

to the raising of capital. The general manager of the bank puts the reasons in support of the extension as follows:—

(1.) The whole of the authorised capital has been fully subscribed, and it is now considered desirable to strengthen the position of the bank. (2.) The increase of the capital would, of course afford better security to the depositors in so far as the ratio of paid-up capital to the amount held on deposit was increased. (3.) The development of business, and the opening of new branches, require increased capital to meet the requirements of borrowers.

Question resolved in the affirmative.

Bill read the second time.

In Committee:

Clause 1. All the provisions contained in the said act restricting the extension or increase of the capital of the said company shall be and the same are hereby repealed.

Mr. FELL (Lane Cove) [10.57] said he wished to ask what was the object of extending the capital?

Mr. W. E. V. ROBSON said he had just explained that the general manager said it was necessary on account of the increase of business and to enable the bank to extend its operations!

Mr. FELL: Are the present shares all taken up?

Mr. W. E. V. ROBSON: Yes!

Mr. FELL: How do the new shares stand?

Mr. MCGOWEN (Redfern) [10.58] said now that the House had passed a similar provision with regard to the Bank of New South Wales, he did not see why we should not give the same privilege to the City Bank. The hon. member for Lane Cove properly asked how the shares of the bank stood. The shares of the Bank of New South Wales were considerably above par. The question had been properly asked, whether the City Bank stood in exactly the same position as the Bank of New South Wales with regard to its shares.

Mr. W. E. V. ROBSON: They are below par!

Mr. MCGOWEN said that if they were below par, how could they expect people to take up new shares?

Sir JAMES GRAHAM (Surry Hills) [11] stated that in the evidence given before the select committee on the bill,

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the general manager of the bank pointed out that there was no present intention to issue new shares. But as resolutions had been passed some years before giving the board power to ask Parliament to amend the act, so as to permit them to increase the capital, when it was deemed advisable to do so, they asked for the necessary authority at this stage. The business of the bank was rapidly extending, and the directors felt that it was only a matter of a very short time when the shares would be above par, and they desired to be in a position to issue fresh capital when it was deemed opportune to do so.

Mr. FELL (Lane Cove) [11.2] said that he represented some of the present shareholders, and he would like to know what would be the effect upon the present shareholders if new shares were issued in the near future? The shares were at present a long way below par, and the new shares would naturally have a still lower value.

Sir JAMES GRAHAM: There is no intention to increase the capital at present!

Mr. FELL With that assurance I am quite satisfied.

Clause agreed to

Clause 3 agreed to.

Bill reported without amendment; report adopted.

House adjourned at 11.6 p.m.

Legislative Council.

Wednesday, 20 July, 1910.

Homing Pigeons Protection Bill—Member Sworn—Closer Settlement Promotion Bill (second reading)—Local Government (Tuberculosis Notification) Bill (second reading)—Diseased Animals and Meat Amendment Bill (second reading)—Macken Estate Bill (second reading).

The PRESIDENT took the chair.

HOMING PIGEONS' PROTECTION BILL.

Royal assent reported.

MEMBER SWORN.

The Hon. R. G. D. Fitzgerald took the oath of allegiance.

CLOSER SETTLEMENT PROMOTION
BILL.

SECOND READING.

Debate resumed (from 14th July, *vide* page 811), on motion by Hon. J. Hughes:

That this bill be now read the second time.

The Hon. Sir JOSEPH CARRUTHERS: So far as this bill is concerned, the purpose of it is one that I heartily approve of. The principle to which it is supposed to give effect has already been affirmed by this House in a Closer Settlement Amendment Bill which it carried last session. I do not wish to occupy the time of the House in simply affirming a principle which we can unanimously concede, but while I am a hearty supporter of the principle of the bill, I wish to make it effective, in order that it may carry out its purpose, and that it may pass in a shape which will be creditable to the Government and to Parliament. There is nothing more dangerous to the reputation of the Government and Parliament than to have legislation introduced after much advertising of its purpose, and then, when that legislation is embodied in the statute-book, to find that, owing to political ineptitude, either of the Government or Parliament, people who are asking for bread receive a stone. There would be nothing more dangerous to the reputation of the Government at the present moment, just before an election, if this bill were to pass in its present form, and fail to carry out the principle which underlies it. I regard it as a clear duty to give assistance in regard to a measure of this character, not merely by criticising its defects, but by trying to improve its framework, in order to give effect to the principle of the measure. The primary purpose of the bill is to make the Government Savings Bank an agency to assist in the very worthy purpose of closer settlement. It is worth while for one moment to have regard to the operations of the Savings Bank, in order to see whether it is an institution which can be used for that purpose. I find that the deposits in the Government Savings Bank amount to £13,300,000. In addition to that amount, there have

been debentures issued to the amount of £120,000, which have been subscribed for by the public, besides debentures which have been taken up by the bank itself. So the available funds in the Government Savings Bank amount to £13,420,000. These increased last year by £831,000. The investments on mortgage by the Savings Bank Department amount to £348,000, and there is a second department called the advance department. The investments on security of land in connection with that department amount to £796,000. The total amount of money invested by the Savings Bank in landed security is £1,144,000, out of a total of £13,420,000. When the bank was incorporated on the 1st January, 1907, there were mortgages in existence which were taken over from the Advances to Settlers Board amounting to £401,000. So the increase in business in regard to mortgages during the three years has been £743,000. But that increased amount of loans in three years has not been entirely from the deposit funds, because £120,000 of that loan money has been raised by the advance department in issuing debentures which have been taken up in the open market by the public. So that out of the moneys which have come into the hands of the Savings Bank Commissioners, only £623,000 has been invested in the security of mortgages on real estate—that is to say, that of the total capital available of £13,300,000 in three years, £623,000 has been invested in mortgages on real estate—a very small percentage of the whole amount; or taking the whole amount which is now invested in real estate, including the old advances to settlers' loans, it is only £1,144,000. In other words, only about 8½ per cent. of the funds are invested in real estate. Hon. members must see that the Savings Bank is the vehicle for the thrift of the people, for the savings of the people. If that money gets into what you may call a dead-end, and cannot get again into circulation amongst the industrial classes of the community, the institution, instead of making for good, must make for injury. Money is like the blood of the human body. Finance is the nervous system of the body corporate, and anything

which checks the proper circulation of finance, and of money, must check the circulation of the nervous system of the body corporate. The Savings Bank, unfortunately, has been in that position during the last three years, that it has been taking the moneys of the people to the tune of over £13,000,000, and only for a little over 8 per cent. of those moneys has it found an investment in what, after all, are the greatest of our industries, the producing industries associated with the land. The bulk of the money has been invested in Government securities, in banks, and in debentures of what I may term foreign bodies—that is to say, loans to other states outside New South Wales. So far as this bill is designed for the purpose of curing that state of affairs, it is a splendid bill. I find no fault with the management of the Savings Bank for not doing better. I wish that to be clearly understood. I think the Commissioners of the Savings Bank are very able men. They are administering the law according to the best of their ability, and with great liberality, but there is some defect in the law which has brought about this state of affairs, and it behoves us to look at what that defect is. I was the author of the Savings Bank Act, which incorporated the present institution, and if any man is entitled to look at that legislation and point out its defects, it should be myself. I did hope that under one section in particular, which gave the opportunity to the bank to lend up to 80 per cent. of the purchase by a *bonâ fide* settler, we should have a large volume of business transacted. I have often made inquiries from the commissioners as to the amount of business transacted under that section. I find that there have been only two cases of applications which have been successful in regard to that beneficent proposal embodied in the Savings Bank Act, whereby 80 per cent. of the purchase money can be advanced to a settler. Only two cases in three years! What is the reason? Simply that the purchaser or the vendor in a transaction, which, after all, is of a delicate character—the purchase of land, the acquisition of a home—is intolerant of restrictions. The vendor says, “I won’t allow you to come in and make a valuation of my property, and perhaps depre-

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ciate it by your ultra conservative valuation”; and the purchaser says, “I won’t make a contract to buy or borrow if it is to be subject to an investigation on your part, which may be prolonged, and which may keep me in difficulty and doubt, and may in the end result in a refusal. I should prefer to go to a bank like the Commercial Bank or the Bank of New South Wales, and do my business with the bank manager in his room, where, when I leave his door, I have his answer definitely as to whether he will make the advance or not.” The consequence is, that this proposal has unfortunately been practically a dead-letter. The good intention of Parliament has been frustrated. More than that, it is human nature to think that the commissioners, having no guarantee from the Government against any loss if they advance 80 per cent. on the security of land, have been inspired instinctively to make a low valuation. It is very natural. If a company or society is only lending 60 per cent. it can afford to lend on a very liberal valuation, but if it is lending 80 per cent. it will want to be sure that the valuation is by no means liberal. The result is, that there has been an instinctive bias on the part of the Savings Bank in dealing with this section to bring the valuations down. I was reading a speech delivered by the Minister for Mines a few nights ago, in which he admitted that this section had been a dead-letter on account of the safeguards surrounding it, and he seemed to reason that the safeguards surrounding this advance of 80 per cent. were very good reasons why we should make greater safeguards in a proposal to advance 95 per cent. If you do not want to do business, then make all the safeguards you can; if you do not want to lose money, make all the safeguards you can; but the question is, looking at this bill, has there been evinced, not a desire, but an intention on the part of the Government to take to heart the lesson of the failure of the liberal clauses of the existing Savings Bank Act? Unfortunately, I think not. The lesson which ought to be clear to any one of us is that those provisions have failed, because the vendor and the purchaser, whom we are trying to bring together, will not put up with all sorts

of irksome conditions, restrictions, and delays. So far as this bill is concerned it gets over one main difficulty—that is to say, it guarantees the bank against loss. We cannot emphasise too much what is the value of that provision. It means that the Savings Bank, instead of now being instinctively biased against a liberal or fair valuation, knowing that they will be guaranteed against loss, will be prepared to act in the same business-like way as any banking institution, and to take a fair, even a liberal, valuation. But so far as the owner or the vendor and the purchasers are concerned, unless this bill is amended in Committee, it is going to be "Dead Sea fruit." I venture to prophesy that, but I do hope that in Committee we shall make an alteration of the nature I propose to suggest, because it will be useless for me to criticise if I do not seek to get rid of the objection my criticism raises. If the bill passes in its present form I undertake to say that in ten years' operation of it you will not find ten men taking advantage of it. In every direction conceivable, this bill, clause after clause, line after line, teems with restrictions to tie up both the vendor and the purchaser. It is a good principle bound up with reels of red tape. It would take all the skill of a Houdini, the man who releases himself from all sorts of bonds, for a purchaser or a vendor to get himself free from all the restrictions which this bill proposes. Let me specify a few of them. We start off with this restriction, that you must have three men of the one mind to go and purchase together. One man cannot come and take advantage of this bill. He must get two others of the same mind as himself. Then we restrict it to a maximum in the year of 400 cases, and if he unfortunately happens to be 401 he cannot come in. We restrict it to that class qualified to make a settlement purchase—that is to say, if a man holds land not inside a town or suburb exceeding 40 acres, lease or otherwise, he is excluded. We restrict it to lands outside town boundaries. But some of the very best land in New South Wales for closer settlement is land inside town boundaries—I am not speaking of workmen's blocks, but land for farming purposes. I have in my mind's eye at the

