No. 3. Clause 3. In paragraph (iii):—Delete the word "three" and substitute the word "two."

The CHAIRMAN: The Assembly's reason for disagreeing to all three amendments is—

The effect of the proposed amendment would be that persons receiving less than the basic wage would be brought within the scope of the financial emergency tax. This is contrary to the principle agreed to by Parliament for several years.

The CHIEF SECRETARY:—I move—

That the amendments be not insisted on.

The arguments have been traversed several times during the last few days. This Bill is strictly in accordance with the policy of the Government and has been in operation for several years, and this Chamber, by insisting on the amendments, would simply be demanding that a large number of people who have been exempt during the last few years shall be taxed.

Hon. C. F. BAXTER: We in this Chamber do not recognise Government policy, but we are concerned about the finances of the State. We have fought against certain exemptions right through and have certainly not approved of them. I feel sure the Committee will adhere to its previous decision and the easiest way would be for the Chief Secretary to withdraw his motion and to request a conference at once.

The CHIEF SECRETARY: To facilitate matters I ask leave to withdraw my motion.

Motion, by leave, withdrawn.

Hon. C. F. BAXTER: I move—

That the Council request a conference.

Question put and passed.

[*The President took the Chair.*]

Resolution reported and the report adopted.

The CHIEF SECRETARY: I move—

That the Assembly be requested to grant a conference, and that the Council's managers be elected by ballot.

Question put and passed.

Conference Managers Appointed.

Ballot taken.

The PRESIDENT: The result of the ballot shows that the managers appointed are the Chief Secretary, Hon. C. F. Baxter, and Hon. J. Nicholson.

Message accordingly returned to the Assembly.

House adjourned at 12.58 a.m. (Wednesday.)

Legislative Assembly.

Tuesday, 5th December, 1939.

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The SPEAKER took the Chair at 4.30 p.m., and read prayers.

PERSONAL EXPLANATION.

The Minister for Mines and State Batteries Charge.

THE MINISTER FOR MINES (Hon. A. H. Panton—Leederville) [4.34]: I desire to make a personal explanation which is in the

nature of a correction. While I was speaking on the State Batteries Vote last Thursday, Mr. Marshall interjected—

You have reduced the charges to 1dwt. 10grns?

I replied in the affirmative. This appears on page 2503 of "Hansard," No. 18. The mistake is mine. The correct figures are 1dwt. 18grns. I desire to correct a wrong impression which may have been conveyed to prospectors.

BILL—COMPANY (LITCHFIELDS) LIQUIDATION.

Introduced by Hon. C. G. Latham and read a first time.

BILL—INCREASE OF RENT (WAR RESTRICTIONS).

Council's Amendments.

Schedule of 15 amendments made by the Council now considered.

In Committee.

Mr. Marshall in the Chair; the Minister for Labour in charge of the Bill.

No. 1. Clause 2:—In definition of "Land":—Add at the end of the definition the words "save and except lands comprising a farm, grazing area, orchard, or dairy farm."

The MINISTER FOR LABOUR: The Council's amendment proposes to exclude from the definition of "Land" appearing in Clause 2 all lands used as farms, grazing areas, orchards, or dairy farms. In effect the amendment, if accepted, would exclude all occupiers of land used for any of the purposes mentioned from the benefits of the Bill. Legislation of this kind should as far as possible apply to everyone in the community. I see no reason at all why lessees of farms, grazing areas, orchards, and dairy farms should be excluded. They are as much entitled to receive protection as are workers who rent houses; probably they are in greater need of protection than are such workers. I therefore move—

That the amendment be not agreed to.

Question put and passed; the Council's amendment not agreed to.

No. 2. Clause 2:—In definition of "Lessor":—Insert the word "owner" after the word "any."

The MINISTER FOR LABOUR: This amendment proposes to insert the word "owner" in the definition of "Lessor." The clause would then read, "Any owner, sublessor, or landlord." I have no objection to the amendment, though whether it is actually required is doubtful. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 3. Clause 2:—In definition of "Standard rent":—Add at the end of the definition the following:—"In the case of a lease of any premises ordinarily leased for holiday purposes, the standard rent for any holiday season shall be the rent received for the said premises for any like holiday season during the twelve months preceding the 31st day of August, one thousand nine hundred and thirty-nine."

The MINISTER FOR LABOUR: Members will recollect that there was a good deal of discussion regarding this matter when the Bill was in Committee in this Chamber. I have no objection to the amendment, and move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 4. Clause 4, subclause (1):—Delete all words after the word "provided" in line 29 down to and including the word "defined" in line 32, and substitute the words "no rent shall be charged in excess of the standard rent."

The MINISTER FOR LABOUR: The Council's amendment, in effect, is the same as the provision in the Bill; but the amendment perhaps makes the language clearer. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 5. Clause 4, subclause (1):—Delete all words from and including the word "the" in line 37 down to and including the word "repairs" in line 40, and substitute the words "structural alterations."

The MINISTER FOR LABOUR: The Council's amendment does not affect the principle of this part of Clause 4; the

meaning is expressed in fewer words. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 6 Clause 4, subclause (1):—Delete the words "improvements or" in lines 41 and 42.

The MINISTER FOR LABOUR: This amendment is consequential upon the one to which we have just agreed. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 7. Clause 4, subclause (1):—Delete all words after the word "rate" in line 42, on page 2, and substitute "which will give a net return to the landlord of a sum equal to six pounds per centum per annum."

The MINISTER FOR LABOUR: This also follows on the amendment to which we have agreed. There is very little difference between what the Bill provides in this connection and the Council's amendment. The intention of the Assembly was that the percentage to be charged would be a net percentage. I am prepared to accept the amendment and accordingly move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 8. Clause 4, subclause (1):—Delete paragraph (iii), on page 3, and substitute the following:—(iii) where the rates are payable by the lessor the standard rent shall be increased by the amount of any increase of rates since the thirty-first day of August, one thousand nine hundred and thirty-nine.

The MINISTER FOR LABOUR: The words the Legislative Council proposes to substitute set out more briefly and clearly what is intended. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 9. Clause 4, subclause (1):—Delete paragraph (iv), on pages 3 and 4, and substitute the following:—(iv) no increase of the rent or standard rent shall take effect in the case of a lease until the expiry of two weeks after the lessor has served notice in writing on the lessee.

The MINISTER FOR LABOUR: The Council's proposed amendment provides that a lessee or tenant shall receive at least two weeks' notice of any intended increase in rent, thus giving the lessee or tenant time to take action if he considers action is justified to prevent the increase in rent from being made. I move—

That the amendment be agreed to.

Question put and passed, the Council's amendment agreed to.

No. 10. Clause 5, subclause (1), in paragraph (iii) on page 5:—Delete the words "farm, grazing area, orchard, market garden or dairy farm" in lines 5 and 6, and substitute the word "land."

The MINISTER FOR LABOUR: The amendment proposes to delete the reference to farm, grazing area, orchard, market garden or dairy farm. This is in line with amendment No. 1 to which we have disagreed. Actually we should delete paragraph (ii) of Subclause (1) relating to a lease of the premises of any shop, dwelling-house, lodging-house or boarding establishment situated at any recognised holiday resort, because we have already accepted an amendment making provision for controlling the rent of such premises.

The CHAIRMAN: The Minister cannot move that; it will have to be deleted in another place.

The MINISTER FOR LABOUR: Then I move—

That the amendment be not agreed to.

Question put and passed: the Council's amendment not agreed to.

No. 11. Clause 5, Subclause (2):—Delete the word "intending" in line 34 on page 5.

The MINISTER FOR LABOUR: There is no objection to this amendment. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 12. Clause 5, Subclause (2):—Delete the word "intending" in line 35 on page 5.

The MINISTER FOR LABOUR: This amendment is the same in principle as amendment No. 11. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 13. Clause 8:—Add at the end of the clause the words:—"unless in the opinion of the Court or Judge the grounds

of the application or the opposition to such application are unreasonable."

The MINISTER FOR LABOUR: Clause 8 provides that no costs shall be allowed in any proceedings under the measure. The Council desires that it, in the opinion of the court, the grounds of or opposition to the application are unreasonable, costs may be allowed. I have no objection to the amendment and move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 14. Clause 13:—Insert after the words "apply" in line one, the following words:—"to any lease or agreement for lease of any land prior to this Act in which the rent reserved is subject to a provision for reappraisement at any time or times and is determined in accordance with such provision or whereby the rent is fixed at varying or specified amounts during any one or more periods of the term of the lease or agreement and further shall not apply."

The MINISTER FOR LABOUR: Under amendment No. 1 the Council proposes to exclude lands comprising a farm, grazing area, orchard or dairy farm. Yet under this amendment the Council proposes that the measure shall not apply to any lease or agreement for lease of land the rent of which is subject to appraisement. The two amendments conflict. If the Council is prepared not to insist on amendment No. 1, we could agree to amendment No. 14. Meanwhile I move—

That the amendment be not agreed to.

Question put and passed; the Council's amendment not agreed to.

No. 15. New Clause:—Insert a new clause after Clause 2, to stand as Clause 3, as follows:—

Construction of Act.

3. This Act shall be read and construed subject to the Commonwealth of Australia Constitution Act and to the Commonwealth National Security (Fair Rents) Regulations made under the National Security Act, 1939, so as not to exceed the legislative power of the State to the intent that where any provision of this Act would, but for this section, be in excess of that power, it shall nevertheless be a valid enactment to the extent to which it is not in excess of that power.

The MINISTER FOR LABOUR: There is no objection to this amendment. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

Resolutions reported and the report adopted.

A committee consisting of Hon. C. G. Latham, Mr. Withers and the Minister for Labour drew up reasons for disagreeing to three amendments.

Reasons adopted and a message accordingly returned to the Council.

BILL—TESTATOR'S FAMILY MAINTENANCE.

Second Reading.

Debate resumed from the 22nd November.

THE MINISTER FOR JUSTICE (Hon. E. Nulsen—Kanowna) [5.5]: I support the second reading of the Bill, and see nothing objectionable in it. The measure preserves the principle of law established by the Guardianship of Infants Act (Section II), by which the court is empowered to make provision for the widow and family of a testator, who so disposes of his property as to leave his family without means. It is held by the Crown Law officers that this provision is inappropriately made in the Guardianship of Infants Act—although quite legal—and they consider that the present Bill, in addition to preserving the principle, removes certain defects and objections in the law as it now exists by defining the time within which an application may be made by a widow or child for an order against the executor. The Bill also extends the application of the principle to include in the term "widow" a divorced wife who has been granted by the Supreme Court permanent maintenance from the testator. At present a divorced wife has no claim on her ex-husband's estate after his death, but if the court has found that she is entitled to maintenance her right in this regard should be preserved, and I can see no objection to that provision.

MR. McDONALD (West Perth) [5.7]: I support the Bill. It increases the power of the court to make further provision in the cases mentioned in the measure. The Bill would be a distinct advantage in the working

out of the legislation to enable just and equitable provision to be made for the wife and children.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Marshall in the Chair; Hon. N. Keenan in charge of the Bill.

Clauses 1 to 3—agreed to.

Clause 4—Application to be made within six months:

Mrs. CARDELL-OLIVER: I move an amendment—

That the word "six" in line 3 be struck out and the word "twelve" inserted in lieu.

In New South Wales the period allowed in a case of this kind is 12 months, and that is the position also in Queensland and New Zealand; whereas in Tasmania the period is three months. Western Australia is a large State, and it may be that people living in distant parts would not know in time for the necessary action to be taken that such and such a person had died.

Hon. N. KEENAN: The period of six months set out in the clause is a compromise between various terms proposed and in force in the different States of Australia. The clause, however, gives power to the court, notwithstanding that the period of six months has elapsed, to give leave to apply in circumstances that seem to warrant such a course being taken. In almost every instance it is desirable that the estate should be wound up and the assets distributed, and for that reason the term should not be extended to too great a length. No restriction should be placed on the executors in the discharge of their duties. There is no danger that applications may be lodged too late. I hope the amendment will not be agreed to.

Hon. W. D. JOHNSON: Notwithstanding that the member for Nedlands has drawn attention to a saving clause, I am inclined to think that the measure will operate only when probate has been granted. This is an extensive State, and it seems to me that a period of 12 months is not too much to ask. I am inclined to support the amendment.

Mr. WATTS: I agree with the member for Nedlands that the amendment should not be accepted. In the ordinary way, executors are expected to wind up an estate in about 12 months after the granting of probate. If an application could be made to the court up to a period of 12 months, the time during which the affairs of an estate would be in the melting-pot would be considerably increased. Because of the extended period, and the fact that the preliminary details take some time, an executor would not be able to finalise matters for a much longer period than is customary. As the court, in exceptional cases, may extend the time during which applications may be made, I think six months after the granting of probate should be adequate.

Amendment put and negatived.

Clause put and passed.

Clauses 5 to 13, Title—agreed to.

Bill reported without amendment, and the report adopted.

Third Reading.

Bill read a third time and *passed.*

BILL—GUARDIANSHIP OF INFANTS ACT AMENDMENT.

Second Reading.

Debate resumed from the 22nd November.

THE MINISTER FOR JUSTICE (Hon. E. Nulsen—Kanowna) [5.19]: This is a small Bill, the object of which is to repeal Section 11 of the Guardianship of Infants Act. That amendment is consequential upon the passing of the Testator's Family Maintenance Bill, which we have just dealt with. That Bill now covers all the provisions previously enacted in Section 11 of the Guardianship of Infants Act. I support the second reading.

Question put and passed.

Bill read a second time.

In Committee, etc.

Bill passed Committee without debate, reported without amendment and the report adopted.

Bill read a third time, and *passed.*

BILL—LAND TAX AND INCOME TA

Council's Message.

Message from the Council received a read notifying that it continued to pa

its requested amendment to delete the word "ten" in Clause 3 and substitute the word "twenty".

The PREMIER: I do not think the Legislative Council has adopted a logical attitude in sending a further message to this Chamber continuing to press its requested amendment. This Chamber has said it does not agree to the requested amendment. The message goes back to the Council accordingly, and, notwithstanding our disagreement, that Chamber again returns the amendment to the Assembly, and presses its acceptance by us. We have said to the Council, "Notwithstanding the pressure you are endeavouring to exert upon this House, we still disagree and send your amendment back to you." How long is this sort of thing to continue? Under the Standing Orders, when the Council send its amendment back to us and continue to press it, while we continue to refuse to accept it? I cannot see any end to the procedure. It may be done five or six or more times. The Legislative Assembly has expressed its views unanimously. I do not see the necessity for the Council to send such a message back to us time after time, pressing its amendment. It may be that the Legislative Council wishes to consider another measure that has relation to taxation, and desires to hold matters up until that Bill is discussed. If so, I am quite prepared to meet that situation, and I move—

That consideration of the Council's further message be postponed till a later stage of the sitting.

Hon. C. G. LATHAM: I have no objection to the Council's message being considered at a later stage, but I claim that this House is to blame for another place sending messages to us and pressing amendments. It is clearly understood that the Council cannot make such an amendment as that now before us.

Hon. P. Collier: It has no constitutional power to press such an amendment.

Hon. C. G. LATHAM: I have always supported any Government, irrespective of party, in opposition to the Council being allowed to press such amendments.

Hon. P. Collier: The Council has not the power to make such an amendment.

Hon. C. G. LATHAM: Time after time, this House has given way until it has become almost a common practice. Because that has happened for so long, I rose to speak. It is about time this Chamber asserted itself. Either the Bill should be lost, or it should be agreed to. While I shall not oppose the consideration of the message at a later stage, I presume I shall then have an opportunity to discuss the matter more fully. For a long time I have objected to such an action on the part of the Council. It is wrong, and is opposed to the principles of democratic government. The same situation arises when we appoint managers to confer on Bills. The effect is that most important legislation is frequently discussed and shaped by six members of Parliament, three representing another place and three this Chamber. That is definitely wrong. It has continued for so long that at the end of each session we have what are termed "endurance tests." We have an all-night sitting in an endeavour to settle the differences between the two Houses by means of the deliberations of six men. Whatever action is taken by this House, I claim members are perfectly right in maintaining the independence of this Chamber against pressure from another place. We should accept our responsibilities to frame legislation by the Committee as a whole and not delegate that power to managers or have it dealt with by other means.

Question put and passed.

BILL—FINANCIAL EMERGENCY TAX.

Council's Message.

Message from the Council received and read notifying that it continued to press its requested amendments to the Schedule (second and third parts).

The PREMIER: The remarks I made regarding the previous message relating to the Land Tax and Income Tax Bill apply equally in this instance, and I move—

That consideration of the Council's further message be postponed till a later stage of the sitting.

Question put and passed.

BILL—LIFE ASSURANCE COMPANIES ACT AMENDMENT.

Council's Message.

Message from the Council notifying that it insisted on its amendments Nos. 1 to 8, inclusive, now considered.

In Committee.

Mr. Marshall in the Chair; the Minister for Labour in charge of the Bill.

No. 1. Clause 3:—In proposed new Section 33B:—Delete the words "and due notice has thereupon been given as provided for by paragraph (a) of Subsection (1) of Section fifty-eight A of this Act and default has occurred as provided by paragraph (b) of the said Subsection" wherever such words appear in paragraphs (a), (b), and (c) of the proposed new Section.

The MINISTER for LABOUR: The Bill aims at achieving four objectives. The first is to prevent the cancellation of industrial policies unless the premiums have been unpaid for a certain period. Next, it seeks to establish the principle of paid-up policies in connection with industrial insurance, and, thirdly, to provide for surrender values for industrial policies. The fourth aim of the Bill is to provide for notice of intention to cancel policies, industrial or otherwise. The Council has agreed to the three objectives but has disagreed to the fourth aim, which relates to notice of intention to cancel. Of the eight amendments insisted on by the Council, the first seven deal with notice of intention to forfeit policies, and it is certain that that Chamber will not agree to that phase of the legislation. The private insurance companies are opposed to the principle of giving notice of intention to forfeit policies and as the Legislative Council always manages accurately to interpret the wishes of those concerns, any effort to discuss the matter further by means of a conference of managers or otherwise would be mere waste of time. At this stage, our best course is to accept the three main principles in the Bill, to which the Council has agreed, and to let the other matter go, with the idea of taking it up at some future date when the consideration extended to the issue may be more favourable and when the personnel of another place may be less inclined to listen to the views of the private companies than are the present members of that House. I move—

That the amendment be no longer disagreed to.

Question put and passed; the Council's amendment no longer disagreed to.

No. 2. Clause 3—In proposed new section 33F:—Delete the words "policy holder" in line 17, and substitute the words "holder of an industrial life assurance policy."

