open. They have had their way for years and they cannot have it any longer.

Hon. C. G. LATHAM: The Minister is not quite as innocent as he would have us believe. He read a mortgage, but it is not the usual mortgage adopted by the banks. What he read was a stock and station mortgage. I am not voicing the opinion of the Associated Banks; nor am I here on their behalf. The difference between that mortgage and the clause in the Bill is that when such a mortgage is signed, the institution undertakes to find money for the farmer's requirements. That is very different from what the Minister suggested.

The Minister for Mines: Has not the Agricultural Bank found money for the farmers?

Hon. C. G. LATHAM: But it will not do so in future. The Minister refused to accept an amendment to provide fertiliser and cornsacks. The Minister will not be allowed by me to mislead members. In every instance the Agricultural Bank is a first mortgagee, and the Minister knows well that the first mortgagee has absolute control and can compel the mortgagor to pay his interest. He can foreclose and do as has been done in various instances. What then becomes of a second mortgage? The first mortgagee holds the key to the position.

The Minister for Mines: If the Bank had exercised the rights of a first mortgagee, how would the farmers have fared?

Hon. C. G. LATHAM: I am glad to have that interjection. It shows that one of the members on the Treasury bench is sensible. The farmers would never have received the assistance that has been forthcoming from the Associated Banks during the last three years when the Government could not provide the money. The Minister ought to say that he proposes to find all the money that will be necessary to carry on the farmers, and then there would be no opposition from this side of the Chamber. The Minister, however, proposes to take all the security and give nothing in return.

Mr. Stubbs: That is quite true.

Hon. C. G. LATHAM: This question affects not only the Associated Banks, but outside creditors, the firms who supply fertiliser, cornsacks and duplicate parts and the country storekeepers who provide food supplies. I am concerned to ensure that the farmer is given a reasonable chance. True there is a proviso to the clause, which I read, but how many people will know that it exists? Who will deal with all the applications? Any client requiring credit would have to obtain release from the commissioners. There are about 10,000 clients and who would be able to deal with all their applications? I know what happened when the Industries Assistance Act was passed. I regret that the member for Guildford-Midland is not present. He could tell us of the numerous files that could not be dealt with.

Mr. Raphael: You should not depend on a member from this side.

Hon. C. G. LATHAM: He was Minister at the time and knows how impossible it was to deal with all the applications submitted. We are merely bungling along instead of trying to clear up the situation. I appreciate the Minister's efforts to relieve the industry, but his efforts at rehabilitation will be useless with this clause in the Bill. I do not wish members to be led astray by the specious mortgage the Minister has read. When such a mortgage is signed, it is on the understanding that the Bank will provide the cash required for machinery parts, cornsacks, fertiliser, etc. The Minister's clause is equally a drag-net, except that it does not provide for dead stock. Farmers will be driven to seek credit from other sources, and it will not be forthcoming. Country storekeepers should receive consideration. The probability is that they have lost as much as the Bank in assisting the industry.

The Minister for Lands: No.

Hon. C. G. LATHAM: Probably as much. However, I am concerned about the farmer. It is essential that he should be permitted to obtain credit. Stock firms put sheep on the farms, as the Minister said; but the hon. gentleman knows as well as I do that as mortgagees they can tell the farmer to take the sheep off the farm. They can include in their mortgages a condition that there shall be no stock depastured on the farm without their approval. The stock and station mortgage is an absolute mortgage. It applies where the mortgagee takes the whole place over. Under Section 37A merchants provide fertiliser and cornsacks. I do not think the Minister has experienced any great difficulty in those respects during the two years he has been in charge of the Bank. Under this clause one could not legally take a fowl off a farm. The clause covers all stock and wool and butter and everything else. Under it not a pound of butter could be taken off a farm without the permission of the commissioners being first obtained. It includes everything, without providing any cash to enable the farmer to carry on. The Agricultural Bank are not interested in this matter. As first mortgagee the Bank can dispossess the farmer at any time if there is one year's interest in arrears. What hap-

pens—and the Minister knows it—is that the Associated Banks pay up the interest to the Agricultural Bank.

The Minister for Lands: They are not even paying the land rents. What nonsense you are talking!

Hon. C. G. LATHAM: I am sorry the Minister will not be here to-morrow, because I shall then be in a position to prove that the Associated Banks are paying not only Agricultural Bank interest but also land rents and road board rates. The Agricultural Bank really want the Minister to provide funds for interest and road board rates and charge them against the farmer. The Associated Banks do not intend to have their securities forfeited.

The Minister for Lands: The Associated Banks do not pay land rents.

Hon. C. G. LATHAM: Then that is the Minister's own fault. The hon. gentleman knows that if he threatened forfeiture in the case of any farmer under the Associated Banks, the money would be paid. The Associated Banks have already paid large amounts of money on behalf of clients in those circumstances. The Agricultural Bank are on the box seat, having a first mortgage. As regards water rates, I know that immediately my water rates get into arrears I receive a notification from the Bank that if I do not pay them, the Bank will. This clause takes away from the farmer all opportunity to get credit, and ties up his security. Under the clause the Agricultural Bank will find no cash at all.

Mr. McDONALD: I agree with the Minister that the clause is not so dreadful as it looks, but I do not think we should insert a clause that even looks dreadful. I support the Minister in his desire to ensure that the Agricultural Bank shall receive proper treatment from clients, but I am sorry that the clause goes so far as it does. Adequate protection might have been secured by a less drastic provision. I understood from the Minister that the idea of the Bill is that in future the Agricultural Bank shall finance further improvements, but shall not be a bank giving seasonal credit. While there is no wish to cut down the degree of protection given by Section 37A, this clause goes beyond what is required. The Agricultural Bank already have enormous powers. They can now put in the bailiff and seize stock financed by private banks and secure not

only interest but annual instalments of principal. The Minister has pointed out that the Bank have been able to do that since 1894. I believe that the Bank could to-day put in distress and seize all stock for six years' arrears of interest and principal. That, of course, would not apply where the Bank had given a waiver.

Hon. P. D. Ferguson: That refers only to crops.

Mr. McDONALD: Section 26 of the 1894 Act gives the drastic power I mentioned. The position of first mortgagee is extremely powerful. The Agricultural Bank are never in the position of second mortgagee, as they do not advance subject to a first mortgage to a private bank. The Associated Banks are largely in the hands of the Agricultural Bank as first mortgagee. The desire, I understand, is to re-organise the Bank with the idea of improving administration and strengthening discipline in the interests of the State. All the powers that can be taken by Associated Banks can also be taken by the Agricultural Bank. The Agricultural Bank can take mortgages and liens and dragnet documents in the same way as the private banks. In view of the basic idea of the Bill, to provide new administration and new discipline, we could have done reasonably well with the existing legislation in regard to borrowing powers, or with something going a little beyond that legislation. I do not think this is going to have the effect of seriously dislocating the finances of the country, and I do not think it will make it any more difficult for the settler than it is for the banks. I should like to have seen the Minister work on the powers, the particularly drastic powers, the Bank already possesses, rather than create doubt in the minds of the community, the commercial people and the farmers, as to exactly where they stand under this far-reaching clause.

Mr. MOLONEY: Whilst I am not an agricultural representative, I realise the importance of the discussion. I listened with attention to the Minister and I have perused carefully the clause that has been the cause of so much contention, and, with a desire to appreciate the viewpoint of the Leader of the Opposition, I also tried to read something into it that was not there. I was reinforced in the opinion I had arrived at when I listened to the member for West Perth, who completely knocked the



bottom out of the arguments of those who are agitating for the rejection of the clause. A remarkable feature of the position is that to-day we possess the power that is being sought, other than perhaps one or two unimportant details, though possibly important if a person desires to import political colour into them. Viewing it dispassionately, and remembering that the State's interests should be preserved, there is no question about the desirability of the clause. I was amazed to find the Leader of the Opposition taking the stand that all those proposals that arose from the Government side were wrong, and that those which emanated from other quarters were right. He did not champion any particular institution, but he instanced that other institutions did certain things, and he inferred that they were doing those things from an altruistic and not a national point of view. Further he said he was thankful that he himself was not under the Agricultural Bank. That remark, coming from one who had occupied the portfolio of Minister for Lands, to me does not seem right. The Government of which he was a member had six years in which to put things on a proper footing, but they did not think it necessary to reform the alleged monstrosity of a bank. Now that steps are being taken to do something to eliminate the disabilities, he contests them. If a person has a good case, and if he is not doing things that are nefarious, then he will receive consideration. There is no intention of setting up an oligarchy. We are setting up something that will be of benefit, something based on common sense. The Minister has made out an unanswerable case, and it has been added to by the member for West Perth, who has pointed out that the power is already there but that it is not wrapped up nicely enough. Perhaps the phraseology could be toned down, but a rose by any other name would smell as sweet. The complaint is that we are wrapping up the position in such a way that the farmer will not understand it.

Mr. Thorn: Have you read the clause?

Mr. MOLONEY: It strikes me that those who are opposing the clause have read it and failed to understand it. My opinion is that it will commend itself to the majority of members. It is desirable that before expressing an opinion on it, members opposite should at least be able to understand it. I intend to support it.

Mr. BROCKMAN: I have always desired to support whatever I thought right in the interests of the producers. This clause is the most contentious in the Bill and has caused considerable concern amongst Agricultural Bank clients. It will take away all initiative when farmers find that everything they produce and possess will automatically come under the lien. I hope the Minister will allow the clause to be amended, from that point of view. I have not opposed many of the other clauses, but this one I intend to oppose strenuously. I cannot see any hope for settlers who will come under it. I always place myself in the position of a settler, and, as a practical farmer, I am sure I could not possibly succeed with a clause such as this in existence. In fact, I would not have the heart to attempt to work under it. As the Leader of the Opposition pointed out, a settler would not have the right to dispose of even a pound of butter. Many settlers own their own stock, and they are alarmed about the clause. Quite a number have asked me to take charge of their stock in the event of the clause becoming law. There are settlers who have been on their holdings for 30 years. They should have protection. Many would be quite satisfied if they could get a bare living for their wives and families, together with a reasonable amount of comfort. This is the nearest approach to socialisation of farming I have ever heard of. A settler would have no income at all. How he is to meet his obligation to the storekeeper I do not know.

Hon. C. G. Latham: The commissioners will have a lien over wheat and everything else.

Mr. BROCKMAN: The farmers will not even be able to get stores against their cream chits. If this clause is carried I am afraid 75 per cent. of the settlers will have to walk off their holdings. The Associated Banks never, to my knowledge, have endeavoured to control the operations of the individual as this clause seeks to do.

The Minister for Lands: The Agricultural Bank never interfered with my operations.

Mr. BROCKMAN: What the settlers most complain about is the administration of the Bank. I do not want things to be so bad that they will find themselves unable to work because of the hard conditions. Unless the clause is modified I shall have to

vote against it. It will certainly hamper the activities of the Bank.

