

measure being introduced so late in the session, because it was impossible to get a Bill of this description in before. It is fortunate that the House is in session so that we can pass it and give an assurance to the farming community of what is going to be done for them during the ensuing twelve months.

Mr. Anthony—What about other interests outside?

The TREASURER—What other interests?

Mr. Anthony—All sorts of interests. There will not be much time to make inquiries.

The TREASURER—If the honorable member will wait until the second reading he will find that all interests have been consulted.

Mr. Dale—It is only a vote-catching Bill, anyway. You know it will not pass the other Chamber.

The TREASURER—The honorable member should wait until he sees the Bill.

Mr. Dale—I am beginning to know you. You have led us astray so often.

The TREASURER—I should be sorry to attempt to lead the honorable member. You certainly do not know your business in this House. Members will see that the Bill reenacts legislation passed last year and makes provision in other directions. The question of assisting farmers for the season 1932-3 has been under consideration by the Government and their advisers for some time, but it is only recently that it has become possible to determine with certainty exactly what assistance will be required for the coming year. The matter partly depended upon what finance the Government would have available, and partly upon the success or otherwise attendant upon the schemes which are in operation for the current year. However the State Bank Board has recently been in a position to formulate plans for next year, and last week it called together the Advisory Committee constituted under the present Act and laid before it its proposals for the coming year, which are embodied in the Bill. It is, I think, correct to say that these proposals command the unanimous approval of the members of the Advisory Committee. That Committee consists of representative commercial men of the State, including a nominee of the Chamber of Commerce and of the Chamber of Manufactures, and also two members of this Parliament. The advice and criticism which the Committee was able to bring to bear upon the Government's proposals

FARMERS RELIEF ACT EXTENSION BILL.

The TREASURER, having obtained leave, introduced a Bill for an Act to provide for financing farmers for the season 1932-33, to make certain amendments to the Farmers Relief Act, 1931, and for purposes incidental thereto. Bill read a first time.

Second reading.

The TREASURER (Hon. L. L. Hill—Port Limerick)—The Government are anxious that the measure shall pass through Parliament as speedily as possible. There is no necessity for members to raise objection to this important

were very valuable, and the Government are very pleased to have had its criticism and approval of the Bill. The provisions of the Bill may be briefly summarised under four headings:—

1. Provision for the Bank to finance farmers for the season 1932-3.

2. Protection for farmers for that season if the farmers obtain relief.

3. Provisions enabling the Bank to control and distribute the proceeds of the crop for 1932-33.

4. An extension of the period during which farmers obtaining relief under the present Act are protected against their creditors.

The exact provisions of the Bill on these subjects will become clear as I explain the clauses in their order. Clause 3 contains the definitions. The definition of "farmer" fixes the scope of the Bill. A very wide definition of farmer has been adopted. Under the existing Act assistance by the bank under Part II. can only be granted to farmers who hold land in fee simple or under a Crown lease, and the narrow scope of this definition has had the effect of excluding some farmers from the benefit of the present Act. There are many farmers who are farming land which is not in their own name, or which is held on lease other than Crown lease, and, so as to include all these people in the definition, the Bill provides that "farmer" means "any person who otherwise than as an employee of another person is engaged in the cultivation of land for the production of wheat, barley, oats, or rye or the hay of any of these crops, or any party to a share-farming agreement under which land is cultivated for such production." This definition also makes it clear that both parties to a share-farming agreement are entitled to apply for assistance. That is a fairly important amendment of the present law. It makes the scope of the Bill wider than the present Act, and I think it will cover every farmer growing wheat, barley, oats, &c.

The Hon. R. L. Butler—There was a serious omission from the Act of last year.

The TREASURER—There was, but when I introduced the present Act last March I mentioned that it was experimental legislation and we would be guided by the experience of its working.

The Hon. T. Butterfield—You have not made the definition wide enough to cover the growing of wheat on the North Terrace line.

The TREASURER—I do not think a lot of wheat is grown there.

Mr. Dale—There were a lot of false pretences on your part 18 months ago. I am not going to swallow all you tell me.

The TREASURER—I think the honorable member must have swallowed something to-day. Clause 4 provides that the Bill is to be administered by the bank. Clause 5 defines the kind of assistance which can be granted by the bank. The language of the clause is broad and gives the bank a wide discretion to give assistance of whatever kind it thinks necessary. The purposes for which the assistance may be granted are the following:—

(a) To sow, harvest, and market the crop of the season 1932-33;

(b) To maintain the farmer and his family throughout that season;

(c) To feed his stock during that season; and

(d) To fallow land for cropping in the season 1933-34.

