

## FARMERS RELIEF BILL.

The TREASURER (Hon. L. L. Hill)  
moved—

That the Speaker do now leave the Chair, and the House resolve itself into a Committee of the Whole for the purpose of considering the following resolution:—That it is desirable to introduce a Bill for an Act to make provision for financing farmers for the season 1931-1932 and for purposes incidental thereto.

Motion carried. Resolution agreed to in Committee and adopted by the House. Bill read a first time.

Second reading.

The TREASURER—On behalf of the Government I thank members for their assistance in not only getting this measure before the House at the earliest opportunity, but for disposing of the formal business, especially the Address in Reply, in such a short period. It will go down to the credit of the House and the State this Parliament represents that all recognised the crisis with which our primary producers were faced and made the earliest possible move to give assistance by legislation. On account of statements being made in the press there are many people who have sent along certain resolutions, but before they ask questions or move amendments I ask members to examine the measure carefully and see whether those amendments have not been covered in the Bill. The measure is far reaching, and I hope the House will accept it in its entirety. It is certainly legislation of a fairly drastic nature, but it needs drastic measures such as this to meet the abnormal times through which our farmers are passing.

Mr. Anthoney—Do you regard it as being economically sound legislation?

The TREASURER—There is not very much moving around Australia to-day that is economically sound. If the honorable member said it was good business to speculate in assisting a man to plant a crop this year with a possibility of wheat prices facing us as they are now, I would reply that it would be a very doubtful proposition.

Mr. Moseley—I do not think so. We must grow wheat.

The TREASURER—It is a gamble, but a necessary gamble. Wheat is a product we can sell. It is one of the products we can export to meet those requirements of the State that we have to purchase overseas.

Mr. Moseley—You cannot leave the land idle.

The TREASURER—Certainly not. We have passed through three years of drought. Last year was a good season in many parts of the State, and there were poor returns in some districts. No one, of course, thought that we were going to see a drop to the present price of wheat. If it had remained at last year's price we would not be in the difficulties we are in to-day. The State would have been able to pull through, the Budget position would have been considerably improved, and business generally would have been assisted along those lines. Unfortunately we are in difficulties and have to prepare for the future. The Government have looked at this question from all angles. We have our financial embarrassments, and I would say to the people in the city that if the farmers are not assisted to grow wheat it will be a very bad outlook for their businesses or the industries in which they are working. It is necessary for the Government to do everything possible to assist the farmers and for private people who have been financing farmers to assist as well. I shall point out as I go along that the amount of money which will be made available under this Act is limited.

The Hon. R. L. Butler—What amount?

The TREASURER—The £400,000, but that will be dealt with in another Bill. We shall have to amend the State Bank Act to allow the State Bank to lend this money to the Government. Our difficulties have been caused under the Federal financial agreement, in that we could not borrow from anybody.

The Hon. R. L. Butler—I would not blame the Loan Council.

The TREASURER—The Loan Council wanted to float a loan for £6,000,000, of which £3,750,000 was to be for a bounty of 6d. a bushel and £2,250,000 was to assist necessitous

farmers, but subsequently to that decision being arrived at certain things have taken place, and we may as well deal with the position bluntly. I refer to the policy introduced by Mr. Lang in New South Wales in regard to the non-payment of interest overseas and the reducing of interest payments in Australia to 3 per cent., which has made the loan market in Australia unapproachable. Mr. Lang supported the proposed £6,000,000 loan on the Saturday. We had waited from Friday until Saturday so that he could bring his Minister of Agriculture to Canberra to go into the whole question. After it had been gone into Mr. Lang's Minister of Agriculture was appointed to a sub-committee to draw up details of the loan, and at Mr. Lang's special request it was increased from £5,000,000 to £6,000,000, but on the Monday, about 48 hours later, Mr. Lang threw in that policy of what he would do in order to straighten out the financial position. He announced that he would not pay interest overseas and that he would not pay more than 3 per cent. on the debts of New South Wales contracted in Australia, which was an absolutely contradictory, unstatesmanlike, and disruptive action, because it rendered the borrowing of the £6,000,000 to which he had agreed on the Saturday absolutely impossible on the Monday. That is the reason why that £6,000,000 was not floated in Australia. There was going to be a patriotic appeal, and furthermore, the Loan Council intended to try the market to get £4,000,000 in addition to assist unemployment, making a total of £10,000,000 to help the State Governments. As a result of Mr. Lang's action the whole thing went overboard. It was useless to discuss it any further, but we are making arrangements for £400,000 upon loan and the necessity for it is that the Loan Council has admitted that it would be unwise to approach the Australian loan market for the £6,000,000 which would have made unnecessary the measures we are taking. In presenting the Bill I may say at the outset that the problems to be dealt with are some of the most difficult that the Government have had to face. In framing this Bill we sought the advice and assistance of all persons connected with the agricultural industry. The Minister of Agriculture, the Commissioner of Crown Lands, and I have met deputations and had interviews with numerous representatives of farmers and business organisations who are interested in the farmers' welfare. To show how representative some of these deputations were I might mention that on one occasion I met a committee