Mr. J. H. SMITH: This is supposed to be a non-party Bill, and yet the Minister will not give away in the slightest degree with regard to any amendments that are put up. Surely he will accept some of them. The Agricultural Bank has always had a mortgage over the goods and chattels of its clients, but under this clause it will have control over everything. If an inspector has a set upon a client he will be able to prevent him from making a living. I suggest that the Minister, if he wishes to leave for Melbourne to-night, might meet the Leader of the Opposition and the Leader of the National Party during the tea adjournment, and see what compromise can be effected.

Mr. WISE: This clause aims only at stability. Section 37A of the parent Act contains almost similar provisions. That Act referred mainly to crops that had been sown, and did not refer to wool, butter fat, etc. The Act really applied only to the wheat-grower. All this clause does is to extend the operations of the 1930 Act to all Agricultural Bank clients, and to all phases of agriculture. The Bill provides machinery for a wholesale writing down and reconditioning of the industry. The endeavour is being made to put it upon a business footing. The transfer of the liabilities from the Bank account to the Treasury is a matter in which the taxpayers are vitally concerned. The words "on any account" are most important. They may comprehend funded debts that the commissioners are reconsidering, or include property which is held under many other Acts of Parliament. The safety valve of the clause is found in Subclause 4, which will promote the doing of legitimate business but will retain the necessary powers to the Bank.

Mr. SEWARD: The old Act contemplated cases where the Bank supplied the capital to enable the settler to carry on his operations. Many farmers require sheep. When the Bank could not finance them they obtained them through stock agents, without whom they would not have been able to get the sheep. Under this clause stock agents will no longer supply sheep, because all the proceeds from them must go to the Bank. I do not say that the Bank, when it has

financed the settler, should permit him to dispose of all the proceeds he may obtain from sidelines, but I think the difficulty could be overcome if an agreement were entered into between the Bank and the stock agents, whereby each party would take a certain percentage of the returns derived from the stock. The provision that the whole of the proceeds from sidelines must go to the Bank will undoubtedly prevent the stock firms from making the advances they have made to farmers. I should like to know if the words "increase in progeny" refer to an increase in stock as well as to an increase in progeny.

*Sitting suspended from 6.15 to 7.30 p.m.*

Mr. SEWARD: As the Minister desires to get away early, I shall not take up any further time except to ask if he will make it clear whether the clause covers "increase in progeny" or "increase and progeny." I hope the clause will be restricted in its effect to the progeny in respect of which finance has been provided.

Hon. N. KEENAN: I shall not take up much time of the Committee, but the clause is of such importance that it is necessary to make it clear why objection is offered to it. It may be opposed, first, from the point of view of the lender, whether it be a bank or an individual. It is absurd to imagine that lenders are confined to the trading banks because in many instances the lender will be a private person and, in the great majority of instances, he will be the store-keeper who gives credit to the settler because without it the settler would not be able to obtain the essential commodities of life. Secondly, there is the position of the borrower, who is the settler and a client, or possible client, of the Agricultural Bank. Thirdly, there is the taxpayer. The principal objection to the clause on the part of the lender is that it is retrospective and in future the lender will have the choice of either lending or refusing to lend. If, in view of the provisions of the Bill, he decides to lend, that will be his responsibility. The clause in its present form will put an end to the lender's security that he has enjoyed in the past, insofar as it will give a statutory prior right to the Agricultural Bank over any securities held by the lender. I am not over-stating the case when I say

that all retrospective action is viewed with the gravest distrust. It is opposed to all principles of legislation as we conceive it to be in a British community. We have not right to take away the security that the individual legally enjoys. Unless there be some grave reason, there is no necessity for it, because the clause does take away securities that already exist. On that ground alone, it is very objectionable. As to the position of the borrower, it is undoubtedly a fact that if the clause be passed in its present form he will be handicapped to a very grave degree in future in obtaining credit that is absolutely necessary, not only to carry on his business affairs, but to enable his family to obtain the ordinary necessities of life. As we have been told by the member for Sussex and others, it is customary for settlers in the South-West to give an order on their butter cheques so that they may obtain supplies from storekeepers. If the clause be agreed to, it will be impossible to do that in future. While there is a subclause under which the commissioners will be permitted to waive their rights, I submit that will be wholly impracticable. For instance, if a man in the eastern districts desires to obtain sheep and he is without funds, he may propose to obtain a 100 per cent. loan and charge the repayment of the loan to the progeny and wool as well as to the sheep themselves. While the clause will not affect the sheep, it will affect the progeny and the wool. That means that the individual or firm financing the farmer to enable him to obtain the sheep will know that all that is to be looked to, in order to secure payment, is the carcasses of the sheep after they have been shorn, as a result of which the value of each animal is enormously depreciated. Will anyone be prepared to lend under those conditions? Of course not. When it is suggested that the farmer can secure the consent of the commissioners, it must be remembered that these transactions do not admit of delay but have to be arranged within a day or two of stock sales. While the object is worthy, the clause is entirely unworkable. The Minister has painted a picture of the taxpayer shouldering the whole load. To a certain degree he does, but to-day it is shared to some extent as a result of assistance rendered by financial institutions and other persons. In these days a large amount of money is lent to farmers by in-

dividuals or by trustees acting on behalf of their principals. If that source of finance be cut off—and it will be cut off if the clause be agreed to—it means that the taxpayers will have to find all the money that is required. These are all grave reasons why we should not rush the clause through. We should refuse to assent to it on the spur of the moment. I do not feel inclined to pass the clause after such a short discussion. It merits discussion in every one of its aspects. Although I am anxious that the Minister shall attend the conference in the Eastern States, I do not consider that constitutes a reason why we should pass the clause. It can stand over until his return and then we can consider it adequately and pass the clause in a form that will not do harm to the industry or to the State.

**THE MINISTER FOR LANDS:** The Leader of the Opposition stated that whenever the Associated Banks held a second mortgage, they paid interest to the Agricultural Bank.

**Hon. C. G. Latham:** I did not say they did that in every instance, but in most instances. In any case, they can be forced to do so.

**THE MINISTER FOR LANDS:** It is well that the Committee should understand the position correctly. The Agricultural Bank holds a prior mortgage in respect of crops and no other institution can take away that prior right. In cases where the Associated Banks avail themselves of crops that are under lien to the Agricultural Bank, the Associated Banks pay the interest. They do not pay interest in respect of sheep or of anything else. The Leader of the Opposition would be well advised not to accept the word of those who gave him his information.

**Hon. C. G. Latham:** I know what the rights of the first mortgagees are.

**THE MINISTER FOR LANDS:** I know what they can do.

**Hon. C. G. Latham:** I know payment can be enforced.

**THE MINISTER FOR LANDS:** They pay only after recouping themselves. The Leader of the Opposition also said that the clause would allow the commissioners to take away even the price of one pound of butter. Of course they could, if they were stupid enough. Under a section that the

hon. member's own Government passed, the trustees of the Agricultural Bank can take a lien over everything, and can take even down to a potato—but they do not do so. The member for Sussex said that he did not want the Bill to go by the board but he did not want this portion of it. All this discussion is about a clause that is similar to a section already appearing in the Discharged Soldiers' Settlement Act. This very provision has been in operation for over 20 years, and 2,300 discharged soldier settlers have operated on the land under the provisions of that Act, although the Agricultural Bank trustees have possessed the powers that have been discussed this evening. The soldier settlers have been able to secure sheep and have obtained assistance from the private banks. Despite that fact, we are told that if we include a similar provision in the Bill, harm will be done. The Leader of the Opposition said that the Bank would dispossess. If the Bank commissioners cannot secure the interest owing by settlers, what will happen? If they were to do as the Leader of the Opposition suggests, it would mean dispossessing thousands of settlers, and that is the last thing the commissioners would desire to do.

Hon. C. G. Latham: They can exercise their powers if there is a second mortgage and the settlers are not paying up.

The MINISTER FOR LANDS: But they do not take that action.

Hon. C. G. Latham: They can make the second mortgagee pay up.

The MINISTER FOR LANDS: No, they can confiscate his interest, sell the property and dispossess. But it is not desirable that that should be done. The country storekeeper, who has been brought into this, has no security. This clause does not provide that the commissioners shall have first lien over the produce, except for one year's interest.

Hon. C. G. Latham: Is that all?

The MINISTER FOR LANDS: Yes.

Hon. N. Keenan: And one instalment of the principal money.

Hon. C. G. Latham: The Minister does not know his Bill.

The MINISTER FOR LANDS: It is provided that where the interest due exceeds the interest payable for one year, the interest charged shall be in respect of one year only.

Hon. C. G. Latham: What about instalment of principal?

Hon. N. Keenan: Or any advances made for permanent improvements?

The MINISTER FOR LANDS: Judging by the other side, one would imagine that the only consideration this House has is for vested interests, that it has no consideration for the taxpayers, who have to bear the burden. In all this discussion the taxpayer is clean forgotten.

Hon. C. G. Latham: You know that statement is not right.

The MINISTER FOR LANDS: There are 2,300 discharged soldiers operating under an exactly similar provision. Yet they have never been interfered with.

Hon. C. G. LATHAM: I have only one word to say, which is that if I thought this clause would not interfere with the farmer, I would not raise objections to it. If the Minister will undertake that a fund shall be provided for carrying on the farmers, I will sit down. But of course the Minister will not do that. He says we are here only to defend the interests of the Associated Banks and other financial institutions. That statement is not true. They can well look after themselves.

The Minister for Lands: Where can they look after themselves?

Hon. C. G. LATHAM: The Minister knows that quite well. What I am concerned about is that by the passing of the clause the farmer will be prevented from getting credit. I want to see a fund made available to allow him to carry on his industry. Another point is that I notice in the Auditor General's report a reference to the banana growers, who have been advanced £2,000 and from whom there is £27 10s. outstanding for interest, the total outstanding being £2,030.

The Minister for Lands: They are not Bank clients.

Hon. C. G. LATHAM: But the commissioners will take over those securities, as well as others. According to this report, the banana growers were provided with £200 each, and were charged interest lower than the minimum of 6 per cent. prescribed by the Industries Assistance Act. And the mortgages are registered as being on Crown leases. Who is holding those mortgages? Is the Minister making advances from the Lands Department?

The Minister for Lands: Your Government made advances direct to the group settlers.

Hon. C. G. LATHAM: And your Government advanced 1½ millions in that way.

The Minister for Lands: That was before they came under the Bank.

Hon. C. G. LATHAM: The Minister will find great difficulty if the banana growers are unable to market their produce.

Mr. Wise: That loan came direct from the Treasury.

Hon. C. G. LATHAM: So the Treasury are doing it! However, the Agricultural Bank will be compelled to take it over eventually. And what sort of position will the banana growers be in if they have to write to Perth before they can market their goods?

The Minister for Lands: This is all a waste of time. There are no banana growers under the Bank.

