DROUGHT RELIEF ACT 1940

Legislative Council, 17 October 1940, Page 973

Second Reading

The Hon. A. L. McEWIN (Northern—Chief Secretary)—All members will regret the necessity to introduce legislation of this kind. In spite of the early opening of the season which led most farmers to hope for a good harvest that hope was not fulfilled. After early rain at about the end of April there was a long dry period until late in July. Since then seasonal conditions have continued to be disappointing and this State, in common with others, must expect a much-depleted harvest. Whereas last year South Australia reaped nearly 41,000,000 bushels of wheat, the estimate for this year is about 17,000,000. That in itself is a severe setback, but unfortunately it is not the only one.

The position of fodder requirements is far more serious. A survey has revealed that the possible amount that can be cut for hay this year will be 80,000 tons short of normal tonnage. There are good crops which would make good cuts of hay. Last week I saw one in the South-East which I should say was easily capable of yielding 30 bushels to the acre and cutting more than 2 tons of hay; but where a supply is available the question of transport comes into the picture and makes it beyond the reach of any individual. Consequently, it will be necessary to obtain hay from crops which normally would not be cut for hay and a much greater area than usual will need to be cut for that purpose. In addition to that disadvantage large areas will be divested of any fodder value. I think it is estimated that a million acres will not return seed; and that increases the severity ofthe position.

Members can therefore realise the need for quick action so that the maximum amount of hay may be provided, and the need for assistance such as will be provided by the Bill. Drought relief is not new in this State. In 1914 a large sum was advanced for the purpose and the result was perhaps the most successful in the history of drought relief. I believe that of the advance of about £1,000,000, the loss was only a little more than £100,000. I mention that to offset any suggestion that in giving drought relief we expect that the whole amount will be repaid and that there will be no losses. It is important that we should realise the possibility of losses by the State in regard to these advances.

Since 1914 drought relief assistance has been given in various ways. From 9026 to 1929 we suffered from droughts and since then seasons have been below the average and prices lower than those enjoyed for a number of years. In consequence greater losses have been incurred. We have to recognise that in spite of any losses that may be made it is our responsibility to keep our agricultural production up to normal. A large amount of information was supplied in another place by the Premier and is available to members, therefore I do not intend to repeat what he said. The object of this Bill is to confer upon the Government power to help those farmers who are suffering by reason of the drought which South Australia has experienced this year. As members know, the Commonwealth Government has agreed to lend this State the sum of £250,000 for drought relief.

The Hon. C. R. Cudmore—Has the rate of interest been fixed?

The Hon. A. L. McEWIN—The Bill provides for the expenditure of £600,000, the amount that the Treasurer asked should be made available. The first payment is £250,000 on which the rate of interest that is to be charged will be 3½ per cent. The advances will be repayable over a period of 5 years. At the recent conference held in Melbourne to consider this matter the Treasurer said that South Aus­tralia would require for this purpose a total sum of approximately £600,000 and there is reason to hope that ultimately the State's requirements will be fully met by the Common­wealth.

The Bill is drafted in general terms. After full consideration of the position the Govern­ment came to the conclusion that in the present circumstances it is not desirable to prescribe too many details in the Bill. The needs and financial position of the farmers who will apply for assistance are not yet definitely known, but they will vary considerably and it is expedient that the Treasurer should have power to give whatever kind of help is most appropriate and to take whatever form of security is most convenient. Further, it is not at present known on what terms the Commonwealth will make available to the State any money in excess of £250,000, therefore it is not yet possible to lay down definitely all the terms on which assistance is to be granted to farmers. The main requirement at this stage is to confer upon the Treasurer power to grant assistance interms wide enough to enable appropriate arrangements to be made in each case.

Clause 2 defines the persons to whom the Bill applies. The Bill is intended for the benefit of farmers, that is, persons engaged in the cultivation of land for the production of cereals, as it is they who have been most seriously affected by the lack of rain. In order to avoid legal and administrative disputes it is provided thatthe decision of the Treasurer on the question, whether a person falls within the definition of "farmer" or not shall be conclusive.

Clause 3 empowers the Treasurer to borrow from the Commonwealth up to £600,000 for the purposes of the Bill. It is anticipated that the Government will be able to borrow money from the Commonwealth on favourable terms. As I mentioned earlier, the terms on which the sum of £250,000 will be made available to the State are already known. The Commonwealth will bear all the interest payments for the firstyear and in subsequent years will charge the State only half the rate of interest for which the Commonwealth is itself liable.It is not known on what terms any additional money willbe made available to the States but it is hoped that such terms will be liberal.

Clause 3 provides that for the purpose of the Bill the Treasurer may purchase any commodities. In the past in administering drought relief schemes it has been found cheaper and moresatisfactory to supply certain commodities to farmers rather than the money to purchase such commodities and the Bill enables the Treasurer to do this.

The Hon. E. W. Castine—I hope this scheme will be better administrated than previous schemes.

The Hon. A. L. McEWIN—The most successful drought relief scheme was that of 1914 andthat was the only fund administered in the way proposed in this measure. If the Treasurerthinks fit, he may direct that any specified commodities need not be purchased through themedium of the Supply and Tender Board. It is considered that the procedure of that board is not suitable for purchasing some classes of farmers' requirements.