No. 3. Clause 3—In proposed new section 33G:—Delete the words "and fifty-eight A" in lines 26 and 27, on page 5.

No. 4. Clause 3—In proposed new section 33G:—Insert the words "industrial life assurance" before the word "policies" in line 28.

On motions by the Minister for Labour, the foregoing amendments made by the Council were no longer disagreed to.

No. 5. Clause 3—Insert a new section after proposed new section 33G, to stand as section 33H, as follows:—

33H.: Every industrial life assurance policy issued after the passing of this Act and every current and subsequent industrial premium receipt book shall have printed thereon in clear and legible type, a notification to the effect that the policy shall not become void for non-payment of premiums unless a premium has been overdue for at least four weeks or such longer period as may be provided by statute or by the company's regulations for the time being.

The MINISTER FOR LABOUR: The proposed new section will give policy holders a better opportunity to understand what the proposed legislation contains, and therefore a chance of protecting their interests in connection with industrial life assurance policies. The provision is not as good as what was proposed in the Bill but it goes part of the way. I move—

That the amendment be no longer disagreed to.

Question put and passed; The Council's amendment no longer disagreed to.

No. 6. Clause 4—Delete.

No. 7. Clause 5—Delete.

The MINISTER FOR LABOUR: Amendment No. 6 proposes to delete Clause 4 of the Bill, which sets out the procedure that would have to be followed regarding the notice of intention to forfeit policies. Amendment No. 7, dealing with Clause 5, is merely consequential to previous amendments we have dealt with. I move—

That amendments Nos. 6 and 7 be no longer disagreed to.

Question put and passed; the Council's amendment no longer disagreed to.

No. 8. Clause 6—In proposed new section 60A:—Insert after the word "otherwise" in line 13, page 7, the following words:—"unless such bond, guarantee, or other security

be limited to cover the amount of cash shortages in such person's accounts, and losses sustained by the company through his fraud or misconduct."

The MINISTER FOR LABOUR: This amendment deals with Clause 6 of the Bill, in which an attempt is made to prevent insurance companies from requiring any person making application for employment to furnish a bond, guarantee or other security provided by some other person. The amendment of the Council proposes that some other person may provide a bond, guarantee or other security if such bond, guarantee or security is limited to cover the amount of cash shortages and losses sustained by the company through fraud or misconduct by the employee. I am not the slightest bit keen about the proposed addition to the clause. The amendment will largely reduce the value of the clause.

Mr. Boyle: It is a start.

The MINISTER FOR LABOUR: I am certain it is the absolute limit we can obtain and I cannot see that anything can be achieved by our continuing to disagree to the amendment or by seeking to attain that which the Assembly thought so reasonable. What we have gained on this particular point, as the member for Avon has suggested, is a start in the right direction. It may be a responsibility of this Parliament in a future session to make some attempt to move further along the road, upon which we have begun. I move—

That the amendment be no longer disagreed to.

Question put and passed; the Council's amendment no longer disagreed to.

Resolutions reported, the report adopted and a message accordingly returned to the Council.

BILL—COMPANY (LITCHFIELDS) LIQUIDATION.

Second Reading—Ruled Out.

HON. C. G. LATHAM (York) [5.39] in moving the second reading, said: Hon. members will recall that on the 19th October I submitted a motion asking for an inquiry to be held into the operations of trust companies in this State. The House agreed to an inquiry being made and subsequently, on the 30th November last, a report was presented to the House by the select committee which made the inquiry. The introduction of this Bill is the third stage. If hon. members will turn to page 14 of the committee's report, they will find there the recommendations of the committee. I do not propose to weary the House by reading them all but I will quote from the first recommendation, which reads, in part, as follows:—

1. That legislation should be presented to Parliament—

(a) To provide that control by the directors of Litchfields (A/sia) Ltd. should be entirely superseded by the control of the Official Trustee.

(b) The Official Trustee to be empowered to conduct such investigations into the affairs of the company, its books, documents and management, as he considers necessary or desirable.

The Bill is designed to give effect to that recommendation. I do not know what was in the minds of other members of the select committee during the taking of evidence, but it appeared to me that the managing director of Litchfields was under the impression that I was biassed, and that he was not obtaining a fair hearing. In case any impression of that kind remains in his mind, the Bill proposes that the Official Trustee shall make an investigation of the business of the company. It is suggested that the Official Trustee shall supersede the managing director and all his officers, and that he shall act as receiver and managing director and completely investigate the whole ramifications of the company. If he desires he may then report to the Minister for Justice who, in turn, may report to the Governor-in-Council, in order that such steps as may be deemed necessary may be taken to wind up the company. I know that some hon. members will say that this is a matter in which Parliament should not take action.

The Premier: Do you think so yourself?

Hon. C. G. LATHAM: I think Parliament should definitely take action. Provision is made in the Companies Act for certain steps to be taken for the compulsory winding up of a company, that is of an ordinary company; but this concern is totally different from other companies. As a matter of fact, it is the only company of its type operating in this State. That is the evidence of the managing director of Litchfields himself, who said that the company is unique, and the only one of which

he knows. I think he said it is the only one of which he knows in Australia or anywhere else. There are similar companies outside Australia but none identical with this one. I want hon. members to understand the difference between this company and ordinary companies. Litchfields set itself out to secure money from the public by deferred payments extending over a period of three years and nine months, for the purpose of investing such money within 90 days of the termination of the contract. That has been the principal function of the company. Its official business was to collect money from the public. The managing director described it as being like a savings bank. I do not know whether the unfortunate people who invested are to be regarded as creditors of the company. Not having a legally-trained mind, I am not in a position to state whether the money can be regarded as trust funds or whether the shareholders can be described as ordinary creditors of the company, but I do know that the managing director stated definitely that the company collected the money from the public for the purpose of investing it in a block of shares, which he called a portfolio, with a view to ensuring them a return of income for the amount invested. That is the difference between this company and other companies. In the usual way a company invests or uses its shareholders' money. In this instance there are two lots of people concerned—shareholders and certificate holders. Under the Companies Act the shareholders or creditors may make an application to the court for the compulsory winding up of a company.

Hon. members who have read the report will realise that the shareholders in this company have no interest at all in it, inasmuch as the whole of the money they have subscribed by way of payments for shares has been expended by the company. Consequently they have no further interest in the company and if they took action they would require to provide new money for any application they would have to make to the court. While I have come to the conclusion that there are still simple-minded people about, there are none simple enough to put up additional money for the purpose of taking action or, as we might say, throwing good money after bad. The only other people who could take action would be the creditors. But who are the creditors of the company? The latest balance sheet shows that there are no creditors whose accounts cannot be met by the company immediately. Therefore, those creditors would not be likely to take action because there would not be any need for them to do so. The people about whom I really am concerned are the security certificate holders, and I ask the House to realise that the object of submitting this legislation is to protect those people. The security certificate holders are the people who have invested their money in Litchfields.

The nominal capital of the company is £20,000 made up of £1 shares. The subscribed capital is £14,970 and there remains unallotted 5,010 shares. The number of shares sold by the company totalled 13,990 and 1,000 shares were given to the managing director as promoter's shares, that is, for the work he did in forming the company. Although they were promoter's shares, the select committee learned that the managing director obtained and was paid brokerage on those shares. At the present time there are only 5,010 shares left, and I think it would be difficult for anyone to sell any of those shares even at par. I want the House to realise that prior to this, every share that was sold from the 29th July, 1937 was sold to the managing director who subsequently resold those shares at a premium of from 22s. 6d. to 25s. and even as high as 26s. 6d. So I point out that there is little likelihood of the remaining shares being disposed of. The company also sold 761 selective security certificates with a liability of £36.420. I want the House to remember the liability on these certificates; it is a very large sum of money for a small community such as Western Australia to have to carry. The selective security certificate holders have paid £12,358 of which £11,492 11s. was backed by shares in other companies at the 30th June, and the money in the Commonwealth Savings Bank. I think the exact figure in the Commonwealth Savings Bank is £6,558. That was on the 30th June last and investments amounted to £4,934 6s. 10d. Since then there has been further money distributed from the Commonwealth Savings Bank account and I understand that the

Bank has notified the two persons in whose name the account stands to transfer it to some other bank. But it is on account of the 761 security certificate holders that I am asking for this legislation. The holders of those certificates are in the unfortunate position that they cannot act themselves, but must depend on other shareholders to take some action, or a creditor to take action; but as I have already pointed out, it is not probable that either a shareholder or a creditor will institute proceedings for the reason that the shareholders would have to find new money to enable them to make an application to the court. Then there are no creditors because the creditors' accounts are met by certificate holders' payments. The shareholders are totally distinct from certificate holders, though there may be some shareholders who are certificate holders; but the business of the managing director was that when he came across anyone who wanted to invest money in this company he persuaded the person that he could not sell the security certificates and the only thing to do would be to invest the money in shares, from the sale of which the managing director received a premium which he appropriated to his own use. He put up the pretence that interest would be paid. I admit that interest has been paid on some of the shares up to date. Some of the shareholders had been receiving interest, and the last batch, I think, was paid on the 30th June, 1939. The number that received seven per cent. interest I believe was 59. Of course he collected the money from the shareholders in the first place and then paid the interest from it. To one man who came from Denmark, the managing director sold 2,000 shares and the deal took place in the company's office. The amount paid for the shares was 26s. 6d. and so a premium of 6s. 6d. was collected by the managing director. Actually, the man should have been able to buy them over the company's counter at £1 each. The managing director never failed to leave in the minds of purchasers of shares that they were going to get dividends from the company. In reality, the purchaser was receiving interest from the money that he had paid in. If members have not read the terms of the guarantee which appears on page 7 of the select committee's report, I will read it. My desire is to show how easy it is to mislead the public, if it is capable of being misled. The guarantee reads—

> C. O. Barker Investments hereby guarantee to the bearer.....of.....holder of.....shares in Litchfields (A/sia) Ltd. the return of £5 per cent. per annum for the initial year of the operations of Litchfields Ltd.

That is the guarantee he gave and it was only in the initial year that purchasers had that guarantee. As pointed out, the managing director has paid 59 shareholders 7 per cent. interest on account of the last half year's operations of the company. But he paid it out of his own funds because the whole of the funds of the company were exhausted; there was no money left belonging to the shareholders.

The object of the Bill I am now presenting is to protect certificate holders because there will be very little possibility of any new money coming in, and so in order to carry on the company, the only alternative left to the managing director is to use the certificate holders' money. Hon. members will probably say that this company was properly formed. I believe that is so; but the managing director took unusual powers to himself, over-riding powers which gave him control over the other directors of the company.

The Premier: They were given to him.

Hon. C. G. LATHAM: I like the innocence of the Premier. He took those powers; there is no doubt about that.

The Premier: He could not take them, they had to be given to him.

Hon. C. G. LATHAM: I do not know what really happened when the original agreement was signed. Anyway, he had the over-riding powers. Although the company was in operation for three years, the managing director continued to deal with the shareholders' money and the directors were prepared to extend that unreasonable and unconscionable agreement for another three years. The emoluments received by the managing director are set out on page 3 of the select committee's report. Members can see for themselves what they were. Figures were submitted by the managing director himself to the select committee and figures were also extracted from the books by the Chief Auditor of the Audit Department. There is not a great deal of difference in them except that we show he received a con-

siderable sum of money by way of premiums and which he kept for himself. In order to confuse people, the managing director turned himself into what I might term—speaking without any disrespect—the sole controller of Litchfields. He was able to do this by reason of the over-riding powers he had as managing director. He also called himself "C. O. Barker Investments." This was an unregistered concern and did not keep any books or separate banking account; it merely had an office and a telephone number. Then he signed all cheques and paid interest from his own private account. Thus he was three persons in one. It will be understood what confusion existed in the minds of the shareholders who knew nothing about the business, and who went along to the office to transact business—in Litchfields own board room—and paid a premium as high as 6s. 6d. on shares that should have been purchasable over the counter for £7.

The Minister for Works: What is the market value of the shares now?

Hon. C. G. LATHAM: They have no market value because the only man who ever dealt in them was Barker himself. As far as I can see, the managing director was able to keep within the bounds of the company law as it exists in this State today; but it is on account of the restrictive nature of that legislation that he was able to do what he should never have had the right to do. As a result of the laxity of our company legislation, this type of man has grown up in our midst, the type of man described as a "high-powered salesman," and because of what has been done it has been found necessary to adopt harsh measures such as are proposed in the Bill I am submitting to the House. The other States of Australia and New Zealand have found it necessary to tighten up the company law, and it is our duty now to do likewise because we have men in the State who are prepared to set themselves out to evade our legislation. The people about whom I am concerned are those unfortunate individuals who know nothing whatever about this type of business and who are likely to be relieved of considerable sums of money. The select committee came into contact with them during the course of the inquiry, and the committee was also able to form an idea of the "high powered salesman" type in which category I place the managing director of Litchfields and a man named Williams who gave evidence. Something ought to be done to protect the unwary and the unsophisticated from these high-powered salesmen—it suggests itself to me that probably they are even supercharged.

The Bill is quite simple. It requests authority for the Official Trustee to become the receiver and manager of this company pending a full investigation of its affairs. If, upon investigation, he finds that the company should be wound up—that in the interests of certificate-holders firstly and shareholders secondly it ought to be wound up—he, under the Bill, will take steps to effect the winding-up. Western Australia has not gone nearly so far in this matter as have New Zealand and New Souh Wales, where people of this type have been blacklisted. Further, other States like Queensland and South Australia, and more recently Victoria, have found it necessary to enact this kind of legislation in order to prevent exploitation of the public. Hon. members may regard the amount involved as small in the eyes of the law; but £13,000 of the shareholders' money has gone, plus premiums collected by Mr. Barker himself; and £12,000 paid in by certificate-holders is in jeopardy of being used for the benefit of the company, with a further liability of £24,000 impending over them. In this small State we can ill-afford to allow a man like this managing director to remain in control of the company's destinies any longer. Therefore I ask the House to give serious consideration to the interests of persons who have invested their money in Litchfields. Not one business man with his faculties about him has ever been interested in the company. The investors are principally people of small means and without knowledge of business.

The Premier: You know the old saying, that there is a mug born every minute.

Hon. C. G. LATHAM: Yes; and every day that this House meets we legislate to protect the mug against the unscrupulous person. I want hon. members to realise that the woman who goes out cleaning in order to maintain her husband and the girl who works in an office to maintain her mother are some of the victims of this company. I am aware that the list of people who hold shares in Litchfields comprises some men well-known

in the country. Members of the select committee had the unhappy experience of seeing one of those men, once a keen business man in Western Australia, seated before them at the end of the table and finding it impossible to obtain from him answers to their questions. Yet in this morning's "Public Notices" is to be found the signature of that witness to a petition. It is a sorrowful position when such a man is asked to sign such a petition. He was questioned about his shares, and said he had none. He could not recollect having bought them. The appearance of matter of the nature of that petition in the Press is deplorable.

I trust the House will support the select committee's report, which is an unbiassed report, and the unanimous decision of five members of this Chamber. Two members of the select committee, the member for Katanning (Mr. Watts) and myself, representatives of the Country Party, have been charged with political bias in this matter. I have no political interest whatever in connection with it. I have a duty to perform to the people of this State; and no matter what it costs me, even if individuals attempt to injure me from the public platform, I shall discharge that duty. I am here to protect the weak against the cunning. I ask the House to protect the weak similarly. I appeal to the House to prevent this managing director from proceeding further to take away from people money they can ill-afford to hand over to him. The company exists for one man only, and that man is C. O. Barker. He is the man who reaps the whole of the benefit from the company. If the company continues to operate, that will be only in his interests, and not in any way in the interests of either the shareholders or the certificate holders. We know the type of man. We seldom meet him in life, but when we do meet him it is our duty as legislators to prevent him from exploiting people who are so unbusinesslike as to be unable to protect themselves. I appeal to hon. members to support me on this question. I have no personal interest in it, possessing sufficient sense to keep away from such people as this managing director. I appeal to the House to give full consideration to the matter and do the right thing, which is to wind up the company as quickly as possible. We members of the committee do not want to have anything whatever to do with that proceeding. I claim that the members of the committee did their work well and with dispatch, and I ask that the House should hand over the business of the company to a public officer who has to handle estates under conditions somewhat similar to those obtaining here.

The Premier: No. Different altogether.

Hon. C. G. LATHAM: If a person suddenly becomes mentally affected, the Official Trustee steps in immediately and takes charge of money in the bank and property pending the appointment of another trustee.

The Premier: All the people here concerned were mugs.

Hon. C. G. LATHAM: I do not think so. Persons with oily tongues come along and talk amazingly. In years gone by we had an instance where a man received two years' imprisonment. I have no doubt the Premier remembers the case, which was concerned with land transactions. I say nothing about any criminal charge in connection with the present matter. The managing director of Litchfields has kept just within the law; just within it, that is all. The company which he has started here is one that will be difficult to check up so as to decide whether it will be a success in 100 years' time; but from the aspect of the shareholders it cannot be a success, because the amount of money invested by the company in securities is not sufficient to pay more than 5½ per cent to certificate-holders and a very small proportion of the cost of running the company. It cannot replace the company's capital and pay dividends to the shareholders. In the interests of people who are unable to look after themselves I am compelled to move—

That the Bill be now read a second time.

THE MINISTER FOR JUSTICE (Hon. E. Nulsen—Kanowna) [6.9]: I shall oppose the Bill. Initially, however, I desire to congratulate the members of the select committee on their excellent report. They have gone into the question most thoroughly. I have carefully read the report, and the information therein contained should be wonderful information to the shareholders of Litchfields. However, I do not think that the select committee's objective would be attained if the Bill became law. Such a

measure is unprecedented in Western Australia, and no similar case is known either in the rest of Australia or in the British Empire. I have here reports from three members of the staff of the Crown Law Department, reports which I have asked them to submit because those gentlemen have special knowledge of this subject. Perhaps the best course will be for me to read the reports. The first one I shall read is by Mr. J. H. Glynn, Curator of Intestate Estates and Official Trustee—

Origin of suggestion of appointment or Official Trustee.—Probably under a misapprehension as to the scope of the duties of the Official Trustee in this State. In all States other than Western Australia there is an official styled Public Trustee, or Curator, with very wide powers enabling him to deal with a great variety of matters. In this State the Official Trustee deals only with the estates of mental patients under the Lunacy Act 1903-1920 and the Official Trustee Act, 1921, and moneys paid into the court and by virtue of orders of the court; whilst the Curator of Intestate Estates handles only estates of deceased persons. The one official carries both the above titles. To act as receiver and manager, and later liquidate a limited company, is, therefore, right outside the scope of the duties of the Official Trustee, who naturally has not the staff nor the machinery to cover such special work.