Hon. C. G. LATHAM: The Minister is simply attempting to hide the true facts of the case. He has not informed the Committee of the real position. If this clause stops credit to deserving farmers, will the Minister make funds available for them to carry on their industry?

Mr. BROCKMAN: The Minister says I object to this clause. But all I ask for is that the farmers shall be permitted to live. I am prepared to support the clause, conditionally on the Minister giving us an assurance that the farmers will be allowed sufficient out of their earnings to live upon. The farmers must have a reasonable living.

Amendment put and negatived.

Hon. C. G. LATHAM: I move an amendment—

That after "commissioners," in line 2, the following be inserted:—"in connection with advances made under Section 37 (b), (c) or (e) and such interest is overdue for a period of at least 12 months."

If members will look at Clause 37 they will see that (b) is to enable him to buy machinery, stock and plant; that (c) is to enable him to put the said lands to better use, while (e) is for any other purpose where, in the opinion of the commissioners, it is necessary to make an advance in order to protect any security. This provides that interest shall be overdue for a period of at least 12 months.

The MINISTER FOR LANDS: I must oppose the amendment. It admits only of interest on improvements. I could not possibly agree to it.

Amendment put and negatived.

Hon. C. G. LATHAM: I move an amendment—

That after "clips," in line 9, the words "from sheep supplied or purchased out of advances made by the commissioners" be inserted.

I feel sure the Minister will agree to this.

The Minister for Lands: No, I cannot.

Hon. C. G. LATHAM: It is only fair that where a person supplies money to purchase sheep, at least he should be permitted to take a lien over the wool, as is done under the existing law, and without giving a prior right. I do not mind if the Minister provides for agistment fees to be paid on account of the sheep, but to say he is going to take everything, is wrong.

The MINISTER FOR LANDS: The amendment would leave things as they are to-day. Stock firms under a stock and station mortgage put sheep on the property, and the sheep graze up the stubble and even the crops. There are numerous instances where the Bank has found money for the putting in of a crop, and the stock firms have put in stock and so in the end the farmer has no crop, the stock put in by the stock firms having eaten up everything.

Hon. C. G. Latham: That is very seldom.

The MINISTER FOR LANDS: The Royal Commission drew attention to hundreds of cases where that had happened. So if the amendment were to be agreed to, the Bill might just as well not pass at all.

Amendment put and negatived.

Hon. C. G. LATHAM: I move an amendment—

That after "butterfat produce," in line 9, the words "from cows supplied or purchased out of advances made by the commissioners" be inserted.

This will enable the commissioners to obtain the money received from butter fat on group settlements, and will enable the farmers' wives in the agricultural areas to have the proceeds from any sales of cream. This will protect the Minister as regards the

South-West, but will enable the wives of farmers in the wheat areas to obtain a little money from the sale of butter.

The MINISTER FOR LANDS: For reasons already given, I must oppose the amendment. Quite a number of farmers are paying no interest. They buy stock and put it in the name of the wife, and everything then belongs to her.

Mr. J. H. SMITH: Surely the Minister should accept this amendment, which is only reasonable. The commissioners have sufficient protection. The Minister is wrong in opposing amendments designed to give people on the land just a little comfort. If a man wished to sell a bag of potatoes or a case of fruit in order to get a little flour, he would not be able to do so.

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

Ayes	..	..	..	17
Noes	..	..	..	22

Majority against .. 5

#### AYES.

Mr. Brockman	Mr. Sampson
Mr. Doney	Mr. Seward
Mr. Ferguson	Mr. J. H. Smith
Mr. Keenan	Mr. Stubbs
Mr. McLarty	Mr. Thorn
Mr. Mann	Mr. Warner
Mr. North	Mr. Welsh
Mr. Patrick	Mr. McDonald
Mr. Plesse	(Teller.)

#### NOES.

Mr. Coverley	Mr. Needham
Mr. Cunningham	Mr. Nulsen
Mr. Hawke	Mr. Rodoreda
Mr. Hegney	Mr. F. C. I. Smith
Mr. Kennelly	Mr. Toakin
Mr. Lambert	Mr. Troy
Mr. McCallum	Mr. Wansbrough
Mr. Marshall	Mr. Willcock
Mr. Millington	Mr. Wilson
Mr. Moloney	Mr. Wise
Mr. Munsie	Mr. Cross

(Teller.)

#### PAIRS.

AYES.	NOES.
Mr. Latham	Mr. Collier
Mr. J. M. Smith	Miss Holman
Mr. Clothier	Mr. Griffiths

Amendment thus negatived.

Hon. C. G. LATHAM: I move an amendment—

That after "stock," in line 10, the words "(other than pigs)" be inserted.

Many wheat farmers keep a few pigs. Not much money is obtained from this source, but it does provide a little spending silver for the family. Sons and daughters seldom re-

ceive money from a farmer, but they can get a few shillings by selling pigs. If necessary, the number of pigs could be limited. Our aim should be to encourage the farmer to get every shilling possible out of his holding. The Minister has a habit of thinking "yes" and saying "no," but I hope he will not do so on this occasion.

The MINISTER FOR LANDS: One would imagine that the Bank intended to take everything. The Bank would take a lien.

Hon. P. D. Ferguson: It would even take the squeal out of the pigs.

The MINISTER FOR LANDS: A farmer would not be prevented from selling his pigs, provided—

Hon. C. G. Latham: Provided he paid the proceeds to the Bank!

The MINISTER FOR LANDS: No, provided he made the fact known to the Bank. I do not wish to refuse a simple amendment, but here is one experience I had. A farmer was on the I.A.B. which had provided sacks, sustenance and machinery to take off the crop. The crop was bagged in the field, and I saw 100 pigs feeding on it. I know one farmer who this year had 550 acres of wheat, who shored 1,000 sheep and sold pigs to the value of £101. Pigs could become such an important phase of farm work that I must oppose the amendment. The farmer must play the game fairly.

Amendment put and negatived.

Mr. BROCKMAN: I move an amendment—

That the following be added to Subclause 1:—"Provided further that nothing in this section shall be deemed to or shall debar any borrower from selling any chattels owned by him in connection with the pursuit by him of any rural industry not the subject of any registered security for the purpose of providing himself and/or his wife and family with the necessaries of life."

Without the amendment the clause will be detrimental to group settlement and also to soldier settlement.

The MINISTER FOR LANDS: Seeing that the major product of the hon. member's electorate is butter fat, the amendment is loaded, and I cannot accept it.

Mr. J. H. SMITH: The member for Sussex merely desires to ensure living expenses for the family. The amendment is reason-

able. If the Bill passes in its present form, the Bank might take everything.

Amendment put and negatived.

Mr. PIESSE: I move an amendment—

That the following be inserted to stand as Subclauses 2 and 3:—“(2) If any person shall, on the written request of the Bank, supply to another person fertilisers or bags on credit, the first-mentioned person shall, subject as aforesaid, be entitled to the like charge and security as is mentioned in the last preceding subsection. (3) The Bank shall not incur any liability or responsibility in respect of any such fertilisers or bags, or the price thereof, by reason of having made any request for the purposes of Subsection (2) of this section.”

I hope the Minister will accept the amendment. The wording is an exact copy of similar provisions contained in Section 37A of the existing Act. The provisions have proved most helpful both to the Bank and to wheatgrowers who have found difficulty in obtaining seasonal credit and have therefore been compelled to seek that credit under statutory lien. If these provisions are not included in the Bill, the Minister will be making a serious mistake. It will be extremely difficult for the Agricultural Bank to administer this measure without the co-operation of other persons in finding seasonal credit. Considerable delay is involved in the taking and completing of security.

The MINISTER FOR LANDS: The amendment would not achieve the hon. member's object. The Bill provides that the commissioners may waive a lien in order to permit of the provision of necessities. Undoubtedly they would do so.

Mr. Piesse: It all takes time.

The MINISTER FOR LANDS: This means continuing charges, perhaps continuing to next year's crop, and possibly to the following year's crop; and thus credit is destroyed. On the written request of the Agricultural Bank a certain organisation has supplied sacks to the wheatgrowers. They will not pay for the sacks out of last year's crop, and thus the sacks will be a charge on next year's crop, and if not paid then, on the following year's crop. As regards fertiliser, the commissioners would naturally waive their lien.

Amendment put and negatived.

Mr. McDONALD: I move an amendment—

That the following be inserted to stand as Subclause 5:—“Provided further that nothing in this section contained shall affect any security in favour of any person other than the commissioners which is registered prior to the commencement of this Act, or which is registered after the commencement of this Act but prior to any moneys becoming due by the borrower to the commissioners.”

This is to prevent the measure having a retrospective effect. In the Industries Assistance Act and the Discharged Soldier Settlement Act the sections which give priority or statutory lien have provisos which prevent a retrospective effect.

The MINISTER FOR LANDS: It may happen that a private bank has a mortgage over the stock, chattels, and produce, and that the borrower comes in to borrow another £100. This is a new mortgage. However, the person holding the prior encumbrance would come in before that advance; and that would prevent the borrower from getting any further advance on mortgage. The trustees or commissioners are not likely to lend more money on a new mortgage if they find that someone else has prior security.

Hon. N. KEENAN: I have endeavoured to follow the Minister's argument, but I cannot for a moment conceive that his argument will commend itself to the Committee. It comes to this, that a borrower comes into the Agricultural Bank and apparently because he has already previously gone to a bank to borrow, because he has charged his assets with a loan borrowed from somebody else, thus rendering his position as regards obtaining a loan from the Agricultural Bank more difficult, the Minister proposes to abolish the rights of the former lender, thus clearing up the position. That is a very simple proposal, but I do not know of any Parliament in any British Dominion that has lent itself to a proceeding of that character. The Minister's objection to the amendment is that the borrower has to pay his past debts. Of course he has to pay them in any honourable and honest community. If he cannot pay them, the law protects him, but only when he cannot. Here the proposal is to wipe off his past debts in order that he may be a more attractive borrower for the future. To listen to such a proposal is sickening, especially coming from a man who has always pro-

fessed to have the greatest regard for the proprieties of life.

**THE MINISTER FOR LANDS:** The hon. member knows better than that. He knows that under a stock and station mortgage the banks have a prior lien over any future advance by another bank.

**Hon. N. Keenan:** You are talking of increasing already; the advance is already made. You are not talking of a new loan.

**THE MINISTER FOR LANDS:** I am talking about future advances too. A stock and station mortgage comes in to prevent the farmer from borrowing from the Agricultural Bank. If the prior encumbrance of the private bank is admitted, then the farmer comes along to the Agricultural Bank for a new advance, and he cannot get it because the commissioners will not lend when the private banks have a prior lien.

**Mr. J. H. SMITH:** I think the Minister might accept the amendment. The Agricultural Bank is amply covered in every way by the Bill. It is proposed only to advance 70 per cent. of the 100 per cent. value. Surely the margin of 30 per cent. is sufficient.