representing the following interests:—The Associated Banks (South Australia), Adelaide Chemical and Fertilizer Co. Ltd., Australian Mutual Provident Society, Bagot's Executor and Trustee Co., Bennett & Fisher, Ltd., Cresco Fertilisers, Ltd., Dalgety & Co., Elder, Smith and Co. Ltd., Elder's Trustee and Executor Co., Eudunda Farmers' Co-operative Society Ltd., Executor Trustee Co., South Australian Farmers' Co-operative Union Ltd., Goldsbrough, Mort & Co., Hardware Trade Association of South Australia, Chamber of Manufactures of South Australia, National Mutual Life Association, Retail Grocers' Association of South Australia, State Bank of South Australia, Savings Bank of South Australia, Shell Co. of Australia, Vacuum Oil Pty. Ltd., Wallaroo-Mount Lyell Fertilizers Ltd., Wheatgrowers' Protection Association, Wheat Producers' Freedom Association, Warehousemen's Association of South Australia, Wholesale Grocers' Association, and Geo. Wills & Co. In order to formulate proposals to deal with the situation the Government set up a committee to investigate the position and to advise us on the whole question. The committee consisted of Messrs. R. R. Stuckey (Chairman), E. J. Field (Director of Lands), W. J. Colebatch (Deputy Director of Lands), W. J. Warren (General Manager of the State Bank), and Professor A. J. Perkins (Director of Agriculture). The members of the committee conferred with representatives of the various interests involved and submitted to the Government a comprehensive report which has been already published. I wish to express the appreciation of the Government for the manner in which this committee handled its difficult task.

Mr. Pattinson—Was not the Director of Debt Adjustment on your committee?

The TREASURER—No; but he was consulted when it came to the point of preparing legislation. The interests involved in preparing a scheme such as is now submitted are many and conflicting, and in preparing the Bill great difficulty was experienced in holding the balance fairly as between the conflicting interests. We have endeavored to treat every section of the community fairly, and although we realise that the Bill may not give full satisfaction to all sections, it is an honest attempt to deal with an extremely difficult position in such a way as to give justice to all. For three successive years many of our farming districts were affected by drought, and the total amount disbursed by the

Government in connection with drought relief approximates the large figure of £1,300,000. It is questionable whether the price of wheat will remain where it is or go a little higher, and we have to consider whether it will be advisable to carry on a number of those who are farming in doubtful districts and have to be granted drought relief nearly every year. Hardly a session of Parliament ends without our having to pass a Drought Relief Bill.

Mr. Anthony—It is not fair to encourage people to settle in country like that.

The TREASURER—I am pleased to have that recognition of the position, but the difficulty is to determine how we are to deal with them. For this year we are going to help them and make a gamble of it. The prospects are, on the law of averages, that the price of wheat will be better than it is to-day. Since 1862 the average price of wheat in South Australia has been 4s. 8½d. a bushel. No average price prior to this year has been below 2s. 9d. Now we have probably the highest land values we have ever had in the history of the State, the highest interest rates on mortgage, and the lowest prices for products.

The Hon. R. L. Butler—I would not say we have the highest interest rates.