Companies Act.—The select committee has issued its report for all and sundry to read, and if the shareholders and others interested in the company are satisfied not to exercise their rights under the Companies Act to take liquidation proceedings, why should Parliament decide to do so? It has no money in the company. If it terminates the activities of Litchfields (A/sia) Ltd. it will be blamed by the shareholders for the loss of their money, as they probably have every confidence in Mr. Barker.

Hon. C. G. Latham: It is already lost.

The MINISTER FOR JUSTICE: The report continues—

Investigation by select committee and now by Official Trustee.—The select committee, having investigated the matter thoroughly, now suggests that the Official Trustee makes another investigation and on the result advises or takes action to have the company put into liquidation. If the select committee cannot do this, is it reasonable to place the responsibility on the Official Trustee, whose duties have never taken him into this sphere?

Hon. C. G. Latham: If he cannot do this, he should not be Official Trustee.

The MINISTER FOR JUSTICE: Mr. Glynn proceeds—

Extra cost to shareholders, etc.—All this additional inquiry must be paid for by the shareholders and others interested in the company, and if in spite of this it is considered that they should not object to this even although they may not want the company wound up, should not an expert in this class of work be appointed to give them all the protection possible?

Sitting suspended from 6.15 to 8.25 p.m.

The MINISTER FOR JUSTICE: Before tea, I was about to read a report from the Under Secretary for Law. This report is as follows:—

Notes on Legislation Proposed by the Select Committee in Connection with Investment Companies in Western Australia.

Recommendations by Select Committee:

That with regard to Litchfields (A/sia) Ltd., the control should be taken out of the hands of the Directors and handed over to the Official Trustee, and that such Official Trustee should investigate the affairs of the Company and have power to wind up and liquidate the Company.

Comment:

(a) The Official Trustee's powers under the Act No. 8 of 1921 are restricted to the investment of funds under the control of the Supreme Court and to act in the administration of estates under the Lunacy Act.

(b) The proposed legislation would necessitate either (a) the amendment of the Official Trustee Act; or (b) new legislation extending the powers of the Trustee to the affairs of a Company which it is recommended should be compulsorily wound up.

(c) If the Official Trustee is by law required to act, then financial provision would have to be made covering his expenditure and this would have to be provided in the initial stages from the Consolidated Revenue Fund and if the funds of the Company are exhausted or prove insufficient to cover the cost of liquidation, then the Consolidated Revenue Fund would have to bear the cost.

(d) Such amending legislation would necessarily repeal or amend the Companies Act of 1893, in which there is provision for the control of the affairs of Companies and for the voluntary or compulsory liquidation thereof.

(e) The superseding of the directors means incidentally the supersession of the shareholders.

(f) Part V of the Companies Act 1893-1938 sets out the conditions under which companies may be wound up.

There are certain conditions to be observed and the liabilities of shareholders are provided for—

(i) A shareholder is liable for the nominal value of the shares to which he subscribes provided the assets of the Company are insufficient to meet its liabilities.

(ii) The court may order a company to be wound up if the shareholders pass a special resolution, and for various other reasons including (a) the failure of a company to pay its debts (b) when the Court is of the opinion that the company should be wound up.

(iii) An application to the Court for winding up may be made by either shareholders or creditors on petition.

(iv) Official liquidators may be appointed by the Court.

(g) Under Part III, sections 56-61 there is authority for—

(i) The Governor to appoint one or more inspectors to examine the affairs of a Company, upon an application of members holding one-fifth part of the shares issued by the Company.

(ii) The applicants for investigating the affairs of a Company must satisfy the Governor that there is good reason for enquiry and that they are not actuated by malicious motives and *security for payment of the costs of the inquiry must be given.*

(iii) The officers and agents of the company are required to produce all books and documents.

(iv) The result of the inspection shall be reported to the Governor and a copy of the report furnished to the Company.

(v) The costs of the examination shall be paid by the applicants unless the Governor directs that they be paid from the assets of the Company.

(vi) A company may itself by special resolution appoint Inspectors and the same conditions apply as if appointed by the Governor.

(vii) The report of the Inspectors shall be admissible in any legal proceeding as evidence.

The position under the Companies Act therefore is that upon an application of one fifth of the shareholders an examination may be held into the affairs of a company and the winding up of a company may be effected upon an application by either a creditor, creditors, shareholder, shareholders or by all or any of such parties. *The cost of these proceedings, of course, is a matter for the applicant and the State would not be involved.*

The present authority for the winding up of any company is by an order of the Supreme Court.

Legislation of Other States:

The Select Committee refer to corresponding legislation in respect of investment companies and mention the Victorian, New South Wales and New Zealand legislation. That for New Zealand is probably the most suitable and is called the Companies (Special Investigations) Act No. 6 of 1934. There it provides for dealing with certain named companies contained in a Schedule to the Act, and the number of those companies may be added to by Order-in-Council.

Section 3 provides for the Governor in Council to direct special investigation into the affairs of any company, and the Inspectors appointed are to report to the Supreme Court.

Provision is made for the costs of the investigation to be made out of the Consolidated (Rev.) Fund or in part by the company and in part out of the Consolidated (Rev.) Fund.

The Attorney General may by petition apply to the Supreme Court for a winding up order.

Proposed Companies Act Amendments:

Section 254: Restriction on offering of shares for subscription or sale (house to house)

Lines 11, 12, 13—

"The Registrar shall not grant any such certificate unless he is satisfied that it is necessary and desirable for local or special reasons to grant it."

The proposal is to give the right of appeal from the Registrar to a Supreme Court Judge.

By Commonwealth Statutory Rules No. 149 of 1939, it is provided that the consent of the Commonwealth Treasurer has to be obtained where it is desired by a Company to increase its nominal capital by an amount exceeding £2,500. The original Statutory Rule covered any amount of capital.

Point of Order.

Hon. W. D. Johnson: Before the House proceeds further with this matter, I would like your ruling, Mr. Speaker, as to whether it is possible for a private member to introduce a Bill directing that a public servant devote his time to looking after a private matter. This will mean a definite impost on the Treasury. Certain payments will have to be made from the Treasury; and, to my mind, the Bill is not in order. If that be so, I suggest we should not occupy the time of the House on a Bill that may possibly be discovered later on not to be permissible under the Standing Orders.

Mr. Speaker: The point raised by the member for Guildford-Midland is, in my opinion, vital. I rule that it is not competent for a private member to introduce a Bill such as the one before us, as very likely it will be a charge on Consolidated Revenue. The point having been raised, I must rule that the Bill is out of order.

Hon. C. G. Latham: Mr. Speaker—

Mr. Speaker: The Leader of the Opposition is not in order in debating my ruling.

Hon. C. G. Latham: Would I be in order in dissenting from your ruling?

Mr. Speaker: Yes.

Dissent from Speaker's Ruling.

Hon. C. G. Latham: I move—

That the House dissents from the Speaker's ruling.

Provision is made for the money to be found from the funds of the company, not from Consolidated Revenue. Clause 12 of the Bill reads—

(1) All costs, charges, and expenses properly incurred by the Official Trustee, whether as receiver or as liquidator of the company, under this Act (including his remuneration), shall be payable out of the assets of the company (including assets securing any debentures issued by the company), in priority to all other claims.

(2) The remuneration of the Official Trustee, whether as receiver or liquidator of the company under this Act, shall be fixed by regulations.

The money required for the investigation would not be a charge upon Consolidated Revenue; therefore it is not necessary to appropriate any money from Consolidated Revenue. If you, Mr. Speaker, raise the point that we cannot direct a public officer to take such action as is contemplated by the Bill, then I contend that all we have done—

Mr. Speaker: That was not my ruling. My ruling was that the Bill would very likely be a charge on Consolidated Revenue.

Hon. C. G. Latham: May I ask you, Sir, whether you have read Clause 12? If you have done so, then you will see that the charge is against the company. I can give the House an undertaking that there is sufficient money in the company to meet the cost of putting in a receiver and paying a receiver, and also for the purpose of managing the company and liquidating the company if necessary.

Mr. Hughes: You could not do that unless you confiscated the trust funds.

Hon. C. G. Latham: There is a difference of opinion as to whether these moneys are trust funds. The draftsman of the Bill provided that the costs and charges shall be payable out of the assets of the company, including the assets securing any debentures issued by the company. The money of the certificate holders, I suppose, may be regarded as debentures. If these are trust funds, then an inroad has already been made upon them.

Hon. W. D. Johnson: Not by Parliament.

Hon. C. G. Latham: No, but the ruling we have—and I have more than one ruling—is that these moneys are not trust funds, and that the certificate holders are purely creditors of the company. Further, we had it from the managing director of the company that these moneys are not trust funds, but are the ordinary revenue of the company which he could use in any way he liked.

Hon. W. D. Johnson: You did not usually take his evidence as being sound.

Hon. C. G. Latham: I agree with the hon. member in that. At the same time that statement was made by him. Then we have the opinions of two legally-trained men—highly qualified men; one of them a K.C.—who definitely say that these moneys are not trust funds and that there is no trust attached to them. They are the ordinary revenue of the company and would be attached as ordinary revenue. Therefore, Mr. Speaker, I have to disagree with your ruling, especially as Clause 12 provides that the cost shall be borne by the company. As I have already stated, I give an undertaking that the requisite money is in the company. As a matter of fact, we had it in evidence that £120 a week was coming in, and I do not think the expenditure would be anything like £120 a week. We had that on oath from the managing director of the company. He also informed us that about 60 per cent. of the contributions by the selective security holders was coming in by way of instalments. Therefore I assure the House that there will be no charge on Consolidated Revenue, any more than there would be if the company were wound up by order of the court. In the circumstances I feel sure, Mr. Speaker, that you have been misinformed.

The Premier: If the Bill finally emerges in the form in which it is printed and is now before the House, I am prepared to accept your ruling, Mr. Speaker, that it is out of order, because I can imagine myself having

to find perhaps £2,000 or £3,000 out of Consolidated Revenue to advance to the Official Receiver for his investigating the question of winding up this company, and his saying that the company need not be wound up and therefore no further action is required. The money advanced from Consolidated Revenue will have been spent and appropriated by a Bill introduced by a private member, and therefore I consider it is not in order. I think the main purpose of the Bill is to wind up this company. The method by which that might be done is something the House might discuss under the Title. If eventually the Bill is amended in a way that will not involve any charge on or appropriation of Consolidated Revenue—

Mr. Speaker: I draw the Premier's attention to the fact that he cannot debate what the Bill might be; he must discuss what it is at present.

The Premier: The ostensible and main purpose of the Bill is to wind up this company. Incidentally the Bill provides that that may be done by the Official Receiver or in another way. It might not prove to be a charge on Consolidated Revenue at all. If the debate on the winding up of the company were allowed to proceed and eventually the House decided that action was to be taken in this way, a way that would appropriate revenue, doubtless you would rule, Mr. Speaker, as you have done, that it is entirely out of order for a private member to introduce such a Bill. If the debate were allowed to proceed, we could find out just what the effect would be and whether it would involve a charge on Consolidated Revenue. Then, when the Bill reached the Committee stage, if it was found not to impose a charge on revenue, you, Sir, I presume, would rule differently. We cannot take too long to consider the matter. We have almost completed the business of the session. We have completed the consideration of Government business, with the exception of one measure, and only private members' business remains to be dealt with. This point should be borne in mind if it is the desire of members to adjourn either today or tomorrow. If we had plenty of time to deal with the matter, the point might be deferred and another Bill might be introduced. If we proceed with the Bill with the object of winding up the company and we find at the report stage no charge is made on Consolidated Revenue, the measure will be in order. If, on the other hand, we found that Consolidated Revenue was to be mulct to some extent, you, Sir, would rule as you have done, that no private member has a right to introduce legislation that would impose a charge on Consolidated Revenue.

Hon. W. D. Johnson: Very briefly I should like to deal with the point raised by the Leader of the Opposition, who referred to Clause 12 of the Bill. That clause provides for costs, charges and expenses which the Official Receiver must have. It does not matter where that money comes from eventually; for the time being Parliament is putting it on to the Official Trustee. Analyse the Bill generally, Sir, and you will find there are other reasons that would cause you to rule it out of order.

Question (dissent) put and a division taken with the following result: —

Ayes	17
Noes	25
Majority against	8

AYES.

Mr. Boyle	Mr. F. C. L. Smith
Mrs. Cardell-Oliver	Mr. J. H. Smith
Mr. Hill	Mr. Thorn
Mr. Latham	Mr. Tonkin
Mr. Mann	Mr. Warner
Mr. McLarty	Mr. Watts
Mr. Patrick	Mr. Willmott
Mr. Sampson	Mr. Doney
Mr. Seward	*(Teller.)*

NOES.

Mr. Berry	Mr. McDonald
Mr. Coverley	Mr. Millington
Mr. Cross	Mr. Needham
Mr. Fox	Mr. North
Mr. Hawke	Mr. Nulsen
Mr. J. Hegney	Mr. Panton
Mr. W. Hegney	Mr. Shearn
Mr. Holman	Mr. Styants
Mr. Hughes	Mr. Triat
Mr. Johnson	Mr. Willcock
Mr. Lambert	Mr. Withers
Mr. Leahy	Mr. Wilson
Mr. Marshall	*(Teller.)*

Question thus negatived; Bill ruled out.

BILL—STATE GOVERNMENT INSURANCE OFFICE ACT AMENDMENT.

Conference Managers' Report.

The MINISTER FOR LABOUR: I desire to report that the managers appointed by the Assembly met the managers appointed by the Council and failed to arrive at an agreement. I move—

That the report be adopted.

Question put and passed; Bill dropped.

BILL—MAIN ROADS ACT AMENDMENT.

Returned from the Council with an amendment.

BILL—HIRE PURCHASE AGREEMENTS ACT AMENDMENT.

In Committee.

Resumed from the 18th October.

Mr. Marshall in the Chair; Mr. Watts in charge of the Bill.

Clause 3—Amendment of Section 3 of the principal Act:

The CHAIRMAN: Progress was reported after Clause 2 had been agreed to.

The MINISTER FOR JUSTICE: I move—

That further consideration of this clause and Clauses 4 and 5 be postponed.

Motion put and passed.

Clause 6—Repeal of Section 5 of principal Act:

Mr. WATTS: I move an amendment—

That Subsection 3 of proposed new Section 5A be struck out and the following Subsection inserted in lieu:—"(3) The provisions of this section shall not apply in any case where:—(a) the purchaser determines the hire-purchase or the bailment by virtue of any right vested in him; or (b) where any execution is levied on the chattel which is the subject of the hire-purchase agreement."

It has been represented to me there should be no question of the necessity for obtaining an order where the chattel has been seized under a warrant of execution, but to remove any doubt on the subject I move this amendment.

The MINISTER FOR JUSTICE: I have no objection to the amendment. Repossession cannot be taken if 50 per cent. or more of the cost of the chattel has been paid.

Amendment put and passed.

Mr. BOYLE: I move—

That the following be inserted to stand as Subsection 4:—"Any Justice of the Peace on application in the prescribed manner if satisfied that there is reasonable cause to believe that a chattel, to which, but for the making of an order under this sub-section, the provisions of this section would apply, is being, or is about to be removed from the State for the purpose of defeating or delaying the prosecution by the vendor of his remedy of recovering the chattel by action, may, by writing under his hand, order that this section shall not apply to the chattel so long as it remains subject to the hire-purchase agreement and thereupon save as hereafter provided the chattel shall be excepted from the operation of this section accordingly. Such order may be annulled on good cause shown by the order of two Justices or of a Police or Resident Magistrate at any time while the chattel is in the possession of the purchaser. An Order made under this sub-section shall be filed forthwith in the local court at or nearest to the place where the Order is made. The Governor may make regulations which are necessary or convenient for carrying out or giving effect to the provisions of this sub-section."

My object is to prevent the hirer or purchaser of a chattel from taking advantage of the mobility of such chattel, and leaving the State before the hirer can take action. The amendment would enable the hirer to seize the chattel for the time being. Without this alteration the firm would be helpless.

The CHAIRMAN: I point out that amendments of such length and so complicated a nature should be put on the notice paper for the information of members.

The MINISTER FOR JUSTICE: I have given consideration to the amendment and have no objection to it. The vendor is entitled to protection. He will be able to make application to two justices, and thus save his property from being taken out of the State. The amendment is reasonable and should be helpful.

Hon. W. D. JOHNSON: The Minister says he has given consideration to the amendment, but he cannot have given much thought to it, as it has only just been moved.

Mr. Boyle: The Minister received a copy of the amendment earlier.

The Minister for Justice: Yes, this afternoon.

Hon. W. D. JOHNSON: If the amendment could have been submitted to the Minister for consideration, it could have been placed on the notice paper and members would have had the opportunity to study it. Legislation of this type is important, and I cannot grasp the purport of the amendment, which has been read rapidly to the Committee. Apart from whether the Minister has been able to give careful consideration to it, members must be afforded an opportunity to understand what they are asked to accept. Much of our amending legislation is due to the fact that Parlia-

ment had not given adequate consideration to the parent Acts. That brings Parliament into disrepute and ridicule. Another place corrects matters sometimes, but owing to the rush of work it sometimes misses faults. I shall oppose the amendment because I have not had an opportunity to understand it.

Mr. BOYLE: The draft amendment consisted of six lines, but the Parliamentary draftsman extended it into the lengthy proposition that has been read to the Committee. I do not find fault with the draftsman's work; to do so would be rather impertinent.

Hon. W. D. Johnson: You got length for your money.

Mr. BOYLE: I certainly got a run for my money. The Minister had a copy of the amendment by 4.30 p.m. for his consideration. I regret it was not possible to place it on the notice paper in the ordinary way.

Mr. WATTS: As the sponsor of the Bill, I have no objection to the amendment. The member for Avon has been actuated by a desire to make perfectly certain that no hardship will be worked as a result of the passage of this legislation. The amendment will make it clear that when an owner goes to a justice of the peace and says he has reasonable cause to think and has proof to that effect that a hirer is about to abscond with his chattel, and further that he has no time between then and the projected absconding to submit an application to a magistrate for repossession, the justice of the peace can make an order in writing to arrest the chattel, which will remain in force until an application is dealt with by two justices of the peace or a magistrate or, alternatively, the chattel is repossessed. There is nothing difficult to understand regarding the amendment, despite its length, and I am not surprised that the Minister, in the short time available to him, was able to grasp its purport.

The MINISTER FOR JUSTICE: I received a copy of the amendment this afternoon and immediately submitted it to the Crown Solicitor, who gave thorough consideration to it. Similar legislation has long been in force with the object of preventing absconding debtors from leaving the State. In the circumstances, there can be no objection to preventing an absconding hirer from taking chattels out of the State. That is the object of the amendment, which will afford protection to a vendor or owner.