Amendment put and negatived.

**Mr. WARNER:** There has been a deal of discussion on this clause, but I fail to see any loophole for the primary producer, inasmuch as the whole of his proceeds can be taken from him under the clause. The farmer is entitled to a living for himself and his family. The clause puts him back where he was previously, and spoils the Bill. I move an amendment—

That the following be added to the clause:—  
“Provided that the commissioners shall, however, before making such provision for the payment of interest, make the sum of £150 payable from the farmer's proceeds to the farmer so as to ensure to him sustenance for the ensuing year. This charge to have priority over all other charges against the proceeds of the farm.”

Surely no one will be audacious enough to say that the primary producer is not justly entitled to get a living. We are always talking about a reasonable living for our people and the farmer is as much entitled to exist as is any other person.

**THE MINISTER FOR LANDS:** If the hon. member's proposal can be carried into effect then we will all go farming. Why should one worry about the future if the hon. member's idea could be carried out?

**Hon. C. G. Latham:** This was adopted by the Labour conference.

**THE MINISTER FOR LANDS:** I speak with authority when I say that the farmer should be able to provide the bulk of his requirements, certainly 80 per cent. of them. He can provide his own flour, milk, eggs, bacon, poultry, vegetables, fruit, mutton and beef, and in addition he lives rent free. On my own farm we provide 80 per cent. of our requirements on an 11-inch rainfall. We even make our own soap.

**Mr. J. H. SMITH:** If the Minister will not accept the complete amendment he could meet the hon. member half way. Perhaps all are not as capable as the Minister of managing a farm, or they have not had the same opportunity as the Minister. The Minister should also remember that where some farmers work eight hours a day, others with their wives and children work 14 and 16 hours. Those are the people who are entitled to some consideration. Let us give them something that is worth while to enable them to exist. If the Minister cannot agree to the amendment as it is, let him agree to £100. The Minister's attitude seems to be this: “I can produce something and everybody else should be able to do likewise.”

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

Ayes	..	..	..	..	16
Noes	..	..	..	..	23
Majority against					7

#### AYES.

Mr. Brockman	Mr. Sampson
Mr. Ferguson	Mr. Seward
Mr. Keenan	Mr. J. H. Smith
Mr. McDonald	Mr. Stubbs
Mr. McLarty	Mr. Thorn
Mr. Mann	Mr. Warner
Mr. North	Mr. Welsh
Mr. Patrick	Mr. Doney

(Teller.)

#### NOES.

Mr. Coverley	Mr. Needham
Mr. Cross	Mr. Nulsen
Mr. Cunningham	Mr. Rodoreda
Mr. Hawke	Mr. F. C. L. Smith
Mr. Heguey	Mr. Tonkin
Mr. Kennally	Mr. Troy
Mr. Lambert	Mr. Wansbrough
Mr. McCallum	Mr. Willcock
Mr. Marshall	Mr. Wilson
Mr. Whittington	Mr. Wise
Mr. Moloney	Mr. Raphael
Mr. Munsie	

(Teller.)

#### PATES.

AYES.	NOES.
Mr. Latham	Mr. Collier
Mr. J. H. Smith	Miss Hoiman
Mr. Clothier	Mr. Griffiths



Amendment thus negatived.

Clause put and passed.

Clause 51—Commissioners may refund any instalment of principal or interest paid:

Mr. BROCKMAN: I move an amendment—

*That after "operations," in line 3, the following words be added:—"Or for any reason which in the opinion of the commissioners is sufficient."*

In the South-West the bulk of the products are from the cow and in the event of a failure due perhaps to disease in stock, the farmer is not able to get a decent return and so cannot make a reasonable success of his holding. This is not much that I am asking for and it will provide a certain amount of protection for these people. I hope the Minister will see his way to accept the amendment.

The MINISTER FOR AGRICULTURE: I certainly cannot agree to the amendment because it would have the effect of destroying the proposed provision altogether. At the end of the Bill provision is made for writing down and some of the securities will have to be written down. During the day I considered the amendment with the Minister for Lands and it was agreed that it could not possibly be entertained. It should be understood that the Bill is taking the place of the existing Act and that must be replaced by something which is workable. The commissioners could not carry on if we weakened the existing law. Provision is made later on in the Bill for the necessary powers to be taken by them.

Hon. P. D. FERGUSON: I hope the Minister will not take too literally the instructions that have been given to him by his colleague. He is not paying the commissioners much of a compliment if he cannot trust them as far as this amendment allows them to be trusted. The settlers in the South-West may just as readily lose their butter-fat as farmers in other parts of the State may lose their wheat crops. In such cases it is conceivable that it may be necessary to re-advance to a client the amount of principal or interest he has already paid. The amendment would improve the clause, and give the commissioners necessary discretionary power.

Mr. WISE: There is something about the amendment that commends itself to me. It contains more than the Minister seems to have indicated. There may be such things as personal or family troubles which would prevent the settler from getting the best results from his operations, and in that event he might require special assistance. I see no objection to the amendment.

Hon. N. KEENAN: The Minister has not understood the amendment. The mover desires that the settlers in the South-West should obtain the same benefits which, under the provisions of the clause, would be made available to those who have a failure of wheat crops. The position of affairs would be the same in the wheat belt as it would be in the South-West. The Minister says there is provision later in the Bill to reduce the capital sums that are owing. That has nothing to do with the question. The amendment would merely enable the commissioner to afford the same relief to the settlers in the South-West as this clause will enable them to afford to farmers in any other part of the State to which it directly refers.

Mr. HAWKE: The hon. member might improve his amendment if he brought it in after the word "may" in line one. It would be better if his specific reasons for relief were eliminated, thus providing that the commissioners may, for any reason which in their opinion is sufficient, refund to the borrower the whole or any part of the instalments of principal and interest he has paid. If the hon. member will move along those lines, I think the Minister will be sympathetic towards the amendment.

Mr. BROCKMAN: A few years ago whole herds belonging to the settlers yielded no profit at all, but in those days they had other sidelines on which to keep going. Today the only thing that brings in any cash at all is butter fat, and if settlers lose that they lose everything. I hope the Minister will reconsider his dogmatic attitude.

The MINISTER FOR AGRICULTURE: In most parts of the Bill the instructions to the commissioners are of a specific nature but the amendment provides for something that is entirely the reverse. No doubt they will be approached to give relief to different individuals, just as the trustees have been approached. The Bill should direct the commissioners how to act for the protection of the State. I do not understand the atti

tude of members who are endeavouring to frame the Bill so that the commissioners may carry on in the loose manner in which the Bank has been controlled in the past. Parliament should make its instructions definite, and only in cases such as those under review should leniency be shown. The amendment would be an invitation to the commissioners to adopt the same loose methods that have been adopted in the past. The idea to-day is to keep in existence the industry that has been developed up to this stage. No one can suggest that the forward policy that was adopted years ago ought to be followed to-day. Everything the Bank does now will have to be done most carefully. Parliament should uphold the commissioners. The clause will provide instructions to the commissioners regarding how far they can depart from what is laid down.

Mr. Doney: Throughout the Bill we have been leaving matters to their discretion.

The MINISTER FOR AGRICULTURE: But we have also provided them with definite instructions. The object is to tighten up the administration of the Agricultural Bank, and every member should applaud that fact. Under the new regime, the interests of those carrying on agricultural pursuits will not be prejudiced or handicapped. That will be the position regarding genuine agriculturists.

Hon. C. G. Latham: Does not the Bill set up differential treatment as between the South-West and elsewhere?

The MINISTER FOR AGRICULTURE: No, and the Leader of the Opposition should not be too much concerned about the South-West.

Hon. C. G. Latham: Why not?

The MINISTER FOR AGRICULTURE: Because that is one part of the State where the commissioners will have to adopt a much more rigid attitude than obtained in the past. Members representing South-West constituencies know that to be absolutely correct. There are factors apart from the payment of interest and principal accounting for so many failures there. The genuine man will have no cause for alarm.

Mr. Brockman: The settlers there know what the position will be, so far as I am concerned.

The MINISTER FOR AGRICULTURE: Those who are genuinely carrying on their operations will not be affected, but the com-

missioners will be empowered to do all that is necessary.

Mr. J. H. SMITH: I cannot follow the Minister.

Hon. C. G. Latham: Nor can anyone else.

Mr. J. H. SMITH: Apparently the Minister will not accept any amendment at all. He is wrong when he suggests that the commissioners already possess the necessary powers.

Hon. C. G. Latham: Clause 64 does not provide for it.

Mr. J. H. SMITH: No. We empower the commissioners to write off indebtedness, but the Minister objects to giving them the small additional power outlined in the amendment. I agree with the Minister regarding his references to group settlers. There are some who could not make a living on their blocks if they were given the land. At the same time, we should accord the genuine settler adequate protection. Settlers in the South-West have experienced wasting disease among their cattle, and there are other ailments that may affect the herds. If the amendment be agreed to, it means the commissioners will be able to take that fact into consideration and grant relief. The amendment will not affect the commissioners' powers at all. I am sure the member for Albany, knowing the difficulty that has been experienced by the Denmark settlers, will support the amendment.

Mr. WANSBROUGH: What is the crop of the dairy farmer? His butter fat. That is his source of income. I am satisfied that the commissioners will treat settlers in my district fairly, even if the herds should be affected by wasting disease, or other ailments. I support the clause.

Hon. P. D. FERGUSON: I am amazed at the unsoundness of the Minister's argument. He admits that the failure of a crop would be sufficient justification for the commissioners refunding principal and interest paid, but when it comes to a consideration of the requirements of settlers who depend wholly upon the production of butter fat, he does not think the commissioners should have similar power to refund payments. By no stretch of the imagination, can butter fat be described as a crop. Dairy farmers could easily experience a partial or total failure of their undertaking because their dairy herds were affected so that they could not provide the normal

supply of butter fat. As the clause stands, the commissioners could not entertain assisting them by refunding payments made. We should act fairly in dealing with the requirements of primary producers of every description.

Mr. BROCKMAN: I do not think the Minister really grasps the position. I have known the dairy herds of some Agricultural Bank clients to be practically exterminated within a week. Surely settlers in that position are entitled to some consideration, and all I ask in the amendment is that the commissioners shall have power to consider the requirements of settlers.

The MINISTER FOR AGRICULTURE: The clause as it stands provides everything the member for Sussex desires. It refers to "failure of seasonal operations." That term covers the operations of dairy farmers. The amendment is opposed to the spirit of the Bill. The Leader of the Opposition himself would not give to the commissioners full authority to write down.

Hon. N. Keenan: This has nothing to do with writing down.

The MINISTER FOR AGRICULTURE: No, but the commissioners have to carry full responsibility where the crops fail. The clause provides for specific failure of crops. I will oppose the amendment, which can only weaken the Bill.