The TREASURER—If they have ever been higher on the average they were out of step with the interest paid by the Government. The Government interest rate is higher to-day than it has ever been before. There have been times when a rates of 4 per cent. or 4½ per cent. was considered very high. To-day the average rate is about £5 5s. 6d., whereas overseas it is little over £4 19s. That is a reflection of what the interest rates are on mortgages on private property. Once it was considered that speculation in land was a safe investment. We passed through an inflation period which came to its apex a year or two ago, and now prices are coming down.

The Hon. T. Butterfield—How do you account for the original holders of the land, who have had it for perhaps 25 years, being also in difficulties?

The TREASURER—Perhaps they lived too extravagantly and made no provision for lean years. In connection with the harvest that has just been reaped the total crop returns were quite satisfactory, but, unfortunately, the price of wheat, over which the Government have no control whatever, has shown a very rapid decline. The effect of this decline in the price

of wheat not only deprives the farmer of an adequate return for his labor and risk in producing the crop, but also seriously affects the volume of wealth produced by the community as a whole. This loss of wealth has a vital effect upon the finances of all the States in the Commonwealth excepting Queensland and Tasmania, and is of the utmost importance to South Australia, in which State agriculture plays such an important part. One of our greatest troubles, of which we have heard so much, is the reduction of the income of the State by about £10,000,000 per annum because of the reduced prices. That means that we have £10,000,000 less for the payment of wages. Therefore there are complications in that regard. Owing to the reduced price secured for their product, our farmers in many cases find themselves in the position of having insufficient money to meet their current obligations, and with no reserves upon which they can fall back in order to enable them to put in another crop in the present calendar year. In addition to the farmers themselves, the persons or institutions who have supplied credit to the farmers in the past are also seriously affected by the great fall in the price of wheat. At present in many cases the farmer's credit has been exhausted, and in order to enable him to secure further credit, that is to put in a crop during the present year, it has been necessary to make special arrangements which would not be considered in normal conditions. The general scheme of the Bill provides that banks, merchants, and others who supply credit to the farmer in order that he may have superphosphates, sustenance, and corn sacks, shall receive certificates to the extent of the credit supplied, and that such certificates shall give the holder preferential liens over the crop. When these preferential liens have been satisfied, the balance of the proceeds of the crop will be apportioned on certain lines which are set out in the Bill, and to which I shall refer more fully later. The reason for granting the preferential liens to which I have referred to banks, merchants, and others is to induce these institutions and persons to grant credit to the farmers at a period when the general credit of the farming community is at a very low ebb. By arranging for credit to be provided in the manner set out in the Bill the amount of credit to be provided by the Government to assist farmers will be reduced to as low a figure as possible. It may be said that the Government's proposals to assist the farmers are somewhat

late in the day, but I desire to take this opportunity of outlining the steps taken by my Government to meet the serious position which faced our farmers. At a conference held in Canberra on November 12, 1930, the South Australian Government submitted proposals for the imposition of a sales tax of £7 4s. per ton on all flour sold by millers for local purposes, and that the proceeds of such tax should be distributed pro rata to the amount of 1930-31 wheat delivered and sold to licensed buyers at the times of distribution. Further, it was proposed that all payments made to farmers should be at a flat rate throughout the Commonwealth. That proposal was agreed to by the conference, but was rejected by the Commonwealth Government. If that had been agreed to most of our financial difficulties would have been overcome and the farmers would have had their bonus, or whatever it might have been called, and the price would have been increased by that amount.

The Hon. R. L. Butler—And you would have had sufficient funds to have carried on without this Bill.

The TREASURER—The Bill would have been necessary, but we would not have had to borrow the money and pay interest on it. Spread over the whole thing the tax would not have increased the price of bread. I pointed out when the matter was under discussion that in New Zealand, where the price of flour was £16 a ton the price of bread was the same as it was here where flour was £10 per ton. I think there is a bread war now proceeding in Sydney and you can get a 2lb. loaf of bread there for a penny. We said that with the fall in the price of wheat there would have been no necessity for raising the price of bread if the flour sales tax had been imposed. Further, we would have had the ready cash instead of having to borrow it. However, that was the concern of the Commonwealth Government. The Queensland Government have got full control of flour and have fixed the price of wheat at 4s. a bushel. We considered fixing the price of wheat. We have a local consumption of about 3,000,000 and an exportable surplus of 32,000,000 bushels with a 35,000,000 bushel crop. If we had fixed the price of wheat it would have been of no use at all because it would only have meant one penny a bushel when spread over the whole crop.