present time the large subdivision of farms which is now before the public on the Berry estate, and the larger portion of those farms is within the population area of a town—not little farms of 5 or 10 acres, but farms, everyone of which is capable of sustaining a family, and in comfort. Take the county of Cumberland, almost four-fifths of the land is within the population area of a town. All that is excluded. There is a restriction that if a purchaser happens to make a bargain for land within the boundaries of a town he cannot come in and get a loan. That is in conflict with the very purpose of our land legislation. The 18th section of the Land Act of 1888 provides that conditional purchases may be made within the boundaries of towns and suburbs, or within population boundaries, or the population areas of cities, towns, and villages. Many hon. members in this House must know of hundreds of cases of special areas which have been set apart for conditional purchase within the population area of most important towns. Around Gunnedah, around Armidale, around Wagga, around almost every important country town, as well as around small towns in New South Wales, large areas have been set apart as special areas. Blocks of 40 acres and 100 acres under the Crown Lands Act have been so set apart, and yet there is this restriction, that this bill is to be inoperative in regard to that large area of land included in population areas adjacent to the towns, because it is included in "town lands." No close settlement would be as good as that, where a man can send fresh milk and put it right on the railway adjoining his land. A man can make a living on 40 acres there, but when he gets 5 miles away, and has to make the milk into butter, he wants double or treble the area to make a success of it. Where men are allowed to settle close to a market they can live on smaller areas than if they are pushed away from the towns, and it will be a good policy, if we are to have closer settlement, to encourage settlement in those parts where we could have intense culture on small areas. That is true closer settlement, and yet these restrictions

would shut that land up. Then as to the values of land, surely the values of that land would be better security to the Savings Bank Commissioners. However, there is a restriction there. Supposing a man has got over these first four restrictions, what has he got to do? He has to get an agreement made in writing. After that he has to make an application to the Minister, and after the application is received by the Minister, the Minister has to send a notification to the commissioners. All this has to be done in a prescribed form; then a prescribed fee has to be paid. Then the Minister is subject to three conditions, and cannot move one step until these three conditions have been complied with—he has to find that the land is suitable for settlement, that the applicant is suitable and complies with the provisions of the Closer Settlement Act, and that the area does not exceed a home-maintenance area. Now, having got over these obstacles, the matter can proceed again. What is the next step? A valuation has to be made by the advisory board. It is not sufficient that it be made by one man as a valuer, but although it may be some little tin-pot block of land worth £100, there is to be an advisory board put into operation; and I presume advisory boards get paid. They have to travel; there will not be an advisory board for every little district, but an advisory board will be for a large district. It will have to travel from, say, Sydney to various places around the coast and in the interior. But the advisory board has to value. Then after the advisory board values, the commissioners have to value, too. Then there is the provision that if these two bodies—an advisory board of three and the commissioners who also value—do not agree, which they certainly will not, the applicant has to accept the lower value of the two—not the higher value, nor the mean value, but the lower value. Then, if the value is below the vendor's price, the agreement has to stand rescinded. Do hon. members contemplate what that means? If any of you were to make a contract, one to sell and the other to buy, you would have to go through all

these formalities; and then when you get up to that point, if the value is lower than is put in your solemn contract, that contract is to be rescinded, unless the owner agrees to reduce or the Minister and the advisory board confirm the agreement. Then if the whole three buyers do not get over these closed fences in what I may call the steeplechase, and if they do not get over them together—if one drops out, leaving only two—the business of these two cannot proceed unless the Minister consents. Then the Minister has again to approve before the vendor can surrender his land. Then the fifteenth condition or restriction that has been made is this: the vendor has then to execute a deed of surrender. No man has had more experience of deeds of surrender than I have. I was five years Minister for Lands, and I suppose there were more deeds of surrender executed in my time than ever since. If hon. members imagine that a deed of surrender is something that is going to be drawn in a few hours or a few days, they are woefully deceived. It generally takes six months to get a deed of surrender from the Lands Office. These big estates have not been created by a single grant of the land. These big estates that we are trying to break up have been brought together by the aggregation of a lot of titles, some of them very old and some complex, and a deed of surrender demands investigation into the title—the clearing it of all encumbrances, the freeing of the title of all defects—before the vendor can be in a position to make a deed of surrender. That means the lapse of some months. All this time the purchaser has to stand there, with his money waiting, ready to get into possession of the land. Next, after the surrender—not before it, mark you—after the owner has surrendered his land a 5 per cent. deposit is to be paid. That is a lively sort of business—to expect that owners are going to enter into these contracts to surrender their land, go through all these formalities of valuation, and then at the finish, when they have surrendered the land, for the first time the purchaser has to pay his money down on the counter—

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5 per cent. The provision of the bill is that, after the surrender, the purchaser pays the 5 per cent. deposit, and the land then vests in him as a settlement purchase, with a host of other restrictions and conditions too numerous for me to mention. Hon. members will have to wade through half a dozen acts to see all the conditions which attach—many of them are salutary; I am not going to deny that—to the vesting of the land as a settlement purchase in the purchaser. But though the purchaser has got through all these conditions, he is not allowed to take possession yet. There is a mortgage to be given to the commissioners; that will take another month. Mark you, although the vendor has to surrender his land, only 5 per cent. deposit is to be paid and that is to be paid to the Government, and a mortgage has to be given by the purchaser. Not up to this moment has the vendor been considered in regard to paying him anything at all. Then the vendor may be paid, and although the valuation has exceeded the liberal provision of the Minister's consent, under clause 5, if the valuation differs from the amount of purchase in the agreement, the consent of the Minister has to be obtained to the payment over to the vendor. Then the purchaser has to pay more fees, which are to be prescribed, and more expenses—I am following clause by clause—before the vendor, who has surrendered his land, is to get his money. Will hon. members look at subclause (2) of clause 9: "The commissioners may require the fees and expenses authorised by the bank to be paid by the purchaser before any such advance is made"—that is, the advance is made in payment to the vendor. Then we have the conditions of the mortgage, which are specified; and then, if it is found that the advance exceeds £2,500, there is another restriction; you cannot go on. In addition to all these restrictions, the Minister has special power to refer any questions which arise to the local land board, and, as if that were not enough, there is power in the Minister to make regulations, with a penalty up to £50 for breach of the same. What man—vendor or purchaser—is going to face restriction after restriction of that character, for the sake of getting this easy bargain, as it were, financed from the

Government—95 per cent. advance—only to find that he will then, after he has got the advantage of the 95 per cent. advance, have for all time, a block of land with practically a black mark against it. That is to say, it is always to be subjected to a condition that if it is transferred the consent of the Minister is to be obtained in order that the Minister may see that this land is in perpetuity kept as a closer settlement area. It is a very good provision, just the same as it is a very good thing to keep a wild dog on a chain, but I am of opinion that the dog does not like to be kept on the chain; and I am of opinion that a man who owns land—the homestead settler or anybody else—while he may love to have a piece of land of his own, will not like to have the perpetual condition that he or someone else has always to be chained to it. You are not perhaps going to get *bonâ fide* settlement without it, but men are not willingly going to subject themselves to all these restrictions to find, in the end, that the land is not the ordinary freehold such as their neighbour has got by going to the open market and buying there.

The Hon. J. GARLAND: They cannot get it from the Government on any other terms now!

The Hon. Sir JOSEPH CARRUTHERS: Those are the terms now for closer settlement purposes. I say I will admit that many of these conditions are salutary, but I am looking at the possibility of inducing people to take advantage of this act. If you are going to attach these conditions to them, if you consider them salutary conditions, make it easy for the people to get the land, not difficult. Encourage them to take the land, do not discourage them. They can walk into any financial institution and get financed almost as well with ordinary freehold land, without having these conditions attached. I have referred to the position of the purchaser. Let us look for a moment at the position of the vendor. According to clause 7, after the vendor has gone through the stage when his land has stood the test of valuation, and the value or purchase price is approved of, the vendor, on the approval by the Minister of the purchaser's application, may surrender to the Crown the land agreed upon to be purchased. Surrendering his

land means parting with the legal estate in it—parting with his title. Having parted with his title, what happens? You would think that the vendor was going to be paid, but it is not so. Clause 8 provides that, on the surrender of the land, but not before, the purchaser shall pay a deposit of 5 per cent. Then there are conditions A, B, C, D, and E, all of which have to be complied with. Clause 9 says that upon the surrender of the land the commissioners shall make a payment to the vendor after certain things have been done—that is, on a mortgage being given, and on the Government being satisfied as to the purchaser's title. Although the vendor has parted with his title, and vested his land in the Government, he has to stand out of his money until the purchaser has given a mortgage, and until the Government is satisfied as to the purchaser's title. What is the purchaser's title? An investigation may reveal that the man with whom the Government has been dealing is an uncertificated bankrupt. There is a flaw in his title. What has become of the vendor then? He has surrendered his land to the Government, and this defect with regard to the purchaser's title is discovered perhaps two months afterwards.

The Hon. J. HUGHES: That is assuming that the vendor is dealing with one purchaser!

The Hon. Sir JOSEPH CARRUTHERS: The case is all the worse if there are more than one. The vendor has to surrender his land to three purchasers.

The Hon. J. HUGHES: Are they all going to be uncertificated bankrupts? There is a provision in the bill that some one else may be substituted!