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

Ayes	..	..	..	..	18
Noes	..	..	..	..	18

A tie.

0

AYES	
Mr. Brockman	Mr. Piesse
Mr. Ferguson	Mr. Sampson
Mr. Hawke	Mr. Seward
Mr. Keenan	Mr. J. H. Smith
Mr. McDonald	Mr. Stubbs
Mr. McLarty	Mr. Thora
Mr. Mann	Mr. Warner
Mr. North	Mr. Wise
Mr. Patrick	Mr. Doney

(Teller.)

NOES	
Mr. Coverley	Mr. Nulsen
Mr. Hegney	Mr. Raphael
Mr. Kenneally	Mr. Rodoreda
Mr. McCallum	Mr. F. C. L. Smith
Mr. Marshall	Mr. Tonkin
Mr. Millington	Mr. Wansbrough
Mr. Moloney	Mr. Willcock
Mr. Munsie	Mr. Wilson
Mr. Needham	Mr. Lambert

(Teller.)

PAIRS.	
AYES.	NOES.
Mr. Latham	Mr. Collier
Mr. J. M. Smith	Niles Holman
Mr. Griffiths	Mr. Clothier

The CHAIRMAN I will give my casting vote with the Noes.

Amendment thus negatived.

Clause put and passed.

Clause 52—Power to obtain Crown grant of mortgaged holding:

Hon. C. G. LATHAM: I am going to ask the Committee to vote against this clause, because already Section 149 of the Land Act covers all that is in the clause. A little while ago the Minister in charge of the Bill declared he did not desire to load the legislation. If he is going to be consistent, he must agree there is no necessity for the clause.

The MINISTER FOR AGRICULTURE: I will agree to the deletion of the clause.

Clause put and negatived.

Clause 53—Commissioners may acquire Crown grant:

Hon. C. G. LATHAM: I move an amendment—

That in lines 2 and 3 of Subclause (3) the words "and thereupon the provisions of the last preceding section shall be observed" be struck out.

This is consequential upon the striking out of Clause 52.

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

Clause 54—Power of distress:

Mr. DONEY: I move an amendment—

That in lines 2 and 3 "twenty-one days" be struck out and the words "two calendar months" be inserted in lieu.

The clause as it stands is very harsh. It would come into operation only when the farmer is in trouble, which is just when he stands in need of considerate treatment. The clause provides that 21 days after any principal or interest is unpaid, and although no legal demand is made for payment, the commissioners may issue distress for what is owing plus all costs and expenses. The default might have arisen through a number of sound reasons, and I contend that the period of grace should be extended from 21 days to two calendar months. I appeal to the Minister to agree to this perfectly reasonable amendment.

Mr. PIESSE: I will support the amendment. For the information of the Commit-

tee I should like to read the following short paragraph from a letter I have received from a number of farmers at Rockwell:—

We protest against the general inadequacy of Clause 54, as in the event of the commissioners deciding to foreclose on any settler sufficient time is not allowed for him to seek employment and a place for his family to live in. No man would compare distraint in the country with the same in cities and towns. Here in the country many settlers are miles apart and their mail days are few, whereas in the towns and cities the position is altogether different. We consider that from two to three months, two months at least, should be allowed for a settler to vacate, and legal notice should be served. We do not for a moment suggest that harsh measures will be adopted, but the fact remains that at present they are a feature of the Bill, and we consider this clause should be amended on the lines we have indicated.

**THE MINISTER FOR AGRICULTURE:** This power has been in the Act for 30 years.

**Mr. Doney:** That does not excuse it.

**THE MINISTER FOR AGRICULTURE:** And it has not been abused. The Bank must have security and then it can exercise leniency. The Act provides for 21 days and, if the period is extended to two months, the Bank will be hampered. It is important that the Bank should have this power and everyone knows that it will not be abused. There is something to say for an institution that has possessed a certain power for 30 years and has not abused it. I cannot accept the amendment simply because somebody has developed an attack of nerves, especially when the amendment will mar the efficiency of the institution. No reason has been given for the alteration of a principle that has operated for so long and has proved satisfactory.

**Mr. DONEY:** I would have preferred the Minister to argue the point on its merits.

**The Minister for Agriculture:** It is necessary for the Bank to have the power.

**Mr. DONEY:** Well, provide reasonable power.

**The Minister for Agriculture:** This is reasonable power.

**Mr. DONEY:** I am amazed that the Minister should appear to be convinced by his own argument. I do not think it would convince anyone else.

Amendment put and negatived.

**Mr. McDONALD:** I move an amendment—

That in lines 7 and 8 the words "in the same manner and to the same extent as landlords may distrain" be struck out.

Those words do not appear in the Act and it seems unnecessary to make the existing provision more drastic. The Act contains power to distrain for interest and instalment of principal on goods and chattels on the farm, but the power to distrain is confined to the goods and chattels belonging to the owner of the land. Power to distrain such as a landlord has is wider, as the mortgagee may take any goods, with few exceptions, even though they belong to other people.

**Hon. C. G. Latham:** Such as hire purchase machinery.

**Mr. McDONALD:** Yes, but possibly with limitations. It may extend to machinery or goods lent by a neighbour. If the present provision has been in existence for 30 years, why make it more drastic?

**THE MINISTER FOR AGRICULTURE:** I realise that a departure from the existing law is proposed. The words mentioned are not considered vital and I propose to accept the amendment.

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

Clauses 55, 56—agreed to.

Clause 57—Certain specific powers given in connection with selling on default:

**Hon. C. G. LATHAM:** I move an amendment—

That after "section," in Subclause 2, the words "other than moneys expended after foreclosure" be inserted.

If the Bank entered as mortgagee in possession and made additional improvements, the claim which might be made against the mortgagor should be restricted to the amount chargeable on taking possession. The amendment would protect the mortgagor against claims for any work in which he might have had no say.

**THE MINISTER FOR AGRICULTURE:** I think the hon. member is under a misconception. The clause deals not with a case of foreclosure, but with a case where the Bank proposes to sell on behalf of the mortgagor.

**Hon. C. G. Latham:** It would not sell on behalf of the mortgagor.

**THE MINISTER FOR AGRICULTURE:** Before foreclosing the procedure is to endeavour to sell the property, and that is what the subclause deals with. Foreclosure would mean making the security the absolute property of the mortgagee, and the subclause does not provide for that. If the Bank, in endeavouring to sell a property, incurred expense—

**Hon. C. G. Latham:** Would the Bank be the mortgagee in possession at that stage?

**THE MINISTER FOR AGRICULTURE:** No. If there was any surplus it would be paid to the mortgagor. If in disposing of a property, additional expenditure were incurred, it must be a charge on the property.

**Hon. N. Keenan:** Subclause 2 refers to effecting improvements. Give us an instance of that.

**THE MINISTER FOR AGRICULTURE:** The cost of the improvements must be added to the charges against the property.

**Hon. N. Keenan:** The Minister has not addressed himself to the matter of the subclause. Foreclosure would eventuate only when the property had been put up for sale and had not realised the amount of the mortgage security. The Leader of the Opposition wishes to prevent the commissioners from spending money to improve a property and render it better capable of realisation, and then adding the amount so expended to the debt due by the mortgagor.

**The Minister for Justice:** Why not strike out paragraph (c)?

**Hon. N. Keenan:** The mortgagee might load a mortgagor with an impossible debt, and because it was incurred to attract buyers, would be able to add it to the charges against the mortgagor. That is what the Leader of the Opposition wants to avoid.

**Hon. C. G. Latham:** Yes.

**Hon. N. Keenan:** The Minister is talking about foreclosure.

**The Minister for Agriculture:** I said this had nothing to do with foreclosure.

**Hon. N. Keenan:** Nobody suggested it had. The Minister is fighting a shadow.

**The Minister for Agriculture:** Since you are so cocksure, does the amendment mention foreclosure?

**Hon. N. Keenan:** The Leader of the Opposition does not want the mortgagee to be permitted to add to the mortgage debt by simply saying, "I want to expend more

money for the purpose of making my security more attractive."

**Hon. C. G. Latham:** I, not being a legal man, have to accept the advice of the Parliamentary Draftsman in regard to my amendment. I do not know whether the wording is right or wrong. Perhaps I should move to strike out paragraph (c) of Subclause 1.

**The CHAIRMAN:** The hon. member cannot go back.

**Hon. N. Keenan:** Move to strike out Subclause 2.

**Hon. C. G. Latham:** That would be going even further than I desire to go. It is wrong in principle to allow the mortgagee to incur a great deal of expense and charge it up against the mortgagor. Fancy that being done under an ordinary mortgage! I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

**Hon. C. G. Latham:** I move an amendment—

That Subclause 2 be struck out.

**THE MINISTER FOR AGRICULTURE:** The effect of the amendment would be to take away a power which I think the Leader of the Opposition desires should be retained by the commissioners. In the case of lands on which large amounts have been advanced by the Bank, the Bank must accept the responsibility of disposing of them. To do that, the Bank may have to make certain improvements. They should have that power. There is nothing to prevent the owner from selling the property if he can find a buyer.

**Hon. N. Keenan:** I suggest that the expenditure of the trustees should not be a personal liability on the mortgagee.

**THE MINISTER FOR AGRICULTURE:** It is ridiculous to say that the Bank should bear the expense of improving a property in respect of which the owner has failed to meet his obligations.

**Hon. C. G. Latham:** But this is additional.

**THE MINISTER FOR AGRICULTURE:** The commissioners, I should think, would judiciously expend money in order to make the property saleable. In order to be sold, the property might have to be subdivided, or perhaps fenced. The Bank have the largest interest in the property.

Hon. C. G. Latham: What about the personal covenant in the mortgage?

Hon. N. KEENAN: May I once more say that if Subclause 2 is passed, then the moneys expended by the commissioners in effecting any improvements they choose in respect of any property they wish to sell—in order to make it more attractive—not only becomes a charge on the mortgaged property, but is also repayable by the borrower and therefore becomes a personal charge. Apart from that, we have already provided in one of the implied covenants of the mortgage that it is an implied liability on the mortgagor to repay. But here it is in express language. It is well worthy of a Bill supposed to help the farming industry!

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

Ayes .. .. .	16
Noes .. .. .	21
Majority against .. ..	5

#### AYES.

Mr. Brockman  
Mr. Ferguson  
Mr. Keenan  
Mr. McDonald  
Mr. McLarty  
Mr. Tann  
Mr. North  
Mr. Patrick

Mr. Piesse  
Mr. Sampson  
Mr. Seward  
Mr. J. H. Smith  
Mr. Stubbs  
Mr. Thorn  
Mr. Warner  
Mr. Doney

(Teller.)