The Hon. R. L. Butler—It would have given us 2s. a bushel on the 3½ million bushels used for local consumption.

The TREASURER—Yes, on the local consumption, but spread over the whole crop of 35,000,000 bushels it would have been of no use. We would not have got any increased price for the exportable surplus and the price would have been put up to 4s. per bushel to local consumers. Working it out it would not have given any assistance to our farmers. Following on the refusal of the Commonwealth Government to impose a sales tax on flour I made application to the Loan Council for a sum of money to enable the necessary financial assistance to be given to our necessitous farmers. This matter was considered at the Loan Council meeting on January 13 and 14, 1931, when it was announced that the question of assistance to enable farmers to crop their areas for the coming year was the subject of negotiations between the Commonwealth Bank Board and the Prime Minister. On January 21, 1931, I again brought the seriousness of the farmers' position before the Prime Minister, and submitted an amended scheme for the imposition of a sales tax on flour. This proposal was different from the previous one, because of the fact that the crops had then been harvested, and the bulk of the crop was no longer in the hands of the farmers. Under the amended scheme it was proposed that the distribution of the money raised from the flour tax should be on an acreage basis. This proposal was also rejected by the Commonwealth Government. Had this scheme been accepted, sufficient funds would have been available for distribution to farmers at the rate of 5s. 4d. per acre, or on a 12bush. average for the Commonwealth, about 5½d. on every bushel raised in 1930-31, inclusive of seed for the 1931-32 season. The merit of this scheme was that it would benefit not only the farmer who had received a crop, but the man whose crop was a failure, and there would have been no necessity to raise a loan to assist the farmers. That was the difficulty of financing the local price. The sales tax as first proposed would give something to the man who had wheat, but nothing to the man who did not have wheat. Under the later proposal it is on an acreage basis, so that the farmer who put in a crop but did not receive any return would receive a share of the fund raised by the tax. At the Premiers' Conference at Canberra on February 6 the question of assistance to wheat-growers was again discussed, and it was finally agreed that a loan of £6,000,000 should be raised for the purpose of assisting the wheat-

growers, and that of this amount £3,500,000 should be utilised for the purpose of paying a bounty of 6d. a bushel on wheat for the 1930-31 season exported, and £2,500,000 should be made available as a loan to the States for the purpose of assisting necessitous wheatgrowers. South Australia's share of this £2,500,000 was computed at £432,000. The Loan Council on February 7 formally agreed to the raising of this loan. The declaration of the Premier of New South Wales that he would not pay interest on overseas debts and proposed to reduce interest on Australian debts so adversely affected Government credit in Australia that it was impossible to float the loan of £6,000,000 for the assistance of farmers.

Mr. Nicholls—What does the Treasurer think of the suggestion for the 6d. bounty?

The TREASURER—It was most unsound, but it was a Commonwealth proposal. Further I could not see any possibility in these times of raising a loan to pay the bounty of 6d. On February 19, 1931, the Chairman of the Loan Council (Hon. E. G. Theodore) informed the various Governments that arrangements would be made to finance necessitous farmers by the issue of Treasury bills to be repaid out of the proceeds of the first loan floated. That first loan was for £6,000,000 and the information I had was that arrangements had been made for £2,500,000 of Treasury bills and our share was to be £425,000. When we got to the Loan Council that proposal was upset. My Government agreed to the issue of Treasury bills on the terms proposed, but at the Premiers' Conference, held in Melbourne on February 26, the Federal Treasurer submitted a resolution for the issue of fiduciary currency of £18,000,000, £6,000,000 of which should be made available for assistance to wheatgrowers. If that issue is agreed to by the Commonwealth Parliament it means that it will be redeemed later by a loan from the public.

Mr. Reidy—No one will give you a loan if you do things like that.