The Hon. Sir JOSEPH CARRUTHERS: Suppose it happens that one of the three purchasers has a defective title, or that two or three of them have. It may turn out, after all this business has been transacted, that one of the purchasers holds 50 acres of freehold elsewhere, that another holds 100 acres somewhere else, but has divested himself of it, and that the third is an uncertificated bankrupt. All these things are possible, yet the vendor cannot get one penny paid to him until the purchasers have given a valid mortgage. The Government may then pay to the vendor the whole or part of the purchase-money, not exceeding the amount of the valuation

of the land; provided that if the limit of the total amount which the bank may advance under the act has been reached, the advance may be refused. It is a nice provision that, after the vendor has surrendered his title to the Crown, if the limit for the year, say £100,000, has been reached, the advance may be refused. Then again, the commissioners may require the fees and expenses authorised by the Bank Act to be paid by the purchaser before any advance is made, or may debit the same to the borrower's account with the bank, to be paid on redemption of the loan. I should have thought it would be sufficient to have the last part of that clause, and not to have made it a condition that the purchaser is to pay the fees before the advance is made to him. Suppose he makes default in payment of the fees, why punish the vendor? Sub-clause (3) of clause 9 says:

Any money so paid to the vendor shall be deemed to be an advance by way of loan to the purchaser from the advance department under the Bank Act, and shall be secured by mortgage of the said land given by the purchaser to the commissioners under that act, and the provisions of that act shall apply to such advance and any mortgage given under this act to secure repayment of same.

That is only a minor difficulty, as it is only 95 per cent. that is to be secured by the mortgage. What is termed the advance is the whole of the amount. The whole advance is handed over to the vendor, and the security which the purchaser has to give is for the amount of that advance, less 5 per cent. which he is supposed to pay.

Any difference between the amount of any proposed advance and the price of the land shall, with the consent of the Minister, be paid by the purchaser to the vendor, or arranged for between them before the advance is made.

There, again, before the advance is made, before the vendor can get a penny of his money, the difference between the amount of any proposed advance and the price of the land shall, with the consent of the Minister, be paid by the purchaser to the vendor. That is in direct conflict with clause 8.

And the vendor shall have no right in respect of the same against the bank, or any security held by the bank, in respect of the advance.

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My contention is a very reasonable one. These restrictions are of such a drastic character as to be prohibitive to a vendor and a purchaser agreeing to run the risk of the delay and expense, with the possibility, after all, of being met with a refusal to do business. The suggestion which I make, and which I think would to a large extent get over some of the main difficulties, is the same suggestion which I made last session. It is a suggestion which I have had in my mind ever since a few months after the Savings Bank Act passed, when I saw what was the cause of the failure of the sections dealing with the question of 80 per cent. The suggestion I make is this: In order to facilitate these transactions, let there be a valuation of the estate made by the Savings Bank Commissioners or the Government valuers before a purchaser is invited to come in and make his purchase. Let that which is the most difficult question of all be settled beforehand; and when the purchaser goes to make his contract with the owner, he will know exactly the price he has to pay, and the amount which the Savings Bank will lend. That gets rid of this delay, and this "finicking" business between, as it were, arbitrators fighting as to the value, with the poor purchaser standing on one side waiting until the fight is over before he can come into possession. It is so much easier when the owner says: "I have an estate which I want to subdivide and sell. I want to put it into the market. The Government want this estate to be occupied by men bound as closer settlement purchasers. I am willing to meet the Government. Let them send their man along to fix the value of the blocks, and to say whether the subdivision is a good one—whether the areas into which I have subdivided my estate are home-maintenance areas, and if their valuation accords with my ideas, I will accept. If it does not accord with my ideas, no harm is done to anybody." If the owner accepts the valuation, if a certificate is given, and if public notification is made that the estate has been subdivided into farms, that the Government approve of the

subdivision, that they believe the land to be closer settlement land, and the areas to be home-maintenance areas, then the purchaser can come along and say: "There is the Government valuation of so much. I know I can borrow 95 per cent. of that valuation by taking advantage of the act. I have money enough to finance the matter, so I will make a deal." The contract can be made, and the business carried through with almost as great facility as an ordinary purchase. For the purpose of amendment, I have put into language a clause which I think will meet the difficulty. It is as follows:—

With a view to facilitating transactions under this act, any owner of land proposing to subdivide the same, may apply to the commissioners for a valuation of the same prior to sale. The conditions attaching to such applications shall be, that the Minister shall be satisfied (a) that the land is suitable for closer settlement, (b) that the proposed subdivision provides for and does not exceed reasonable home-maintenance areas, (c) that at least three such areas are provided for in such subdivision, (d) that the application is *bonâ fide*, (e) that he pays the prescribed fees. Thereupon a valuation provided for under this act shall be made, and, upon the owner agreeing to the same, it shall be approved as the valuation for all the purposes of this act for a period to be fixed by the commissioners: Provided that, on an agreement for a purchase being entered into, and an application being made under this act, the commissioners may, if they so desire, require evidence that there has been no deterioration in the condition of the land or improvements thereon calculated to diminish its value; and if, on such evidence, such deterioration is found to exist, the valuation may be refused accordingly.

Any purchaser of an approved area of any such lands so valued may apply to the Minister to confirm his agreement to purchase; and thereupon the provisions of this act shall apply to the remaining stages necessary to complete the sale and the mortgage to secure the advance thereon.

I make that suggestion, and in Committee I shall move the amendment unless the Government are prepared to adopt the suggestion. I say again that I most heartily approve of the purpose of this bill. I desire to see the principle given legislative effect to, but I should have been playing a false part if I had held my hand and allowed the Government

or this Parliament to pass the bill, knowing, as I fully believe, that it will be inoperative. The criticism which I have directed has been with a view of making the bill of such a character that in its working it will be a credit to the Government and to Parliament; and the suggestion I have thrown out is one which I think will overcome much of the difficulty which I foresee, and tend to facilitate transactions under this bill.

Question resolved in the affirmative.
Bill read the second time.

In Committee:

Clauses 1 and 2 agreed to.

Clause 3. Any three or more persons who are qualified to make and hold settlement purchases, and who desire to purchase under this act from the
5 same owner any private lands, not being land within a city or town, may, upon entering into agreements for that purpose with such owner, apply to the Minister to bring the said lands under
10 this act, and the Minister shall thereupon notify the commissioners that such application has been made.

Such agreements, applications, and notices shall be in the prescribed form,
15 and such applications shall be accompanied by the prescribed fee.

The Hon. Sir JOSEPH CARRUTHERS said he would urge upon the Vice-President of the Executive Council to amend the first line of this clause, which provided that any three or more persons might apply, so as to make it open for any one person to apply. The same effect which the Government were seeking to accomplish, of providing that the bill should only operate in subdivision for at least three holders, could be accomplished by an amendment in paragraph (a) of clause 4, by adding the words, "and form part of any estate subdivided into at least three home-maintenance areas." The purpose of the Government was to avoid the expense and waste of time which would be necessitated by a lot of single applications. He did not see that any great purpose was to be served in regard to closer settlement by permitting one man to transfer to another, and doing no more than that. Therefore, the provision of the bill was limited to groups of three people. But if an estate was capable of sustaining three families, and if it was subdivided into three blocks,

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surely that was all that was necessary. If we could not get three purchasers to come along in the month of January, what was wrong in one coming in January, one in February, and one in March, so long as the subdivision of the estate was into three home-maintenance areas? Unless we could get three men of one mind, it seemed to him we were going to make this bill inoperative. He would not for one moment support a proposal to allow the bill to become operative to any individual unless it were accompanied by some clause of this character, which would provide that it was to be part and parcel of the subdivision of a large estate, and that could be secured by an amendment in clause 4, limiting the operation of clause 3 to cases where the Minister was satisfied that it formed part of an estate subdivided into at least three home-maintenance areas. He would move:

That the words "three or more" be omitted with the view to insert the words "group of."

The Hon. J. HUGHES said he thought the hon. member, in moving this amendment, had somewhat misunderstood the purpose of the bill. It might be a very good thing, as the hon. member had pointed out in his second-reading speech, that vendors and purchasers should be brought together wherever possible; but he questioned whether that was the business of the state. If a man wanted to buy a piece of land there was nothing to prevent his dealing with an individual vendor, either as an individual purchaser or as one of a number of purchasers. But this bill was for a specific purpose, and that was, to promote closer settlement, and he wanted to know how we should promote closer settlement if we allowed one vendor to sell one farm to one purchaser, when probably he could do that without the intervention of an act of Parliament at all. If he could not do it, then he did not know very much. The whole object of the bill was to help groups of people. At present the Government were asked to take estates of varying sizes. Some hon. members complained that the Government did not take them big enough.

The Hon. H. E. KATER: Hear, hear!

The Hon. J. HUGHES said that

some hon. members wanted the Government to take estates of 100,000 acres. The Government would be prepared to do that so long as the hon. member would bring along an estate of that nature of good agricultural land, fit for closer settlement. The Government had done it in the Peel River estate, and they were prepared to do it in every case if the hon. member would help them by pointing out estates which answered to those qualifications. In dealing with land fit for closer settlement, the difficulty was, that we had to consider agriculture in preference to anything else, and it was very difficult to find a large estate the whole of the land of which was suitable for that use. Under those circumstances it was possible, and the Government believed it would occur in some cases, that a small number of purchasers could go about the country for themselves and find suitable blocks. At the present moment, if they did that, they had to come to the Government and ask that the machinery of the Closer Settlement Act should be put into operation, and wait all the time that it took for the boards to value, and until the machinery of the act was put into force, until Parliament chose to adopt the resolutions, and the land became available for them. Under this bill it was proposed to help the man or the number of men who were ready to help themselves. We could not do it for every individual man, otherwise there would be no end to it. It was not the business of the state to interfere between one vendor and one purchaser; they could do that for themselves; but if a party of *bonâ fide* intending settlers picked out a block—it would not be a block of 100,000 acres—of good agricultural land, upon which they could make their homes, and found the vendor willing to deal with them, then the bill proposed to put them in the position to do so. But we were not prepared—it was not closer settlement, with all respect to the hon. member—to put the whole machinery in motion, to ask the Savings Bank Commissioners to get valuations and all that sort of thing, for one vendor or one purchaser. No doubt the hon. member desired to facilitate matters between buyer and seller, but that was not the business of the Government. The proposal of the

bill was for a definite purpose. When we came down, as the hon. member's amendment would bring us down, to do anything that any particular vendor or purchaser asked us to do, there would be no end to the business, and he doubted whether, in the great majority of applications, they would be *bonâ fide* closer settlement proposals at all. We did not want to get one man who, was cultivating the land substituted for another who was doing nothing; but we wanted to help men who found out for themselves good agricultural land, not being used for that purpose, in the possession of a vendor who was perfectly willing to sell if he found purchasers. We wanted to go to that class of man and say: "Very well, if you can, by agreement amongst yourselves, save all the trouble that follows the putting of the existing closer settlement machinery into force, we will help you all we can." That, in a few words, was the meaning of the bill. We went outside that altogether when we began to deal with the individual purchaser. It might be that Farmer Jones was not making the best use of his farm, and that Farmer Smith might make better use of it; but that was not the business of the state, nor was it our business to find a loan for the individual purchaser. All the bill proposed was to follow on the lines of the existing law. We did not resume one home-maintenance area for one settler; we resumed an estate, or so much of it as we could get, upon which we could settle a certain number of people.