Clause 4 sets out the power of the Treasurer to help farmers. In order to secure assistance a farmer must show that he is in necessitous circumstances and that he has suffered loss from the drought prevailing during the current year. If this is shown the Treasurer may assist him either by the loan of money or by the sale or supply of commodities. The assistance will be granted on terms and conditions to be laid down Treasurer, who will determine the rates of interest, the periods of the loan and the security to be given. The last day on which any money may be lent or goods supplied is February 28, 1942.

Clause 5 provides that by way of giving security for any advance a farmer may grant a bill of sale over the crops to be grown by him during any period not exceeding five years after the execution of the bill of sale. Under the Bills of Sale Act at present a bill of sale may be given over any crop to be grown within 12 months after the bill of sale is given. The Government, however, considers that in present circumstances it may be desirable to spread the repayment of advances over five years and to take security over five years' crops.

Clause 6 provides that applications and bills of sale executed by farmers under the Bill shall not be subject to stamp duty or registration fees.

Clause 7 contains power to make regulations. Under this clause regulations may be made to ensure that commodities supplied to farmers under the Bill, or purchased out of loans made under the Bill, will be used for working the farm and maintaining the farmer. There is also a general power to make regulations for the purpose of ensuring the due administration of the Bill, and power to impose fines not exceeding £25 for the breach of any regulation.

The Bill may appear to be somewhat brief, but the Government has considered the matter carefully and is of opinion that the necessary assistance in present circumstances can be afforded to farmers without subjecting them to a rigid code. It will be noticed that the administration is committed to the Treasurer, who will be responsible to Parliament for the administration of the Bill. It is anticipated that the Treasurer may make use of the staff employed by the Farmers Assistance Board, but that board will not have any responsibility under the Bill. I hope that members will give the Bill the speedy attention it deserves. Questions asked this afternoon indicate that the harvesting season is well advanced in some districts, and it is essential that those who are not in a position to make arrangements at present for their hay supplies should have an opportunity to take advantage of the legislation. I appeal to members to give the matter urgent attention so that the machinery can be put into operation forthwith and thus relieve a serious situation in our agricultural areas. The position requires something more than sympathy. It requires something practical. I move the second reading.

The Hon. F. J.CONDON (Central No. 1—Leader of the Opposition)—I support the Bill because the Labor Party's policy is to give every practical assistance possible to the man on the land. It is to be regretted that the harvest outlook is so unfavourable. The Government is anxious to have the Bill passed today and I desire to assist it, but I do not want a recurrence of what happened on previous occasions after I had spoken, the debate was adjourned. It is not a fair thing to spring on Parliament a Bill providing for the spending of £600,000 without members having an opportunity to give it due consideration. I notice that complaints are being received from our northern areas because the Commonwealth Government will not accept wheat until November 15.

The Hon. A. L. McEwin—That is the Wheat Board.

The Hon. F. J. CONDON—But it is the Commonwealth Government that appointed and controls it. Men with 300 or 400 bags of wheat already reaped do not know what to do with it. Whereas we are asked to give the Bill a speedy passage, the Commonwealth Government does not seem to be prepared to give the position the consideration warranted. It is a practice to rush the most important legislation through this Chamber, whereas other Bills have been before the Council for weeks, and in some cases months. I shall do all I can to have this Bill passed to-day. When it is a question of providing assistance for the man on the land there is not much delay, but when it is one of providing increased rations for the unemployed, or of doing something else in their interests, or for the small wage-earner, there seems to be considerable delay. Through no fault of their own numbers of workers have lost their homes because they could not secure employment. To Mr. Castine I would say that he cannot refer to one instance of my having done anything that was against the interests of farmers. I recognise that they comprise one of the most important sections of the community, and are entitled to every consideration. I wish that the honourable member would think of those things when I am endeavouring to do something for another important section. It is like a shot in the dark for members to pass this legislation in one day, because there is very little contained in the Bill and very little information has been given of its real intention.

I consider that the Bill gives the Treasurer too much power. Previously we have provided for the appointment of boards to assist the Minister in such cases. This Bill does not give the protection afforded under the Farmers Relief Act of 1931, such as priority over securities held against the land. It is a question of making available State funds to finance drought-stricken farmers who have found it difficult to obtain accommodation through private institutions or financiers who previously supplier funds. The security provided under the Bill is insufficient. The enactment of the measure will result in the borrowing of money to preserve the assets of the farmer which in turn will provide security for mortgagees. The cost of the loan to farmers should not be any more than the cost to the Government. We have been told that for the first £250,000 the interest will be 3½ per cent, plus charges for supervision and so on, but no mention has been made of whether the balance will be secured on the same terms. One would have thought that if it were necessary to spend £600,000 to relieve the position, the Government would have been able to indicate what rate of interest would be charged.

Rather than give the control of the measure to one man, it would be better to follow the practice laid down in the Farmers Relief Act of 1931 and have the fund administered by a board. Under that measure it was provided that a committee should be set up to advise the State Bank Board on general policy and that it should consist of six members, made up as follows:—One nominee each of the Chamber of Commerce, the Chamber of Manufactures, those engaged in supplying superphosphates and corn-sacks, those engaged in the retail business of the supply of food and groceries and otherhousehold commodities, and two representatives of farmers. I consider that membership too large. There should be one farmers'representative and I should like to see country store keepers, who make many sacrifices on behalf of farmers, also represented so that their interests would be better protected.