The TREASURER—That all depends. If there is a fiduciary issue and it is controlled by the Commonwealth Bank Board, and that issue is not used for Government deficits or on wasteful propositions but to produce something, it will be of value. People outside say there is no good in the proposition, but it has yet to be examined to say whether it is or not. It is a form of legislation the Commonwealth Government propose to proceed with, and it is

their responsibility. The control of the monetary system is in the hands of the Commonwealth and not the States.

Mr. Nicholls—You are not relying on that issue to get the necessary funds under this measure?

The TREASURER—No, the Government have not waited for the loan. We could not and would not wait.

Mr. Moseley—Have you made arrangements for the £400,000?

The TREASURER—Yes. I would not have introduced the Bill if I had not had the wherewithal to finance it, because it would have been deception. I have been trying to show how we have struggled, and how we have been hamstrung and fettered in our endeavor to finance things as a Government. It makes it embarrassing for Ministers of the Government, and more so for the Treasurer, who has the responsibilities of controlling the Treasury.

The Hon. R. L. Butler—Has that £400,000 been authorised by the Loan Council?

The TREASURER—No, but it is being obtained in such a way that it is outside the ambit of the Loan Council.

The Hon. R. L. Butler—I do not see how it can be.

The TREASURER—It is done through the State Bank of South Australia. That bank is a separate borrowing entity and can be made use of for this particular occasion by a Bill which is to be introduced in this Parliament.

The Hon. R. L. Butler—Do you think the Commonwealth Government should encourage any Government to evade the Loan Council?

The TREASURER—Will the honorable member oppose this proposal?

Mr. Lyons—Of course he won't.

The TREASURER—Will he say there is some constitutional difficulty in the way and that the Government should not go on, and that he will not assist the farmers to plant their crops? That is the only alternative.

The Hon. R. L. Butler—I want to know what I am doing.

The TREASURER—You know it, but you are not doing it. The Government are doing it and will accept the responsibility. I think Parliament also should take the responsibility of helping farmers out of their difficult situation, and also the Government out of their difficult position in finding the money.

Mr. Pattinson—We will so long as it is fully explained to us.

The TREASURER—You have the State Bank set up by Act of Parliament, and this Bill simply proposes to give the board power to function under the measure.

Mr. Moseley—It is the best thing you have ever done to help the farmers.

The TREASURER—We are making arrangements in anticipation of this legislation being passed. It was stated that the issue of Treasury bills, as previously proposed, could not be carried out. In view of the fact that the proposed fiduciary issue was a matter for Commonwealth legislation, it was apparent that by the time such legislation could be dealt with by that Parliament it would be too late for assistance to farmers to put in a crop this year.

Mr. Reidy—I think you are right there.

The TREASURER—Yes, and it would be too late if we hesitated on constitutional aspects.

Mr. Moseley—It is statesmanlike action.

The TREASURER—My Government were then faced with the absolute necessity of taking immediate action to see that the South Australian farmers were assisted to put in their crops for the coming year. On my return to Adelaide I at once took steps to see that the necessary money would be available, and it is satisfactory to know that my efforts in this direction were successful. It is hardly necessary for me to remind members of the exceedingly difficult financial conditions which obtain in Australia, and it can be definitely stated that unlimited credit is not available to the Government at this juncture. It has only been possible for the South Australian Government to receive this very necessary financial accommodation to assist our farmers because we have faced the position and made a genuine attempt to restore our financial position. It is because of the Government's efforts in this direction that we have been able to make special arrangements through the State Bank of South Australia, for the sum of £400,000 to be provided, and it is hoped that this amount will be sufficient to assist those necessitous farmers who will be unable to secure finance through the banks and the merchants. I think I have made it quite clear that there has been no undue delay on the part of the Government in evolving a scheme to assist the farmers. Until we were sure that the necessary finance was available, it was impossible to finalise any scheme. Once it was clear that the money could not be provided through the Loan Council my Government took immediate action to ensure that the