#### NOES.

Mr. Coverley  
Mr. Cross  
Mr. Hawke  
Mr. Hegney  
Mr. Kenneally  
Mr. McCallum  
Mr. Marshall  
Mr. Millington  
Mr. Moloney  
Mr. Munster  
Mr. Needham

Mr. Nokes  
Mr. Raphael  
Mr. Rodoreda  
Mr. F. C. L. Smith  
Mr. Tonkin  
Mr. Wansbrough  
Mr. Willcock  
Mr. Wilson  
Mr. Wise  
Mr. Lambert

(Teller.)

#### PAIRS.

##### AYES.

Mr. Latham  
Mr. J. M. Smith  
Mr. Griffiths  
Mr. Welsh

##### NOES.

Mr. Collier  
Miss Holman  
Mr. Clothier  
Mr. Troy

Amendment thus negatived.

Hon. C. G. LATHAM: I move an amendment —

That Subclause 3 be struck out with a view to inserting the following:—"the borrower's account shall be credited with the proceeds of a sale notwithstanding that the commissioners may have allowed time to the buyer."

The commissioners may sell a farm and get a deposit of only £100, and give the pur-

chaser 20 years in which to pay, and all they credit the man with is the cash they actually receive, and he remains responsible for the balance. My object is to provide that the borrower shall be credited with the proceeds of the sale notwithstanding the time that may have been allowed to the buyer.

Mr. WISE: Everything of course depends on the legal interpretation of the word "proceeds." The amendment would mean that any borrower could evade his responsibility by getting a friend to come in, and although the sale might be for £2,000, and a deposit of only £50 paid, he could have the whole of his liability wiped off. I cannot see that that is the idea of the Leader of the Opposition.

Mr. CROSS: The amendment would open the way to quite a lot of ramps.

The MINISTER FOR AGRICULTURE: I can hardly understand what is in the mind of the Leader of the Opposition. Certainly you cannot credit the whole of the sale price when only a deposit has been paid.

Amendment put and negatived.

Clause put and passed.

Clause 58—Further powers:

Hon. C. G. LATHAM: I move an amendment—

That in line 2 of Subclause 2 before "advances," the words "of the said" be added, and after "advances" the following be added:—"as have been made for the purpose of effecting permanent improvements."

This would be in case where the commissioners have taken power to lease a farm and they make advances to the lessee for the purpose of doing certain work. We say that in respect of any advances that are made, if there be a charge against the borrower, they shall be permanent advances, not advances for the purposes of cropping, stocking or fallowing.

The MINISTER FOR AGRICULTURE: I cannot accept the amendment. Advances are made for the purpose of carrying on the security, and it is the commissioners' job to see that the security does not deteriorate. The hon. member's proposal would certainly hamper the powers of the commissioners. Except in a few instances, advances have been made for permanent improvements. The provision in the Bill

exists in the present Act and it has worked well.

Hon. C. G. Latham: As a matter of fact, it has never been used.

The MINISTER FOR AGRICULTURE: It has been used, and it is necessary.

Amendment put and negatived.

Clause put and passed.

Clause 59—Certain restrictions placed on borrower:

Hon. N. KEENAN: This clause provides that certain conditions shall be imposed in respect of land on which an advance has been made, one of the conditions being that when on the decease of the owner or occupier the land would by reason of any devise, bequest, intestacy or otherwise, become subdivided, the Commissioner may require the land to be sold or otherwise disposed of within 12 months after the death of the owner or occupier to some one person, and in default the commissioners may cause the same to be sold. It must be known to all that frequently a customer of the Bank who is possessed of sufficient land makes provision for his children. If the subclause I have quoted were applied, that intent would be wholly defeated. The only object is to preserve the security of the Bank, and so I propose to alter what is the present, no doubt, general practice, by making provision for the children to receive what was intended for them without endangering the security of the Bank. I move an amendment—

That paragraph (e) be struck out with a view to the following being inserted in lieu:—  
“When on the decease of the owner or occupier the land would by reason of any devise, bequest, intestacy or otherwise become subdivided the Commissioner shall if practicable apportion to each part of the land so divided a portion of the whole amount charged on the land, and if the owners of such portions refuse to assent to such apportionment or refuse or neglect to execute the necessary deeds to charge their separate properties with the amount so apportioned, then the commissioners may require the land to be sold or otherwise disposed of within twelve months after the death of such owner or occupier to some one person and in default the commissioners may cause the said land to be sold.”

If a client of the Bank died possessed of a considerable acreage to be divided amongst his sons, the commissioners would apportion the debt due by the deceased client. The

amendment would enable the family to carry out the intention of the deceased. We should do nothing to compel the sale of the land to a stranger.

The MINISTER FOR AGRICULTURE: Whatever the limits of the paragraph the hon. member wishes to strike out may be, they are certainly understandable. The amendment is not. The weakness in the amendment is that the commissioners are instructed to do something “if practicable.” Who is to determine that? The amendment leaves them there high and dry. After all, there is very little difference between the powers proposed to be conferred by the amendment on the commissioners and the powers contained in the paragraph as it stands.

Hon. N. Keenan: I am agreeable to “if practicable” being struck out.

The MINISTER FOR AGRICULTURE: I am agreeable to the whole of the hon. member’s amendment being struck out. The commissioners at present have the necessary power, and the instruction is straightforward. The amendment will not in any way assist the commissioners to either sell, subdivide or dispose of the estate.

Mr. McDONALD: The words “if practicable” have crept in, and could be left out. The Minister wants the commissioners to be told what they are to do, not to be given wide powers. They are to have a chart laid down for their guidance. I can see no possible objection to the amendment, and there are good reasons why the commissioners should be told how to facilitate a division of land in such circumstances.

Hon. N. KEENAN: The first point to consider is whether the provision in paragraph (e) is fair and just. It would prevent the father of a family leaving by testamentary disposition his property to his sons.

Mr. Moloney: It is discretionary.

Hon. N. KEENAN: To provide that the commissioners may require a certain thing is to give them power to require it.

Mr. Sampson: It would set aside the will.

Hon. N. KEENAN: To give such power to the commissioners would not be wise or just. It would be an infringement of the first rights of family life, and without justification, because we can safeguard the position of the Bank without doing this injustice.

Amendment (to strike out paragraph) put and passed.

Hon. N. KEENAN: I move an amendment—

That the following paragraph be inserted in lieu:—“(c) When on the decease of the owner or occupier the land would by reason of any devise, bequest, intestacy or otherwise become subdivided the commissioners shall apportion to each part of the land so divided a portion of the whole amount charged on the land, and if the owners of such portions refuse to assent to such apportionment or refuse or neglect to execute the necessary deeds to charge their separate properties with the amount so apportioned, then the commissioners may require the land to be sold or otherwise disposed of within twelve months after the death of such owner or occupier to some one person and in default the commissioners may cause the said land to be sold.”

Mr. HAWKE: I think the amendment would be more workable if “may” were substituted for “shall.” The paragraph, as worded, will be mandatory. Several beneficiaries might be prepared to make over their shares to one member of the family, but with the word “shall,” that would be impossible.

Hon. N. Keenan: I am agreeable.

Mr. HAWKE: Then I move—

That the amendment be amended by striking out “shall” and inserting the word “may” in lieu.

Amendment on amendment put and passed.

THE MINISTER FOR AGRICULTURE:  
I move—

That the amendment be amended by adding the following words:—“Provided that if in the opinion of the commissioners such apportionment is impracticable the commissioners may require the land to be sold.”

Hon. C. G. LATHAM: I consider that the addition of the proviso would merely duplicate what is already expressed in the proposed new paragraph.

Mr. McDONALD: In view of the amendment moved by the member for Northam, I do not think the addition of these words is necessary.

Amendment put and negatived.

Clause, as previously amended, put and passed.

Clause 60—agreed to.

Clause 61—Commissioners not to be “owner” within Road Districts Act, 1919-1933:

Mr. SAMPSON: I hope this clause will be struck out. Its retention will mean that land under the control of the commissioners will not pay rates. If farming is to be carried out successfully, the roads must be maintained and the rates must be paid for that to be done. It would be a short-sighted policy to deny road boards the opportunity to construct and maintain roads. In the aggregate the clients of the Agricultural Bank owe the local authorities thousands of pounds, with the result that some of the boards have found it difficult to carry on their work. The clause strikes at the very root of success for the farmers, for without roads they cannot carry on their operations.

The Minister for Justice: The Bank has persistently refused to pay rates on abandoned properties.

Mr. PIESSE: Better treatment ought to be meted out to road boards.

The Minister for Justice: How are the Government to get money with which to pay those rates?

Mr. PIESSE: This is an opportune time in which to discuss this important matter. It is deplorable that the position has arisen.

The Minister for Justice: It is deplorable that settlers cannot pay either principal or interest.

Mr. PIESSE: In good years the Bank might have insisted on the payment of the rates. The Government should indicate what their policy in this matter is for the future.

The Minister for Justice: The Government cannot even get paid the principal and interest that are owing, much less the rates on these properties.

Mr. PIESSE: A greater effort should be made by the Bank to assist road boards in obtaining the money due to them.

The Minister for Justice: And owing to the Bank too.

Mr. PIESSE: The securities of the Bank are dependent upon the maintenance of roads. They are the lifeblood of every district. In the case of 16 out of 20 road boards belonging to one road board association, up to the 23rd May, 1934, Agricultural Bank clients owed in rates £23,638, Associated Bank clients owed £4,309, on forfeited blocks £1,459 was owing, on abandoned farms £4,935, and on other properties £12,352, a total of £46,694. Of this amount



£30,000 is outstanding by Agricultural Bank clients. I move—

That the following proviso be added:—"Provided that the commissioners when mortgagees in possession shall be deemed to be 'owner' for the purpose of liability for rates accruing due after the commencement of this Act in respect of the properties possessed."

The Bank should assume some responsibility in the matter, and should co-operate with road boards in seeing that at least a portion of the rates is paid. The Royal Commissioners pointed out that road boards have received some Government assistance, but that does not prevail so much now as it did in the past. The position is peculiarly unfortunate at this stage, when so little assistance is given to road boards. This applies with especial force to new boards. Without mentioning names, I may say that I know of one road board which has a total of £5,319 outstanding, and another with £4,510 rates in arrears. Those two boards will have the greatest difficulty in functioning. The Royal Commission's report stresses the point that unless Agricultural Bank clients can meet their obligations to road boards, some boards probably will not be able to function in future. The road board association in that part of the State have asked that consideration be given to this matter.

The CHAIRMAN: I cannot accept the hon. member's amendment, as it proposes a charge on the Crown. I rule accordingly.

Mr. WARNER: I support the member for Katanning. Why should the Agricultural Bank get out of all their liabilities? Road boards have had to reduce staffs simply because they cannot get sufficient rates in, owing to the numerous Agricultural Bank properties in their areas. Abandoned Agricultural Bank properties are breeding up rabbits, grasshoppers, and other vermin throughout the wheat belt. Let the Agricultural Bank carry their responsibility like the rest of the community.