Section 4 of the 1933-36 Act dealt with the appointment of a director, who was to be the chairman of the board and the principal administrative officer. Section 5 laid it down that the board should consist of four members, including the director a representative of farmers who were likely to be subject to the Act, a representative of the interests of the creditors of farmers and a representative of the Treasurer. Under the Act advances made up to June 30 last totalled £4,112,536 and repayments £3,270,049 and amounts written off £340,264. The balance outstanding at June 30 last was more than £500,000. Under the Farmers Belief Act, 1931-32 no interest was charged on this account either by the Treasury or by the Farmers' Assistance Board. The amount due and outstanding on June 30 last was £188,201. An amount of £50,000 was made available from securities redeemed and cancelled by the National Debt Commission and credited to the Farmers Relief Acts, 1931-1932 and will be availed of in this current year writing off losses. In respect of the Primary Producer’s Debts Act, 1935-1939, the Commonwealth Government agreed to grant the States the sum of £12,000,000 to be used to assist in the financial rehabilitation of primary producers. This Act became law on March 14, 1935. Of this amount, at the end of June 30 last £890,000 had been received by the South Australian Government. Of the applications received - 2,910 - 1,023 were dismissed, 237 were withdrawn and 1,280 completed. The amount of £555,595 was expended from the grant in gifts and £335,702 on account of loans as at June 30 last, making a total of £891,297 from the Commonwealth grant. Loans were made to 588 applicants, 154 of whom have repaid their loans in full. The position of drought relief loan account as at June 30was:-

Balance outstanding principalloaned to farmers £485,606

Interest Outstanding 93,320

Liability to the Treasury 499,552

My chief objection to the Bill is that it gives one man, the Treasurer, too much power.

The Hon. F. A. Halleday—Where does the Minister of Agriculture come in?

Hon. F. J. CONDON—It is the Treasurer that is making the arrangements with the Commonwealth Government, attending conferences and so on.

The Hon. F. A. Halleday—Do you not consider it an agricultural matter?

The Hon. F. J. CONDON—Yes. It might have been better if the Bill had been introduced first in this Chamber. That would have given members a better opportunity to consider it. It often happens that Bills are before another House for weeks or months but we are asked to pass them in a day or two. Clause 3 of this measure deals with the power of the Treasurer to borrow money and purchase goods. The Treasurer has the sole power; there is to be no board to advise him. In the past there has been not only a board but an advisory committee independent of the board and representative of different interests.

The Hon. E. W. Castine—The Treasurer cannot do worse than they did.

The Hon. F. J. CONDON—That may be, but perhaps a suitable board could be appointed. Perhaps direct interests were not represented on the boards the honourable member has in mind. At any rate, it is not right to giveone man sole power, not because I think he would abuse the power but because it is wrong in principle. In nearly every clause the Treasurer is mentioned individually. However, I realise it is futile to attempt to alter the Bill. If the majority favour it I bow to their will. This legislation is important and the farmers are waiting for it to be passed. For the reasons mentioned I support the second reading.

The Hon. Sir WALTER DUNCAN (Mid-land)—The Minister has not shown why it is necessary to rush this Bill through. It is a Bill giving power to grant assistance to farmers in necessitous circumstances owing to the drought prevailing this year. Generally speaking, thewheat grower would not have been paid wheat for his wheat for another two or three months.

The Hon. A. L. McEwin—How about his hay?

The Hon. Sir WALTER DUNCAN—He can still cut his hay if it is long enough. Unfortunately, in most parts the binder will not go lowenough to cut it, so it will not make any difference whether he cuts no hay now or no later. Farmers would do well if they cut a good deal for hay this year, because the hay position looks at the moment much safer than the wheat position. I congratulate Mr. Condon on his excellent memory and the fact that he can make such a good speech on a Bill which he did not know was coming before us to-day. If I could remember figures as well as he has done, I would feel pleased with myself. His main objection is that the Bill gives too much power to the Treasurer. I take the different view that we are loading him with a responsibility with which no Minister should be loaded. Judging by experience a good portion of the money lent will never come back.

The Hon. A. L. McEwin—What do you call a good proportion?

The Hon. Sir WALTER DUNCAN—The honourable member would not be prepared to underwrite a return of 80 per cent. We are giving the Treasurer the responsibility of deciding who is a farmer, what he shall get, if anything, the terms on which he shall get it and the terms of repayment. He will be shot at by one and all. It will be saidthat he has given one farmer too much, another too little, and that some have got nothing at all. The Minister said the Bill was brief but it could have briefer. It could have simply provided for handing £600,000 to the Treasurer and giving him power to do the best he could fornecessitous farmers.

The Hon. A. L. McEwin—You could easily amend it.

The Hon. Sir WALTER DUNCAN—I do not want to amend it in that way. It is too much to expect of one Minister. Why cannot the Bill be administered by the Farmers' Assistance Board? It has the history of each farmer and knows whether or not he is a trier. As soon as the Bill is passed every "hum" in the country will be round to see how much he can got out of it.

The Hon. J. M. Beerworth—The Treasurer stated that the Farmers Assistance Board would assist him.