Amendment put and passed.

Mr. BOYLE: I move an amendment—

That in lines 5 and 6 of Subsection (1) of proposed new Section 5B, the words "at the date on which he last made a payment under the hire-purchase agreement" be struck out.

The hirer or purchaser may be in the North West and the vendor would have to follow him there in order to secure an order of the court, if the person had made payment at Broome.

Amendment put and negatived.

Hon. W. D. JOHNSON: I move—

That the Chairman do now report progress and ask leave to sit again.

Motion put and a division taken with the following result:—

Ayes	7
Noes	31
Majority against ..	24

AYES.

Mr. Fox	Mr. Needham
Mr. J. Hegney	Mr. Triat
Mr. Johnson	Mr. Styants
Mr. Leahy	*(Teller.)*

NOES.

Mr. Berry	Mr. Patrick
Mr. Boyle	Mr. Sampson
Mrs. Cardell-Oliver	Mr. Seward
Mr. Coverley	Mr. Shearn
Mr. Hawke	Mr. F. C. L. Smith
Mr. W. Hegney	Mr. Thorn
Mr. Hill	Mr. Tonkin
Mr. Hughes	Mr. Warner
Mr. Latham	Mr. Watts
Mr. Mann	Mr. Willcock
Mr. McDonald	Mr. Willmott
Mr. McLarty	Mr. Wilson
Mr. Millington	Mr. Wise
Mr. North	Mr. Withers
Mr. Nulsen	Mr. Doney
Mr. Panton	*(Teller.)*

Motion thus negatived.

Mr. WATTS: I move an amendment—

That after the word "price" in line 12 of Subsection (2) of proposed new Section 5C, the following words be inserted:—"or on the happening of the event mentioned in paragraph (b) of Subsection (3) of Section 5A."

This is a consequential amendment.

Amendment put and passed.

Mr. WATTS: I move an amendment—

That after the word "paid" in line 5 of Subsection (1) of proposed new Section 5D., the following words be inserted:—"or on the happening of the event mentioned in paragraph (b) of Subsection (3) of Section 5A., where more than one-half of the purchase price of the chattel has been paid.

This is also a consequential amendment.

Amendment put and passed.

The MINISTER FOR JUSTICE: This clause should be removed from the Bill altogether. It would be unworkable, and would result in considerable hardship to owners. Regarding the necessity for taking action in a local court, it is held that this should not be imposed on owners. But it is made more objectionable by the provision that action must be taken in the local court nearest to the hirer's place of residence at the time of making the last payment. That might be Wyndham or Wiluna, and the owner would have to take his witnesses there for the hearing of the action. The probability is that the hirer would not be in a position to meet an order for costs, and the expense would fall on the owner. The court might suspend payment, and the expenses might be repeated on an application for an order for variation in quite a number of cases. The necessity to approach the local court nearest the hirer's place of residence when the last payment was made renders the Bill unworkable. After the purchaser has paid half the purchase money, the vendor cannot repossess the goods without making application to the local court. That will be costly. As a rule, it is not the vendor who breaks the contract, but the purchaser.

Mr. Doney: Not on all occasions.

The MINISTER FOR JUSTICE: On most occasions. Can any hon. member opposite give specific instances of a vendor having taken back chattels when a purchaser has not broken the contract? The purchaser must break the contract; otherwise the vendor cannot repossess the chattels. If the purchaser cannot meet his obligations, I do not see how it is possible for him to meet the cost of an inquiry in the local court. That cost will be passed on to others purchasing under this system. Under a bill of sale, if the grantor defaults, the grantee is protected by the Bills of Sale Act; but under this measure, if a purchaser defaults after having paid more than half the purchase price, he is entitled to go to the court although he has broken the contract. That does not seem fair. The object of the Bill seems to be to legislate against the hire-purchase system. It would be better to get to the root of the problem and legislate for the abolition of the system altogether. The Bill protects the man who cannot look after himself. I am told that 80 per cent. of the people in this State purchase wireless sets, motor cars, tractors and numerous other articles under the hire-purchase system, and they will have to meet increased costs if the Bill is passed. I asked whether there were any specific cases of hardship under the 1931-37 Act, but none has been produced. I could mention cases, but if they were investigated it would be found that there was no ground for complaint. My experience has been that reputable firms are not anxious to repossess. The hirer is fully acquainted with his position under the Act. Section 5 of the Act sets out his position in the event of repossession. Within 21 days he receives an account, and on that account his equity is stated. The approval of this clause would mean a harvest for the legal fraternity. A prominent legal man told me that the clause would be very helpful to his profession. If the clause goes into the Act, there will be very few people in a small way who will have the aid of the discount companies. That would mean bankruptcy for quite a number, and result in many being put out of employment. I defy any person conscientiously to assert that the Act did not work very well previous to 1931, when trouble occurred. Even in my district at that time there were many disgruntled purchasers. The Bill will virtually make a new contract, because if the purchaser, or hirer, who is protected, breaks his contract, he can go to the court, and the magistrate virtually makes a new agreement. The hon. member mentioned that a similar measure was introduced in England. That is a very small country.

Mr. Watts: It makes up in numbers for its size.

The MINISTER FOR JUSTICE: Having the numbers, it has the facilities; but our courts in certain districts sit only once a month or once every two months. What is likely to happen to chattels in the meantime? In England the limit is £100, but in this State there is no limit. I see no necessity for the Act being altered at this stage. No one is more anxious than I am to do the best that is possible for those who come under the hire-purchase system, but the proposed method will not help them. There seems no reason for assisting those who will not help themselves to the detriment of others who are meeting their commitments.

The member for Katanning cannot have considered the effect the Bill would have upon those who wish to make their purchases on the hire-purchase system. If this clause is passed, a good deal of extra cost will be thrown upon the people concerned, while the percentage of those who would benefit by the Bill is not great.

Mr. McDONALD: On the second reading I said I would vote for the early part of the Bill but not for the latter part, which is now before us. The mercantile community is very alarmed at this clause, and some of them, I understand, would go out of the hire-purchase business if it were passed. Whilst I would not be sorry to see the credit system curtailed, and whilst business men may be unduly apprehensive concerning the proposed legislation, I think this clause would be opposed to the interests of the country, of farmers, and those who desire to take advantage of credit facilities. In these times we should not interfere unduly with normal activities of trade. It would be injudicious for the Committee to pass this clause.

Clause, as previously amended, put and a division taken with the following result:—

Ayes	.. .. ..	11
Noes	.. .. ..	27
Majority against	..	16

AYES.

Mr. Berry	Mr. Seward
Mr. Boyle	Mr. Thorn
Mr. Hill	Mr. Warner
Mr. Latham	Mr. Watts
Mr. Patrick	Mr. Doney
Mr. Sampson	*(Teller.)*

NOES.

Mrs. Cardell-Oliver	Mr. Needham
Mr Coverley	Mr. North
Mr. Cross	Mr. Nulsen
Mr. Fox	Mr. Panton
Mr. Hawke	Mr. Shearn
Mr. J. Hegney	Mr. F. C. L. Smith
Mr. W. Hegney	Mr. Styants
Mr. Hughes	Mr. Triat
Mr. Johnson	Mr. Willcock
Mr. Lambert	Mr. Willmott
Mr. Leahy	Mr. Wise
Mr. McDonald	Mr. Withers
Mr. McLarty	Mr. Wilson
Mr. Millington	*(Teller.)*

Clause, as amended, thus negatived.

Progress reported; the report and motion for leave to sit again put and negatived; Bill lapsed.

BILL—INCREASE OF RENT (WAR RESTRICTIONS).

Council's Message.

Message from the Council received and read notifying that it did not insist on its amendments Nos. 1, 10 and 14.

BILL—MAIN ROADS ACT AMENDMENT.

Council's Amendment.

Amendment made by the Council now considered.

In Committee.

Mr. Marshall in the Chair; the Minister for Works in charge of the Bill.

The CHAIRMAN: The amendment made by the Council was to Clause 2 as follows:—"That all the words after the word 'Act' in the last line of paragraph (iii) be struck out."

The MINISTER FOR WORKS: Two Bills were introduced in this Chamber, one to appropriate moneys from the Metropolitan Traffic Trust Account, and another authorising under the Bill the payment of similar amounts to local authorities within the metropolitan area. The traffic Bill was defeated in another place, and it therefore became necessary for that House to amend the Main Roads Act Amendment Bill. Portion of the Bill deals with authorising the payment from the Federal Aid Roads grant to local authorities under the new agreement; hence the necessity for amending it. The necessity for the words has gone by the board. Under the new agreement, made in 1936, the Commissioner is authorised to spend money out of that halfpenny fund for works connected with transport. Under the old agreement he was authorised merely to spend money for the construction, reconstruction and maintenance of roads. He has this further discretionary power under the new agreement, and he has made grants for landing grounds and other works which can be said to be connected with transport. Although his doing so is in accordance with the agreement, there is no authority for it in the Main Roads Act. This amendment seeks to put that right. Therefore I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

Resolution reported, the report adopted, and a message accordingly returned to the Council.

MOTION—MILK, DAILY RATION FOR SCHOOL CHILDREN.

Debate resumed from the 18th October on the following motion by Mrs. Cardell-Oliver (Subiaco):—

That, owing to the alarming reports of our medical officers declaring that at least from twenty-five to thirty per cent. of the children examined in schools are under-nourished, this House is of opinion that immediate provision should be forthcoming to give at least one daily ration of milk to all school children whose parents receive less than the basic wage, or, where there are more than five in family of school age.

MR. CROSS (Canning) [9.48]: I do not agree either with this motion or with the statement that our school children are under-nourished. Some days ago I was with His Excellency the Lieutenant-Governor, who made a similarly incredulous comment at one of the large metropolitan schools whose pupils were said to be under-nourished.

Mr. SPEAKER: The hon. member is not in order in referring to His Excellency in support of his argument.

Mr. CROSS: I have been present at the East Victoria Park school, and I consider the children there to be some of the healthiest in Western Australia. If children's parents are not able to buy milk for them, an effort should be made to ensure that the father receives up to the basic wage; and a similar argument applies in the case of families dependent on the Child Welfare Department, or perhaps dependent upon men on "C" class tickets. They should receive sufficient help not only to afford each child a decent milk ration but to enable each child to be adequately fed. That is the phase of paramount importance. To go round with the hat or seeking Government assistance towards a milk ration at schools is wrong. Parents of the children should receive sufficient money to give them adequate nourishment. The motion tackles the problem at the wrong end.

MR. HILL (Albany) [9.50]: I will not say that the wording of the motion is exactly as I would like it to be, but I strongly favour the Government making it possible for children of poor parents to obtain milk rations. At Albany we have had a Free Milk Council in existence for some years. That body has been able to collect about £80 annually, sufficient to give a milk ration to 80 children. The Albany school teachers are strong advocates of the system. Therefore I support the motion. At Albany the free milk ration costs roughly £1 per head per annum; and we may take it that Albany represents one per cent. of the population of Western Australia. The average there may be taken as the average state of health of children throughout Western Australia. On these figures, therefore, if the Government bore the whole cost of the milk ration, it would amount to only £8,000 per year—a very small amount of pay for the resultant benefit to the rising generation. We now find great difficulty in obtaining sufficient funds to carry on with the work at Albany. Voluntary subscribers are all right sometimes; but it is generally the same old willing horse that has to help the system along. I trust the motion will be carried.

MR. J. HEGNEY (Middle Swan) [9.53]: I support the motion, for it is highly desirable that fresh milk should be supplied to under-nourished children wherever possible. Nevertheless, we cannot direct the Government as desired; the motion merely expresses an opinion of the House. In this community, as in every Australian community, a large percentage of workers is receiving well below the basic wage. With many unemployed, that is an unfortunate feature of our economic system. It is reflected in the purchasing power of bread-earners, who are unable to buy many things required for the full development of healthy child-life. Not only State Governments, but also the Commonwealth Government should give more consideration to the building-up of child physique. The motion represents only a very small part of what ought to be done. Fruit is essential to children, but it is out of bounds for the working man today; he cannot buy apples at 5d. per lb., and the same remark applies to other fruits.

I have had experience with two male children neither of whom likes milk. I have to force them even to take a cup of milk in the morning before going to school—the only milk they drink during the day. On

the other hand, they get plenty of fruit. The motion, however, applies to the children of parents who are below the basic wage, with the result that the children do not get the various vitamins required to build up the system. They should receive a free ration of milk each day.

The motion proposes what is merely a palliative. The solution of the problem is a system of child endowment. If that applied throughout the Commonwealth, there would be no need for the member for Subiaco (Mrs. Cardell-Oliver) or other members to support a proposal of this kind. True, the House can express an opinion; but we cannot force the Government to carry it into effect. In Australia the time has long since arrived for looking after child life much better than we have done and are doing. I repeat, the solution is child endowment. A Federal Royal Commission inquired for two years into that subject, and submitted a majority report and a minority report to the Commonwealth Government; but nothing was done. State resources being limited, the cry of State Governments is always that sufficient funds are not available for the purpose. The problem should be tackled from a national point of view. In my electorate there are many children who do not get sufficient milk. Milk is desirable for children who like it; other children, who do not like milk, should be given fresh fruit and other foodstuffs supplying the necessary vitamins.

MR. SAMPSON (Swan) [9.58]: I support the member for Subiaco (Mrs. Cardell-Oliver), who has in fact placed the House under an obligation in drawing attention to this important matter. Dr. Stang brought forward the subject of mal-nutrition in children, and intimated that between 25 and 30 per cent. of the children of Western Australia were in need of more milk. The motion does do something towards directing the attention of the Government and the people to that pressing need. I feel sure the motion will be carried, and I hope it will go further than that. I trust it will have something to do with the actual provision of milk.

Mr. Withers: And honey.

Mr. Sampson: Honey should be included. Unfortunately, it is not referred to in the motion.

Mr. SPEAKER: Order! We are not discussing honey.

Mr. SAMPSON: Honey is one of the oldest and best of foods. Milk is a basic need. I shall content myself by observing that the member for Subiaco has placed the House under a debt of gratitude in moving this motion. I hope that, as a result, something practical will be done in the way of providing regular milk supplies to children whose parents cannot afford to provide them with milk.

MR. McLARTY (Murray-Wellington) [10.2]: I support the motion. Milk undoubtedly is recognised as one of the most essential articles of food for children. This country will not suffer from shortage of milk supplies as time goes on.

Mr. Hughes: The children of Murray-Wellington get sufficient milk.

Mr. McLARTY: I remind hon. members that all people living in the Murray-Wellington district are not producers of milk, and that there are many people in the district whose children are suffering in the same way as are children in the metropolitan area. The motion is not confined to the metropolitan area. The member for Subiaco does not mention the metropolitan area in her motion, so I take it the motion applies to all the children throughout the length and breath of the State. It is just as necessary to consider country children as it is to consider children in the metropolitan area.

Mr. Sampson: The motion is State-wide.

Mr. McLARTY: The more dairy commodities, including milk, we consume the better for the State. Authorities on health matters throughout the world are urging that milk be provided for children; and in certain countries I believe that advice is followed. Western Australia should not lag behind. The member for Subiaco is to be commended for introducing the motion. She is trying to do something practical to assist the children of the State. Even though the Minister for Health is at present unable to find money to provide regular milk supplies for our children, we should nevertheless carry the motion to show that we are in accord with the principle.

The Minister for Health: I do not supply milk.

Mr. McLARTY: When members talk about health they naturally look towards the Minister for Health, because health matters come under his control. I hope the motion will be carried.

MR. FOX (South Fremantle) [10.4]: I did not intend to speak to the motion, but the district I represent has done more to supply free milk to children than I think has any other district in Western Australia. That is my reason for speaking to the motion. More than 12 years ago, Mr. Gray—a member for the West Province—instituted a free milk supply at Fremantle. Practically all the schools there were supplied with free milk for a long period. We were then more prosperous than we are now. In the Beaconsfield district a committee started work some three or four years ago, and has been supplying milk to children needing it. Some of the children pay a small amount, but those who cannot afford to pay receive the milk free. Money is subscribed by interested people who are able to contribute 10s. or £1 now and again. Additional funds were raised by community concerts and so forth. A police ball was held recently in Fremantle from which a fairly large amount was received. To my mind, the solution of the problem is to give the fathers of those children full-time employment. We have not received much assistance from members on the Opposition side; in fact, if we were really in earnest, it would be a simple matter to provide everyone with free milk, instead of talking about it. Unfortunately, the Labour Party is the only party which believes that everyone should have a fair spin.

Mr. Sampson: What about reasonable prices?

Mr. FOX: Members on the Opposition side are against any reform we suggest. Their usual reply is, "The time is not ripe." If we were all of the same opinion, what could prevent us from supplying everyone with the necessaries of life? Unfortunately, however, we are not all of the same opinion. I am in accord with the motion. In my opinion, the Government should at least assist those committees in the suburbs which have been doing so much to help our children. As the member for Middle Swan said, the solution of the problem would be a system of child endowment, but that is a matter for the Commonwealth—it is no use our State Parliament tinkering with it. I intend to vote for the motion.

MRS. CARDELL-OLIVER (Subiaco—in reply) [10.8]: I am sorry that so long a time has elapsed since this motion was previously debated. I will answer briefly the statement of the member for Canning (Mr. Cross) with regard to the East Victoria Park school. I assure him his information is entirely wrong. The milk council was provided with money to supply milk to the children at that school. The masters and the mistresses put their hands in their pockets to provide the money, because they saw so many under-nourished children in need of milk.

Mr. Cross: I said I did not believe they were under-nourished.

Mrs. CARDELL-OLIVER: I will speak about that later on. I wish also to reply to the remarks of the Minister for Health. In his speech he defended the Government's policy, a policy which I believe—through ignorance—allows children to remain under-nourished. In his speech the Minister was without doubt unfair to me and unjust to a departmental officer—

The Minister for Health: She was unjust to me.

Mrs. CARDELL-OLIVER: —a departmental officer who, by her very position, was precluded from replying to the Minister's statement. In my opinion, any officer of the Crown—and I am including the Minister—who knowingly allows and has power to prevent under-nourishment of children violates his oath to serve his King and country.

The Minister for Health: I am glad you mentioned it: I did not know it!