The Hon. Sir JOSEPH CARRUTHERS: And let any one man apply?

The Hon. J. HUGHES: Yes; because we have land for sale. We allow any one man to apply, and he applies subject to the conditions of the Closer Settlement Act.

The Hon. H. E. KATER: He buys from the Government!

The Hon. J. HUGHES: Quite so; but this was an entirely different thing. Where a number of purchasers were willing to buy from a private person who was willing to sell, under those circumstances we said to the owner, "If your price is suitable, and if the purchasers are willing to bring this land under the operation of the Closer Settlement Act, with all its

limitations—because there must be limitations—we are willing to assist you.” Again, with all respect to the hon. member who had spoken, a man might like an original freehold.

The Hon. B. B. O’CONOR: Might it not be of some use to a man who wants a portion of the other man’s land? Supposing a man wants 200 acres, which is a home-maintenance area, ought he not to have the chance to get that 200 acres if they both agree?

The Hon. J. HUGHES: And the whole machinery of the act would be put into force to put one man on the land.

The Hon. B. B. O’CONOR: It seems no more ridiculous to do it for one man than for three!

The Hon. J. HUGHES: In the one case, there was practically an estate to deal with. There were two or three men to be dealt with, and the state would get two or three settlers; but by doing it for one man, the state would only get one settler. If the hon. member put that argument, there should not be anything to prevent a man who had got 200 acres only, in order to make a sale, bringing along a purchaser and saying, “Here, this purchaser will take this land under the closer settlement conditions if you approve.”

The Hon. Sir JOSEPH CARRUTHERS: I agree with you there, but we could have a provision to prevent that!

The Hon. J. HUGHES: But it would do no good to allow that. It would not be settling an extra man on the land. It would be helping a purchaser to take advantage of the very good terms that he might get from the private owner, and the Government would find for the owner cash that he might not get from the new purchaser. But they were not settling one extra man on the land, because if the 200 acres were cultivated, it did not matter whether they were being cultivated by B., C., or Z. The policy of the bill was to put a group of men on that land so that it would be used. That was the policy, both of the Closer Settlement Act and of the bill, and once we went outside of that we were doing something entirely different. The idea that the hon. member seemed to have was that the Government should facilitate the acquisition of what he called original freeholds. That had nothing to do with the policy of closer

settlement. It might be a very good thing for the land speculator, but the Government did not want to encourage the land speculator by the proposed legislation. We were not here to use the public funds for the purpose of acquiring land that might be resold at a profit next day to somebody else. If that sort of thing were to be done, we had better leave the whole thing alone.

The Hon. Sir JOSEPH CARRUTHERS: Nobody is proposing it!

The Hon. J. HUGHES: That would be the effect if the hon. member left out all those clauses.

The Hon. Sir JOSEPH CARRUTHERS: The hon. member is absolutely wrong in that!

The Hon. J. HUGHES: I am very glad to hear the hon. member’s assurance. He was going to ask the House not to assent to the amendment. Hon. members must see that it was going outside the policy of the bill. We had to recollect that the whole of this legislation, from start to finish, had been tentative. We knew very little of how these proposals would operate until they were put into force, and the whole closer settlement policy was contained now in a series of acts, and that sort of legislation could only safely be taken step-by-step. We did not know where we would get with the new proposals if we were going to frame a brand new act, and introduce an entirely new policy. There was a time when certain hon. members of this House thought that a proposal to resume land for closer settlement was an iniquitous thing. He did not think there was any hon. member now who would say that. Everybody was agreed now that we had seen the good effects that had followed from it, that it was for the benefit of the state, and of the individual, whether vendor or purchaser. If it happened that so large a resort would be had to the machinery of the act when the bill came into force as to encourage the Government for the time being to strike out the provision for dealing with groups only, it might be done, but he had doubts as to whether it could ever be done, and he was certain that at present it should not be done. To do it under the bill would be to overwhelm the departments with work, and it was far safer to leave the bill as it was.

[*The Hon. J. Hughes.*]

The Hon. R. J. BLACK said that if we extended the operations of the bill to one person, it would, to a large extent, make it impracticable. The bill said that, before anything could be done, the lands must be valued by the advisory board and the valuer for the Savings Bank Commissioners. If the advisory board had to examine single holdings it would take them years before they would be able to do sufficient practical work to get any return under the bill. Further, the advisory boards would have to be enlarged. The expense of the advisory boards visiting individual blocks would be out of all proportion to the good that would be done by the bill. For that reason it would be wiser to leave the bill as it stood.

The Hon. B. B. O'CONOR said he had listened carefully to what Sir Joseph Carruthers had said, and he did not see any greater difficulty in providing for one man than in providing for three. He admitted that the objection of the Vice-President that the state should not be interested in helping one man to take another man's farm from him was a valid one; but supposing there were 2,000 acres of land, 200 of which were wanted by one man who could not himself finance the proposal, then the Government ought, under the bill, to finance him.

The Hon. J. HUGHES: Why not get his 200 acres from some land that the Government has?

The Hon. B. B. O'CONOR: Because he wants that particular estate. The state was and ought to be interested in any one man. If it assisted one man in one place it would lead to many others going on the same place, just as one man building a house in a suburb induced others to follow. The objection voiced by the hon. member, Mr. Black, clearly showed the absurdity of the method of valuation. The Government should value, and if it were satisfied with the security there should not be the elaborate valuation by the two boards, because the lower valuation was bound to prevail. Take a district—say the Hawkesbury Bottoms on the Hawkesbury River. One man wanted a farm, portion of an estate there that he had been working on for

many years. It was agricultural land, and the owner was willing to sell. Why should not that man be encouraged to make a home for himself? It was not a case of compulsion, but was a voluntary breaking-up of an estate, in a measure, between the vendor and the purchaser. The latter was prepared to accept the conditions under the bill, and why should he be prevented from doing so? If it was ridiculous for a joint body to value a farm for one man, was it less ridiculous for them to value it for three? There might be thousands of persons in New South Wales who wanted a home and a farm as single individuals, and he asked why should they not be considered? For the Vice-President of the Executive Council to say that the Government was not interested in one man seemed to him to be fundamentally wrong, because that one man might be multiplied a thousand times.

The Hon. J. HUGHES: I did not say that. I said the change of occupancy from A. to B. was not a matter of concern!

The Hon. Sir JOSEPH CARRUTHERS said that the Vice-President of the Executive Council, in replying to him, was hardly fair. He did not propose to allow a farm to be transferred from A. to B. under the bill. He distinctly said that his amendment was to be followed by a subsequent amendment which would provide that wherever estates were subdivided under the bill, at least three home-maintenance areas should be provided. Did the hon. member hear him say that?

The Hon. J. HUGHES: Yes!

The Hon. Sir JOSEPH CARRUTHERS: Then where was the strength of the hon. member's answer? Why should he put on him the stigma of advocating in that House a principle which would allow individuals all over the country to make use of the bill for financing purposes? He thought that his suggestion was a better safeguard than what the hon. member proposed. There was no logic in allowing three men on the 1st February to apply for land, and in preventing three men coming independently on the 1st, 2nd, and 3rd February from obtaining land. It might not be possible to get three men in accord at the same time. If free selection had

been of such a character that, when land was thrown open for selection, no one individual would be allowed to apply for a block unless he had two others with him, what sort of selection should we have had? According to the Government proposal, there might be an estate with four or five farms on it. Three men might apply for three of the farms, but the other two farms must remain unsettled, because the two men who might come afterwards did not happen to be in the first group. It was to the interest of the Government to complete the disposal of the whole estate. The bill would allow three men who happened to be in accord on a given day to take up land, but it shut out the one man because he did not happen to be present to form one of the group. The object which the hon. member was trying to accomplish was, not to get three men in accord on the one day, but to put three men on land which had hitherto sustained only one man. He gave the hon. member credit for seeking to give effect to that principle, but the question was how to do so? Even if portion of an estate were to lie idle waiting for the one man, let him come in later on at any time, and not be debarred from taking up land. The hon. member believed that a settler who was bound by the provisions of the Closer Settlement Act was a gain to the state, but if he were going to be bound in perpetuity there was not very much gain to the state. He had never advocated the abolition of the salutary provisions of the bill. What he said was, that the restrictions which prevented men from taking up land were of such a character as to deter any man from availing himself of the provisions of the law. If his amendment were carried, he intended to move a subsequent amendment in clause 4, which would absolutely safeguard the state against the provisions of the act being used simply to enable one man to get rid of his land to another. He would do this by making the bill apply only in cases of the subdivisions of estates which contained at least three home-maintenance areas.

The Hon. R. J. BLACK: Do I understand that if the amendment is carried the advisory board would be sent to value even one block?

The Hon. J. HUGHES: Yes!

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The Hon. R. J. BLACK: That is where it seems to me to be impracticable!

The Hon. N. J. BUZACOTT said he would like to ask the hon. member, Sir Joseph Carruthers, whether, in the event of one person applying to have an estate subdivided, and the owner consenting, the bank would pay the full amount of the whole estate to the vendor?

The Hon. Sir JOSEPH CARRUTHERS: No; only for the one block taken up!

The Hon. N. J. BUZACOTT said it was optional to the vendor to come under the provisions of the bill, but he was afraid that, if the amendment were carried, vendors would not take advantage of the bill. He was in sympathy with the object which the hon. member desired to attain, but he did not think it likely that a vendor would allow one-third of his estate to be taken away, because it would practically spoil the whole of the estate for his personal use.

The Hon. Sir JOSEPH CARRUTHERS: There is nothing to prevent an owner waiting till three applicants come!

The Hon. N. J. BUZACOTT said that perhaps the owner might want to get rid of his estate, and he could more readily do so if he parted with one-third of it and waited for purchasers for the other two-thirds.

The Hon. J. GARLAND said it seemed to him that the hon. member, Sir Joseph Carruthers, had conceded that the smallest unit that could be taken into account was sufficient land to make three home-maintenance areas. The hon. member was of opinion that it would be unwise to reduce that limit. The policy of the bill was, that there should be a number of persons coming forward to agree with an owner who was willing to sell his land. Take the case of a block of land which was capable of being divided into three home-maintenance areas. If three persons came forward to agree with the owner the scheme would be complete, and the machinery of the act would be called into force; but if the owner wanted to sell three blocks, and only one man made application, that was a very different matter. The owner might be willing to sell to three, but not to sell to one.

The Hon. B. B. O'CONOR: He would not sell in that case. It must be a voluntary transaction between the vendor and the purchaser!