Mr. STUBBS: As regards the heavy arrears mentioned by the member for Katanning, in some areas one farmer meets his obligations and Agricultural Bank clients on either side of him pay nothing. The small amounts of revenue received by some boards mean that shortly those boards will not be able to function. The commissioners should be compelled to shoulder their responsibility to the road boards. If an

abandoned Agricultural Bank property is leased, one year's rates should be paid to the local road board out of the rent. When crop proceeds are apportioned, one year's rates should be paid out of them for the purpose of enabling the boards to maintain roads and incidentally maintain the Bank's securities. In the absence of a good road, a prospective purchaser probably turns down a property. In my electorate road board members travel 30, 40 and even 50 miles to attend meetings. It is most disheartening to such members when no revenue comes in. I ask the Minister to receive the suggestion of the member for Katanning in the right spirit; otherwise many boards will have to go out of existence, and then the Bank's securities will deteriorate considerably.

Mr. SEWARD: I support the member for Katanning, and appeal to the Minister to agree to some provision, not for meeting rates now outstanding, but for paying future rates. One board I have in mind collected last year only 28 per cent. of their rates. They have about £9,000 outstanding, and of that amount, £6,000 is owing by Agricultural Bank clients at present on their properties. Associated Bank clients and other farmers are paying their rates, and that is how the roads are maintained. The position is unfair, seeing that all the farmers use the roads. It is to the advantage of Agricultural Bank clients to get their produce to market by the cheapest method possible. Assistance given by the Government to road boards is mainly in the form of main road work, which does not help the local boards to keep their staffs employed. Those staffs are experienced, and can carry out work as cheaply as any other staffs. Road boards perform highly important functions, and are deserving of equal treatment with other creditors of Agricultural Bank clients.

Hon. C. G. LATHAM: It is wrong to ask the Government to borrow money for the purpose of paying road board rates, which should be paid out of revenue. Properly, they should be met out of petrol-tax payments received from the Federal Government. If the Agricultural Bank have to borrow for the purpose of paying rates and taxes, they will speedily find themselves in trouble. Assistance cannot be given to road boards through the Agricultural Bank. That would be wrong. If the Agricultural Bank

once start paying rates and taxes, they will be called upon to pay a great deal more than they will be able to pay. I know that in connection with this subject I have incurred unpopularity. To-day I received the following letter from the Great Southern Road Board Association:—

I wish to convey to you a resolution that was carried at a meeting of the executive of the Great Southern Road Board Association held at Kataning on Friday, the 23rd instant—

“This meeting desires to enter an emphatic protest against the speech of Mr. Latham, Leader of the Opposition, delivered in Parliament on the 19th September last, appearing in ‘Hansard,’ page 514, wherein he made an unwarranted reflection on road board administration, and apparently displayed an almost entire lack of knowledge of the position of road boards insofar as the collection of rates is concerned, and we deeply regret he should think fit to make this statement: ‘For my part I would not take the position of the road boards too seriously.’”

When I made that statement, it had a bearing on this point, because we were discussing the report of the Royal Commission on the affairs of the Agricultural Bank. I said that if members went back to the days when the road boards received very small revenue, it would be realised that those bodies were able to carry on satisfactorily. We must not forget that our industries are in such a financial position nowadays that it is impossible to raise money to meet the demands made from time to time. I am concerned about the position of the farmer who is struggling to make good, and if the State is to borrow money through the Agricultural Bank to pay his rates, the farmer will have to pay interest on the amounts so disbursed, and that will make his position so much worse. I was trying to advance his position a bit. Although the farmer might enjoy the use of better roads if all rates were paid, it must be remembered that the roads in the agricultural areas, when the farmers have to transport their products to the sidings, are in fairly good condition compared with what obtained in earlier years. The road boards have a substantial revenue from traffic fees, and the Bank might assist to secure the payment of those fees where the farmer is unable to find the money.

The Minister for Justice: In other States the Governments take the whole of those

fees. This is the only State where road boards receive anything from them.

Hon. C. G. LATHAM: Yes, the money generally is paid into a central fund, and a large proportion goes into Consolidated Revenue.

The Minister for Justice: In New South Wales over £500,000 was taken in one hit.

Hon. C. G. LATHAM: And in South Australia they took a large amount as well. We have always endeavoured to avoid that position. The members of the various road boards know the position of the agricultural industry. The Government are doing their best to maintain settlers on the land and to assist the struggling farmers to make good. At the same time, I could not advocate the Government borrowing in order to pay road board rates. Such assistance could well be rendered from the petrol tax.

Clause put and passed.

Clauses 62, 63—agreed to.

Clause 64—Power to write down over-capitalised security:

Mr. BROCKMAN: I move an amendment—

That in lines 1 to 3 of the first paragraph (c) in the clause the words “paying due regard to his past relationship with the Bank or any of the transferred activities” be struck out.

The files contain reports showing that in the earlier stages a man's position may not have been satisfactory, but the conditions that obtained then do not apply to-day. I do not think notice should be taken of a settler's past relationship with the Bank. I am afraid it is only wasting time moving amendments and we shall have to leave these matters until the Bill is dealt with in the Legislative Council, where some of the clauses will receive short shrift.

The MINISTER FOR AGRICULTURE: The words proposed to be struck out have been included with a very definite object. If the amendment were agreed to, it would be an instruction to the commissioners to take no notice of the past history of any client of the Bank. I cannot conceive of any Bank commissioner not having regard to the past relationship of a client of the Bank. The member for Sussex threatened the Government with regard to what will happen to the Bill in the Legislative Council. I can assure him that some members of that

Chamber have a sense of responsibility, and he will see that amendments such as his will receive short shrift in that Chamber.

Amendment put and negatived.

Hon. C. G. LATHAM: I move an amendment—

That in line 7 of the second paragraph (c) in the clause after "claims," the words "to at least the same proportionate extent as the commissioners shall be prepared to reduce the borrower's indebtedness to them and" be inserted.

Should the amendment be agreed to, it will mean that if the commissioners are prepared to reduce the liabilities of a farmer, they shall also see to it that outside creditors reduce the farmer's liabilities, to the same extent.

Mr. PIESSE: I should like to ask the Minister to explain what is to happen in the case of a disagreement under the clause.

THE MINISTER FOR AGRICULTURE: I rather wish we could take this power to compel the outside creditors to agree. The danger of the amendment is that unless the commissioners can persuade the outside creditors to agree to a percentage of the writing down, it will mean a stalemate; in fact, unless the commissioners can come to an agreement with the outside creditors they will have no power to write down.

Hon. C. G. Latham: But you have taken that power now.

THE MINISTER FOR AGRICULTURE: No. If the commissioners are unable to arrange this, they will be under instructions not to write down at all.

Hon. C. G. Latham: Read paragraph (c).

THE MINISTER FOR AGRICULTURE: I have read it. An outside creditor might have quite recently provided a new machine, and whereas the Bank's indebtedness might be written down 33 per cent., it would not be fair to ask that outside creditor to write down to the same extent. I think the clause as printed is preferable.

Hon. C. G. LATHAM: I am sorry the Minister will not accept this, because I am sure it does not mean what he thinks it does. First of all, we tell the commissioners that prior to and as a condition of making any such adjustment, the commissioners if they think fit may require that the outside creditors enter into a mutually binding scheme between themselves. The outside creditors may reduce only 5 per cent. In another

piece of legislation arrangements are being made to carry on the powers of this clause. I should like to see it laid down that the Bank will be prepared to do this conditionally on the outside creditors writing down to the same extent. This would be an instruction from Parliament to the commissioners as to what to do.

Mr. Wise: It might be too severe on some of the storekeepers.

Hon. C. G. LATHAM: I do not think so. It would probably be submitted to a court for determination as to what "require" means. If it is to be a voluntary arrangement, we should not use "require." I am willing to fall in with the Minister, but I should have liked to see the amendment embodied.

Amendment put and negatived.

Clause put and passed.

Clauses 65, 66, agreed to.

Clause 67—Appointment of internal auditors:

Mr. WARNER: I move an amendment—

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

THE MINISTER FOR AGRICULTURE: The commissioners should be given this discretion. We look to them to administer the affairs of the Bank, and they should be given this discretionary power rather than the definite instruction that they shall appoint these auditors.

Amendment put and negatived.

Clause put and passed.

Clauses 68 to 70, agreed to.

Clause 71—Offences and penalties.

Hon. C. G. LATHAM: A penalty is provided for destroying or damaging any security to the commissioners. I think provision should also be made for disposing of any security. I move an amendment—

That in line 1 of paragraph (a) "or" be struck out, and after "damaging" the words "or disposing of" be inserted.

Amendment put and passed.

Hon. C. G. LATHAM: I move an amendment—

That in paragraph (a) after "commissioners" the words "or any part thereof" be inserted.

The MINISTER FOR JUSTICE: I suggest that the words be inserted after "security."

Hon. C. G. LATHAM: That is where legal authorities disagree. I suggest that the Minister consult the draftsman. However, I am agreeable to the words being inserted after "security."

Amendment put and passed.

Hon. C. G. LATHAM: Provision should be made to punish a person receiving anything obtained by an act constituting an offence, knowing the same to have been so obtained. Frequently a farmer gets the blame for disposing of wheat over which a lien has been given, whereas the person receiving it should be equally culpable.

The MINISTER FOR AGRICULTURE: I suggest that provision be made in the following terms:—

(c) Knowingly receiving any security or any property comprised in any security which has been unlawfully disposed of, removed or concealed contrary to the preceding provisions of this subsection.

Hon. C. G. LATHAM: I move the amendment in that form.

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

Clauses 72, 73—agreed to.

New clause:

The MINISTER FOR AGRICULTURE: I move—

That the following be inserted to stand as Clause 51:—"In addition to the charge created by the Group Settlers' Advances Act, 1925, for advances made under and within the meaning of that Act all such advances shall until repaid with interest be and remain and are hereby charged—(a) on all the estate and interest of the borrower in any lands in respect to which or in connection with the working of which such advances were made; and (b) on all the goods, chattels, and effects of the borrower which may at any time be on or about or be brought on the said lands. This section shall apply to advances within the meaning of the said Act whether made before or after the commencement of this Act, but the same shall not be construed so as to affect the title of any person who may acquire any estate or interest in the said lands or any interest in any such chattels in good faith before the commencement of this Act."

This is required to secure the Bank for money advanced from the Vote Development of Agriculture. The Group Settlers'

Advances Act is one of the measures that will have to be administered by the Bank. The new clause will obviate the need for mortgages which otherwise would have to be taken out. The whole security will be lumped, and the Bank will take over the liability and do the work. Thus the commissioners will have the complete assets, as mentioned in the proposed new clause. This will be of assistance to settlers. Objection is often taken to retrospective legislation, but specific provision is made that the clause shall not have retrospective effect. There is nothing objectionable about the new clause. It is necessary the Bank should have this power, and it will obviate expense on the part of borrowers in the registration of mortgages.