I direct special attention to the provision for fallow, as this is not in the present Act. For any of these purposes the bank may either supply the applicant with commodities or pay on behalf of the applicant any fees, wages, or other amounts which, in the opinion of the bank, are expenses reasonably incurred in connection with sowing, harvesting, and marketing the crop or fallowing land, and which ought to be paid by the bank before harvest. Clause 6 provides that every applicant must assign his 1932-3 crop to the bank. This is the same arrangement as exists under the present Act. There is, however, a difference in the securities taken under the Act and under this Bill. Under the Act not merely does the bank take an assignment of the crop but the amount advanced by the bank is a first charge on the applicant's land. It is not proposed to make the advance a charge on the land since, in most cases, the land is already sufficiently encumbered and the injustice of putting on the land charges ranking in priority to those of first mortgagees has for some time been apparent. In general the crop is an adequate security for the amount advanced by the bank and there are only a minority of cases where it is not.

The Hon. R. L. Butler—Will the advance mean absolute preference to the Government over the whole crop?

The TREASURER—I think it will. The bank will deal with the whole business. Clause 7 provides for keeping a record of applications at the office of the bank. Clause 8 states that the bank must consider every application and may in its discretion grant or refuse any application. Clause 9 provides that the cost of any commodities supplied for or in behalf of an applicant and the amount of any moneys paid in his behalf by the bank is to be deemed to be a loan by the bank to the applicant. The loan is to be repaid by the applicant on or before April 30, 1933, with simple interest at the rate fixed by the bank, which, as nearly as practicable, is to be the average rate paid by the bank on money borrowed by it for the purposes of this Act. The bank has power to extend the time for payment in cases of special hardship. Under the farmers' Plan the rate of interest on Government borrowings has been reduced to 4 per cent, and, possibly, the farmer will get his money at 4 per cent. plus a small margin to cover expenses. Clause 10 provides that the bank may insure the crop and subsequently deduct the cost of insurance from the proceeds of the crop coming into its hands.

Mr. Lyons—That seems an unnecessary expenditure. The ordinary farmer does not insure his crop.

The TREASURER—But Government money is involved here and it is necessary to protect the Government. The purchasers of State Bank notes are compelled to insure.

Mr. Lyons—That is different. An examination of the Murray lands farms would show that during the last few years insurance was absolutely unnecessary.

The TREASURER—That may be so, but when public money is advanced the Government should be protected. Clause 11 provides that the applicant whose application has been granted must sow and harvest, render his crop marketable, and deliver it within one month after harvest to a merchant or pool nominated by the applicant and approved by the bank. This is the same as the present scheme. By clause 12 the applicant is required to sell his crop within three months after delivery, but in no case later than April 30, 1933. This coincides with the present law, with the exception

of the requirement that the sale must not take place in any case later than April 30, 1933. For the purposes of the proper administration of the Bill it is essential that there must be a fixed date from which the bank can proceed with the distribution of those crops which are delivered to merchants. The fixed date for sale, however, does not apply in the case of wheat delivered to a pool, but the bank advises that in the case of wheat delivered to a pool it can proceed with the distribution without the necessity for having a fixed date for sale. Clause 13 sets out how the proceeds of the crop are to be distributed by the bank. In general the priorities are the same as those under Part II. of the present Act, but there are one or two points to which I will direct special attention. Firstly, the provision for remunerating the bank for its services in connection with the administration of the Bill. Under Part II. of the present Act, which is the Part analogous to this Bill, there is no express provision for commission to the bank, but the bank, instead of advancing moneys to the farmer at the same rate of interest as the bank itself pays for the moneys, makes a slightly higher charge to cover the cost of administration. Probably the rate will be a little above the rate at which the Government get the money, which to-day is 4 per cent. We expect to be recouped practically all the money that was advanced last year, and that is ready for relending. We borrowed £400,000 last year at the rate of 6 per cent. Under this Bill it is proposed to let the applicant have the money at the same rate of interest as the bank pays for it, and also that the bank will make a direct charge for its services by way of commission on all the proceeds of crops handled by the bank. The commission, however, must not exceed 2½ per cent. of those proceeds, and must be of only such amount as will cover the actual cost incurred by the bank in the administration of the Bill. Compared with the rate payable to trustees in insolvency and trustees of assigned estates the maximum rate fixed by the Bill is very low, and the legislation is framed on such lines as will ensure that not one penny of profit will be made by the Government or the bank either out of the money-lending part of the Bill or the administrative part. The only other point which I wish to make clear about the preferences is