necessary financial assistance was forthcoming. In anticipation of the Bill being passed by Parliament, I have arranged for the State Bank to prepare the necessary forms of application for assistance, and these will be available for distribution to-morrow. In addition, it will be necessary to introduce legislation giving the Government the necessary Parliamentary authority to raise the money to be provided for necessitous farmers. A provision will be inserted in such a measure providing authority for the State Bank to lend such money to the Government for the purpose indicated. This measure will also need to be passed by Parliament without delay, and will be introduced as soon as possible. I shall now deal with the provisions of the Bill in detail, as prepared by the Parliamentary Draftsman. The Bill embodies the plans of the Government for helping farmers during the coming season. There are two parts of the Bill. The first part contains the scheme which will be used to finance those farmers to whom merchants or banks are willing to give credit and who will not require any money from the Government. The other part enables the Government to make loans to farmers who cannot obtain finance from any other source. I will deal with Part I. first. "Farmer," in clause 2, is defined as a person who, whether as owner or lessee, cultivates land for the production of wheat, barley, oats, or rye. The effect of this definition is to limit the operation of Part I. of the Bill to those persons who cultivate land for the production of the winter-growing cereals. The machinery provided in Part I. of the Bill is incapable of being used to finance any person who does not raise these crops, since the fundamental principle of the scheme is that the person financed shall be in a position to assign as security a crop, the proceeds of which will be available at the end of this year or early next year. With certain modifications in procedure the Bill applies to share-farmers as well as farmers. The administration of the Act is in the hands of the State Bank Board. This Board has since its inception administered the Drought Relief Acts and has both the experience and the staff necessary. Under the scheme of the Bill it is essential to find some person or body capable of acting in an entirely impartial manner as a trustee of the proceeds of the assigned crops, and the State Bank Board is obviously a body well suited to act in this capacity. In determining the general policy to be adopted in the administration of the Bill, the board will have the benefit of the



advice of an advisory committee appointed pursuant to clause 3. The committee will consist of one nominee of the Chamber of Commerce and one of the Chamber of Manufactures, one representative of the cornsack and superphosphate merchants, one of the merchants supplying groceries and household commodities by retail, and two representatives of the farmers. The representative members will be suitable persons selected by the Government. It will be an advisory committee and there will be no question of voting. The administration will belong to the State Bank Board, which will determine all things, and this will be a committee to assist in an advisory capacity. We are not going to load up the scheme with any costs that can be avoided, and members will be interested to learn that no fees will be paid to the advisory committee. The object of Part I. of the Bill is to enable the farmer to obtain superphosphates, sustenance, cornsacks, money to pay for labor and motor tax without any direct financial accommodation from the Government. The farmers who are expected to come under this part of the Bill are those who are unable to obtain assistance from their banks or merchants in the ordinary way, but who will be able to obtain assistance if the banks or merchants who find the new money to finance this year's production, are assured of a preferential claim on the proceeds of this year's crop to the extent of the new money advanced. There are two methods in which the farmer may be helped under Part I. If his bank is not willing to advance the money to pay cash for the farmer's superphosphate, sustenance, and other requirements, the Bill provides machinery whereby he may obtain these things from merchants or storekeepers direct, and whereby the merchant or storekeeper will obtain a prior claim to the proceeds of the crop for the amount of their debts. If, however, the farmer's bank is willing to finance him to pay cash for his requirements, the Bill provides means whereby the bank can obtain security for repayment of its advances out of the proceeds of the crop. In all cases applications will be made to the Board of Management of the State Bank, and every application must be accompanied by an assignment of the crops to be grown by the applicant during the forthcoming season. If the application is refused or withdrawn the assignment becomes void; if not it operates to vest the crop, whether sown or not at the time of the assignment in the State Bank Board, to be dealt with in accordance with the Bill for the