Mr. J. H. SMITH: It seems that the Government are singling out one section of the community for this particular treatment. The new clause will take away any benefits that would otherwise be derived under the Bill. It will mean that group settlers can have no writing down done upon their properties, and that obsolete machinery and even dead cows will remain a charge on the holdings. If a settler borrows a machine from another that will be brought under the control of the commissioners. My reading of the new clause is that it is entirely retrospective.

The MINISTER FOR AGRICULTURE: The assets the commissioners will take over will be wasting assets, and the goods and chattels referred to will be only those which belong to the borrower. It is right that the Bank should control all the property of the group settler.

Mr. WANSBROUGH: Is the Bank taking over the liability that arose when the Lands Department made certain advances, and will it be taking over the securities also?

The Minister for Agriculture: Yes.

Mr. J. H. SMITH: What is the meaning of the words "remain and are hereby charged"? Surely they mean that the liabilities upon the holdings remain a charge upon them for all time?

New clause put and passed.

New Clause:

Mr. SEWARD: I move—

That the following be inserted to stand as Clause 52:—"The commissioners shall on the written demand of any borrower furnish such

borrower with a statement of his account showing all transactions in connection with such account for a period of not less than 12 months prior thereto or up to the date of the last statement furnished to such borrower, whichever is the greater."

This is merely a provision requiring that a customer be supplied with a statement of his account every 12 months or whenever desirable. Perhaps the new clause should be inserted after Clause 68. In the past, customers of the Bank have not been able to get complete statements of their accounts periodically.

**THE MINISTER FOR AGRICULTURE:** I do not know what the new clause would entail in the way of expense, especially as regards increased staff; and I should like to look into it.

**Hon. C. G. Latham:** There ought to be a pass book, such as the ordinary banks have.

**THE MINISTER FOR AGRICULTURE:** A statement of account should be furnished regularly, but it is not a matter to be provided in the Bill. Really it is a matter to be settled by regulation. If the amendment is not insisted on, the question will be referred to the commissioners.

**Mr. SEWARD:** On the assurance of the Minister, I ask leave to withdraw the new clause.

New clause, by leave, withdrawn.

New clause:

**Mr. BROCKMAN:** I move—

That the following be inserted to stand as Clause 70:—“(1) There shall be constituted a board consisting of one of the commissioners, a district field supervisor, and one representative of the persons engaged in rural industry in the district (to be chosen as hereinafter set out) for the following purposes:—(a) to investigate and determine any appeal by any borrower from the Agricultural Bank as to whether he should be dispossessed of his land for any failure on his part to observe the conditions on which moneys were advanced to him by the Bank, and (b) to forward to the commissioners the report of such appeal and their recommendation thereon: Provided that such appeal shall be heard and determined before the settler is dispossessed. (2) The representative of the persons engaged in the rural industry in the district shall be the nominee from time to time of the road board in whose district the land the subject of such appeal is situate.”

There are several reasons for moving this new clause. One has reference to group settlers, and especially those group settlers who in the early days of the system came

down from the goldfields with their life savings and have given as much as 14 years' hard work to the development of their holdings, but to-day are being turned off penniless, without any redress whatever. Many of them are good men who have fallen out with the supervisors, and are being harshly treated. They should have some means of redress. I hope the Minister will accept the new clause, which cannot be in any way detrimental and involves little expense. The proposed board would treat each case on its merits.

**Mr. WISE:** It would be unwise to take power away from the commissioners and that is what the amendment would amount to. It savours to me of the tail wagging the dog. The commissioners will be invested with sufficient power to deal with matters referred to by the member for Sussex.

**Mr. J. H. SMITH:** I support the new clause. I have known many instances of victimisation. Settlers have been dispossessed and they have claimed they did not know the reason except that they had fallen foul of a field inspector or some other officer. After a man has been on his holding for 14 years and has put all his money into his farm, he should have the right of appeal if he is to be dispossessed. It would not detract from the powers of the commissioners, and if a settler considered he had not been fairly treated, he should have the right to have his case investigated. One of the Bank commissioners will be on the appeal board, and nothing could be fairer than the proposed constitution of that board.

**THE MINISTER FOR AGRICULTURE:** The board proposed would be most peculiarly constituted, seeing that it would comprise a commissioner, one of the commissioners' employees and a local resident. The appeal board would not decide, but would merely forward their report and recommendations to the commissioners. Of what use would that be? One would think that the settlers were without redress. At present the procedure is that the local inspector submits a full report and recommendation: the local manager reviews the report and forwards his recommendation; the secretary reviews the whole history of the settler, the reports regarding his work, his mortgages, and so forth; if necessary, the Chief Inspector is called upon to make a check inspection and submit a further re-

port to the secretary; the papers are referred to the general manager who submits to the trustees a report on the financial position of the settler; the settler is advised of the grounds of complaint prior to action being taken; if the settler should appeal or make representations, these are considered and referred back to the local manager for a further statement; the appeal is considered by the general manager and the trustees. That is the procedure adopted at present, and the member for Sussex, who was a member of a Royal Commission that inquired into group settlement matters, should be aware of the fact. One would think that the local inspector only had the right of deciding these matters. All complaints have been thoroughly investigated, but it was always suggested in such instances that the inspector or some other officer had a grudge against the settler concerned. I cannot agree to the amendment, for it would not furnish a competent board to deal with any such appeal.

Mr. WANSBROUGH: There is one phase that might receive attention. When a settler has been charged with misconduct or some other lapse, he should have the right to know what charge has been made against him. Settlers have been discharged and have claimed they were unaware of the reason for the action. Settlers in that position are entitled to the information, and should have a copy of the reports concerning them so that they can have an opportunity to refute the charges levelled against them. If that were done, it would remove the dissatisfaction that exists to-day.

Mr. BROCKMAN: The Minister referred to the fact that I was a member of a certain Royal Commission. The clause represents one of the recommendations that the Royal Commission made. As a result of the evidence submitted to us, we were satisfied that hundreds of cases of victimisation have occurred. Many first-class men have been removed from their holdings all because they had had a difference with officers in charge. I will not seek to protect any man who will not do his job properly. On the other hand, I do not want to see men turned off their holdings unjustly or without the right of appeal. I do not care how the appeal board is constituted, but I think all good men should have some right of redress in regard to the moneys they have invested in their holdings.

Mr. J. H. SMITH: I was not committing myself to the appeal board specified in the amendment; I was merely asking the Minister to appoint an appeal board. In the past the settlers' complaint has been that they are victimised and the man charged knows nothing about the charge until he is notified that in 14 days he is going to be dispossessed. He does not know the grounds on which he is to be dispossessed, and so he has no case to put up. What we ask for is an appeal board and that when a man is notified that he is not satisfactory to the Bank, due reasons shall be given for it. To-day no reasons are given. We ask that the settler shall have the right of appeal just as any ordinary criminal has.

New clause put and a division taken with the following result:—

Ayes .. .. .	13
Noes .. .. .	19

Majority against .. ..	6
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#### AYES.

Mr. Brockman  
Mr. Ferguson  
Mr. McDonald  
Mr. McLarty  
Mr. Maen  
Mr. Patrick  
Mr. Piesse

Mr. Seward  
Mr. J. H. Smith  
Mr. Wansbrough  
Mr. Warner  
Mr. Welsh  
Mr. Doney

(Teller.)

#### NOES.

Mr. Coverley  
Mr. Hawke  
Mr. Kenneally  
Mr. Lambert  
Mr. McCallum  
Mr. Millington  
Mr. Moloney  
Mr. Munsie  
Mr. Needham  
Mr. Nulsen

Mr. Raphael  
Mr. Rodoreda  
Mr. Sleeman  
Mr. F. C. L. Smith  
Mr. Tonkin  
Mr. Willcock  
Mr. Wilson  
Mr. Wise  
Mr. Cross

(Teller.)

#### PAIRS.

##### AYES.

Mr. Latham  
Mr. J. M. Smith  
Mr. Griffiths  
Mr. North

##### NOES.

Mr. Collier  
Miss Holman  
Mr. Clothier  
Mr. Troy

New clause thus negatived.

First Schedule—agreed to.

Second Schedule:

Mr. PIESSE: I wish to draw the Minister's attention to the far-reaching effect of the provisos to this schedule and the powers conferred on the commissioners. The commissioners are to be allowed a statutory claim over all other covenants to cover rent, purchase money, rates and taxes, and other outgoings payable in respect of

the mortgage under which mortgaged land is held. I have been particularly asked to direct the attention of the Minister to what might happen. It would be distinctly unjust for the commissioners to have unlimited power to pay arrears of rent to the Crown or arrears of instalments on repurchased estates, which could be construed as any other advances under Clause 50, and would have priority over any other encumbrance. I hope that members who opposed our attempts to amend Clause 50 as well as the public, will fully realise the position.

Schedule put and passed.

Title—agreed to.

Bill reported with amendments.

*House adjourned at 12.2 a.m.  
(Wednesday).*

## Legislative Council,

*Wednesday, 28th November, 1934.*

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

### ADMINISTRATION ACT (ESTATE AND SUCCESSION DUTIES) AMENDMENT BILL SELECT COMMITTEE.

*Report Presented.*

Hon. J. Nicholson brought up the report of the select committee.

Report received and read.

On motion by Hon. J. Nicholson, ordered: That the report, with the accompanying documents and evidence, be printed.

### LEAVE OF ABSENCE.

On motion by Hon. H. S. W. Parker, leave of absence for six consecutive sittings granted to Hon. J. M. Macfarlane (Metropolitan-Suburban) on the ground of urgent private business.

### PAPERS—AGRICULTURAL BANK.

*Officers' Dismissal Recommendation.*

Debate resumed from the previous day on the following motion moved by Hon. E. H. H. Hall:—

That all files and papers concerning the two officers of the Agricultural Bank, whose dismissal was recommended by the Royal Commission on the Agricultural Bank, be laid on the Table of the House.

**THE CHIEF SECRETARY** (Hon. J. M. Drew—Central) [4.50]: I have no objection to the production of the papers. There are a large number of them and they are now being assembled. When they are collected, they will be laid on the Table of the House.

Question put and passed.

### BILL—FINANCIAL EMERGENCY ACT AMENDMENT.

*Second Reading.*

Debate resumed from the previous day.

**HON. H. SEDDON** (North-East) [4.51]: In 1931, when the Premiers' Plan was first put into operation, the Act that the Bill seeks to amend was one of the measures introduced. At that time every Government in Australia was faced with two alternatives. One was to introduce the Plan as embodied in the Financial Emergency Act and other measures. The other was to face what was declared by the then Prime Minister to be in the position, namely, that Governments would not be able to meet their obligations, and he also said he could see no alternative for them but to reduce wages and salaries to an amount which meant that they would be able to pay about 12s. 6d. only in the pound. When moving the second reading of the Debts Conversion Agreement Bill,