Legislative Council,

Wednesday, 1th December, 1940.

	PAGE.
Assent to Bills	2481
Questions: Railways, drought relief concessions	2481
Builders registration Act, number of registrations	
	2481
Bills: Street Collections (Regulation), Com. report,	Later
	2481
Industries Assistance Act Amendment, all stages	
Escheat (Procedure), all stages	2505
Appropriation, 18	2508
Municipal Corporations Act Amendment, As-	
sembly's Message	2508
Sale of Land (Vendors' Obligations), Assembly's	
anundments	2508
Builders Registration Act Amendment, As-	
sembly's Message	2509
Growers Charge, 1R.	2509
Loan, £1,730,000, 2R., etc.	
Eschent (Procedure), Assembly's Message	
Sale of Land (Vendors' Obligations), Assembly's	
Mesage	2517
Profiteering Prevention Act Amendment (No. 2),	
2r., defeated	2518
Electoral Act Amendment (No. 3), 2n., etc.	2524
Commonwealth Oil Refinerles, Limited (Private),	
211., etc.	2525
Resolution: Companies Bill, to inquire by Joint	
	2517
Select Committee	

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

ASSENT TO BILLS.

Message from the Lieut.-Governor received and read notifying assent to the following Bills:---

- 1, Financial Emergency Act Amendment.
- 2, Mortgagees' Rights Restriction Act Continuance.
- 3. Industries Assistance Act Continuance.
- 4, Tramways Purchase Act Amendment.
- 5, Lotteries (Control) Act Ameudment.

QUESTION—RAILWAYS, DROUGHT RELIEF CONCESSIONS.

Hon. H. L. ROCHE asked the Chief Secretary: 1, Will rail freight concessions for the removal of livestock from drought-affected areas be given to farmers irrespective of their financial position? 2, If not, is it the intention of the Government to confine such relief to those who are regarded as indigent? 3, If so, how is this policy justified?

The CHIEF SECRETARY replied: 1, Yes. 2 and 3, Answered by 1.

QUESTION—BUILDERS REGISTRA-TION ACT.

Number of Registrations.

Hon. W. J. MANN asked the Chief Secretary: 1, What are the names of the persons registered as builders under the Builders Registration Act, 1939? 2, How many applications for registration were refused, and what were the reasons for the refusal? 3, What is the number of applications for registration received, but not finalised?

The CHIEF SECRETARY replied: 1, Over 350 builders have been registered but a list has not yet been printed. The list, in accordance with the provisions of the Act, will be published before the end of February next. If, in the meantime, Mr. Mann desires to inspect the list, this could be done on application to the Builders Registration Board. 2 and 3, The information asked for is not readily available, and could only be obtained by a complete search of the records of the board. This would take a considerable time.

LEAVE OF ABSENCE.

On motion by Hon. J. M. Macfarlane, leave of absence for six consecutive sittings granted to Hon. J. A. Dimmitt (Metropolitan-Suburban) on the ground of ill-health.

BILL—STREET COLLECTIONS (REGULATION).

In Committee.

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 1-agreed to.

Clause 2-Interpretation.

The CHIEF SECRETARY: Since we last discussed the Bill, I have given consideration to points raised by members against some of its provisions. The most important point was that mentioned by Mr. Nicholson, who drew attention to the effect the word "place" might have on Clause 3. I am prepared to have Clause 3 amended by the deletion of the words "or place," in which event the Bill would apply only to street collections. I hope the Chairman does not mind my making this explanation, which might simplify matters. The point raised

by Sir Hal Colebatch will be adequately met by the insertion of the word "similar" in the interpretation of the word "collection." The interpretation would then read—

"Collection" includes the soliciting of funds or contributions and the selling or offering for sale of any button, badge, token or other similar thing for the purpose of raising funds or contributious.

By the deletion of the words "or place" in Clause 3 a shop would not come within the scope of the Bill. As I have before stated we have nothing to guide us in relation to legislation of this kind and if, after having given it a trial, we find there is need for an amendment to the measure, a Bill can be introduced for that purpose. In the meantime, I can give an assurance that the legislation will be administered in a commonsense way. I move an amendment—

That in line 3 of the definition of "collection," after the word "other" the word "similar" be inserted.

Amendment put and passed; the clause, as amended, agreed to.

