**LOANS TO PRODUCERS ACT AMENDMENT BILL 1926**

**House of Assembly, 1 September 1926, pages 560-2**

**Second reading**

**The COMMISSIONER of CROWN LANDS —(Hon. T. Butterfield)**—This small amendment to last year’s Act is necessary because of an oversight in that measure. Incorporated in one of the clauses of that Act were words which provided that no loan could be made except upon the recommendation of the Land Board. Those words made the Act somewhat difficult to administer, and the purpose of this Bill is to strike them out. Apart from the general principle of making the State Bank carry the responsibility for dealing with a loan of this kind, the Land Board has too much other work to do to permit of its members accepting any real responsibility in connection with this matter. What has happened during the past few months in giving effect to the section of the Act as it now stands is that the State Bank has had to refer the applications to the Land Board; the Land Board has called for a report from the Crown Lands Inspector, and on receipt of: such report has submitted the recommendation to the State Bank, which then has to deal with the matter. The Land Board’s .recommendation must of necessity be based upon that of' the Crown Lands Inspector, the same officer whose services are availed of by the State Bank in dealing with loans under the Advances- to Producers Act, and who will be availed of in respect to loans for fallowing and clearing if the proposed amendments are carried. Considering the experience of the members of the State Bank Board, there is no need to occupy the time of the members of the Land Board and delay consideration of the settlers’ applications for loans. Mr. Stuckey, of the State Bank Board, reported to me:—

This question has been before the board on several occasions, and the board how desires to point out as follows:—Section 2 of the Loans to Producers Act Amendment Act, 1925, pro­vides:—“Loans may also be made as mentioned in subsection (1) hereof to any person who holds any land on lease or agreement from the Crown for the purpose of clearing scrub or timber from such land; or for fallowing such land, but no loans shall be made as aforesaid except upon the recommendation of the Land Board.” Without in any way reflecting upon the Land Board, experience has already shown that the necessity of a recommendation by the Land Board is only likely to hamper the proceedings under the new Act. The class of loan to be made under the new Act is not materially different from loans made under other Acts, such as the Advances to Settlers Acts, and it appears to the board that the administration of the new Loans to Producers Act might very well be left to the discretion of the State Bank Board without any reference to the Land Board. Before making advances under the new Act, the State Bank Board would naturally avail itself of all likely sources of information (e.g., the inspectors of the Lands and Survey Department) in the same way as is now done under the Advances to Settlers Acts, and the board is of opinion that it would be advisable to strike out from the Act passed last year the words, “but no loan shall be made as aforesaid except upon the recommendation of the Land Board”. The board respectfully requests that the Government will approve of bringing down the necessary amending legislation during the present session to give effect to the board’s recommendations.

ThisBill relates to , an amendment brought down last year to allow money to be advanced under the Loans to Producers Act for the purpose of assisting men on the West Coast and other places to break down heavy scrub, especially in early years when, there is great difficulty and delay in getting land under cultivation, and to make advances against fallowing where the Loans to Producers Board think necessary. They were the only two points raised in the Act passed last year.

Mr. Hamilton—Was the Act intended to apply to individuals?

The COMMISSIONER of CROWN LANDS —Yes; that is why it was amended, to give individuals a chance. In many instances it costs at least £1 an acre to bring about the final clearing, and up to 30s, and £2 to get the land ready for the plough. Moreover, many settlers are not wealthy and encounter great difficulty in getting men to do the work for them, because there is no great certainty of being paid after the work is done. The State Bank Board which has been formed since the Bill was passed last year is comprised of men very conversant with our land, who are not likely to make any mistake, and they recommend this amendment. The sooner it is made the better it will be for the people around Kimba and other portions of the West Coast, who need to have their scrub broken down as soon as possible to get ready for the next year; and also to the State, because it will enable land to be brought under cultivation much more quickly. I ask the House to give the matter their support and enable the Bill to be brought into effect quickly so as not to deprive people affected of the benefits it is designed to confer.

Mr. BUTLER—I understand the Minister wants the Bill put through this afternoon, and we are desirous of helping him to bring about the proposed amendment. In the first place, the Loans to Producers Act plays an important part in the development of Eyre Peninsula; secondly, we do not want to retard the operations of the State Bank. One point needs consideration, namely, whether the State Bank have the same opportunity for making the inspection which is so essential before advances are made as the Land Board. The State Bank Board will have to ascertain the qualifications and character of the settlers who require advances.

Mr. Reidy—And whether they will keep the improvements going.

The Commissioner of Crown Lands—They will get reports..

Mr. BUTLER—It may be costly to get them unless they have inspectors on the West Coast becoming acquainted with the settlers. If the bank have the means of getting the necessary inspection made without duplicating the work the amendment is all right, and I shall be prepared to support it.