The Hon. Sir WALTER DUNCAN—He said that the officers of the board would be asked to advise, but would have no responsibilities.That board is more conversant with the position of farmers than any one man could be, and it should be responsible. Clause 5 protects mortgagees in regard to any loans they may have to farmers, but it also provides that any crops shall be chattels within the meaning of the Bills of Sale Act. The Treasurer will be able to make an advance to a farmer, repayable over five years, and the Government will be entitled to the whole of the produce from that farm during that period, but the mortgagee will not get anything. The Government should not receive full repayment of its advances and the Mortgagee nothing.

The Hon. J. M. Beerworth—Will not the Bill assist the mortgagee?

The Hon. Sir WALTER DUNCAN—He will not get anything. The honourable member said that the assets of farmers were rapidly deteriorating and were not worth what had been advanced on them. In another five years that deterioration will be greater. The mortgagee should receive as interest payments some of the produce of the farm on which he has advanced money. At present the mortgagee is prevented by legislation from collecting his capital and under this Bill he will not be able to collect interest because all income from the land will go to the Government. Practically all advances under the Bill will be made during the next six months and, as the regulations under the Bill will probably not be framed until a day or two after Parliament rises, members will not have any say with regard to them. I do not know any man who could or would administer the Bill in a fairer way than the Treasurer, but I object to the principle involved. The only excuse advanced by the Chief Secretary for this measure being rushed is that the Government desires to purchase hay. That being so the Government should allow us to consider the Bill today, but not dispose of it until next week. It would be a good speculation for the Treasurer or anyone else to buy hay now, as it is at a low price. I do not think that even the Government could make a loss by purchasing hay now. For the reasons I have mentioned I support the second reading.

The Hon. Sir WALLACE SANDFORD (Central No. 2) —The sympathy of most members is to extended to the Chief Secretary because of his difficult task in connection with this legislation. I find myself in the same position as the Leader of the Opposition and Sir WalterDuncan who really criticized the Bill rather than opposed it. Mr. Condon did a real service not only to this Chamber but to our system of government by pointing out the inadvisability of rushing legislation through in this manner. It is bad enough that a mistake of policy may arise through hurried legislation, but that can to some extent be rectified. However, here is the more serious danger of faulty legislation being passed, bringing in its train incalculable difficulties, complications, and perhaps losses in undreamed of directions. Mr. Condon expressed regret that although assistance was being extended in this direction it was perhaps being secured more easily than is assistance by others who may also be experiencing distress. I feel sure however that it is not necessary to remind him that the establishment and maintenance of secondary industries, which enables the country to make such progress and in which the greatest number of wage-earners arise, depend in a country such as this on the prosperity of primary industries. The discomforts arising because of climatic conditions reducing production, or because farmers are unable to sell their goods abroad, are soon translated into a lag in secondary industries. The Chief Secretary reminded members that losses under the scheme provided in the Bill would be inevitable. We have a definite opportunity to lend assistance to farmers, and as the Chief Secretary pointed out, drought relief has been extended to farmers on more than one occasion.

Unfortunately, conditions have broken against South Australia, because when we had good years prices were unsatisfactory, and when markets improved seasons were unfavourable. Primary producers inthis State have not had very good returns for a long time. Early this year their hopes were high. With rains in April prophets expressed the view that we were in for a bounteous season, but hope deferred maketh the heart sick. Again and again we have looked at the weather, feeling confident that the season would break in favour of the man on the land, but unfortunately in practically all areas the rainfall is well below the average.

Sir Walter Duncan drew particular attention to clause 5 of the Bill relating to bills of sale. This clause is by no means clear. More than once when legislation of this kind has been introduced, this question of the rights of those who have given financial assistance to growers has had to be considered. I was interested in Mr. Beerworth's interjections, not that I object to his comments, and before the Bill is passed I think it would be advisable in the interests of members if some of the points were discussed at length. It is true that without assistance at this juncture the rights and privileges of mortgagees will be jeopardised, but some arrangement should be arrived at in respect of the rights not only of mortgagees, but of the Treasurer and the men on the land, so that there can be a more equitable distribution than is provided under clause 5. I think Sir Walter Duncan's suggestion that the Bill should be dealt with finally on Tuesday seems to be the most satisfactory way of dealing with the position. This would enable members to prepare amendments. I shall be prepared to submit a clause to take the place of clause 5, not with the object of altering its sense or intention, but to make it a little more definite and clear. In the whole clause there is not a full stop until the penultimate line is reached. That in itself gives considerable opportunity for misunderstanding. I have read it several times and I am still not clear what it means. I hope the Chief Secretary will either accept Sir Walter Duncan's suggestion, or as an alternative sit this evening, so that members can go more carefully through the Bill. I trust that the Bill will prove the means of helping farmers in distress. Subject to certain amendments, particularly to clause 5, I shall support it.