Mrs. CARDELL-OLIVER: The children of the State, as has been so often mentioned by the member for Canning, are our great asset. It is our duty to see that they are fed, clothed and educated, because it is only through them that the State can continue to exist. When hon. members, including the Minister, have ascended to the realms of Glory for deeds done or left undone, those children will become the citizens and the rulers of the State. I repeat, it is our bounden duty to see that they are kept physically and morally fit, so that the nation will progress and not regress. The Minister was well aware when he made his speech that considerable numbers of children in the

State were under-nourished. It was unfair of him to try to make the numbers less and to minimise the poverty under which so many of the parents exist. I remember the Minister—or at least it was reported to me—receiving a letter some 18 months or two years ago written by a branch secretary of the A.L.P. The branch secretary in that letter asked the Minister for Health to supply free milk to some under-nourished children at a particular school, because many of the parents were on the bread line and could not afford to buy milk. The teachers were trying to provide a milk supply from their own incomes; they complained that the children were so under-nourished that they were really unfit for school in the morning. The Minister replied that the matter was not within his jurisdiction.

The Minister for Health: That is quite right.

Mrs. CARDELL-OLIVER: And that they should apply to Mrs. Cardell-Oliver for free milk. Perhaps the Minister remembers the letter.

The Minister for Health: I cannot say. I receive so many funny letters.

Mrs. CARDELL-OLIVER: It is not funny, when one is starving. However, those people did apply to me. They sent me a copy of the letter they addressed to the Minister and a copy of the Minister's reply.

The Minister for Health: Tell me who they were.

Mrs. CARDELL-OLIVER: I shall not. I have shown the letter to many people, but I am certainly not going to give it to the Minister, so that he can victimise that particular secretary.

The Minister for Health: That letter was never there

Mrs. CARDELL-OLIVER: The point is that there were 28 children attending that particular school who were supplied with milk by what is known as the Free Milk Council, greatly to the delight of the teachers and the parents of the children. I pay a tribute to the Milk Board, because the Free Milk Council only supplies milk in bottles—there was no bottling plant in the district—but through the efforts of the board a plant was installed. The responsibility for supplying children with free milk is not that of the council or Mrs. Cardell-Oliver—the responsibility rests entirely with the Minister and the Government. Our children must be fed. The youth of the day, as I have heard the member for Canning say—we get a great many quotations from his speeches—were the children of yesterday. Now they are called upon to serve their country, and perhaps to lay down their lives for it. I want to ask what chance have many of those boys of standing the strain of a war? They were born during the hectic days of the last war, and have had very little if any governmental control, and some of them very little parental control. Many of them have been walking the streets since their school days, searching in vain for a job, in abject despair. It is upon the early days of life that man's future depends. If he is under-nourished in childhood, we cannot expect physical fitness in manhood. Germany, Russia, Italy and other countries——

Mr. SPEAKER: The hon. member is getting away from the point in quoting Germany, Russia and Italy.

Mrs. CARDELL-OLIVER: No, I am linking it up.

Mr. SPEAKER: The hon. member is only entitled to reply to what has been said in debate.

Mrs. CARDELL-OLIVER: That is all I am doing. Those countries give the greatest care to their children, but we, without foresight, forethought, or even common humanity, have made no provision to keep the children of this generation fit. Now we stir up their patriotic emotions and call them up to defend the country which, in my opinion, has cruelly betrayed them, and they respond because one thing that Governments cannot do is to kill the spirit of the British people. Every man knows that what I say is true, and I can only hope that members will realise that great harm has been done, and will do their best to lessen that hurt by dealing with this subject in such a manner that the children of the future might be physically fit.

I have often heard the expression "hitting a man under the belt," but I have never heard of hitting a woman under the belt. The case mentioned by the Minister in his speech was blatantly one of hitting a woman under the belt. The Minister took advantage of his position in this House to

tell members and also the people of the State, that he did not believe the statements of one of his own medical officers.

The Minister for Health: I will repeat it now, if you like.

Mrs. CARDELL-OLIVER: To be quite fair, I believe the Minister did not understand the position. I am quite sure—this is a point the Minister should have known—that Dr. Atkinson had confirmed the reports sent out by Dr. Stang.

The Minister for Health: That did not make them any better.

Mrs. CARDELL-OLIVER: Members do not understand the position, and so I had better explain it. Dr. Stang was asked to report on nutritional standards in our State school-children because Western Australia wished to be included in the all-Australian standard. A norm was given her, one used in the Eastern States, and when she found so many children under-nourished, according to that norm, the community, including the Minister, were shocked, and suggested that the norm was not correct. If the norm was wrong, it was not Dr. Stang's fault.

The Minister for Health: She was not given the norm; she asked for it after she had made a mistake.

Mrs. CARDELL-OLIVER: I disagree with the Minister. When the report was published, and the cry of indignation went out, the authorities asked the Federal Government to supply another norm from a country where the climate was similar to ours, and where similar conditions existed. This norm was supplied by Dr. Cumpston; it was compiled by Dr. Machem, of New South Wales. The figures had declined slightly, and it was from this report that I gave the information to the House. I mentioned 83 per cent., of which the Minister made so much, to draw a comparison between the new norm and the old norm. The old norm was 83 per cent., and the new one was 74 per cent. When I was speaking, I made it quite clear to the House that all I asked was that if the Government could not find sufficient money to provide milk for all those children whom Dr. Stang considered were under-nourished, it would at least provide for the 29 per cent. whom she considered were on the danger-line. That was the gist of my speech. The report did not mention 83 per cent.: it distinctly said that 25 to 30 per cent. was under-nourished. This was a conservative estimate. The figures were confirmed by medical men, by Mr. Halliday, teacher of physical culture in the schools, and by other teachers. Those figures compared favourably with Dr. Stang's report, and with the reports given to this House in 1936, 1937 and 1938 to the effect that it had been declared that 26 to 28 per cent. of the children examined were under-nourished. But because the Government did not wish to find the money to provide the milk ration, the Minister flatly declared that the figures were incorrect; and, to add insult to injury, he suggested that the giving of milk to children was my hobby. If the Minister had any doubt about the ability of Dr. Stang or the reliability of her figures, it was his bounden duty to put another doctor on and verify the figures before he discredited a reputable medical officer who was merely doing her duty.

Mr. Cross: But figures can lie, and liars can figure.

Mrs. CARDELL-OLIVER: Her figures were checked and re-checked by the department. A Minister should be very careful of the statements he makes. Our Ministerial portfolios, especially those of Health and Justice, are held by men who rely for their knowledge upon professional men and women. These Ministers have power without having knowledge of their subject. They are laymen: their titles are mere figures of speech. Even if the Minister had been a duly qualified medical man, it would have been necessary for him to be constantly in practice, dealing with the specific work amongst children, before he could be au fait with the subject. Had the criticism come from Dr. Cumpston, Dr. Atkinson or another doctor dealing constantly with children, one would have taken it seriously, but the Minister knows nothing about medicine, and yet he comes here and criticises a woman who has given her life to the study of the subject. I say it is presumptuous. The Minister also presumed to have a knowledge of the effect of climatic conditions on the height and weight of growing children; he said that Western Australians were growing tall and thin. I should like to know where he got that data. Where did he acquire that knowledge? I am a layman, and can make statements, just as can the Minister, but mine might not always be incorrect. I wish to show that climatic conditions are not a deciding factor of weight and height in healthy children, although tall and weedy

people may be the result of unhealthy climatic conditions. The Japanese are a race of short and small people, but they are increasing in size and weight since they have added milk and meat to their diet. If we take India—

Mr. SPEAKER: The hon. member is now distinctly out of order. That is not in reply to the Minister.

Mrs. CARDELL-OLIVER: I am replying to the Minister's statement that our climate makes children grow tall and thin.

Mr. SPEAKER: The hon. member is not in order in dealing with that now. She can only reply to what has been said in debate, and cannot introduce new matter.

Mrs. CARDELL-OLIVER: I am not introducing new matter. The Minister said that climatic conditions here were making the children grow tall and thin.

The Minister for Health: I got that from doctors.

Mrs. CARDELL-OLIVER: I am trying to show that that is not borne out by comparison with other countries. If we take certain tribes in India, where the climate is exactly the same, some of the people are tall and thin, and others are short and fat. The deciding factor is diet, not climatic conditions. The Minister when abroad doubtless saw Arabs that were tall and weighty and others that were short and weedy, due entirely to the diet and not to the climatic conditions.

Mr. Needham: Are you sure of that?

Mrs. CARDELL-OLIVER: I feel quite sure that my statement is correct. If we take other countries, such as Estonia, Latvia, Scandinavia, and northern Europe, the people are tall and weighty. There, weight and height are determined by the abundance of milk and butter-fat they consume. In the southern parts of France, where the climate is almost similar to ours, the people are small and are not fat. Therefore I say that where the climatic conditions are similar to ours, and where they are dissimilar, the conditions of height and weight in healthy people are determined, not by climate, but by food.

With regard to giving milk to children, I wish to emphasise that this has been done in many other countries. In Germany, milk has been supplied to poor children for fifty years. In Russia, since the revolution, the children have received one to two pints a day, although the standard of living there is very low. In New Zealand, children receive one to two pints of milk daily, and in England children are now being given one to two pints daily in the schools, either through the London County Council, or through the London County Council combined with the Education Department. Since the English children have been receiving the milk, both height and weight have increased. I am often criticised in this Chamber for giving unpleasant facts, but the greatest disservice any politician can render his country is to blind himself to facts and indulge in what might be termed false conceit of his countrymen or of his country. Here I may mention—though I might be considered to be out of order—that a couple of years ago, when certain educationists were here——

Mr. SPEAKER: The hon. member is distinctly out of order now.

Mrs. CARDELL-OLIVER: Then I shall pass that over. I wish to comment on the speech made by the member for Middle Swan (Mr. J. Hegney). I was glad to hear him indicate his support of the motion and his remarks about child endowment show that consideration should be given by Parliament to that phase. With him, I feel that we have not such a high standard of living in Western Australia as is so often claimed. We only imagine we have that high standard. Most decidedly the State has an abundance of food, and the basic wage that is declared from time to time is nominally satisfactory. On the other hand, we have thousands of ill-fed people and thousands who do not receive the basic wage throughout the year. The Minister quoted the wonderful athletic performances of our youth to prove that the children of Western Australia were not undernourished. I have the honour to be the president of the Women's Hockey Association of Western Australia. As members are aware, Western Australia holds the Australian women's hockey championship. At the same time, they must appreciate the fact that of 2,000 odd players only 13 were chosen to represent the State at the championship carnival. Those girls were not chosen for physical fitness so much as for their skill in playing hockey.

When we asked Dr. Stang about the condition of school children, we did not ask

her to consider skill in games but physical fitness only. If we desired to be unfair in debate, as I think the Minister was, we could quote the Perth Modern School and urge that all children are mentally well equipped and physically sound. We know that those children, after sitting for an examination, are chosen from schools throughout the State. The number that reaches the Modern School is very few in comparison with those that can never hope to attain that distinction. Whereas the Minister wished to demonstrate his point by taking only the fit, Dr. Stang proved her point by taking the whole of the children in a school, investigating their condition and ascertaining the difference between the fit and the unfit. The Minister referred to the Nedlands school as being in a suburb where there should be no under-nourished children. Dr. Stang said there were under-nourished children attending the Nedlands school. I agree that there should be no under-nourishment in children residing in such a suburb, nor would there be if the Government had done its duty. The Free Milk Council provided milk for only three children at one school and 10 at another school in Nedlands. The reason for that was that the organisation took the trouble to find out the number of children in that suburb whose parents received less than the basic wage and provided free milk on that basis. I contend that when children are under-nourished in a wealthy district like Nedlands, the duty devolves upon the Government to accept the responsibility of forcing parents to provide their offspring with correct and sufficient diet, as is done in London. I could take the Minister to one school in Nedlands where almost the whole of the responsibility rests with the Government and prove to him that very few there are up to the standard of well nourished children. At that school the Government provides 7s. per child for nourishment.

Mr. Cross: How do you think that the children at Sister Kate's Home get on?

Mrs. CARDELL-OLIVER: Very badly, but the hon. member did not bring that matter up. I wish next to refer to a statement made by the Minister that the Government had no money at its disposal to carry out my objective. I hope to show that here again the Minister merely proffered an excuse. I certainly trust the Government will reconsider this matter. The Minister claimed that the children who were under-nourished today represented the product of the depression years of 1931 to 1933.

The Minister for Health: I did not say that. I said that that was the doctor's statement.

Mrs. CARDELL-OLIVER: I presume that 10 years hence the Minister, should he still hold his portfolio, will claim that children then were under-nourished because a war occurred in 1939! To attempt to name a specific period as producing children who were under-nourished is surely an admission of the Government's failure to govern. Six or eight years have now passed since the depression, and the Government has had ample opportunity to make our children physically fit, especially in a country that is overflowing with foodstuffs, milk, and wheat. Is it not a sign of political madness to encourage, by law, as the Government does, the throwing away of milk and even forbidding those that have cows to give it to the children of poor people? Surely that is madness. The member for Canning (Mr. Cross) referred to Sir James Mitchell as having said that there are no under-nourished children in Western Australia. We know that Sir James says that every time he speaks about children.

Mr. Cross: And he tells the truth.

Mrs. CARDELL-OLIVER: Sir James Mitchell likes to think that the people of Western Australia are well nourished, but the member for Canning should not take Sir James very seriously on the subject. When the Free Milk Council commenced its activities, milk was given only to children of parents on sustenance. In those circumstances, the work was fairly straight forward. The council was able to secure from the Department dealing with the unemployed the names of the people and the number of the children requiring supplies. Soon, however, it became apparent that there were a large number of other children in equally distressing circumstances. That led us to an examination of the economic position of the parents, with the result that we ascertained that 25 per cent. of the children had parents who were receiving less than the basic wage. Some of the families comprised three or four or five children. It became impossible for the Milk Council to

provide sufficient money to enable it to supply milk to all the children that required it. That is the reason why I have submitted the motion. I now ask the Government to cope with the problem. If the motion be agreed to, I hope the Government will give serious consideration to it and deal with the matter. The Minister said that the Government had no money for that purpose, but I remind him that within a few hours of making that statement, he voted for the expenditure of £38,000 on the beautifying of the Swan River. That expenditure was to be at the rate of £7 5s. per week per man and employment was to be provided for 80 men for a few months. That work is not reproductive and at the end of a few months those 80 men will again be in a serious plight and will require more work to be found for them. In view of the Minister's claim that the Government had no money, surely that statement requires reconsideration in the light of such an expenditure as I have indicated. In dealing with the Estimates we voted for the expenditure of thousands of pounds that could have been reduced had members wished to do so. The money saved on those Estimates could have been made available for the provision of milk for poor children, for child endowment or for an adequate dietary. I want to prove to the Minister that if he desired to provide milk for all the school children in the State, it would cost much less than the expenditure he voted for to beautify the upper reaches of the Swan River. I have a statement that sets out that the Superintendent of Dairying (Mr. Baron Hay) claims that the ruling price paid for butter-fat milk at the farm is 5½d. per gallon. To this must be added the cost of cartage and chilling. The latter works out at less than 1d. I have put it down at 2d. to be on the sure side. Cartage from the Peel Estate accounts for another 2d., which, with the cost of milk at 5½d., makes 9½d. If we state the delivery charge at 1½d., that makes the total cost 11d. per gallon. There are approximately 57,000 children and the school days are 210 per annum. If each child were to receive 8oz. of milk daily, the cost would be £27,431 5s. That would be much less than the cost of beautifying the Swan. On the other hand, if we provided for only the children I have indicated in the motion, the cost to the State would not be one penny more than £5,000, for which the children would receive only eight ounces of milk a day, which would be a great benefit.

Mr. Cross: But that is for one year only.

Mrs. CARDELL-OLIVER: That is so, but nevertheless every year what we eat or drink means, as it were, that we consume so much money in purchasing the goods. I could not understand the attitude of the Minister when he was prepared to vote for such a large expenditure on the beautifying of the Swan River and yet refused to find money with which to feed undernourished children. The Minister must know that half the patients in the Children's Hospital are there because of undernourishment. Again, I want to reply to the member for Bunbury (Mr. Withers) regarding his attitude on the motion. The Minister and the member for Bunbury suggested that milk was not as good a food as it was reputed to be.

The Minister for Health: I did not suggest anything of the sort. You cannot find a word to that effect in my speech.

Mrs. CARDELL-OLIVER: I think I can.

The Minister for Health: You cannot. I said the man who made that statement was a fool.

Mrs. CARDELL-OLIVER: I am amazed at the audacity of some people who are exploiting sections of the community by the advocacy of crack-brained dietary, but I do not know that the adherents of those theories included politicians until I heard the Minister's speech. I agree with what the member for Bunbury said regarding vegetable water being quite good. I am quite prepared to admit that chloroform water from vegetables may be useful, but neither the magnificent physique of our political gladiator, the Minister for Health, nor the stately proportions of the member for Bunbury were built up on the basis of chloroform water.

The Minister for Health: You could also have said that the Minister for Health did not owe his physique to milk, because he has never had any.

Mrs. CARDELL-OLIVER: I talked about the wonderful qualities of chloroform water. Whether the Minister likes to admit it or not, he took milk at one stage, whether it was human, cow's or goat's milk.

The Minister for Health: It was certainly not human milk, because I never had a mother to give it to me.

Mrs. CARDELL-OLIVER: I agree with the suggestion by the Minister that we should initiate a campaign in favour of correct diet, but the Government is the greatest offender in enforcing the wrong diet. It has aligned itself with the cranks and has made doughy bread and stale milk saleable by Acts of Parliament. By regulations it has prevented the sale of fresh milk to those that require it.

The Minister for Health: You are a member of Parliament and you helped to pass the legislation and regulations.

Mrs. CARDELL-OLIVER: I did not vote for them. I quite agree that we should take steps to initiate a campaign to secure a proper diet for the people. If I were not likely to be called to order, I would point out that at 6.20 p.m. we sit down to an enjoyable meal in this House and at 6.40 or so we leave the dining-room.

Mr. SPEAKER: Order. The hon. member is getting far away from the motion.

Mrs. CARDELL-OLIVER: I was going to suggest that we should initiate a campaign to secure proper digestion of food.

Mr. SPEAKER: There is nothing in the motion dealing with digestion.

Mrs. CARDELL-OLIVER: That is so. In conclusion, I want to reply to the Minister who said that the provision of milk to children was one of my hobbies. Hobbies consist of such things as gardening, stamp collecting and so on, but you cannot make a hobby out of feeding children. That is a humanitarian activity. The existence of our nation depends on its population being properly fed, and I shall continue to advocate that a proper and plentiful supply of food be given to children so long as I am in the House or until the Government relieves me of that task by ensuring that such a supply is provided. I reiterate that all the teachers approve of milk for children and agree that to endeavour to teach children who at 10.30 a.m. are too tired to learn because they are underfed, is a waste of Government money. Consequently, I ask the Government to reconsider its attitude on this question; to be just and generous. I appeal to members of the Government to do that which will cause their names to go down through history as those of humanitarian statesmen, beloved by the many who rightly or wrongly believe that the Labour Party stands for the people. Many hon. members are fathers and their children have never lacked the necessities of life; but thousands of children, while not actually starving, are condemned to ill-health throughout their lives because of undernourishment in childhood. Even if the Government considers the figures of the medical officer exaggerated, I appeal to it to err on the side of generosity. Does it matter if one child receives milk who does not require it, so long as a dozen who do require milk obtain it?