The Hon. G. R. LAFFER—I can understand, as a matter of administration the State Bank finding the provision in the Act, that a report must be furnished by the Land Board, a cumbersome one. The country we are dealing with is far removed from the centre of population, and, although the Land Board has been administering certain Acts, particularly the Advances for Settlers Act, that board has always depended on its officers who are located in different places concerning matters which come up for consideration in regard to loans. Under this Bill the interests of the State Bank would be thoroughly safeguarded, because we have two of the most experienced officers in connection with land matters in the State on the board, Mr. Field, the present chairman of the Irrigation Commission, and Mr. Messent, Secretary for Lands; and we have very competent officers established on the West Coast and every other part of the State, who investigate. I assume the services of those officers will be available for reporting to the State Bank. In a settled area like Kimba, which, I suppose, is most concerned in this Bill, the members of the Land Board .are conversant in a general way with the conditions of the country and the settlers, but not with the qualifications of the. settlers who would be asking for assistance under the Bill; therefore, they have to depend almost entirely on the reports of officers like Mr. Jacobs and Mr. Ewens, who are continually going through the district keeping in touch with the settlers, and know whether they are likely to carry out the work satisfactorily or not. In those respects the Land Board, unless the members made a personal inspection, would probably not be in such a position to report on the qualifications of a settler or the suitability of the particular section which it is intended to deal .with, as the officer in charge of the district. These men have motor cars and are in touch with all parts of their district, and experience in the Lands Department is that from the reports furnished by these district officers it is possible to tell the character of practically any settler in a district controlled by one of these inspectors. In the matter of administration I have no doubt that the board controlling the State Bank will exhaust all means to safeguard the institution. I agree with the Minister that if it were necessary for the Land Board to report in all cases the procedure would probably be much more cumbersome and no more efficient. As far as I can see there is no necessity to delay the Bill which simply gives the State Bank Board full control of one of the conditions under which they are lending money. It is their responsibility and there is not the slightest doubt, that they will exhaust all the means necessary to ascertain the nature of the block and the qualification of the man in order to see if he is likely to fulfil his obligations.

Mr. HAMILTON—One cannot help thinking how easily a principle once started may be extended indefinitely, as in this instance. The Bill is to amend an Act of 1917 which was intended purely for the benefit of small co-operative societies. Its scope was very narrow and tied up with impossible conditions, and the Ministry of the day left it practically in my hands to suggest necessary amendments, with the result that I was successful in carrying in the House upwards of 40 amendments to the measure. It has been further amended from time to time until the Act intended in the first place to be of benefit only to co-operative societies has been widened to what we have to-day. How many more amendments we can expect it is, of course, impossible to say, but surely, this latest one should be almost as far as it can go. As far as I can understand what is proposed, it cannot do any harm, as there should be the usual safeguards against Government money being lent out on improper security. I have nothing to say against this amendment, feeling sure that with careful administration the Act will be as useful in the future as it has been in the past.

Mr. McINTOSH—The Bill, if carried, will enable advances to be made for certain purposes without the necessity and the formality of application to the Land Board. The question of advances for fallowing is one of peculiar interest to the district of Albert, as well as to the West Coast. The pioneering areas more particularly are affected, mainly on account of the limited resources of men engaged in farming in these lands, and it is imperative that they should be able to know that they can get some advance on fallowing before they start out upon it. Unless they can see some ready means of getting the necessary cash to carry on during the period when it is advisable that fallowing, should be undertaken, they will have to go out, as many of them have done in the past, carting stumps and doing road work. The Commissioner of Crown Lands went through the Albert district, and particularly in the poorer parts like the hundred of Ettrick found that one of the principal difficulties of settlers arose from the fact that they did not have fallow, and the Minister was convinced that it would pay the State as well as the individual far better to have these men, who are Crown tenants and have obligations to the State, engaged in fallowing their land rather than going out and carting stumps at a. very unremunerative rate, at the same time cutting up the roads and neglecting their farm work, which is their primary occupation. They can cart firewood in the period when there is no fallowing to be done. Although we may be departing from a recognised principle of having the approval of the Land Board before making these advances, there need be no objection on that account as the provision will be operated by the State Bank. Formally we did-not have the State Bank functioning as it is to-day, in the wider sphere of a rural bank, and although we will not have the approval of the Land Board necessary, advances will not be made without investigation by officers of the Lands Department intimately associated with the work of the State Bank, and I have not the slightest doubt that discretion will be exercised in the making of the advances, with the advantage that advances will not be held up awaiting the decision of the Land Board until it is too late for them to be ' of great assistance to those requiring them.

Bill read a second time and taken through Committee; third reading, September 2.