The Hon. E. D. A. BAGOT (Southern)—Like previous speakers, I regret the necessity for such a Bill. At first sight it appears to be a gesture on the part of the Government towards farmers suffering as a result of drought conditions, to whom the greatest sympathy must be extended. This impression is given by the title of the Bill which is"An Act to enable the Treasurer to grant assistance to farmers affected by the drought prevailing in the year 1940." I emphasize the words "to grant." It is not a grant by the Commonwealth to the State, or from the State to the farmers. The Bill would be more rightly described as one to authorize the use of loan moneys for farmers. We should not persuade ourselves for one moment that all the money to be dispersed under the scheme will be recoverable from the farmers. The taxpayers as a whole will be called upon to repay the principal moneys. The Chief Secretary has warned us that the repayments may not be made in full, hence the use of the words "or supply" in paragraph (b) of subclause (1) of clause 4, which provides that the Treasurer is empowered to sell or supply to the farmer various commodities. Paragraph (a) provides that the Treasurer may make a loan of money to a farmer. The loan aspect of the aid should be recognized before the gift part of it. Repayments by the State must be made within five years of the first £250,000 advanced by the Commonwealth. The Commonwealth's contribution towards the assistance of farmers, for which it will no doubt receive a great deal of credit, lies only in ear-marking £600,000 for assistance to the State, on which the Commonwealth will bear interest for one year only, and charge half the interest thereafter. That does not agree with the statement of the Chief Secretary that the interest payable on the first £250,000 will be at the rate of 3½ per cent. Will farmers be charged 3½ per cent, or will the State have to pay it?

The Hon. A. L. McEwin—It is 3½ per cent, plus cost of administration.

The Hon. E. D. A. BAGOT—I understood that the interest on the first £250,000 after the first year would be at the rate of 3½ per cent. Although the intention of the Bill is to grant assistance to farmers, in connection with which the Chief Secretary has said it is con­sidered advisable to give that assistance through the Treasurer so that it will be given quickly and effectively and cut out as much red-tape as possible, I fear that clause 5 will govern all or most of the grants farmers, rather than having been assisted, will find that they have yet another millstone hung around their necks. Clause 5 covers bills of sale, and thereby for the purpose of giving security over any land the farmer may be compelled to assign to the Treasurer any crops grown by him. I have had experience of that kind of thing when sitting on the Employment Promotion Council. On one occasion the Commonwealth Government made grants to the States, allowing them a fairly free hand in the disposal of its money, for which however, the States were ostensibly responsible. The intention was that the money should be handed out as liberally as possible. When it came to getting grants, in nearly every instance the individuals were required to give security for the money handed out and that security was invariably a lien on property or crops or, in the case of mines, on mine output. I do not suggest that in this case there will be much departure from the principle already laid down in these matters. Although it is not compulsory that liens or bills of sale shall be obtained by the Treasurer, one infers from the provisions of the Bill that in most eases he will see that they are given and in many casesthey will be additional to bills of sale and liens already granted. It seems that the farmer will not get a free grant, so the title of the Bill is rather a misnomer. It should be called ''A Bill to lend money on certain terms.'' The loss to the community most of which will be borne by the farmers, owing to the failure of the wheat crop this year, will be approximately £2,730,000, being the difference between a normal crop of only 30,000,000 bushels and the anticipated harvest of 15,000,000. The net loss to the farmers on 15,000,000 bushels sown but not harvested, after allowing 3d. a bushel saved by not having to harvest the crop, will be at least £1,875,000 (at 2s. 6d. a bushel). In other words the proposed relief, even if it were given as a free grant instead of by way of a loan, would only amount to about a 6s. in the pound (£600,000 against the loss of £1,875,000). Therefore, the amount of grant is quite inadequate. Farmers cannot insure against drought, though they can against fire. Therefore droughts, like floods must be regarded as acts of God, and the loss spread over the general community. Were the losses now being incurred by the farmers to have been occasioned by floods or by fire the public conscience would have been quickened by headlines in the press recording the great loss they have suffered. Enemy action resulting in nearly £3,000,000 damage would appal the community, but because the loss through drought has been spread over months instead of days or hours people have not been awakened to the seriousness of it. But that the war overshadows local conditions greater prominence would have been to the drought; and but that much employment is being provided by the expenditure of loan money on munition works the community would be suffering much more from seasonal conditions than it is. Therefore the community should stand up to this national devastation which has in no way been cause by the neglect of farmers.

The Hon. H. Homburg—In what way other than this?

The Hon. E. D. A. BAGOT—By a more adequate grant. I hope the State Government will represent to the Commonwealth Government the seriousness of the position and ask it to set aside a larger sum. I know the answer will be, “We have not the money,” but if money can be found for the war it can be found for the drought-stricken farmers. I support the Bill for the reasons given, with the reservations which I have made.

The Hon. W. HANNAFORD (Midland)—This is a Bill of great urgency. The drought has seriously affected Australia. Although it may be termed an act of God, the position may equally well be attributed to the neglect of man, because we know Australia is subject to periodical droughts.

The Hon. E. D. A. Bagot—They do not run to schedule.

The Hon. W. HANNAFORD—No, but they occur so frequently that we ought to provide against them. This drought has made us short of fodder for stock. Up to a few weeks ago it was hoped that a good rainfall would relieve the position, but it did not come and the recent heat made the position of stock worse. If we are to assist farmers we must give them fodder. In ordinary circumstances the Council would oppose the control of the Bill being placed in the hands of one man.

The Hon. S. R. Whitford—He can get advisers.

The Hon. W. HANNAFORD—Yes.

The Hon. S. R. Whitford—I think he is a reasonable man.

The Hon. W. HANNAFORD—I agree. I know no one whom I would trust more to handle this matter.