The Hon. J. GARLAND said he was aware that there were no compulsory provisions; but if a man wanted one of the three blocks, and knew that the estate could only be dealt with as a whole, he would get two other persons who wanted blocks to complete the scheme with him. If the whole machinery of the act were to be put in force when only one man applied, there was a great danger that the act would become unworkable. If one person was willing to take up one block, the advisory board must at his request make a valuation. That was the initial difficulty suggested by the amendment. If the amendment were agreed to, the result would be, that the time of the advisory board would be so taken up with small matters that they would not be able to attempt the more important work.

The Hon. H. E. KATER said that in connection with share-farming, if a man had a thousand acres of land which he did not desire to farm any longer, he would intimate to his neighbours that he was going to cut it up in order to dispose of it. He might say: "I am going to part with 50 acres of this land to A. I want to get rid of the whole of it. If a certain number of you will take strips of the farm till the whole 1,000 acres is taken up, you may have it." That was done every day in the year in connection with share-farming. If a man had 1,000 acres he might not be willing to part with only 100 acres of it, because that would spoil the rest of the estate; but he would be willing to dispose of the whole of it to a number of persons.

The Hon. Sir JOSEPH CARRUTHERS said that nothing could be done unless there was an agreement between the vendor and the purchaser. It was not a case of the purchaser applying to come under the bill. Before he could do so, he must show that he had entered into an agreement with the vendor. That agreement was not merely an agreement to sell; it was an agreement in the prescribed form under the bill.

The Hon. N. J. BUZACOTT: One purchaser and one vendor might put all the machinery of the bill into force!

The Hon. Sir JOSEPH CARRUTHERS said that one purchaser might call the machinery of the bill into force if the vendor agreed with him, but the purchaser alone could not call it into force.

The Hon. J. GARLAND: An agreement between one purchaser and a vendor would do it!

The Hon. Sir JOSEPH CARRUTHERS asked if the vendor would make that agreement in those extreme cases which hon. members were pointing out?

The Hon. J. HUGHES: Will he make it for one purchaser?

The Hon. Sir JOSEPH CARRUTHERS: If he would not, what harm was there in adopting the provision, which would operate in this way: Supposing it was a subdivision of four blocks and there was an agreement with regard to three of those blocks, how was the remaining block to be got rid of? Would it not prevent the very thing which hon. members were urging would happen, if we did not allow an individual contract for one block to go through? Supposing it was a subdivision by a vendor into five blocks, he would say, "I must get the whole five off." If three people came to him and said, "We are willing to buy under the Savings Bank terms," he would say, "I will not make an agreement, because the Savings Bank Act provides for three; and if I sell to three men the Savings Bank Act will not allow me to deal with two others." He had been trying to point out that, in cases of this character, where it would be a benefit to the state to get an estate subdivided, there would be a prohibition against that very thing happening. His answer was, that this provision would enable the whole of an estate to be wiped out, beginning from the first individual purchaser right through to the very end.

The Hon. J. HUGHES said the hon. member seemed to be overlooking the two little words "or more" following the word "three." The very difficulty the hon. member was raising he had answered himself when replying to the hon. member, Mr. Buzacott. To the question put by the hon. member, Mr. Buzacott, the hon. member, Sir Joseph Carruthers, had said, "Then the vendor

can wait until the three come." Taking the illustration given by the hon. member himself of a man who had a block of land, suitable for closer settlement, that would subdivide into five home-maintenance areas, and three people coming along to him and saying, "We will take three," he would say, "No, I will wait until the five come." There would be no difficulty at all about it. If three people were willing to take the land, and the land was worth having, they would have no difficulty in finding two more purchasers.

The Hon. Sir JOSEPH CARRUTHERS: Has not the Government some remnants on its hands?

The Hon. J. HUGHES said that had nothing to do with this bill.

The Hon. Sir JOSEPH CARRUTHERS: I am showing that the Government is not able to get purchasers!

The Hon. J. HUGHES said he did not think the Government had any remnants on its hands which could be defined as good agricultural land. That was where the trouble came in. We had to resume a certain area, and in resuming, say, 5,000 acres, we could not secure that every acre was good agricultural land. We could get pretty near it, but there might be one corner which was not as good land as the rest, and so long as the buyer could get better land he would leave that alone. That was always the trouble. There was no difficulty about the vendor of the five lots making an arrangement—the whole thing was a matter of arrangement. As the hon. member himself had very properly pointed out, we could not put the machinery of this bill into operation until the preliminary agreement had been made between the vendor and the purchasers, whatever the number might be—that was the whole business; and if they would make an agreement there was an end of it. If the purchasers came along, as the hon. member, Mr. Kater, had pointed out, in the case of a shares-farm, no difficulty would be experienced. If a man who was farming a large number of acres decided to give it up, he would not let it out in small allotments, but he would say to his neighbours, "Get me people who will take the lot up and

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I will make no difficulty." As the hon. member had remarked, there was no difficulty in a case like that. Why then, if three persons came along for home-maintenance areas, should there be any difficulty in their getting two more to take up the remaining blocks? Amendment negatived.

Amendment (by the Hon. Sir JOSEPH CARRUTHERS) proposed:

That the words "not being land within a city or town" be omitted.

The Hon. J. HUGHES said he knew what the hon. member had said about this, and very likely to a certain extent the hon. member was right. He was not quite sure how far the limitation was intended to apply. He did not expressly accept the amendment, because that would prevent him from reconsidering it afterwards, but he did not object to it.

The Hon. C. E. PILCHER said he quite agreed that the population area of a town ought not to be excluded, but under this amendment the provisions of the bill could be applied to the city of Sydney.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 4. The Minister, on being satisfied—

(a) that the lands the subject of such application are suitable for settlement;

(b) that the applicants are qualified as aforesaid; and

(c) that such lands do not exceed a home-maintenance area for each applicant,

may cause a valuation of such lands to be made jointly by an advisory board and the commissioners.

If such board and the commissioners do not agree in the valuation, they may make separate valuations, in which case the lower of such valuations shall be deemed to be the joint valuation for the purposes of this act.

The Hon. Sir JOSEPH CARRUTHERS moved:

That after the word "lands," in paragraph (c), the words "fairly provide for and" be inserted.

He moved this amendment because the words "not being land within a city or town" had been omitted from the preceding clause, and he wished to provide that not only must the Minister see that the area did not exceed a home-main-

tenance area, but that it fairly provided for a home-maintenance area. That would get over the difficulty about its being within a city or town. It would always have to be an area adequate for a home-maintenance area.

Amendment agreed to.

Amendment (by Hon. J. HUGHES) proposed:

That the word "joint," line 18, be omitted.

The Hon. A. ROSS said he could not see what use there was in having both the advisory board and the Savings Bank Commissioners valuing the land. It would only be a small area—the bill provided for three applicants; and if the Savings Bank Commissioners sent up a valuer it was only a useless expense for the advisory board to send up another man.

The Hon. J. HUGHES: It is not only a question of valuation, but of whether the land is fit for closer settlement!

The Hon. A. ROSS said that the man who proposed to purchase would be the best judge of its fitness for closer settlement.

Amendment agreed to.

The Hon. B. B. O'CONOR said that whichever board the Minister wanted ought to be the one to make the valuation. If it was considered advisable to trust the advisory board, why not let that be sufficient without calling upon the Savings Bank Commissioners to make a valuation?

The Hon. J. HUGHES: The commissioners will have to make an advance on land they know nothing at all about!

The Hon. B. B. O'CONOR said he could not understand why the advisory board should not be made responsible for the valuation.

The Hon. J. GARLAND: The Savings Bank Commissioners advance the money and the Government guarantee them against loss!

The Hon. B. B. O'CONOR said that as the Government carried the whole worry of this, from an administrative point of view, he thought a valuation by one authority would be ample for all purposes.

Clause, as amended, agreed to.

[The Chairman left the chair at 6.30 p.m. The Committee resumed at 7.30 p.m.]

Clause 5. If the amount at which the land has been so valued is less than the price fixed in the agreement, the agreement shall, after the prescribed period, stand rescinded as to such land, unless in the meantime the vendor agrees to reduce the price to the amount of the valuation, or the parties, with the consent of the Minister, given on the recommendation of the advisory board, confirm the agreement with or without any alteration.

The Hon. Sir JOSEPH CARRUTHERS said the provision was that if the valuation was less than the price fixed in the agreement, the agreement was to stand rescinded. Would the hon. member in charge of the bill consider the effect of that? When the vendor sold to the purchaser, say, for £500, he made his agreement with the purchaser; then a valuation was made, and if that valuation was £480, the agreement stood rescinded. The vendor would say at once: "If I am to make a contract which is to be immediately rescinded because the valuation happens to be below the price fixed in the contract, then I will decline to make the contract at all."

The Hon. N. J. BUZACOTT: The clause a little later on covers what the hon. member refers to!

The Hon. Sir JOSEPH CARRUTHERS: That did not get over his objection. Supposing the vendor declined to agree to reduce the price, the contract was rescinded, and the vendor ought not to be placed in that position. The purchaser should know his own mind, and if he made up his mind that the land was worth £500, he should be prepared, if the valuation was below that price, to pay the balance. He would prefer to see the word "modified" inserted instead of "rescinded."

The Hon. A. Ross: If I sell a property for £5 an acre, and the Government only value it at £4 10s., could not the buyer pay that 10s. himself?

The Hon. J. HUGHES said the very difficulty raised by the hon. member was provided for by subsection (4) of clause 9:

Any difference between the amount of any proposed advance and the price of the land shall, with the consent of the Minister, be paid by the purchaser to the vendor, or arranged for between them before the advance is made, and the vendor

shall have no right in respect of the same against the bank, or any security held by the bank, in respect of the advance.

The contract need not be absolutely rescinded. In the case just put, where a man agreed to buy for £500, and the board thought the valuation should be £450, if the purchaser or purchasers were willing to pay the difference they could do so.

The Hon. Sir JOSEPH CARRUTHERS: Suppose they are not!

The Hon. J. HUGHES: That would be the end of it. The commissioners were not going to advance more than they considered the value of the land. If the commissioners were to be asked to advance on the state guarantee the whole amount of the purchase money, which was practically what the bill did, there must be some assurance that they were not paying a fancy price for the land. If the purchaser said the land was worth the difference to him, and he would pay it, well and good, the contract would go on; but if he did not, why should the Government ask the commissioners to pay more than their valuator valued the land at?

The Hon. Sir JOSEPH CARRUTHERS: He is not their valuator!

The Hon. J. HUGHES: He is their valuator. Hon. members could take it for granted that if the commissioners thought the land was worth a little more there would be no difficulty. But of course that would not be the case if it was the advisory board who thought it was worth a little more. Suppose the price agreed upon were 10s. an acre more than the Government valuation; if the purchaser chose to pay that 10s. an acre, there was an end of the matter. If he did not, why should the commissioners be called upon to pay it?