that last year's clause has been re-drafted for the sake of greater clearness and explicitness, and general terms used in last year's Act have been expanded somewhat so as to make clear exactly what is implied by them. Further, a number of alterations of a legal kind have been made consequent upon those provisions of the Bill which render it unnecessary that the applicant should himself be a landholder. Clause 14 gives an applicant who receives assistance under the Bill protection against his creditors for the period from the making of his application until August 31, 1933. The object of fixing August 31 is to enable the farmer to be protected until the proceeds of his crop have been distributed. It is not sufficient to protect him until the harvest has been reaped, because if he is made bankrupt at any time before the proceeds of the crop have been distributed all the provisions of the Bill relating to administration and distribution of the proceeds of the crop by the bank will go by the board. It is, therefore, necessary to give protection until a date sufficiently late to cover the period during which the proceeds of the crop are being distributed. Subclause (7) of clause 14 embodies a suggestion previously made in this House by the honorable member for Yorke Peninsula, Mr. Pattinson, to the effect that while a farmer is under protection against his creditors he cannot lawfully create any charge or security over his property. Clauses 15 to 21 require no explanation in detail. They are the usual machinery and legal provisions. Clause 22 is the usual financial provision applicable to transactions in the nature of advances by the State Bank to primary producers, and provides that the Treasurer is to make advances to the bank out of moneys appropriated by Parliament, and that the bank must repay those moneys to the Treasurer when the loans made by it are repaid. The money to cover the requirements of this measure has already been appropriated in the Loan programme. Clause 23 extends the protection to those farmers who are being assisted under the present Act. Farmers are at present protected for twelve months from the date of the making of the applications, but it is essential that they should be protected until the proceeds of their crops have been distributed; and just as those farmers who are assisted under this Bill will get protection until August 31, 1933, so will those farmers

who are assisted under the Act passed earlier this year get protection until August 31, 1933. Clause 24 amends the principal Act, more expressly defining what is meant by the term "one year's rates and taxes" in the principal Act, and also defines several other expressions. The experience gained by the bank in the administration of the Act passed earlier this year has enabled the Government to prepare and bring down a much more workable and simple measure than the Act passed earlier this year, and the opportunity has been taken to clear up a number of legal points. The scheme set out in Part I. of the present Act whereby the Government arrange with merchants to supply the farmers with goods and issue to the merchants certificates entitling them to a share in the proceeds of his crop has been abandoned. The amount of assistance granted under Part I. was only about £100,000 as against £400,000 under Part II.

Mr. Pattinson—They took the cream of it too.

The TREASURER—That is probably so, but we were pleased to get their assistance. At that time we were doubtful about getting sufficient money.

Mr. Thompson—You expected £1,000,000 did you not?

The TREASURER—It was simply a gamble—we had nothing to guide us.

Mr. Lyons—The banks made the money available.

The Hon. M. McIntosh—Advances were made direct without participating under Part I. at all.

The TREASURER—That may be so. We have no statistics to show what assistance was given outside the Act.

The Hon. T. Butterfield—A lot of money was advanced outside.

The TREASURER—Quite so, but there is another aspect; a lot of people came under the Act in order to get the advantages of a moratorium.

Mr. E. E. George—But they had to justify their case before they got assistance.

The TREASURER—Part I. is cumbersome and expensive to administer, and is not a scheme of such a nature as can be justified except in a time of great financial stringency. The Government, however, hope to be in a position to finance these farmers who need financing for the coming year without recourse to the certificate

system, and therefore it is proposed to discontinue this system after the proceeds of this year's crop have been dealt with. Members will appreciate the effort of the Government in getting the Bill in before Parliament prorogues. It means that the farming and business community will know what is to be done for the next 12 months. Last year the Bill was brought down in March, and even then, by the time it was passed, it was too late in many cases. In this case we are making known what Parliament desires to do to help farmers, and have brought the Bill in this session. We hope it will be passed as introduced.