The Hon. H. Homburg—The Treasurer, whoever he may be.

The Hon. W. HANNAFORD—Yes; but he is accepting a tremendous responsibility, and a position in which he may get more abuse than praise.

The Hon. H. Homburg—It will not be a personal matter. There will be officers guiding him.

The Hon. W. HANNAFORD—Yes, but many farmers will blame the Treasurer for anything they think wrong. The Treasurer will have priority as regards to repayment of advances over persons who have mortgages on the land. Being a farmer with considerable experience I know how a hay crop may be fit to cut but after a few warm days it may pass the right stage for cutting. I support the second reading.

The Hon. E. W. CASTINE (Midland)—I support the Bill and admit its urgency. Although the present drought is not generally as bad as the 1914 drought there are some areas that are worse and where no amount of rain could give relief. I am somewhat concerned with regard to the definition of “farmer.” The Bill does not give any assistance to graziers who have suffered as much or as or more than the cereal growers. I refer particularly to those on marginal lands, as the grazing, pastoral, and semi-pastoral areas are suffering more from lack of rain than other parts of the State. These men probably bought ewes at from 15s. to 20s. a head last year, obtained 4s. a head net for the wool, 5s. each for lambs, which were only a 50 per cent drop, thus reducing the return to 2s. 6d. a head, and on account of no feed had to sell the ewes at 2s. 6d., showing a dead loss of 5s. on a 15s. ewe. Living expenses, rent and rates are gone with the wind. The wool grower has always been expected to look after himself in times of drought and gets no relief from the Government. Compared with the ordinary "cocky" he is looked upon as a sort of superior being, but in drought years is generally assisted by stock agents.

Under clause 4 the Treasurer may sell to the farmer any commodity required for carrying on farming. I hope that the same deplorable mistakes will not be made on this occasion as occurred under the last Farmers Assistance Act, which made criminals out of honest men. Although supervisors were appointed to make recommendations regarding farmers' needs, when these recommendations reached the head office they were frequently vetoed or delayed and assistance was generally too late to be of use. With regard to hay supplies, today farmers are tractor minded and supplies of petrol and oil may also be necessary. I sup­port the Bill.

The Hon. H. D. YOUNG (Southern)—I regret the necessity for this legislation but hope that we shall benefit from the experience of previous droughts. The Government is to be commended for dealing with the matter so quickly although I do not think it is necessary to rush the measure through to-day. I support the Bill.

The Hon. J. M. BEERWORTH (Northern)—I commend the Federal and State Governments for the expeditious manner in which they have attempted to grapple effectively with the problems arising from drought conditions that prevail over a large area of Australia. The time has arrived when all interested parties connected with our primary industries should meet and discuss farmers' problems, which are similar in almost every part of the Commonwealth. We are forced to have this legislation not in order to solve farmers' problems permanently but to assist them over a trying period. A great mistake was made when our marginal areas were cut up for agricultural purposes. However, farmers are still there and are encountering periodical droughts; at present they are in need of urgent assistance. I feel that the Treasurer has been so hurriedly thrust into the present position that it is impossible for him to hand over the responsibility for this quick relief to farmers by adding to the responsibilities of the Farmers Assistance Board. Every State in the Commonwealth will have to consider the advisability of establishing and maintaining a sinking fund in good years to enable us to carry on in droughts. Sinking funds are necessary in the conduct of ordinary business in order to tide over periods of adversity. I support the second reading.

The Hon. F. A. HALLEDAY (Southern)—All members deplore the necessity for this legislation. One of our greatest necessities is more attention to fodder conservation. If farmers went into that matter more thoroughly there would not be such a need for this type of legislation. For years many of them have failed to conserve even sufficient fodder for their own requirements and when droughts are encountered their inattention to this important phase of farming is accentuated. Better facilities could be made available by the Government to help farmers in conserving fodder. The Bill enables the Treasurer to buy implements and other things on behalf of farmers, and I was wondering whether provision could be made for the erection of silos for conservation of fodder. I do not like the Bill's being passed at such short notice, because it is a leap in the dark. It is necessary to do something, but unwise to vest so much power in the Trea­surer. Farmers who usually cut hay have sufficient business ability to cut it whether the Bill is passed today, next week, or next month, and passing the Bill today will not materially affect the position. I do not belittle it in any way, because it is one which all members should support, but I think better provision could have been made.

The Hon. H. HOMBURG (Central No. 2)—I see no reason to disagree with the Minister regarding the urgency of the Bill. I also accept his view that it would be well to dispose of it this afternoon, but such a far-reaching measure should not be passed without full consideration. One must be deeply anxious because of the position arising from the drought. It is not without precedent. I believe we were in a worse position in 1914, when I was a member of the Government. The late Hon. A. H. Peake, the Premier, with an acumen characteristic of him, gauged the position accurately and had measures passed to deal with it. He was one of the ablest Premiers the State ever had. The drought smote not only the farming areas, but the city, which was without an adequate water supply, and we had to get water from the artesian basin to augment Adelaide's supply. The effect of the 1914 drought lasted for many years and caused unexpected hardships in certain quarters. One class affected were mortgagees. I know there is a tendency to regard with indifference the man who furnishes the money, and to think he should take second, third, or even fourth place to other creditors, but I hope that attitude will not be adopted when clause 5 is considered. To obtain a bill of sale over five succeeding crops may be the only way to help some farmers, but it will be unfair to many men who have helped the farmer just as much as the Government is likely to help him under this Bill. Mortgagees are generally thrifty persons who have invested their savings. Instead of diverting their funds to gold stocks, brewery shares, or some avenue of trade or commerce, they have helped farmers. It is not uncommon for a mortgagee to sell a farm on generous terms. In effect the farm is really his; but immediately clause 5 is put into operation the cumulative rights of clause 5 will be vested in the Crown for five years. I do not like that. It is unfair and discouraging. If such provisions keep onappearing the disposition of people to invest in broad acres will be undermined. The burden should not be placed exclusively onmortgagees; it should be upon the public. As the object of the Bill is to helpmortgagors from public funds, then public funds ought to be available to meet claims. The mortgagee is being called upon for assistance, when it should be a burden uponthe public Treasury.