In conclusion, let me stress the fact that I have never known the humanitarian instinct to fail. I have always known men and women to give to necessitous and hungry children. It is only when cold, hard reasoning intervenes that inhumanity occurs. I appeal to hon. members to permit their humanitarian instincts to prevail. Let them think not in terms of money, but in terms of humanity and justice. I ask them to ensure that what they do now shall be something that will live for the future, and to realise the necessity for making young lives efficient, strong and virile, so that they may face the unknown future. Like the boys and girls of a few years ago, those of the present day do not know what the future holds. Let us build them in body and mind so that they will be fit not only to maintain a nation but also that for which thousands of lives are being sacrificed today, something greater than life itself, namely, our honour, in fulfilment of the trust we have undertaken to fulfil. I trust that all hon. members—even those on the Government side of the House—will reconsider the matter and vote for the motion and that if it is carried the Government will give effect to it.

Question put and passed.

MOTION—FEDERAL TAX ON GOLD.

Debate resumed from the 8th November on the following motion by Mr. Cross (Canning):—

That, in the opinion of this House, the strongest possible protest should be made against the Federal Government's action in imposing an unjust gold tax, which will operate

very seriously against the mining industry of this State and will cause considerable loss and increased unemployment. This House further considers that the Government should send a special mission to Canberra with a view to securing at least—(1) exemption from the gold tax for prospectors who earn in any one year not more than £400; and (2) exemption from the gold tax for all mines in the developmental stage of production that have not yet earned sufficient profits to cover their capital outlay.

MR. STYANTS (Kalgoorlie) [10.50]: Since I secured the adjournment of this debate, my colleagues and I, representing the gold mining districts, have met and discussed this matter. While we agree generally with the motion of the member for Canning (Mr. Cross) and appreciate his action in bringing the matter before the House, we consider that to forward a bald motion to the Commonwealth Government would probably not have much effect. We have therefore decided to move an amendment to the present motion, and to attach to the amendment reasons why we think the excise tax should not be imposed. On general principle I agree entirely with the views expressed by the Leader of the National Party (Mr. McDonald) and the member for Guildford-Midland (Hon. W. D. Johnson). I agree that we should not permit any person or any body of persons or any company to make a profit out of a war emergency, but there are so many extenuating circumstances in this instance that the excise should not be enforced, and consequently we can be pardoned for departing from what is generally recognised as good policy. I do not want to reiterate all that has been said. Everything that can be urged against the imposition of this extremely unjust and inequitable form of taxation has been said and there is no need to repeat the arguments. I will therefore endeavour concisely and directly to express the objections of the goldfields representatives in this House, objections which we think should accompany the resolution when it is forwarded to Canberra.

An argument for the imposition of the tax is that the price of gold rose, following the declaration of war, from £9 5s. to £10 13s. per fine ounce. This rise was solely a result of the war. Gold has in any case increased in value to producers since 1930 and they have been receiving a high and ever-increasing price for nine years. Gold mining is now a prosperous industry and thus should bear its share of the burden of national defence expenditure. Finally, it has never been heavily taxed in the past. Those are briefly the points in favour of the imposition of the gold tax.

Amongst the arguments against the tax is the fact that with the advent of war a sudden sharp increase of prices of nearly all the commodities used in mining operations took place, offsetting the rise in the price of gold. Some of the commodities that rose in price were quicksilver, cyanide, zinc shavings, chemicals, machine steel, machinery, oil, etc. The increased prices were caused by increased insurance due to war risk and also by rising freights. Most of those commodities come from neutral countries such as Spain and Sweden, which are in proximity to the warring nations. We have to bear in mind also that although they are now procurable in limited quantities at very high prices, if the war lasts for two or three years as is anticipated by those who should know, they will be entirely unprocurable from the present sources. We shall have to get them from other sources and they will consequently be more highly priced than at present. It is true that the price of gold has risen gradually since 1930, and as the possibility of any sudden drop became remote, mines concentrated on low-grade ore. The average value of the ore treated in 1930 was 13 dwts. per ton. Last year it had dropped to 6.24 dwts. It will thus be seen that, while the price of gold has more than doubled, the value of the ore has more than halved. That is one of the main reasons why we should object to the imposition of the excise tax. We have here millions of tons of low-grade ore which would be a wonderful asset to the State if it could be treated. The increased price of gold induced the mining companies to treat that low-grade ore. The main point we have to consider is that if we do not take advantage of working that low-grade ore now while the price of gold is high, we will never be able to do it, and that asset, worth millions of pounds to this State, will be lost. The fact that we can realise on an asset worth many millions of pounds, and provide employment for thousands more men than at present should in itself be a sufficient inducement to the Commonwealth Government not to proceed with the imposition of this tax. To give some idea of what grades of ore it is possible to work at a

profit with the price of gold at its present level, I will quote the following yields:—

	Dwts. per ton.
Mt. Magnet Gold Mines Ltd. ..	2.56
Big Bell Gold Mines Ltd.	3.52
Wiluna Gold Mines Ltd.	3.54
Paringa	4.79
Emu Gold Mines Ltd.	4.94
Central Norseman	4.98

Those mines, however, are not showing a great profit; they are receiving a poor margin. If a burden is imposed in the shape of additional taxation, and the cost of mining commodities continues to rise, as it will do to a tremendous extent in the next couple of years, those mines will not be able to operate, and we shall have the same spectacle as we had when the mining industry declined during the last war, and in the post-war years. We shall find, as those who travelled throughout the goldmining districts then found, derelict villages, deserted because the content of the ore bodies was not sufficiently high to warrant treatment when mining commodities were at such a high price as then prevailed, and when the price of gold was at the standard rate of £4 4s. 11d. per ounce.

Those mines are employing many hundreds of men; in fact, it is probably true to say that thousands of men are being employed as the result of the working of low-grade ore, because it has to be remembered that for every one man working in a mine there are four working in subsidiary industries. In many instances the ore is refractory and costly to treat, while the mines are all more or less isolated and, in addition to paying sea freights, the companies have to cart their requirements long distances by rail. With the war, much skilled labour will be lost and will have to be replaced by unskilled labour, which will further increase costs. The bulk of the larger mines now have plants which burn oil fuel and that is another matter we must take into consideration in assessing the cost of mining in a couple of years time. During the last ten years most of the mining companies have changed over from steam power to oil fuel power. The cost of oil is going up, and not only the cost of oil fuel but that of lubricating oil is rising, and will go still higher. Mines will not be able to change over to steam-driven plants except at a prohibitive cost for a different class of machinery. They will be compelled to continue using oil fuel, and will be put to much greater expense than when they had steam plants operating during the last war. Western Australia produces 73 or 74 per cent. of the gold of Australia. That, therefore, will represent the percentage of tax that will have to be contributed by the industry in Western Australia. With the present rate of tax and the present price of gold this will bring the imposition on the goldmining industry to just on £1,000,000. The great danger in regard to a tax of this nature, and one which the Commonwealth authorities without any knowledge of the inner working of the industry do not realise, is that it may cause a cessation of all low-grade mining. That would mean a large amount of unemployment, which would affect our trade balance, and re-act on other classes of industry.

There is a matter I admit I do not thoroughly understand or know a great deal about. We are told by those who do understand that it will be necessary for us to purchase overseas credit; in other words we will have to buy American dollars because we are obliged to purchase from that country war material such as aeroplanes, etc. It has to be remembered that gold is a commodity with which we can pay for other commodities, and that America has demanded that sales shall be effected on the cash and carry system. Gold appears to me to be the one commodity for which we have a ready market at a payable price. Most goods are sold on world's parity, and we have to foster them in different ways, but gold is pre-eminent so far as an industry is concerned, and as it is one of the greatest essentials, we should not place on the industry any imposition that would retard production, but we should give every encouragement to it to produce as much as possible and provide as much employment as possible. If the Commonwealth authorities could only see the costly process required to be gone through at Wiluna and other mines to obtain a few dwts. of gold from each ton of ore, they would appreciate that a flat-rate tax was unfair, and would understand the cost of treatment which varies considerably on each mine. Usually mines are operating on a bare margin of profit. During 1938, 33 mines produced over 5,000 ozs., of gold, but only five treated ore that

averaged over 10 dwts. per ton, and only 14 treated ore which averaged over seven dwts. We must continue to increase our output of gold, as that is required for the successful prosecution of the war. I do not intend to delay the House any longer. Most if not all the arguments that could be advanced against the imposition of the tax have been advanced by previous speakers. They have set out the epitome of our objections to the gold tax. I should, therefore, like to move an amendment to the motion that now appears on the notice paper.

Mr. SPEAKER: I point out that the House has already agreed to the motion as it is now stands on the notice paper. Does the hon. member wish to move an addendum to it?

Mr. STYANTS: I wish to add certain words to the motion. I therefore, move an amendment—

That the following words be added:—"for the following reasons—

(1) That with the rise in price of gold, on account of the war, there has been a corresponding rise in price of essential mining commodities, and while the gold price is unlikely to further increase, the prices of commodities are rising daily.

(2) That the gold produced by the prospector and small mine owner who earn bare livings will be subject to the same rate of levy as that produced in a large mine.

(3) That although gold has increased in value during recent years, the producers have not reaped the full benefit of such rise, as they have concentrated on low grade deposits, and have brought the average grade of ore mined in the State down from 13dwts. per ton in 1930, to 6.24dwts. per ton in 1938.

(4) That many companies operate on a much lower grade even than the average, and with the tax and further costs may be unable to continue operations, thus causing unemployment, and reducing the State's export, and the Commonwealth trade balance.

(5) That much of the State's ore is refractory and very costly to treat.

(6) That many other persons and industries beyond those actually employed in mining operations rely on the mining industry for a livelihood, and will be seriously affected by any diminution in the industry.

(7) That the time has arisen when additional encouragement to produce gold should be given rather than deterrent taxes imposed, as gold will be the one acceptable form of payment to the United States for the many commodities now expected to be purchased. A constant gold production is essential for the successful prosecution of the war."

On motion by Mr. Triat, debate adjourned.

BILL—AGRICULTURAL BANK ACT AMENDMENT (No. 1).

Second Reading.

Debate resumed from the 8th November.

THE MINISTER FOR LANDS (Hon. F. J. S. Wise—Gascoyne) [11.13]: I desire briefly to oppose the measure. The member for Greenough (Mr. Patrick) gave no substantial reason for its introduction. He quoted no instance to the House to show that there was an imposition by the bank upon its clients, nor did he show that in the operation of Section 51 of the Act the bank was harsh or that any client of the bank was adversely affected by it. When Section 51 was first introduced, it was embodied in a Bill with many other amendments to the Act. At that time fears were abroad that the section in its operation would act very adversely against the interests of clients. That feeling has no foundation, in that in practice the operations of the new Agricultural Bank Act have not been either harsh to the client, nor has the feeling that was abroad at the time been manifest in recent times. Undoubtedly there is great confidence in the Bank administration and in the consideration extended to clients in connection with their respective accounts. The hon. member in introducing his Bill was at considerable pains to compare circumstances existing in the United States of America, in Victoria, and in South Australia, advancing the experiences of those States as reasons for supporting the Bill; but he failed to produce one case where either the incidence of Section 51 or any action of the Commissioners under Section 51 had been to the detriment of a Bank client. So that the House still needs an argument to support the hon. member's introduction of the measure. The present feeling of confidence towards the Bank, the feeling that there is a sympathetic and understanding touch by the Commissioners, is one that assuredly we should endeavour to protect and not one that the hon. member, by a Bill of this nature, should try to dispel and remove. So that since no good purpose has been shown to this House capable of achievement if the amendment becomes incorporated in the Agricultural Bank Act, that in itself is sufficient proof that there is no need for the amendment. Very little discord exists today even in those districts

which have experienced serious times because of price influences and seasonal circumstances. Certainly there is very little dissatisfaction or discord arising out of the treatment extended by the Agricultural Bank Commissioners to clients.

Examining the proposal embodied in the Bill, we find that not only is there little variation between it and the sentiments sponsored by members opposite in 1906, especially as regards Section 37A., but in its operation there can be shown no cases where clients of the Bank have been harshly treated under this provision. The Act of 1934 was based upon the Royal Commission's report. That Commission went very thoroughly into this aspect, and into the many other phases which members opposite have tried since to amend. However, no substantial argument has been advanced to support the contention either that the purchase of stock or the attachment of a mortgage against stock has not been the right of the Bank, or that these things have in any way hampered the handling of funds or of returns from such stock. When the power under Section 51 was conferred upon the Bank Commissioners, there was in this Chamber a keen debate as to the disadvantages at that time anticipated; but all those disadvantages have failed to materialise, and instead of the provision proving to be something that operated adversely to the client, something which would place the Agricultural Bank on a different footing from other things, I think it can be claimed that in administration it has acted in the interests of the client. The member for Greenough (Mr. Patrick) in the course of his speech made certain quotations to show why this particular section should be deleted from the Act; but if that were done it would not only place the Commissioners at a serious disadvantage in the handling of clients' accounts but would also substantially hamper clients in their activities as well as in their negotiations with the Bank. I am surprised that in view of the case not being substantially supported, in view of there being generally no complaint now against that section, the hon. member should persist in introducing the proposal. The Bank in its activities does not seek to control the trading in the specific matters which come under and within the ambit of Section 51. The Bank desires to encourage the client to utilise to the full not only his resources on the farm but also his own resources intellectually in handling his own affairs; and the Bank, too, refrains from interfering in that respect. The Bank gives every encouragement, and to my mind the results obtained by the Bank in the operation of Section 51 have conclusively proved that the recommendations of the Royal Commission were entirely right in that regard. So that particularly at this stage, when there is confidence, and increasing confidence, in the fairness, in the sympathy, and in the practical outlook of the Bank's administration, one must gravely doubt the wisdom of upsetting the good relationship that now exists between the Bank and its clients.

In dairying districts there is a need for the operation of Section 51 to be brought into effect; and instead of its acting harshly, as was advanced many years ago when an endeavour was made to remove this section from the Act, in practice it has been found that the client is in a much better position because of ability to treat his account month by month, and to make his position more favourable with the Bank. So that the present Act merely continues the law as it existed in the Act of 1906, merely continues the very principles and practices which the hon. member supported when they were embodied in another Act; and it cannot now be imagined that because the provision has been tried and tested under the new system and under new conditions, there is anything harsh in its application to clients.

I think that although one could dilate at some length on the additions the clients of the Bank and the company have received under the careful application of Section 51, it would take a lot of talk—with very little substantial argument—to prove that the section has proved harsh in application. At this stage we should be most careful not to upset the excellent relationship, the trust, which has been brought about between Agricultural Bank clients and the Bank, whether the clients be in the wheatbelt, where circumstances have been highly adverse, or in the dairying districts, where conditions have very much improved, thanks to recent seasons. The utmost care should be exercised to prevent any distrust, any lack of harmony, arising, whether between the client and the inspector or the client and the managerial control of the institution.. I strongly oppose the measure, and hope the House will reject it on the second reading.

MR. WATTS (Katanning) [11.26]: It is my intention to support the measure introduced by the member for Greenough (Mr. Patrick). I am afraid that notwithstanding the Minister's very considerable knowledge of the affairs of those engaged in agriculture in Western Australia, the hon. gentleman in making the statement that there is now no complaint against the provisions of the Act has hardly made himself fully acquainted with the circumstances as they are. I do not think that there has been at any time during the period which has elapsed since the Agricultural Bank Act of 1934 was passed an absence of complaint regarding this particular Section 51. While there may be at the present time a little less clamour against it, I venture to suggest to the Minister that that is so not because dissatisfaction has ceased but because in recent months there have been other things of more importance for the consideration of those engaged in farming.

The Minister for Lands: You can always get some kind of proof if you seek it.

Mr. WATTS: Besides, after one has agitated and complained for a considerable period without any person in responsible office taking notice of the agitation and complaints, there comes a time when dissatisfaction grows a little less vocal. In those two reasons may be summed up the position as it stands today. Complaints are less vocal than they were, but are none the less definite proof and definitely sincere. I have no hesitation in saying that the provisions of Section 51 and the relative sections of the Agricultural Bank Act were improper at the time they were passed, and remain so today. I agree also for the same reason, which I shall explain presently, that the provisions of Section 37A of the amending Act passed some years before this Act were equally objectionable, save that they did not extend over so wide a field as Section 51 and the Act of 1934. All of those provisions, both Section 37A and Section 51, are in my view subject to the same objection: they have placed upon the farmers concerned a condition of their contract with the Agricultural Bank which was not placed there by agreement between the parties. Undoubtedly it was placed there by Act of Parliament; and if it were justified in that case, then it is justified in many other cases. Further, I have noticed—and I am not complaining about it—that the Legislature is not over-anxious to do the same thing in certain other matters. It was argued that Section 37A was passed eight or nine years ago, that this was done in order to prevent acquisition by some creditors without a proper distribution among all the creditors, and the only thing that Section 37A covered was crops grown by the farmer. Section 51, however, has placed a lien over the crop, the wool clip, the livestock, the increase in progeny, and also butter fat produce. Not only has it placed a lien in favour of the Bank in regard to one year's interest and readvances of interest that had been paid—which frequently makes more than one year's instalment due on the land—not only has it placed that lien in respect of all those things which are grown upon the property of a farmer that is mortgaged to the bank, but on any other property which the farmer has and on which rural industry is being carried out.