The Hon. Sir JOSEPH CARRUTHERS: If I took the same view of interpreting the bill as the hon. member does, I would argue as he does. But the bill does not provide that if the valuation was 10s. an acre under the price put in the agreement, the commissioners are to lend 95 per cent. of the amount stated in the agreement.

The Hon. J. HUGHES said he did not say that. He referred the hon. member to subclause (4) of clause 9.

The Hon. Sir JOSEPH CARRUTHERS said he would like to put the case again.

[*The Hon. J. Hughes.*]

A contract was made for the purchase of land, say, at £2 an acre. The purchasers entered into an agreement to buy it at £2 an acre. They then, for the purpose of financing only, went to the Savings Bank. It was presumed that they had some money. When they went to the Savings Bank they knew, by reading the bill, that there was not a bond on the part of the Government to give them 95 per cent. of the purchase money. The only bond was to give them 95 per cent. of the valuation.

The Hon. J. HUGHES: Quite right!

The Hon. Sir JOSEPH CARRUTHERS: The valuation was made. Say it was 1s. an acre under the £2. The bill provided that because that valuation was 1s. an acre under the amount in the agreement these things happened: the agreement was rescinded unless the vendor agreed to reduce the price to the amount of the valuation; or the parties, with the consent of the Minister, could, on the recommendation of the advisory board, confirm the agreement with or without any alteration. Why should the parties to a contract, made with their eyes open, each party as capable of fixing the value as the Government valuator, be put into the position that, unless they got the consent of the Minister, on the recommendation of the board, the contract was to be rescinded? The Vice-President of the Executive Council must know, as the result of his large practice in the legal profession, that in ninety-nine cases out of a hundred, if you went to an auctioneer or valuator to get a valuation of a property, he valued it at what it would bring in the market when offered for sale, and in nearly every case the valuation would be under the price taken where there was a willing purchaser. And the land would be valued for mortgage purposes somewhat under the price that would be paid for it by a willing purchaser. The valuation by the bank must be always on the basis of what the land would fetch if sold under mortgage conditions. He would suggest that, instead of the contract being rescinded, it might be modified. A vendor who might enter into a contract to sell at £2 an acre, might be willing to make some concession, but not to come right down to the valuation. But, according to the bill, unless he came right down to the valuation, the contract would be rescinded.

As the clause was drawn, no reasonable vendor would enter into a contract. The vendor had everything to lose. In every way the interpretation would be against him. He would have made known the price of his land; and if the contract had to be rescinded because the valuation was against him, he would really be consenting to the depreciation of the value of his property. And no property depreciated so much in value as one of which it might be said, "That land was to be sold for £2 an acre, but the contract was afterwards rescinded." He wished to make the bill workable and popular to both the vendor and the purchaser. That could only be done by putting in restrictions which would not defeat the purposes of the bill.

The Hon. L. F. HEYDON said he thought the clause was best as it stood. The hon. member, Sir Joseph Carruthers, spoke of a purchaser going to the Savings Bank only for the purpose of financing; but the financing would be the very essence of the whole transaction in these cases. Ordinarily a man could not borrow 19s. in the £. Knowing he had only a little money, he could only buy the land if he could borrow 95 per cent. of the price. And it would be cruel to a buyer to hold him to a contract after he had been disappointed in his expectation of getting 19s. in the £. To hold a buyer who could only pay 1s. in the £ to a purchase if he could not borrow the 19s. would be to ruin him. He could be sued for a breach of contract. His shilling would be taken from him, and yet he would get no land. He thought it would be best to allow the contract to be rescinded, because at the end of the clause it said that if both parties agreed they might confirm the agreement with an alteration in it. The vendor, if he wished, could come down a little in his price, but if he did not care to come down the bargain would be off.

The Hon. J. HUGHES: No, the purchaser may pay the difference!

The Hon. L. F. HEYDON said that was so; but even if the Government and the Savings Bank would not lend 19s. in the £, the purchaser might still think that the land was worth the money, but he would not be able to finance the transaction anywhere else. It was therefore

only fair to let him go free unless the two parties could agree to something else.

The Hon. H. E. KATER thought the clause was best as it stood, but he would prefer that the words "after the prescribed period" should be omitted.

The Hon. J. HUGHES: I intend to move that they be struck out, and to put in other words!

The Hon. H. E. KATER said that if the two parties could not agree, the contract should be absolutely rescinded. It should not be hung up by means of some regulation. If the vendor would not accept the valuation, it should not be in the power of the Minister or of the regulation to say that six months afterwards the contract might be rescinded.

The Hon. J. HUGHES said that he intended to move that the words "prescribed period" be omitted, with a view to insert "expiration of such period as may be prescribed." It was really only a drafting amendment. The hon. member, Mr. Kater, had some difficulty about the position of the owner in connection with the rescinding of a contract. But if the words were omitted, as the hon. member suggested, it would be obligatory, in the event of the parties not agreeing as to the price, that the contract should be rescinded there and then. Some time must be allowed for negotiations between the parties. It must not be forgotten that there were three parties interested—the vendor, the purchaser, and the Government Savings Bank,—and the rights of all had to be considered. The vendor got as much benefit as the purchaser. He was able to sell his land to a man who could not finance the transaction but for the act. If the suggestion of the hon. member, Mr. Kater, were adopted, then the moment a valuation came in which was below the price made in the contract, the contract would be off. In resuming land for public purposes, he did not know of a case in which the Crown's valuation and the applicant's valuation had, in the first instance, been the same amount. After some negotiation between the parties, each giving way a little, a decision was usually come to, and very often the price agreed upon was neither the vendor's price nor the Crown's price, but something between.

The Hon. H. E. KATER: Will the prescribed period be the period named in the regulation?

The Hon. J. HUGHES said he was willing to make the clause read so.

The Hon. H. E. KATER: It will suit me so long as the vendor and the purchaser know what they are doing!

The Hon. Sir JOSEPH CARRUTHERS: The addition of those words will make no difference!

The Hon. J. HUGHES said that the regulations would be laid on the table of the House, and before the contract was made the parties would know what the terms of it were. He moved:

That the words "prescribed period" in line 4 be omitted, with a view to insert "expiration of such period as may be prescribed by regulation."

Amendment agreed to.

Clause as amended agreed to.

Clause 6. Where in any such application the number of the original applicants is for any cause reduced, the application may be proceeded with as to the remaining applicants: Provided that if such number is reduced to less than five, the consent of the Minister must be obtained.

Any other duly qualified person may, with the consent of the Minister, be substituted for any original applicant.

Amendment (by Hon. J. HUGHES) agreed to:

That in lines 6 and 7, the words "to less than five," be omitted.

Clause, as amended, agreed to.

Clause 8. On the surrender of the land to the Crown, and on the purchaser paying to the bank a deposit of five per centum of the amount of the proposed advance by the bank under this Act, the land shall, subject to the mortgage being given by him as hereinafter provided, vest in the purchaser as a settlement purchase, and shall, subject to this act, be deemed to be held under the provisions of the Closer Settlement Acts:

Provided that—

(d) the instalments in the said section mentioned shall be paid to the commissioners in pursuance of this act in repayment of the advance.

Amendment (by Hon. J. HUGHES) agreed to:

That after the word "shall," line 16, the words "subject to the Minister's power to postpone payments in accordance with the said section," be inserted.

Clause, as amended, agreed to.

Clause 9. (1) Upon the surrender as aforesaid, the Commissioners shall, on a mortgage being given as hereinafter provided, and on being satisfied as to the purchaser's title, pay to the vendor the whole or part of the purchase money, not exceeding the amount of the valuation of the land made as aforesaid:

Provided that if the limit of the total amount which the bank may advance under this act has been reached, the advance may be refused.

(3) Subject to this Act, any money so paid to the vendor shall be deemed to be an advance by way of loan to the purchaser from the advance department under the Bank Act, and shall be secured by mortgage of the said land given by the purchaser to the commissioners under that act, and the provisions of that act shall apply to such advance and any mortgage given under this act to secure repayment of same.

Amendment (by Hon. J. HUGHES) agreed to:

That after the word "reached," line 12, the words "or the commissioners have no money available for loan under this act" be inserted.

The Hon. Sir JOSEPH CARRUTHERS said that subclause (3) provided that "any money so paid to the vendor shall be deemed to be an advance by way of loan to the purchaser from the advance department under the Bank Act." Under clause 8, 5 per cent. of the amount proposed to be advanced by the bank was to be paid by the purchaser to the bank.

The Hon. J. HUGHES: The bank pays the whole amount to the vendor!

The Hon. Sir JOSEPH CARRUTHERS said that the bank paid the 5 per cent. and the 95 per cent. to the vendor, and that was what was called the advance right through the bill. But 5 per cent. of the amount advanced was a payment by the purchaser, and all the purchaser should be asked to give a mortgage for was the balance.

The Hon. J. HUGHES said that he saw the force of what the hon. member

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said, and as he did not like to make an amendment hurriedly he would postpone the clause to consider the matter.

Clause, as amended, postponed.

Clause 10 (Repayment by instalments).

The Hon. L. F. HEYDON said that this clause prescribed that the rate of interest to be paid by the purchaser should be 4 per cent. That was perfectly fair, but taking it with a later clause, under which a profit and loss account was to be established, and under which the Treasurer was to make good the losses, he did not think that he should be called upon to pay 4 per cent. because as the bill stood that was how it would work out. It would pay the Treasurer very much better to give the vendor $3\frac{1}{2}$ per cent. debentures, which he would take at par. It was provided in a later clause that the bank was to create a special profit and loss account, and whatever losses there were on a 4 per cent. basis the Treasurer was to make good. The hon. member, Sir Joseph Carruthers, had pointed out that the bank invested its funds in Government debentures in other states, and he was sure that they did not make more than $3\frac{1}{2}$ per cent. It would be fair, as between the bank and the Government, that the bank should not consider that they had begun to make a loss until they had failed to receive $3\frac{1}{2}$ per cent. The whole burden of this bill would be on the Treasurer. We knew that vendors would not be able to dispose of their land on as good terms as they could sell under this measure. They would get a bigger price. The commissioners would run no risk, because they had the Treasury guarantee. The whole risk would be on the Treasurer, and the only protection to the Treasurer was the small 5 per cent., and any under-valuation which the purchaser had made good. In addition to the 5 per cent., he thought there ought to be between the bank and the Treasury this $\frac{1}{2}$ per cent. interest accumulating to help the Treasury to avoid a loss. This protection might be inserted in clause 20, which dealt with the deficiency in the reserve fund of the bank. The Vice-President of the Executive Council might consider the advisableness of inserting an amendment in these terms: "Any loss arising from the transaction, after charging $3\frac{1}{2}$ per cent. on the funds advanced,

shall be made good by the Treasury." It was already provided in clause 19 that advances not required might be deposited with the Treasurer at $3\frac{1}{2}$ per cent interest, and he saw no reason why it should not be $3\frac{1}{2}$ per cent. right through between the commissioners and the Treasurer. It would be a great improvement to the bill. He quite agreed with the hon. member, Sir Joseph Carruthers, that the Treasury valuer would be inclined to be over-cautious. He would say, "We are going to lend 19s. in the £, and we must value cautiously." No Government wanted to make a whole heap of losses; the Government could not go backing up every sale in the country, and making heavy losses, and therefore the valuator would try to protect the Government by under-valuing, and there would be all sorts of friction and trouble; whereas, if there was $\frac{1}{2}$ per cent. in favour of the Treasurer, it would enable him to work with much greater liberality in many cases.