The Hon. E. D. A. Bagot—Do you think there should be a free grant, instead of a lien on crops?

The Hon. H. HOMBURG—I am not prepared to say what particular form it should take. In other years similar measures have been brought before us placing the load on the mortgagee. Mr. Beerworth made an excellent suggestion for insurance, or a sinking fund. It is clear that in the course of years the Government will be forced to put aside funds to meet recurring droughts.

The Hon. S. R. Whitford—Are not farmers providing for their own insurance?

The Hon. H. HOMBURG—They can up to a point but there comes a time when they need assistance. One member said that other sections of the community were not treated so liberally as the farmers. I remember that in 1929 we spent a million pounds, apart from old-age pensions, on rations for needy persons. We once expected men to make provision for themselves, but in these days we accept the principle that we are our brothers' keepers. We provide free education, hospital and medical attention, rations, and so on, and realize that we cannot live alone without regard to the man alongside us.

The Hon. E. A. OATES (Central No. 1)—I support the Bill and shall oppose any post­ponement of its consideration. Clause 2 begins "In this Act ‘farmer’ means any person who otherwise than as an employee." A farmer's employee may have been helping him in these hard times and arrears of wages may have accumulated, but as I read the clause the farmer may not claim assistance for his employee or his family. I suppose he will be told to apply for rations. Those who got relief in 1929 were given it to keep body and soul together. A number of them are now overseas or about to embark to fight for the British Empire and to save assets in Australia.It was not their fault that they had to seek relief in 1929 and it is not the fault of farmers to-day. About the year 1914 I was helping to load a vessel with chaff at McLaren Wharf and for some reason we were taken off that work and told to present ourselves at the corner next day. There was plenty of chaff left and a number of trucks unloaded and the only reason we could think was that trafficking in fodder was going on in the other States. I do not know whether this measure will prevent trafficking or whether those who have fodder will sell it to the highest bidder. Perhaps the Governor could make regulations to prevent it. Those have fodder should be forced to sell at reason­able prices to persons less fortunately situated.

The Hon. C. R. CUDMORE (Central No. 2)—I, too, regret the bad season which brings before us a Bill of this kind. Members know my views on the general effect of such Bills. Me. Beerworth spoke about people on marginal lands and said they should not have been there. We all know that now, but they will always be there so long as we pass legislation of this kind. If we waited until they could stay there no longer and helped them to start somewhere else we might be doing good, but this sort of legislation is simply a palliative and in the long run does no good. This Bill is better than previous Drought Relief Bills, because it does not give a charge on the land in the priority to the first mortgage. The Chief Secretary referred to the original Drought Relief Act of 1914, and the fact that nearly all the money was repaid. That was one of the worst things that ever happened for South Australia. It was repaid because we had four extraordinarily good seasons immediately afterwards, but because it was paid backeveryone thought drought relief was a good thing. If we had lost all the money the first time we would not have kept on givingdrought relief. I hope that this time, too we shall get a succession of good seasons. Clause 5 provides that a bill of sale can be taken over a farmer's crop and that it can be for five years. If a farmer gets assistance and gives a bill of sale over his crop for the next five years, and next year's crop is a failure, he will require further assistance and be unable to get it. All this will help to prevent private persons and institutions from lending money to farmers.

The Hon. W. Hannaford—That is what the Savings Bank is doing.

The Hon. C. R. CUDMORE—It will be wary about doing it in the future if we pass such legislation as this. In the long run I doubt whether the Bill will really benefit farmers. In Committee I shall move a small amendment to clause 5.

The Hon. A. L. McEWIN (Northern—Chief Secretary)—As expected, there has been little opposition to the measure, and even those who mildly criticized it were careful to say that they appreciated the existing conditions and were prepared to support what I consider to be the best solution of the problem. The Bill is not different in principle from other schemes for promoting employment and providing assistance for unemployed, and it cannot be claimed that those schemes have returned more than some of the alleged failures that have accompanied drought relief assistance. It is all very well to criticise what has happened and what is likely to happen, but we shall be fortunate if we do not have similar legislation in years to come, because this State is subject to periods of low rainfall. No one can suggest that during the last 10 years primary producers have had an opportunity to consolidate their position and stand up to a total failure, which is almost the case this season. Mr. Oates interpreted clause 2 as providingsecurity for everyone except the farm employee, whereas it merely defines what is a farmer. The employee will be protected through the farmer, because if it were not for this assistance the employee would not receive any remuneration. Every section of the State will benefit because of the assistance provided to the industry.