This lien seeks to cover not only the crops, livestock and wool grown upon the property actually mortgaged to the Bank, but also on land mortgaged to other parties altogether. My chief objection is, as I have said, that the Legislature has made a contract between the parties without the consent of one of them. I do not think that was in any way justified, and for that reason principally I have always been in favour of such an amendment as was moved by the member for Greenough. I would point out that the Discharged Soldiers' Settlement Act created a very general lien over the assets of the farmer who received advances as a discharged soldier settler; but when he obtained those advances he was acquainted with the fact that he would have to accept the land and the advances subject to those particular securities. The Industries Assistance Act contains similar provisions. The applicant who accepted advances from the Industries Assistance Board was well aware—or could have been well aware—that the board was entitled to certain very wide securities. But when an applicant borrowed money from the Agricultural Bank, as such, he signed a mortgage over his land and possibly a bill of sale over his livestock and plant if he received advances on them, and this placed the Agricultural Bank in exactly the same position as any other institution lending

money to a farmer on the same kind of security. I ask the House whether, if the proposal had come before the Government in 1934 to give the trading banks of this State additional security for the recovery of their annual interest by creating a statutory lien over the annual income of the farmer, would the Government of the day —or any Government—have agreed to give those banks that additional security? I contend—and I believe it would be borne out by the opinion of hon. members opposite—that the Government would have done no such thing. The Government falls back on the recommendations of the Royal Commissioners who inquired into the Agricultural Bank. It is admitted that in general terms the Royal Commissioners made a recommendation on the lines laid down in the Act. I venture to suggest, however, that many recommendations have been made by Royal Commissioners which have not been made the subject of legislative action by the Government of the day. Many Governments have had sound reasons for rejecting recommendations of Royal Commissioners, and I submit there was one very sound reason indeed why this recommendation should not have been given effect, namely, because the Agricultural Bank acquired a security by statute which it could not obtain by agreement.

The Minister has suggested that there was no interference by the Bank in the carrying on of the farmer's business. A divergence of opinion may exist between myself and the Minister as to the meaning of interference. The Minister may not regard as interference the fact that the farmer is obliged to submit to the Agricultural Bank every proposal regarding advances from stock firms on the security of his livestock. The Minister may also not regard as interference the fact that when a farmer receives one penny per bushel under the flour tax, that the Agricultural Bank manager should add to the note despatched with the cheque a memorandum to this effect: "The enclosed amount of £2 18s. 7d. had better be used by you in reduction of the account for timber which you bought recently from Messrs. Dalgety and Co." The purchase of the timber in that particular case had been arranged as part of a general advance on livestock, with the consent of the Commissioners of the Bank. I would further explain that under the Federal legislation, the flour tax bounty is not affected by any lien or charge which may otherwise affect the property of the farmer. Obviously, therefore, the Bank could not insist upon payment of the amount, small though it was. It might be larger in other cases. The Agricultural Bank could not insist upon the amount being applied to the purpose indicated; nevertheless, the suggestion was made, and why was it made if not to be acted upon? It was the express and considered opinion of the Bank that that small amount should be applied to the purpose that the Bank suggested; otherwise why was the suggestion made?

We find that in every case, whether the position of the farmer be good, bad or indifferent financially, so long as he has a liability to the Agricultural Bank, so long as he has a yearly interest bill to meet, every movement he makes towards obtaining advances on the security of his livestock or wool, to enable him to obtain necessary supplies to carry on, must be submitted to the Commissioners of the Agricultural Bank. Even should the farmer not be in arrears with his interest—provided that the current half-year's interest be not deemed arrears—he must still submit his proposals for seasonal advances to the Agricultural Bank. There are times—without going into further details, as the time is very late—when unquestionably interference takes place by reason of this section. Although it is not unlawful, it is unquestionably interference by the Commissioners and their officers in the affairs of persons engaged in farming. I admit that in some cases it is necessary to impose some restraint. I do not suggest for a moment that all persons engaged in agriculture are absolutely without need of restriction; but I submit the great majority of farmers can safely be trusted to deal with their affairs in a reasonable manner, and that if they have funds available they pay their way. But Section 51 of the Agricultural Bank Act takes no notice whatever of that fact. The farmer is an Agricultural Bank client, and so his name goes down in the annual lien book. If he delivers his wheat or other product to the person who has provided him with cash, then the Agricultural Bank contends that his name must be entered in the lien book.

The second part of the Bill deals with the the question of writing down by the Agricultural Bank. Of course, it aims at consistency

with the provisions of another Bill that has just left this House. It suggests to the Commissioners of the Agricultural Bank a basis of valuation, so that there may be consistency in all the valuations made by officers of the bank for the purpose of ascertaining whether a writing down of indebtedness should be made. In the past it has been very hard to ascertain exactly what method was used. It is believed that the method has been to take the unimproved valuation of the property as nearly as it can be ascertained, and add to it the value of the improvements that exist upon the property. In my opinion, that is not a correct way to arrive at the value today. The law of supply and demand is as dead as the dodo. The only persons buying farming properties are those who value the property according to what it will produce and who consider they can pay their way with the liability attached to the property, plus the cost of carrying it on. To my mind, there is no question that the proper way to value a property for these purposes is to value it on the basis of what it will produce. If anyone by any sound argument can controvert that statement, I am open to conviction, but I have gone very carefully into the question and cannot find any other reliable method at the present time which is used by any would-be purchaser of a farming property. Therefore, is it unreasonable in all the circumstances of the case to say to the Agricultural Bank that the method provided is the method which the Bank ought to adopt in carrying out the powers conferred upon it by Section 65 of the Act? I do not think it is. For those reasons, and without taking up any more time of the House, I propose to support the Bill.

On motion by Mr. Tonkin, debate adjourned.

BILL—FINANCIAL EMERGENCY TAX ASSESSMENT ACT AMENDMENT.

Council's Amendments.

Schedule of three amendments made by the Council now considered.

In Committee.

Mr. Marshall in the Chair; the Premier in charge of the Bill.

No. 1. Clause 3—In paragraph (i)—Delete the word "sixteen" in lines 10 and 11 and substitute the word "thirteen."

The PREMIER: I may explain that the effect of the Legislative Council's amendments is to make the Bill the same as that passed last year. The Bill as sent to the Council provided for an exemption of £216, and the Council proposes to reduce the exemption to £213. Similarly, when dealing with the basic wage exemption the Council reduced the amount from £4 3s. to £4 2s., thus bringing the Bill into line with the Act passed last year. I move—

That the amendment be not agreed to.

Question put and passed; the Council's amendment not agreed to.

No. 2. Clause 3—In paragraph (ii)—Delete the word "sixteen" in line 15 and substitute the word "thirteen."

The PREMIER: The Committee having disagreed with the previous amendment, I move—

That the amendment be not agreed to.

Question put and passed; the Council's amendment not agreed to.

No. 3. Clause 3—In paragraph (iii)—Delete the word "three" in line 19 and substitute the word "two."

The PREMIER: I move—

That the amendment be not agreed to.

Question put and passed; the Council's amendment not agreed to.

Resolutions reported and the report adopted.

A committee consisting of Mr. McDonald, the Minister for Works and the Premier drew up reasons for disagreeing to the Council's amendments.

Reasons adopted and a message accordingly returned to the Council.

MOTION—STORED WHEAT.

Select Committee's Recommendations.

MR. BOYLE (Avon) [11.50]: I move—

That in the opinion of this House the Government should give effect to the recommendations of the select committee appointed to inquire into the storage of wheat in Western Australia.

The recommendations were as follows:—

1. The committee recommends legislation to abolish the so-called warehousing or storage of wheat upon which advances are made.

2. The committee recommends the appointment of a Royal Commissioner, preferably Mr. S. Bennett, State Statistician, to inquire into the whole question of the foreclosure of stored wheat and its sale, either to the Australian Wheat Board or through other channels. Mr. Bennett was the Royal Commissioner who conducted a previous inquiry in 1934 into over-advances on stored wheat; or

3. We recommend that the Western Australian Government make representations to the Federal Government urging the appointment of Judge Paine, of South Australia, or any other competent authority, for the purpose of making an investigation into the whole question of the foreclosure on stored wheat and its sale either to the Australian Wheat Board or through other channels.

Members of the select committee, in making those recommendations, especially Nos. 2 and 3, were not fixed in their ideas. If the Government assured us that a suitable commissioner would be appointed to follow up this inquiry, we would be satisfied. The appointment of Judge Paine of South Australia was a second recommendation. The House has received the report and ordered it to be printed, and a promise I made on behalf of the committee that the expense would not be excessive has been borne out by facts. I doubt whether the expense of the whole inquiry will exceed £25, which is certainly on the cheap side for an inquiry involving what this one did. Had it cost £300, the money would have been well spent. The select committee certainly adopted an economical course by not calling witnesses indiscriminately. We had farmers' documents by the score and our witnesses were selected from those who could give material evidence. The complaints of farmers were based on the fact that wheat which had been stored under storage conditions and upon which advances had been made had been compulsorily foreclosed on. The system of handling wheat in Western Australia, and indeed in Australia generally, may be divided into four classes—(1) wheat that is sold outright to the merchants; (2) wheat placed with merchants on storage conditions upon which advances are made; (3) wheat upon which no advances are made and (4) wheat stored by the farmer himself with merchants. What the committee had to deal with was the wheat upon which advances had been made and which had been compulsorily foreclosed on by the merchants.

There is a feeling amongst farmers—and I think the committee found it was justified—that they had been, as it were, sold out. When the price of wheat had dropped to within 3d. of the 1s. a bushel that had been advanced, the merchants closed them out under the provisions of Clauses 3 and 4 of the storage agreement. I am referring to the 1938-39 season when merchants advanced not more than 1s. a bushel, or 50 per cent. of the opening price of wheat. The custom of the trade is to advance about 75 per cent. of the price. It must be patent to everyone that if the merchants in December and January last were prepared to advance only 50 per cent. of the value of the wheat, they knew the trend of the market during the coming period. In that case the advance of 1s. was most conservative. As I said, it was not more than 50 per cent. of the value of the wheat. One would imagine that a little consideration would have been shown, but when the price fell on the 20th July to within 3d. of the amount advanced, the merchants exercised to the full their legal powers under Clauses 3 and 4 of the storage agreement, and we had the spectacle from the 20th July to the 31st August of literally hundreds of thousands—I can even say millions—of bushels of wheat, being sold and foreclosed on by the merchants. That is what caused the heart-burning amongst the wheatgrowers who had stored their wheat and received advances.

When the war broke out on the 3rd September, and when the Imperial Government bought at a price equivalent to 21s. 3d. Australian f.o.b. 100,000 tons of wheat in Western Australia, the farmers considered themselves very badly treated at having received only 1s. 1 1-3d. a bushel—this applied to several million bushels—as the price paid by the Imperial Government represented 2s. 8d. a bushel f.o.b. I should like to give members the history of the case. I did not expect to have to speak tonight, but my having to do so will not lessen the somewhat marathon effort I must make. The Government has brought this upon itself, so to speak. Going back to a newspaper report of the 14th September we find the following statement telegraphed from Canberra—

Drastic action involving the suspension of many recent sales contracts is being considered by the Federal Government to check speculating in wheat and to protect farmers who have sold wheat to speculators since the outbreak

of the war. The Government has been informed that, in the last three days, many farmers have been induced to sell their wheat to speculators at prices as low as 1/4 a bushel at country sidings. This is at least 6d. a bushel below the prevailing world price.

Federal Ministers take a grave view of efforts by speculators to capitalise the present world crisis, and they regard these activities as being analagous to those of profiteers in commodities. It has accordingly been decided to set up a tribunal, which will probably be under the chairmanship of a Supreme Court Judge, and farmers may appeal to this tribunal to examine any contracts they have made for the sale of their wheat since the outbreak of the war. If the tribunal finds that the purchase was speculative in character and at an unfairly low price, it will be empowered to set aside the contract or to order some other adjustment which will insure fair treatment for the wheatgrower.

On the 16th September, we were told in an official message from Canberra that, notwithstanding the strong representations made in the House of Representatives, it was unlikely that the first payment to farmers in respect of wheat received by the pool would exceed 1s. a bushel. The statement continues —

This amount will be supplemented by additional progress payments during the selling season. The amount of the first payment is likely to be limited to 1s. because of the difficulty of immediately disposing of a large part of the crop. Apart from the ordinary marketing and shipping difficulties which would arise, immediate disposal of a large part of the crop would probably react against growers because it is expected that there will be a tendency for a rise in price on sales made later in the selling season. Arrangements for the disposal of the first quota of the harvest are already in hand and will probably be completed in about three weeks.

On the 21st September, the Minister for Commerce, Senator McLeay, in a statement regarding the Federal Wheat Pool and the acquisition of crops said—

Following this decision, the ordinary trade channels would operate until the end of October. This will enable farmers and others who have interests in wheat from the last harvest to secure current prices. All old wheat, however, will be acquired by the 1st November.

There was a special position in Western Australia and South Australia where there were large stocks in excess of milling requirements which must be removed before the coming crop had been harvested. To facilitate selling and shipping, the pool would acquire stocks of wheat in those States as soon as circumstances warranted. In Western Australia acquisition would take place at once. In New South Wales and Victoria immediate acquisition was not contemplated, but circumstances might arise which would warrant acquisition at short notice, and appropriate action would then be taken.

On the 26th September, a further telegram was despatched, in which the following appeared:—

Federal approval was given today to the South Australian advisory committee which will advise the Australian Wheat Board on conditions in that State when the control of wheat sales during the war is being considered. Judge H. K. Paine, of South Australia, will adjudicate on a Commonwealth tribunal set up to hear appeals.

I pointed out to the House that Judge Paine, nothwithstanding that intimation, was not appointed. To most of us it is a mystery why Judge Paine was not appointed. I may advance the suggestion that he was not appointed for the simple reason that the gentlemen I shall mention were chosen by the Menzies Government under Statutory Rule 96 under the National Securities Act to become members of the Wheat Acquisition Board of Australia. I shall recite the names of those gentlemen, and I shall ask the House to bear in mind that the select committee had discussions with, and had examined, the representatives of the very men that had foreclosed on the wheat belonging to the farmers of Western Australia. The witnessess represented firms, the principals of which were members of the Australian Wheat Acquisition Board that acquired wheat at fixed prices. That seems to me a most extraordinary position and one bordering on the scandalous. The personnel of the board appointed by the Commonwealth Government is as follows:—

Mr. Clive McPherson (Commonwealth nominee and chairman), Mr. H. G. Darling, of John Darling & Son, Mr. J. S. Cameron, of Louis Dreyfus & Co., Mr. R. C. Tilt (representing the Victorian Wheatgrowers Corporation), Mr. J. S. Teasdale (representing the Western Australian Wheat Pool), Mr. G. Walker, of Lindley Walker Wheat Co., Ltd., Mr. R. Hamblin, of the New South Wales Farmers and Graziers' Co-op. Company, and Messrs. E. E. Field, of New South Wales, and D. L. Clarke, of South Australia (representing the wheatgrowers).

That is the board that has power compulsorily to acquire wheat under most drastic conditions. The board is authorised to utilise the services of police officers in the various States in the acquiring of wheat.

The farmers are compelled to deliver their wheat to the board. Yet the select committee found that these very men, some of whom are on the board, were representatives of firms from whom we were endeavouring to get information as to the price they paid to the farmers for their wheat. When the board was appointed, a most pessimistic attitude was adopted by the merchants' representatives. We were told that the price would not be more than 1s. a bushel and that there would be the utmost difficulty in securing a price for our wheat. Within one week of the deliberations of the select committee ceasing, we found that the first advance on wheat in the No. 1 Pool amounted to 1s. 4d. a bushel. The joke of it all—if one can find humour in the consideration of such a sorry business—is that the telegram set out that the merchants would distribute the money to the growers immediately. Considering that the amount of wheat held by growers would not represent 20 per cent. of the whole, it meant that the merchants on the Australian Wheat Board, in making such a disposition, distributed the money amongst themselves. Under that heading £277,000 was distributed in South Australia and I believe about £300,000 in Western Australia. I doubt if 20 per cent. of that amount reached the farmers, most of whom had been squeezed out of the market. As a matter of fact, the farmers who had suffered foreclosure received none of that money. At the present time the position as I see it is that the committee found that the merchant's figures were absolutely accurate, and they disclosed that the average price for the wheat that had been foreclosed on worked out at about 1s. 1¼d. per bushel, whereas on the first advance from the board the merchants received 1s. 4d. a bushel, and so already have made 2 2-3d. per bushel. Members must bear in mind that the transaction is not yet finished. In my opinion—the select committee could not arrive at definite figures because finality had not been reached—the merchants will receive another 6d. or 7d. per bushel. Now, according to a telegram received by the committee from the Australian Wheat Board we find that 2,750,000 bushels of wheat were acquired in Western Australia. If we take the quantity of wheat that was compulsorily acquired by the wheat merchants of this State and take that at 2,000,000 bushels—which would not be an exaggeration—we find that the wheatgrowers who produced the wheat have lost £200,000, while the merchants who compulsorily acquired the wheat and sold it, made a profit of not less than £75,000. Those figures alone would justify the inquiry held by the select committee and would justify the Government in appointing a Royal Commission to further investigate the system of what amounts to war profiteering that has been indulged in.

The Minister for Agriculture: But you could not secure evidence to substantiate that charge.

Mr. BOYLE: Yes, we had the evidence on our files, and I am sure the select committee would be pleased to place those figures at the disposal of the Government. What is required is some authority that would not be restricted in its inquiries, as the members of the select committee were. We suffered all the restrictions of a Parliamentary select committee, and we were granted, by the grace of this House, one extension of time for the consideration of our report. The select committee could only come to the conclusion on the evidence tendered mainly by the merchants themselves, although a mass of material from the farmers was also before us, that not less than 2,000,000 bushels had been affected by the compulsory foreclosure. Then again, according to a statement appearing in the Press, the accuracy of which we have no reason to doubt, we find the merchants have received an advance of 1s. 4d. clear. There are no deductions from that amount at all. The advance was at 2s., and, as I have already pointed out, over £250,000 in South Australia and £300,000 in Western Australia represented sums involved in the first payment by the Wheat Board. Those figures go to prove my statements.

Without desiring to weary the House, I wish to refer to certain other matters that cropped up. It was alleged in certain quarters that the select committee deferred to another select committee that was engaged upon another inquiry. That statement was a mere figment of the imagination. The committee found it necessary to hold up proceedings now and again. As any member of this House who does not

happen to be an idiot must know, the members of the select committee could not hold a meeting and find all the evidence flowing in to them. Every merchant had to be told what the committee wanted. We had to procure from the farmers documents that were necessary, and that all took time. We had to send three questionnaires to merchants to obtain some progressive idea of their dealings in wheat. Then again, we encountered delays from time to time, while we collated the evidence. That we deferred our proceedings in favour of another inquiry was nothing but a malicious suggestion. However, the members of the select committee decided to take no notice of that statement, but I wish to emphasise the fact that nothing of the sort happened. I think a good case has been made out in support of the committee's recommendations.

Now I come to what may be described as the climax. A further telegram, under date the 31st October, appeared in the Press regarding a statement by the Minister for Commerce, Senator McLeay, and this read—

Referring today to the question of the disposal of the Australian wheat crop, the Minister for Commerce, Senator McLeay, said that wheat acquired from the 1938-39 harvest, would be approximately 17,000,000 bushels, the greater portion of which was owned by merchants and millers.