The Hon. J. HUGHES: The question raised by the hon. member does not arise under this clause.

Clause agreed to.

Clauses 11 and 12 agreed to.

Clause 13. Section five of the Bank Act is amended by adding at the end of the definition of the term "Crown Lands Acts" the following words "the Closer Settlement Promotion Act, 1910, 5 and any Acts amending the same."

Section forty-seven of the Bank Act is amended by inserting the following words at the end of the section:— "(vi) Upon deposit in the Treasury 10 available at call such sum as the commissioners shall consider necessary for the purpose of purchasing debentures from the advance department."

Amendment (by Hon. J. HUGHES) agreed to:

That after the word "necessary," line 12, the words "to set aside" be inserted.

Clause, as amended, agreed to.

Clauses 14 and 15 agreed to.

Clause 16 (Where land is forfeited).

The Hon. Sir JOSEPH CARRUTHERS said that this clause provided that in case of default the land was to vest in the commissioners, and they were to have the power of reselling the land as a settlement purchase. It would be very much better to provide that in case of

forfeiture on account of a default by the purchaser the land should revert to the Crown and become Crown lands. Let the Crown compensate the Savings Bank for its loss. If we were going to create a new Lands Department in the Savings Bank, we should have a lot of trouble. The bill contemplated the mortgaging of land for which a Crown grant was not issued. Unless the regulations were framed to provide that the mortgage was to be over the right of purchase, rather than over the fee simple—because the settlement purchaser did not get his title till something like thirty years—the mortgage would be a mortgage practically over the contract to purchase from the Crown, and it would be wise to treat the contract exactly as lands were treated that were mortgaged under the Advances to Settlers Act.

The Hon. C. E. PILCHER: Look at the 7th clause. It is Crown land under that clause!

The Hon. Sir JOSEPH CARRUTHERS: The vendor surrendered to the Crown, but it was not presumed that the Crown issued a grant to the purchaser. Under section 8 the land vested in the purchaser as a settlement purchase, not as a fee simple. He had to go thirty years before he got his Crown grant; so it was merely a mortgage on a contract.

The Hon. J. HUGHES: That is right!

The Hon. Sir JOSEPH CARRUTHERS: And if that mortgage failed to be met, then the Government should immediately pay the deficiency to the Savings Bank, and the land should vest in the Government, and be administered by the Lands Department. The Minister could then decide how to dispose of it; but if we were going to set up an *imperium in imperio*—a new Lands Department in the Savings Bank, and a Lands Department within the ordinary department, running on parallel lines—we were going to have great complications. In the report of the Commissioners of the Savings Bank, just laid on the table of the House, it was stated that, in regard to cases of default in advances under the Closer Settlement Act, the commissioners had made their claim for the amount due

to them—the Government had taken the land and disposed of it and kept whatever it got for it, and paid the commissioners what was due to them. That was a statesmanlike way to deal with the question—not to bring in a new set of administrators. Why should the Savings Bank Commissioners be forced to keep up a staff to deal with the disposition of these settlement purchases? It was a different thing to dealing with the disposition of freehold lands or leasehold lands, which were free from any conditions under the Crown Lands Acts. We ought to treat the commissioners of the Savings Bank right throughout this business as financial agents only, and look to the Government and the Lands Department to deal with the land after forfeiture.

The Hon. J. GORMLY said it would be dangerous to let the Savings Bank hold land that had been forfeited. If land was forfeited it should go to the Crown to be dealt with by the Lands Department under the control of their officers. The Savings Bank Commissioners had only to provide the funds, but the Treasury had to guarantee the money, and it was not right that the lands, when forfeited, should be vested in the commissioners, and that they should hold land which really was the property of the state. If they did so, they would require to have an additional staff of officers to deal with it, and it would add to the cost of the government of the country. The suggestion that had been made by Sir Joseph Carruthers was a proper one. He hoped the Vice-President of the Executive Council would modify the clause.

The Hon. R. J. BLACK said he would suggest that the words “vest in the commissioners” be omitted, and that there be inserted the words “become Crown lands, and the commissioners shall be compensated for any loss that may arise.”

The Hon. J. HUGHES said he would like to have time to consult with the Minister on the point, and would therefore, with consent, postpone the clause.

[The Hon. Sir Joseph Carruthers.]

The Hon. C. E. PILCHER said he would like the hon. member also to consider clause 7.

Clause postponed.

Clauses 17 to 19 agreed to.

Clause 20 postponed.

Clause 21 agreed to.

Clause 22 (Suspension of proclamation under act of 1907).

The Hon. B. B. O'CONOR: Assuming that portion of an estate was applied for, and that it was an estate earmarked under the Closer Settlement Act, has the proclamation to include the whole of the estate on an application for a small portion of it?

The Hon. J. HUGHES: That is provided for by the act we passed last session!

Clause agreed to.

Clauses 23 and 24 agreed to.

Progress reported.

LOCAL GOVERNMENT (TUBERCULOSIS NOTIFICATION) BILL.

SECOND READING.

The Hon. J. HUGHES rose to move:

That this bill be now read the second time.

He said: This is a bill of two clauses. Clause 2, which is the enacting clause, proposes that section 109 of the Local Government Act of 1906 be amended by adding at the end thereof the following paragraph:—"Providing for and regulating the notification of tuberculosis in man." I do not think that hon. members expect a long disquisition on the position with regard to this proposal. They know well that there has been a good deal of inquiry of late years into the question of dealing with what has been called the white plague—that is, consumption, or tuberculosis, in man. The matter has been under the consideration of the Government. It has received the careful consideration of the Board of Health for some time, and of the department. Prior to the passing of the Local Government Act elaborate bills were drafted providing that some effort should be made to make tuberculosis a notifiable disease—that is to say, that when a medical man has a case of tuberculosis, he should notify it to the authorities. But the question was, who were those authorities to be? That question has been settled by the Local Government

Act, which, to a large extent, puts the question of the public health in charge of local bodies. The Government think that perhaps the difficulty can be best got over by giving the local bodies the authority to act, and they now merely propose to make the notification of tuberculosis one of the matters which local bodies can deal with, leaving them to provide by their regulations, which have to be approved by the Governor, how the disease shall be notified. In addition to the very large powers given to local bodies in connection with other matters, section 109 of the Local Government Act provides that if there is a case of tuberculosis within the boundaries of the local area the local body can make arrangements to deal with it.

The Hon. H. E. KATER: What effect will the bill have on the individual whose case is notified?

The Hon. J. HUGHES: The same effect as in a case of scarlet fever, which is notified.

The Hon. Sir NORMAND MACLAURIN: Nothing of the kind!

The Hon. J. HUGHES: I do not mean the words in the sense which the hon. member has taken. I do not mean to say that a person will be quarantined. The regulations will have to be made and approved by the Governor.

The Hon. A. W. MEEKS: Does it mean quarantine?

The Hon. J. HUGHES: Not necessarily. It might mean quarantine in certain cases, but the regulations will have to be laid on the table of the House and dealt with by the House. This is the simplest way of dealing with the question as far as I can see.

The Hon. H. E. KATER: Before we agree to the bill we ought to know what effect it will have on the liberty of the subject!

The Hon. J. HUGHES: The hon. member will know that when he sees the regulations.

The Hon. Dr. MACKELLAR: We should like to see it defined in the bill. I know that the Vice-President of the Executive Council does not approve of legislation by regulation.

The Hon. J. HUGHES: I do not; but this is a different matter entirely.

The Hon. Dr. MACKELLAR: Not at all!

The Hon. J. HUGHES: I should be glad to hear hon. members' views on the bill. I do not wish to rush it through.

Question proposed.

The Hon. J. GORMLY: I think the Vice-President of the Executive Council should give the House fuller information as to what the object of the bill is. Before passing the second reading of a bill, enabling the Government to issue regulations —

The Hon. J. HUGHES: Not the Government; local bodies!

The Hon. E. W. FOESBERY: That is ten times worse!

The Hon. J. GORMLY: It is more dangerous to give local bodies this power than the Government. Local bodies might not have sufficient knowledge of the subject. They might make regulations which would have the effect of taking people's liberty away. At least the laymen in the House should have some information as to what the effect of the regulations might be. The Legislature should not too readily give power to local bodies to pass regulations which might have a serious effect on the liberty of a portion of the community. We have never yet thought that this disease is so dangerous to public health that the sufferers should be isolated from their friends, and deprived of the companionship of other persons. But the regulations might have the effect of bringing that about. We should have the opinion of experts like medical men before giving this power to local bodies. The Vice-President of the Executive Council, in his short speech, gave the House no information on the subject. The question should be postponed for a time. I have always been opposed to allowing any body of persons to make regulations of this character. Legislation should be of a definite character when it passes both branches of the Legislature. It may be said that the regulations would be laid on the tables of both Houses, but we know what little notice is taken of such regulations.

The Hon. Sir NORMAND MACLAURIN: I am sure that hon. members would never pass this bill if they knew what it means. Fortunately, if they should pass it, I think it will be quite useless. I do not feel in a position to talk upon the ques-

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tion to-night, so I would suggest that the debate be adjourned until this day week.

The Hon. J. HUGHES: I have no objection!

The Hon. Sir NORMAND MACLAURIN: That will give the Government time to make up their minds as to what they really wish to do, and it will give others of us who may not be able to speak to-night an opportunity to do so later on. I move:

That the debate be now adjourned, and its resumption stand an order of the day for this day week.

Motion agreed to.

DISEASED ANIMALS AND MEAT (AMENDMENT) BILL.

SECOND READING.

The Hon. J. GARLAND rose to move:

That this bill be now read the second time.