The Hon. E. W. Castine—The Bill does not assist the small grazier who does not grow any cereals.

The Hon. A. L. McEWIN—It will not apply to the grazing activities of any farmer. Possibly the woolgrower is in a better position than other producers. He has a ready market for his wool for which he is obtaining good prices. The honourable member knows that rain at any time of the year can assist marginal areas, but that does not apply to agricultural lands, because no advantage is obtained for another 12 months. Several members referred to the rights of mortgagees. In 1914 drought relief was given priority over other charges, and it is because the Govern­ment does not desire to interfere with the rights of mortgagees that the Bill has been prepared in its present form. It will give a fair deal to farmers and mortgagees and will protect the mortgagee rather than do him any harm. That could not be said of some of our previous Acts for the purpose of assisting farmers, because they gave them assistance in one direction and destroyed their credit in another. I have yet to learn that the Government is ever the first creditor to be paid.

Mr. Bagot asked what rate of interest would have to be paid by farmers. For the first year the Commonwealth Government will bear the full cost of interest and for the succeeding years it will provide half the rate. I may have given the impression that the rate to the farmer would be 3½ per cent, plus cost of administration. Provided the balance of £350,000 is obtained on the same terms as the £250,000 the rate to the farmer will be approximately 3½ per cent. It was also asked why farmers did not provide their own insurance. That is not a new suggestion. In 1931 I was a member of a committee which inquired into the disabilities of primary producers. We thoroughly examined the question whether some contributory scheme could be put up by farmers in good times to provide for periods of drought or low prices, but found that the proposition was impracticable because in good districts men who carried no drought risks did not desireto contribute, and in the drought areas it was impossible for farmers to provide sufficient in good years to carry them over periods of drought. I thank members for the consideration they have given the measure.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

New clause 2a—"Advisory Board."

The Hon. Sir WALTER DUNCAN—I move to insert the following new clause:—

2a (1) The Treasurer may appoint an advisory board of three persons, to assist him in the administration of this Act. (2) The functions of the board shall be to furnish the Treasurer with information and advice relating to matters arising under this Act.

As I stated previously, the Treasurer should not be responsible for the administration of this measure.

The Hon. F. J. CONDON—Although the amendment does not meet all my objections, I will support it. In the second reading debate I said that too much power was being given to the Treasurer.

The Hon. H. HOMBURG—Whether the amendment is included or not the Treasurer can still get the assistance of an advisory committee.

The Hon. A. L. McEWIN—I have no doubt that a committee will be necessary, and I think the Treasurer would prefer to have one to make the necessary inquiries and recommendations. I accept the amendment.

The Hon. E. D. A. BAGOT—It has been stated that the services of the Farmers' Assistance Board should be available. Provided it would not hamper activities, I favour such a proposal. The proposed board will not be clothed with any statutory powers, but will advise the Minister. The new clause is not as necessary as it appeared at first sight.

New clause inserted.

Clauses 3 and 4 passed.

Clause 5—"Bills of Sale."

The Hon. C. R. CUDMORE—This is probably the most important clause, and deals with the Government's security over advances. I congratulate the Government on making the provision different from that of earlier Drought Relief Acts, which gave the Government priority over existing mortgagees, and in effect tore up the Real Property Act. Whereas the present law enables the Government to take out a bill of sale over one year's growing crop, this clause covers a period of five years after the execution of a bill of sale. If a man's crop failed in the first year, he could not give a lien to anyone else because his crop would already be mortgaged for the succeeding four years. The rights of a purchaser are preserved exactly as under the existing Bills of Sale Act. The words in the clause ''without prejudice'' are taken from section 10a of that Act. The difference is that under the Bill a mortgage must have been executed before a bill of sale is given. Under the Bills of Sales Act the mortgagee will have his rights to enter into possession preserved. I move that the clause be amended by striking out ''execution'' in the penultimate line and inserting "registration." I want to be certain that bills of sale will be registered. I know it is contemplated that that should be done, because clause 6 provides that "No fee shall be payable under any Act for the registration of any such document," but I want to be sure that the Government will register bills of sale and that it will be done quickly, and I want mortgagees and other persons to be protected from the possibility of lending money on a property when there is already a bill of sale over crops for the next four or five years. If a mortgagee lent under those conditions he would not be protected.

The Hon. A. L. McEWIN—The suggested amendment does not conflict in any way with the intention of the Bill. What the honourable member has expressed was intended to be carried out in the administration. Because the amendment clarifies the intention, I accept it.

The Hon. Sir WALLACE SANDFORD—As I previously indicated I am greatly concerned about the rights of mortgagees. It appears from Mr. Cudmore's explanation that the position will now be satisfactorily met and I therefore support the suggested amendment.

Amendment carried; clause as amended passed.

Remaining clauses and title passed.

The Hon. A. L. McEWIN moved that the Standing Orders be so far suspended as to enable the Bill to pass through its remaining stages without delay.

The Hon. F. J. CONDON—Although previously exception has been taken in this Chamber to suspension of Standing Orders to enable a Bill to be taken through all stages at short notice, on this occasion such an objection can be withheld.

Motion carried. Bill read a third time and passed.