benefit of the farmer and his creditors. In every application the applicant will be required to show that he is unable to obtain finance except under the Bill, since it is not the object of this measure to help people who can obtain help apart from its provisions. The applications will be dealt with by the board, which in its discretion, may grant or refuse them, or may grant them as to part only of the commodities applied for. If an application is approved, the procedure will vary according to whether the applicant's bank is to find the money or not. If the bank is to find the money, it will be notified of the board's approval and will then grant the necessary overdraft and honor the applicant's cheques for the price of the commodities the supply of which has been approved by the board. If the applicant's bank is not to find the money, the State Bank Board will issue to the applicant orders on merchants and storekeepers as required authorising them to supply the applicant with the approved commodities. As regards any money required by an applicant to pay motor tax on any tractor or lorry used by him in working his land, or to pay for any labor for seeding or harvesting, the Bill provides that this money may be advanced either by the State Bank Board or by the applicant's bank or any other person who may be financing the applicant, and any money so advanced will be repayable as one of the first preferential claims out of the proceeds of the farmer's crop. The next step when goods or cash have been supplied or advanced to the farmer is to issue to the person supplying the goods or making the advance a certificate which will evidence his claim to a preferential payment out of the proceeds of the applicant's crops. These certificates will be issued by the State Bank Board at the request of the persons entitled to them if the board is satisfied that the goods or money have duly been supplied to the farmer. For example, a bank which honors the farmer's cheque for superphosphate and sustenance for any period may obtain a certificate to cover any particular payment, or may wait until all payments for the farmer's requirements have been made and obtain one certificate for the full amount. The merchants who supply goods on the order of the State Bank Board from time to time may obtain certificates for the price of each list of goods supplied if they so desire. A certificate when

endorsed by the person to whom it is issued will be negotiable and will undoubtedly have some value as security for an advance of money. There will doubtless be persons who are willing to buy certificates outright, though the sellers will have to take something less than the face value in some cases owing to the risk that the crop will not be sufficient to pay in full all certificates giving a right to the proceeds thereof. It seems likely that the merchants may deposit these certificates with banks as security for advances. The banks, however, probably will not pledge or negotiate these certificates at all. The Bill places on the farmer who has been helped the duty to harvest his crop and deliver it within one month after harvest to a pool or merchant approved by the board. The term "merchant," it may be explained, is any person, other than a pool, who buys wheat. Within three months after delivery to a merchant the farmer must sell his wheat and direct the buyer to pay the proceeds to the board. If the wheat is delivered to a pool, the pool will sell in the usual way, but must pay to the board all moneys due on account of any assigned wheat. The proceeds of a crop coming into the hands of the board will be distributed in accordance with clause 14. From this clause it will be seen that the first payments to be made are the costs of harvesting (if any have been incurred by the board as a result of neglect on the part of the farmer), the cost of insuring the crop, the cost of any labor, and the tax due on the farmer's tractor or lorry (if used in connection with the working of the applicant's land). The balance of the proceeds will be used as follows:—

Firstly, in paying the certificate holders the amounts due to them.

Secondly, in payment of the following amounts:—

- (1) One year's simple interest due under any legal or equitable mortgage of the farming land of the applicant, including (if the board so determines) one year's interest on any advance made by the Crown under any Act relating to drought relief:
- (2) One year's rent of the farming land of the applicant held under lease, or one year's interest on the balance outstanding of the purchase price of any farming land of the applicant held under agreement to purchase:

- (3) One annual instalment on any farm machinery being purchased by the applicant or held by the applicant under hire-purchase agreement, but if any such annual instalment exceeds one-quarter of the total purchase money payable under the hire-purchase agreement, then one-quarter thereof only shall be payable:

- (4) One year's rates and taxes:

Thirdly, the board shall allow the applicant a reasonable amount, to be determined by the board, for sustenance for the year 1932-33:

Fourthly, in payment of the remaining debt of the applicant other than principal money secured by mortgage:

Fifthly, the surplus (if any) shall be returned to the applicant.

Pursuant to the recommendation of the Committee which inquired into the question of farmers' relief, the Bill contains a provision giving farmers who are assisted under the Bill a degree of protection against their creditors for 12 months. Put shortly, the provision means that the land and farming implements of the farmer, and the commodities supplied to him under the Bill cannot be seized by any creditor for 12 months after the farmer's application for assistance under Part I. is granted. A similar provision is included in Part II. of the Bill for the benefit of those farmers who receive assistance under the drought relief provisions of the Act. I have now explained the chief provisions of Part I. There are a number of minor ancillary provisions which it is not necessary at this stage to enlarge upon, but if any honorable member requires further information it can readily be obtained.