He said: This bill provides for a small amendment in the Cattle Slaughtering and Diseased Animals and Meat Act of 1902. Section 47 of that act provides:

(1) Whosoever sells or consigns or exposes for sale, or supplies for rations, any diseased animal, shall be liable to a penalty not exceeding twenty pounds for each diseased animal sold, consigned, or exposed for sale, or supplied for rations by him, and to pay any expenses incurred in the inspection, seizure, and disposition of such diseased animal, or, in the discretion of the court, to pay either the penalty or the expenses aforesaid.

Then it is provided that the payment of such expenses may be enforced in like manner in all respects as the payment of a penalty under this Part. Provision for the payment of a penalty is contained in section 58, which it is proposed to amend. That reads as follows:—

(1) All proceedings for the recovery of any penalty or sum of money, or for the prosecution of any offence under any regulation made under this Part, may be had and taken before any stipendiary or police magistrate or any two justices of the peace in accordance with the acts in force for the time being regulating summary proceedings before justices.

Proceedings may be taken under that act during any period extending for six months after the event. It has been found in practice that to allow six months to elapse before proceedings are taken for an offence under section 47 is attended with

a good deal of unfairness to the person charged, because the offence being the selling or consigning or exposing for sale of a diseased animal, a person might reasonably say that the animal became diseased after he had sold it. If proceedings are not taken until just towards the expiry of six months, it is very hard on the person who sold the animal. The proposal now before the House has been assented to by a deputation of both buyers and sellers who waited upon the Chief Secretary some time ago and urged this amendment of the law. The proposal is to amend section 58 by adding these words to it:

Provided that an information or complaint for an offence under section forty-seven must be laid or made within one month after the time when the animal was sold or consigned or exposed for sale or supplied for rations within the meaning of the said section.

Question resolved in the affirmative.

Bill read the second time.

In Committee:

Clause 1 agreed to.

Clause 2. Subsection one of section fifty-eight of the Cattle Slaughtering and Diseased Animals and Meat Act, 1902, is amended by inserting the following proviso at the end of the said subsection:—

Provided that an information or complaint for an offence under section forty-seven must be laid or made within one month after the time when the animal was sold or consigned or exposed for sale or supplied for rations within the meaning of the said section.

The Hon. Sir NORMAND MACLAURIN said that although six months might be considered too long a period, still one month would seriously interfere with the administration of the act. There were cases where people in distant parts of the country managed to evade the law in a very curious way. In the southern part of the state a certain person had done a trade in the sale of diseased animals. He managed to evade the police, and it was only after some time that the police were able to bring the charge home to him. If the period within which they could take action had been only one month, he doubted whether the police would have been able to do anything. He would be glad if the period were made two months,

or even six weeks. He thought that one month was rather too short a time. After all, we never found a respectable man doing this sort of thing. It was the man who carried on this kind of business; and he deserved no great consideration. On the other hand we had the police, to whom we owed a great debt of gratitude for the admirable way in which they had endeavoured to administer this exceedingly difficult act, and if we made the time too short they would be greatly hampered, and evil results would follow to the public from the sale of diseased meat. He would suggest that two months would not be an unreasonable time to provide.

The Hon. H. E. KATER: Two is a month too long!

The Hon. Sir NORMAND MACLAURIN said that we had to deal with persons who carried on trade of this kind for the purpose of making money out of what they ought to be prohibited from doing; and to make the time too short would simply be to hamper the police in their endeavours to deal with these people. He would suggest that the Solicitor-General should at least make the time six weeks.

The Hon. N. J. BUZACOTT: I think three months is better; it is a very serious offence!

The Hon. Sir NORMAND MACLAURIN said it was a serious offence, and the time ought to be lengthened. It would be hard on the police, who might not be able to get the evidence expeditiously, and at the same time we did not want to be hard on people who, he confessed, did not deserve too much consideration. He moved:

That the word "one" be omitted with a view to the insertion of the word "two."

The Hon. C. E. PILCHER said there was a great deal in what the hon. member, Sir Normand MacLaurin, had said as to there being people of an evilly-disposed mind. He had had occasion to be mixed up in cases of this sort, and he was aware that the provisions laid down by the Government to prevent the passing of diseased stock into human consumption were very full and stringent. At the same time it was a curious thing that meat might pass through the hands of a Government inspector at the saleyards, and through the hands of an inspector at the slaughter-

houses, and still go into consumption in a diseased state, where there was no moral guilt on the part of anyone. Those were cases that had frequently occurred. Speaking from memory, he believed it was an offence to offer for sale meat which was, in fact, diseased, although the vendor might not be aware of it—there was no moral delinquency in it at all.

The Hon. J. GARLAND: Lack of knowledge is no defence at all!

The Hon. C. E. PILCHER said he remembered a case going to the court on that point. It was a very common occurrence for meat to be sold which was, in fact, unfit for human consumption, but which was sold perfectly honestly. The Government had an inspector at the saleyards, and if a living animal showed signs of disease, it was condemned, destroyed, and boiled down. It not infrequently happened that these animals, if they had no external signs of disease, were passed by the inspector, and that was why the Government had another inspector in the slaughterhouses. If when an animal was killed it showed signs of disease, it was at once steeped with kerosene and taken to the boiling-down works. Even then, with two inspectors, mistakes were often made, and the majority of cases of that class would come under the head he had mentioned of offences committed accidentally with no moral guilt.

The Hon. Sir NORMAND MACLAURIN: I will not admit that for a moment!

The Hon. C. E. PILCHER said he bowed to the hon. member's superior knowledge, but he thought he could prove he was right. In the great majority of instances, where cases of this kind occurred, there was no moral guilt at all on the part of the offender.

The Hon. Dr. MACKELLAR: Has the hon. and learned member any instance where a prosecution has followed after the carcass has passed through the hands of two inspectors?

The Hon. C. E. PILCHER: Yes; but he could not give the name. One case in which he was concerned went to the Full Court on that very point, and he would appeal to the Solicitor-General to say whether or not he was right in law, that it did not require moral turpitude.

[*The Hon. C. E. Pilcher.*

It was an offence to sell, whether you knew it or you did not, whether the animal was alive or dead; that was the law, and he would undertake to say that 90 per cent. of those cases were cases where there was no moral turpitude. The reason why this bill had been introduced—and it seemed to be common-sense—was, whether the time allowed was one month, two months, or six weeks, where a charge was brought against a man, to give him a reasonable opportunity to get evidence to meet the case. If the time fixed within which information might be laid was six months, which was the extreme limit at present, he might not be able to obtain the evidence he desired. He did not think one month was too short a time to fix.

The Hon. E. W. FOSBERY said the hon. and learned member who had just resumed his seat, and who knew so much on this subject, knew a little more than would bear investigation. He could speak with considerable authority, and he could assure the Committee that in no case that had come before the Board of Health had any prosecution been entered against an individual unless the disease was an obvious one to the eye. It had not been the practice to prosecute people simply because a beast was diseased without there being any obvious sign of it. Hon. members who were on the Board of Health would confirm what he said. Repeatedly when cases had been reported, the board had investigated for themselves, and no prosecution had followed with the consent of the board unless the disease was a very obvious one; and as to the 90 per cent. mentioned by the hon. and learned member, not one in one hundred which escaped observation went through the country courts. As regarded the time, he thought the six months fixed by the Justices Act was too long. It was clear that, in the interests of justice, if there was to be a prosecution, it should be at once instituted, in order that the evidence might be produced both for and against. Although one month was a little too short for some country places, where the procedure perhaps was slow, and it would not be possible to bring a case to a head within four weeks —

The Hon. C. E. PILCHER: It is only a limitation in the matter of laying an information!

The Hon. E. W. FOSBERY said that the getting together of evidence from a long distance sometimes took considerable time. He did not think two months was too long to allow, but for his own part he would be quite prepared to see the time extended to six weeks.

The Hon. J. GARLAND: Might I suggest to the Committee that, as a fair compromise between one month and two, the period should be made six weeks?

The Hon. Sir NORMAND MACLAURIN: I am quite prepared to say six weeks! Amendment, by leave, withdrawn.

Amendment (by the Hon. Sir NORMAND MACLAURIN) agreed to:

That the words "one month" be omitted with a view to the insertion of the words "six weeks."

Clause, as amended, agreed to.

Bill reported with an amendment; report adopted.

MACKEN ESTATE BILL.

SECOND READING.

The Hon. Dr. NASH rose to move:

That this bill be now read the second time.

He said: This is a private bill, which follows upon the making of a will which has been in existence for nineteen years. It is for the purpose of enabling the executors and trustees for the time being of the will of James Joseph Macken to invest certain moneys belonging to the estate in the purchase of shares in Mark Foy's (Limited). It is a matter of urgency in this regard: that the interest of the beneficiaries under the will might be seriously prejudiced if there be delay in the passing of this measure. By the evidence given before the committee, it was shown that it was the intention of the maker of the will, Mr. Macken, before he died, to leave the money in the firm with which he was then connected. He was taking a part in the making of a new company, which consisted in changing the name from "Mark Foy," which was a combination of a certain number of

people, to "Mark Foy's, Limited," by adding the word "limited." The object of that was to comply with the Companies Act, and to definitely limit the various shares and define the position of everybody concerned in the estate. It is stated in evidence that the business is a rapidly increasing one, and it is also shown that, in all probability, the money, if left in the business, would be of greater use to those concerned than if it was invested as was distinctly pointed out in the clauses of the will. There is, I am assured by the legal advisers, no other way in which this matter can be altered except by applying to Parliament for power. That being so, and everything being so clear, I hardly think it is necessary for me to enlarge on the matter.

Question resolved in the affirmative.

Bill read the second time, and reported from Committee without amendment; report adopted.

House adjourned at 9.5 p.m.

Legislative Assembly.

Wednesday, 20 July, 1910.

Questions and Answers—Papers—Petitions—Adjournment (Consulting Engineers for Shires)—Crown Lands (Amendment) Bill (second reading)—Industrial Disputes (Amendment) Bill—Government Business—Australian Mutual Provident Society's Bill (second reading)—Third Readings.

Mr. SPEAKER took the chair.

CHIEF COMMISSIONER FOR RAILWAYS.

Mr. ESTELL (for Mr. ASHFORD) asked the COLONIAL TREASURER,—(1.) Is it a fact that the Chief Commissioner for Railways has sent in his resignation? (2.) If not, will the Ministry consider the necessity of removing him from his present position?

Mr. WADDELL answered,—No.

EYESIGHT TEST FOR RAILWAY AND TRAMWAY EMPLOYEES.

Mr. PARKES asked the COLONIAL TREASURER,—(1.) When was the system of sight test for railway and