Members will notice that there is no reference there to wheatgrowers. They have been squeezed out of the market. The telegram continues—

Of the wheat thus acquired, 10,000,000 bushels had been sold to the United Kingdom Government. This included an order for 50,000 tons of flour. It was further estimated that 5,500,000 bushels from the old crop would be required by the millers for home consumption up to the 31st December.

Wheat was not compulsorily acquired from the millers. If the millers had made an advance on the wheat, that wheat was left in store, and there is no doubt that the millers got very cheap supplies. There was no compulsory acquisition for them. Certainly, from the 3rd September—I will not insinuate that the date was influenced by the appointment of the board—the firms did make up the price by 6d. a bushel from 1s. 4d. to about 1s. 9d. or 1s. 10d. That did apply to some 120,000 bushels of wheat, and so the total amount involved would not be more than £3,000. The telegram continues—

The price received for sales to date was approximately 2s. 8d. a bushel f.o.b. This price was 1s. more than the average price ruling immediately prior to the outbreak of war. An important feature in these transactions was that the heavily-increased freight and war-risk insurance were being paid for by the buyer.

Members will thus see that merchants were not being required to meet that expenditure. For the first time, their freight and war-risk insurance were paid by the buyer, which was the Imperial Government; so the resultant profit to the merchants was that much better. The statement continues—

The returns from the sales of the 1938-39 crop, it was estimated, would be augmented by the flour tax to the amount of approximately 5d. a bushel.

The committee was well justified in making its recommendations, and I repeat that thousands of wheatgrowers—I estimate the figure to be somewhere near 3,000—have certainly not received a fair deal. From the 20th July, when wheat fell to 1s. 2¼d., a perfect crusade of closing-out by merchants set in. We had instances of wires and letters being sent out, and—in some cases—of no warning at all being given when wheat went to 1s. 1d. According to our wire from the Australian Wheat Board, 2,750,000 bushels of wheat were acquired from the wheat interests—the farmers and merchants of Western Australia; and that figure was not complete. When I say that a farmer who received an advance obtained an average of 1s. 1¼d., it is obvious that on at least 2,000,000 bushels the merchants had a first-class holiday at the expense of the farmers. The one reply we received from the merchants was that they could not tell us what the wheat had realised. They were right to the extent that under statutory rules each claim was a claim for compensation. Each farmer and merchant had to put in a claim to the board not for a price for his wheat but to be compensated for the acquisition of his wheat. But that was a legal requirement. The merchants knew as well as we that the f.o.b. price was 2s. 8d. per bushel: they knew exactly what they had to pay out of that, and that their price would not be less than 2s. a bushel. So I am confident that the average profit made by the merchants would not be less than 9d. a bushel. The committee is not absolutely tied to the recommendations it made, but I am sure I can speak for the commit-

tee when I say that all the members are prepared to meet the Government if it will promise a Royal Commission in Western Australia. We think it would be an act of justice to thousands of men who consider they have been robbed. The outbreak of war has undoubtedly resulted in a big profit to the buyers, to the practical ruination of several thousand wheatgrowers.

THE MINISTER FOR LANDS (Hon. F. J. S. Wise—Gascoyne) [12.19]: I carefully read the report of the select committee and have listened attentively to the hon. member submitting his case in support of the motion. I am interested in the statement that the committee is not tied to the printed recommendations, for it is obvious when one reads the recommendations that if the Government were disposed to appoint a Royal Commissioner to inquire further into the matter, two of the recommendations would come within the scope of the third, and would not be necessary. The Government is extremely concerned when allegations such as have been made are submitted for its consideration. The hon. member has alleged that a more or less wholesale robbery of the wheatgrowers has been perpetrated by persons handling warrants at the outbreak of the war. We are not at all in sympathy with methods that would be conducive to the exploitation of the growers in this manner. It may or may not be necessary to abolish the so-called storage of wheat system under which advances are made; but the Government is of the opinion that further investigations might well be agreed to by this House and subsequently approved by the Government so that the inquiry that has been begun could be continued and a definite conclusion reached.

I do not consider that the Government is under any obligation to agree to recommendation No. 3 which appears to be an alternative recommendation involving the bringing of a judge from another State to inquire into this matter. I submit that within this State we have men equally competent with the one recommended by the select committee in recommendation No. 3. Again it may suit the Government and the purpose of this inquiry not to appoint the person recommended in the second recommendation of the committee. The committee should be satisfied to leave the method of procedure for the determination of the Government. I have no objection to the sentiment or the spirit of the recommendations and imagine that the adoption of the second recommendation could be the means of bringing the inquiry to a successful conclusion. I have no intention of opposing the recommendation but feel that it must be left to the Government to implement that recommendation as it thinks fit.

MR. BOYLE (Avon—in reply) [12.24]: I thank the Minister for the cordial reception given to the work of the select committee. I feel sure I can pledge the committee to agree to the suggestions he has made. On investigation, the Government, I am positive, will find a full inquiry into the whole matter well merited.

Question put and and passed.

DISCHARGE OF ORDER.

On motion by Mr. Doney, the Escheat Ordinance Amendment Bill was discharged from the notice paper.

MOTION—ECONOMIC PROBLEMS.

Commonwealth Bank and National Credit.

Debate resumed from the 22nd November on the following motion by Mr. Marshall (Murchison):—

> In view of the deplorable state of our primary industries and the ever-increasing poverty and unemployment in our midst side by side with ever-increasing taxation, thus strangling the activities of Governments, industry, and individuals alike, this House is of the opinion that the Commonwealth Bank should be made to function in the interests of the welfare of the people of the Commonwealth by using the national credit of the country debt-free for defence and other national purposes.

to which Mr. North (Claremont) had moved an amendment—

> That the word "debt-free" be struck out.

MR. NORTH (Claremont) [12.29]: I wish to ask for leave to withdraw the amendment. I do so on the ground——

Mr. SPEAKER: The hon. member is not in order in making a speech.

Amendment, by leave withdrawn.

MR. BOYLE (Avon) [12.30]: I move an amendment—

That all the words after "midst" in line 3 of the motion be struck out and the following inserted in lieu:—"the National credit of the Commonwealth should be used in the interests of defence, the primary industries and the general welfare of the people of Australia."

In moving the motion, the member for Murchison (Mr. Marshall) said that a similar motion has been agreed to by the Legislative Assembly of Tasmania and by the South Australian Parliament. Everything depends on one's idea of similarity. The motion moved by the hon. member was not, to my way of thinking, at all similar to the resolutions agreed to by the other Legislatures. The motion moved here was one of the hon. member's own construction and was four times as lengthy as that which went through the South Australian House of Assembly by 17 votes to 13. All hon. members received a copy of a speech by Mr. MacGillivray, M.P., in the South Australian Parliament, a speech referred to as historic. I did not know that a speech could be deemed to be historic until some time after its delivery; but this one certainly led to the carrying of that particular motion. By courtesy of the Electoral Campaign for Debt-Free Credit, of 81 Barrack-street, Perth, I received a copy of that speech which was ably handled and formed the basis of an excellent discourse by the member for Murchison in this Chamber. He quoted Ruskin, too, which just goes to show how great minds move along parallel lines. Ruskin is referred to in this speech, as well as "boiling in oil for manipulators of currency." The hon. member did not refer to the fact that modern manipulators of currency need not fear boiling oil. What they get is a reward in wealth and munificence. Why the hon. member departed from the wording of the original motion I do not understand. Under present financial control there is no question but that money is deliberately kept scarce. The manipulators of the money market treat money in the same way as other people treat commodities. If producers can keep commodities scarce they can rely upon getting a better price for them. The same thing applies to the modern manipulators of money, the bankers and financial houses. Their position is ideal. I speak with a certain amount of authority on the primary industries of this State in particular and of Australia in general. Our primary industries have been developed on loan money at an exorbitant rate of interest, a rate that the community engaged in agriculture cannot bear. The Agricultural Bank has advanced £14,000,000 to the agriculturists, private banks £9,000,000, and others in Western Australia £3,000,000. The total of these advances in this State is £26,000,000 on the secured debt side, and according to the Dixon Commission of 1931 the total debt of the agriculturalists would be £32,000,000. The £26,000,000 has carried an exorbitant rate of interest, a rate out of all proportion to the services rendered. I remember when the Agricultural Bank rate was as high as 7 per cent., and the overdraft rate of Associated Banks was 8 per cent. This resulted in a load of debt being built up that the agriculturists find very difficult to carry. The annual interest bill in the wheat belt for 9,000 farmers would be not less than £1,125,000. The average value of the wheat crop marketed at 3s. a bushel—it has not been that price for a long time—would absorb its own value to the extent of 22 per cent. in the payment of interest alone. That is an impossible position. I do not wonder that the farmers are turning desperately to any scheme that will bring relief, and that they turn to every charlatan who goes amongst them and is able to tell them a tale. No wonder there are people willing to listen to false prophets. The extent of their credulity is generally measured by the extent of their desperation. That is why repeatedly in this House I have spoken on this question. In 1931 the organisation of which I was president convened a meeting in Perth. That was attended by representatives of 14 organisations. We had the honour of the company of Mr. John Curtin, representing the Australian Labour Party. The idea of monetary reform was not born yesterday or the day before. It has been found amongst earnest thinkers who are not interested for personal reasons except that they have themselves been sufferers. I have suffered by the rotten financial system that we have in my endeavour to pioneer and play my part in the agricultural development of the State. I found that the dice were loaded against me, that I did not stand a chance from the beginning. That is why I am standing up in this House tonight.

Every session I have stood up and protested against the present lack of system. We want something that will build up, that will not destroy. Another war is unfortunately upon us. Sir Reginald McKenna, Liberal Chancellor of the Exchequer during 1915-16, a member of the House of Commons in 1905 to 1918, and later chairman of the Midland Bank, pointed out that in 1914 the total amount of currency in the banks of Great Britain was £75,000,000, and that the total currency and bank deposits amounted in the year 1914 to £1,070,000,000. Nevertheless, he said, during the war period £5,800,000,000 were found with which to carry on military and naval operations. In 1928 Great Britain reinstituted the gold standard, which had been dropped during the war period. Thus commenced a cold and calculated period of deflation. Deflation has been termed the bankers' stocktaking, and so it is. I did not hear, from the beginning of the depression in Australia, of the bankruptcy of any bank or financial institution. I admit the Primary Producers' Bank went out of existence: it owed its demise largely to the fact that it was not admitted to the charmed circle of banking. Sir Reginald McKenna pointed out that deflation cannot be moderate; that it must go the whole hog. In 1928 he declared that the deflation that was aimed at by the banking authorities would bring about a period of financial and business stagnation hitherto unknown in the world. We know now that is true. In 1928, in his lectures, he drew attention to the fact that financial authorities were endeavouring to bring about a period of deflation. The gold standard was re-introduced by Mr. Winston Churchill, and that led to a period of stagnation and depression. It was deliberate deflation.

Mr. North: It was not deliberate. He was acting on the advice of experts.

Mr. BOYLE: I think it was a deliberate attempt by financial institutions to take stock. This year we shall have a Federal expenditure on defence alone of £61,000,000. At 3½ per cent. that will mean another £2,000,000 annually for interest, and that will go on for heaven knows how long. The last war and the aftermath of that war cost us about £1,200,000,000.

The Premier: Cut it down by half.

Mr. Hughes: Call it £800,000,000.

Mr. BOYLE: Suppose we say £700,000,000. The figure is only a lead up to what this war will cost.

Mr. Hughes: What is £100,000,000?

Mr. BOYLE: At one time in this House a Minister said, "What is £1,000,000?" In war time it is "What is £100,000,000?" If money is wanted for the alleviation of farmers' distress it is "What is £1,000?" If it is money that is required for education the expression is, "What is £200?" Everything is progressive—downwards!

Mr. Thorn: Declare the war off!

Mr. BOYLE: It has to be fought and won. Are we going to be placed in the same position as the result of this war as that in which we found ourselves in the last war? That war from Commonwealth revenue for repatriation, war pensions, etc., cost from 1914 to 1938 £190,000,000. That includes £27,000,000 for repatriation. The interest and sinking fund on war loans and peace loans amounted to £343,000,000. Commonwealth revenue to the extent of £190,000,000 was spent on the purposes to which I have referred, while the bondholder received £343,000,000 and, like "Johnny Walker," is still going strong. It is difficult to see why the hon. member should interfere with the resolution passed at least by one House in South Australia. I have no intention of finding fault with what the mover of the motion did, but wish to keep uniformity of ideas before the people. If States like Tasmania, Victoria and Western Australia pass motions such as this through their legislatures, I wish them to be uniform. Mr. MacGillivray is to be complimented on the clarity of the motion he sponsored through the South Australian Parliament. His speech is worth reading. Why the motion has been altered for presentation to this Parliament, I do not know. I make no apology for trying to correct the mistake that was made because I want uniformity, unanimity and results. I hope my amendment will be agreed to.

Amendment (to strike out words) put and passed.

MR. BERRY (Irwin-Moore) [12.44]: I have followed closely the speeches on this motion, and would like to see certain words added to it. I therefore move—

That the amendment be amended by adding the following words:—"by and through the Commonwealth Bank without inflation."

Mr. Needham: Put a Labour Government in charge of the Commonwealth and you will get what you want.

Mr. BERRY: The South Australian Parliament has passed a resolution reading—

> That the National credit of the Commonwealth should be used in the interest of defence, the primary industries, and the general welfare of the people of Australia.

While it may be inferred from the original motion that the intention is to handle the situation through the Commonwealth Bank, the motion does not make that quite clear. Besides, there is always the bogey of inflation, which this amendment sets at rest. I do not wish to reiterate, but I feel that the time is bound to come when we must definitely take the economic bull by the horns and throw him out of the economic china shop. The debt position has gone from bad to worse. When I spoke about it earlier in the session, the member for Nedlands (Hon. N. Keenan) by inference suggested that perhaps when I knew what I was talking about I would be a valuable member of the House. I contend that the only mistake I made at that time was when I drew a parallel for the House, stating that for our debts we should in future need a 10-acre paddock in place of a ledger. I claim I should then have said a 1,000-acre paddock. Things seem to be steadily going from bad to worse. If I may be permitted, I will read a few figures. With regard to Australia I may quote these—

> In 1860 the National debt was £12,000,000; today it is one hundred times as great, yet the population is only four times as great.

That is pretty significant. Reference may be made to the expenditure now taking place in connection with the European war. In the Press a few days ago I read the astounding statement that the European situation was costing Britain £6,000,000 per day, or increasing at the rate of £70 per second. Working it out at four per cent. interest, every time a second ticks off on the clock the war costs us about £2 10s. in interest. The position is ghastly and terrifying. There is no need to stress the sufferings of the people through increasing poverty. That aspect has been flogged from pillar to post, and is so generally hackneyed. I pass from it. We cannot without disaster go on raising money as we raised it before. Most people are becoming so affected by the situation that there is much talk of repudiation in connection with debt and interest. It behoves us of this Chamber to do our utmost to ensure that the state of affairs shall be remedied. Unless it is remedied, there can be nothing ahead of us but disaster. Every problem we face, everything we ask for, is wrapped up in the question of money. If we in the rural districts want a school, we cannot have it because the State cannot afford it. Yet the assets of the country are such that the school can be afforded by the State and that we should have it.

There has been a good deal of quotation in connection with this matter so I do not think I should be far wrong in offering a very few excerpts. A deputation that waited upon Sir Denison Miller, the first Governor of the Commonwealth Bank, was assured by him that he had raised an amount of £365,000,000 on behalf of Australia for the war; and being asked whether he could do that for peace time propositions he replied, "I can do so if it is the wish of the people." Now, if that can be done it should be done. The time has arrived when we must make up our minds definitely whether we are going to sit by and see a rotten system destroy our standard of living, or whether we will back up this motion, which I hope will be carried by every Legislature in Australia and by every local governing body in Australia as well, so that the Commonwealth may be compelled to do the right and proper thing—equate production with purchasing power. We have seen inflation in Germany and deflation in our own land. Neither of those expedients is much good. What is needed is a middle course. I repeat, we do not want inflation.

Before sitting down I want to make it clear—not having made it clear when I spoke on the subject previously—that not in any way am I suggesting that we should take any action which would prejudice our chances of winning the war. Actually I believe that by adopting a motion of this kind we would make the war easier to win by our people and, in addition, bring about a better peace. After the last war we did not get peace. One man wittily suggested that peace is only the interval between wars. The last war might never have occurred if there had not been private control of finance both internationally and at Home. I reiterate what I said on a previous occasion, that in my opinion the present war

would not have come about in this year of 1939 had the control of international credit been in the hands of responsible Governments and not in the hands of voracious grabbers—because that is the actual position to-day. Any member who has travelled the world will realise that what I say is the truth. Therefore it behoves this House to support the motion and to do everything in its power to ensure that every other Parliament and every local-governing body supports it too, so that finally we can know that we have now true peace.

On motion by the Premier, debate adjourned.

Sitting suspended from 12.52 to 1 a.m.

BILL—FINANCIAL EMERGENCY TAX ASSESSMENT ACT AMENDMENT.

Council's Request for Conference.

Message from the Council received and read requesting a conference on the amendments insisted on by the Council, and notifying that it had appointed the Chief Secretary, Hon. C. F. Baxter and Hon. J. Nicholson as managers for the Council.

The PREMIER: I move—

That the Council's request for a conference be agreed to, that the managers for the Assembly be the Minister for Works, Mr. McDonald and the mover, and that the conference be held in the Speaker's room at 5 p.m. today (Wednesday).

Question put and passed, and a message accordingly returned to the Council.

House adjourned at 1.5 a.m. (Wednesday).

Legislative Council,

Wednesday, 6th December, 1939.

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The PRESIDENT took the Chair at 4.30 p.m., and read prayers.

QUESTION—YOUTH EMPLOYMENT.

Training of Unskilled Workers.

Hon. A. THOMSON asked the Chief Secretary: 1, Is the Government aware that the Defence Department is calling applications from unskilled youths to become skilled tradesmen under their training scheme, and that the successful applicants have to go East to complete their training? 2, What steps (if any) has the Government taken to provide for similar training in this State? 3, Will the Government make representation to the Defence Department that it is the considered opinion in Western Australia that our unskilled youths should have the opportunity of becoming skilled workers in Western Australia and indicate in what manner it will assist?

The CHIEF SECRETARY replied: 1, Yes. 2, The initial meeting of the Committee is to be held in Sydney on the 8th instant. Mr. P. A. Wood, Industrial Registrar, is attending this meeting on behalf of this State. At present successful applicants as tool sharpeners must proceed to the Eastern States for training. Others