Mr. Lyons—Does the Bill give reasonable protection against land being sold before the crop is reaped?

The TREASURER—Yes.

Mr. Pattinson—Will the Debt Adjustment Department function as a separate department?

The TREASURER—I do not know exactly how it will function when this Bill becomes law. Part II. of the Bill extends the Drought Relief Act, 1928, in several ways. Firstly, it permits ordinary drought relief advances to be made at any date not later than February 29, 1932. The Acts at present fix December 31, 1930, as



the last day for advances. Secondly, Part II. enables advances to be made under the provisions of the Drought Relief Acts to persons who, though not in drought-affected areas, are, in the opinion of the Board, in necessitous circumstances, and unable to obtain finance under Part I. or in any other way. Thirdly, the Drought Relief Acts are extended so as to apply to landholders who raise crops in irrigation areas without irrigation. The Drought Relief Acts do not at present apply to settlers in irrigation areas. In certain irrigation areas, however, notably the Weigall and McIntosh divisions of the Cobdogla area, irrigation land has been leased in large blocks under miscellaneous leases for cereal growing and stock raising, and settlers on land of this kind require drought relief, when affected by drought, just as much as settlers on lands outside irrigation areas. One other provision of Part II. may be mentioned. Clause 29 provides that when a person applies for assistance under the Drought Relief Acts he must assign his crops to the State Bank Board, which will distribute the proceeds in accordance with the scheme set out in Part I. of the Bill. The State Bank takes the view that if it finds new money to assist a settler to put in a crop it is entitled to the same rights to the proceeds of the crop as the merchant or banker who finds money under Part I. of the Bill. I have explained the Bill in great detail and propose to give the Leader of the Opposition the opportunity to secure the adjournment of the debate. I want members to apply their minds to the Bill to improve it, not to destroy its effect. It is an important measure, experimental, but urgently necessary. I hope members will give it a speedy passage.

The Hon. R. L. Butler—Do you intend the House to sit late this week?

The TREASURER—That depends on whether the honorable member talks for a long time or not.

The Hon. R. L. Butler—I shall not take longer than the Treasurer took.

The TREASURER—I hope not. I move the second reading.

The Hon. R. L. BUTLER secured the adjournment of the debate until March 18.

#### SITTINGS OF THE HOUSE.

The TREASURER moved—

That during the present session, unless otherwise ordered, the House meet on Tuesday, Wednesday, and Thursday in each week at 2 o'clock.

Motion carried.

#### BUSINESS OF THE HOUSE.

The TREASURER moved—

That during the present session on Tuesdays and Thursdays, and after the 6 o'clock adjournment on Wednesdays, Government business take precedence of other business, except questions.

Motion carried.

#### PARLIAMENTARY DRAFTSMAN.

The TREASURER moved—

That Standing Order No. 83 be so far suspended for the remainder of the session as to enable the Parliamentary Draftsman and his assistant to be accommodated with seats in the Chamber on the right-hand side of the Speaker.

Motion carried.

#### JOINT COMMITTEE ON CONSOLIDATION BILLS.

The TREASURER moved—

That the House requests the concurrence of the Legislative Council in the appointment for the present session of a Joint Committee to which all Consolidation Bills shall stand referred, in accordance with Joint Standing Order No. 18, and to which any further question relating thereto may at any time be sent by either House for report.

That, in the event of the Joint Committee being appointed, the House of Assembly be represented thereon by three members, two of whom shall form the quorum of the Assembly members necessary to be present at all sittings of the Committee.

That a Message be sent to the Legislative Council transmitting the foregoing resolutions.

That the Attorney-General (Hon. W. J. Denny), and the Hon. R. L. Butler and Mr. H. J. George be representatives of the Assembly on the Committee.

Motion carried.

#### SUPPLY.

In Committee of Supply.

The TREASURER moved—

That Supply be granted to His Majesty.

Motion carried.

Resolution agreed to by the House; consideration, March 18.

#### ADJOURNMENT.

At 4.35 p.m. the House adjourned until Wednesday, March 18, at 2 p.m.