The Hon. T. Butterfield—It will be a great relief to country members.

Mr. E. E. George—There is no doubt about that.

The TREASURER—I do not know whether it will be a relief to metropolitan members who farm somebody else.

Mr. ANTHONY—That is an unwarranted statement. On a point of order I ask that it be withdrawn. The Treasurer's statements are usually responsible.

The SPEAKER—I ask the Treasurer to withdraw.

Mr. Dale—If it was meant for me I do not care. I take insults from the Treasurer as compliments.

The TREASURER—I withdraw. I submit the Bill to honorable members regardless of the constituency they represent. The farming community is the real backbone of the State and I say to those who represent industrial centres that the industrial worker will suffer as much as a farmer if the latter goes off the land. The more wheat and wool we get the more wealth there is to go around and the bigger pool from which to pay wages and profits. We feel justified, therefore, in the interests of the community, in committing Parliament to another half million pounds to assist farmers.

The Hon. R. L. Butler—You will not want a quarter of a million.

The TREASURER—No; if the price of wheat keeps up to where it is and farmers get the bounty of 4½d. a bushel. Many of them will reap bounteous crops.

Mr. Jonas—The industrialists would do well if they got the same assistance as the farmers.

The TREASURER—I have heard that statement many times and it should be analysed, without getting heated. If there is no wheat

to haul over the railways no railway workers will be wanted and no wharf workers required to handle it at Port Adelaide.

Mr. Jonas—We have heard that statement quite often, too, and it needs analysing.

The TREASURER—If the honorable member will turn it over in his mind he will see that in the first place assistance to the farmer is for the purpose of saving the most important industry in the State.

Mr. Pattinson—And the money is not a gift.

The TREASURER—No; he has to repay it.

Mr. Jonas—He gets the loan and there is never any result.

The TREASURER—The honorable member should know better. The provisions of last year's Bill enabled many acres of land to be planted, and the value to South Australia of the wheat grown, if the price remains as it is, will be over £5,000,000. That should be worth something to the honorable member and all his constituents. I ask members to raise the debate on this important measure above the level of the ideas being expressed that somebody is getting an advantage to the detriment of somebody else.

Mr. Jonas—It is advice you should give to the other side of the Chamber.

The TREASURER—I address it to all. I hope Mr. Jonas will apply his mind to the points I have mentioned. If this measure is passed it will secure to those people who have been unfortunate—some of the farmers may reap bounteous crops, but others through the dry spring are not going to reap anywhere near as much as they expected—some assistance. I asked the Commonwealth Government to set aside some amount so that the unfortunate farmer might be kept on his land. I believe that the Commonwealth should have raised money to keep the farmers on the land. But under the bounty system as we have it to-day it will work out so that the farmer who has the biggest crop will get most, and those who urgently require assistance, because they may reap a very small or no crop at all, will get little if anything. The provisions of this Bill will, when carried into effect, fill the breach and will help those who are not going to reap the crop they anticipated.

Mr. Lyons—You must not forget that those who have farms in the better districts are those on the most expensive land.

The TREASURER—I pointed out that the application of the bounty will mean that the

man who produces the most will get the highest amount from the bounty. For instance, the honorable member for Stanley, who will have a bounteous harvest this year, will get the 4½d. a bushel, but the member for Wooroora, who farms at Loxton, who may go through a strenuous time, because his crop may be a failure, may get none of the bounty at all, and if he gets a loan he will have to pay interest on it, whereas the other honorable member will get a free gift. It was pointed out at the Conference by Mr. Hogan and others that farmers in the Wimmera district, which is a good farming district, do not want assistance, and if a bounty on production were provided it would mean that assistance would be given to those who did not need it.

The Hon. T. Butterfield—It should be on an acreage basis.

The TREASURER—We tried to get it on an acreage basis.

Mr. Lyons—If it were on an acreage basis it would subsidise inefficiency.

The TREASURER—There may be something in that. However, I know the honorable member for Stanley is very enthusiastic about this measure, and I will resume my seat as soon as possible in order that he may help us to have it passed. I commend the Bill to members. It is a most important measure, and one which, I think, has received the unanimous support of all interests concerned. If passed it will be a very great advantage to some of those who are struggling against difficulties to-day. I move the second reading.

The Hon. M. McINTOSH secured the adjournment of the debate until November 23.