Clause 3—No collection in the metropolitan area except by permission of the Chief Secretary:

The CHIEF SECRETARY: I move an amendment—

That in line 3 the words "or place" be struck out.

Amendment put and passed; the clause, as amended, agreed to.

Clause 4--Permit as prescribed may be granted:

Hon. Sir HAL COLEBATCH: amendments moved by the Chief Secretary meet the case entirely. However, this morning I had conversations with very prominent men concerned in the raising of money for Red Cross and other charities and they suggested that the number of days in respeet of which permits may be granted should be increased from 50 to 75. pointed out that the Bill covers the entire metropolitan area and that no great harm could result from such an increase because the granting of permits will be entirely at the discretion of the Minister. They also pointed out that street collections constitute direct giving and generally speaking, are carried out without any expense and result in the raising of a considerable sum of money in the form of shillings that people do not miss. I move an amendment-

That in line 7 of Subclause (1) the word "fifty" be struck out with the view of inserting the words "seventy-five" in lieu.

The CHIEF SECRETARY: As I have said before, I am not wedded to the number 50, although I think 50 days should be sufficient. However, there may be some strength in the suggestion made by the hon, member, that the legislation is to apply to the whole metropolitan area. A street collection might be desired for Fremantle and if such a collection were authorised it would count as one of the 50. Thus it is possible to visualise a stage at which at a particular time of the year the whole 50 days had been exhausted by virtue of a few sectional street collec-I have no strong objection to the tions. amendment.

Hon. J. NICHOLSON: I have also inquired into this matter and this morning spoke to two people prominently connected with patriotic work, namely, Mr. R. O. Law, President of the Camp Comforts Fund, and Mr. S. W. Perry, who did such wonderful work in connection with the Patriotic Queen Carnival. In view of the fact that this limitation of 50 applies to the whole of the metropolitan area defined in the Traffic Act. I secured a copy of the Traffic Act regulations and found that that area embraces the metropolitan and metropolitan-suburban districts from Midland Junction and Armadale to Fremantle. The area is so huge that it is quite possible applications will be made for permits for collections at each of the centres I have mentioned, and other places as well. There might quite easily be a dozen such collections in one day, and if there were 12 collections that would be 12One district might have a particular object of its own for which to collect money, and a permit might granted to it for that purpose. people elsewhere in the metropolitan area might want a permit for another date. all the circumstances I would prefer leave the matter to the discretion of the Chief Secretary, than to see the proviso struck out.

Hon. G. Fraser: That is a new line for you to take up.

Hon. W. J. Mann: Why put all that responsibility upon the shoulders of the Minister?

Hon. J. NICHOLSON: I see no objection to that course being followed.

Hon. G. Fraser: As a rule you like to see everything laid down hard and fast.

Hon. J. NICHOLSON: I would prefer to leave the matter in the hands of the Minister. Perhaps Sir Hal Colebatch would withdraw his amendment with that object in view.

Hon. Sir HAL COLEBATCH: I would have no objection to withdrawing my amendment so that the Committee might express its opinion on the point raised by Mr. Nicholson. There is a good deal to be said in favour of fixing the number of collection days, so that the public may understand that this sort of thing cannot be carried on indefinitely. If appeals were held in different parts of the metropolitan area on one day, everything would be covered by a single permit.

Hon. J. J. HOLMES: This measure will not terminate with the end of the war. It would, therefore, be dangerous to give any Minister the right to declare as many collection days as he thought fit. For his own sake, the position should be defined, otherwise he may be inundated with requests for permits.

Hon, G. FRASER: Generally speaking, I am prepared to leave matters of this kind to the discretion of the Minister, whereas Mr. Nicholson usually takes the other view. On this occasion I want Parliament to fix the number of dates allowed for collections, but Mr. Nicholson desires the matter to be left to the Minister. The number of collections set out in the clause is fair enough, and works out at nearly one permit day per week throughout the year.

Hon. H. S. W. PARKER: I support the amendment. Some districts may prefer to have their collections on Wednesdays and others on Fridays, and that may lead to many more requests for permits being made than the number provided in the clause.

Amendment (to strike out words) put and passed.

The CHAIRMAN: The second part of the amendment moved by Sir Hal Colebatch provided for the insertion of the words "seventy-five." I will accept amendments for any figure between 50 and 75.

The HONORARY MINISTER: I move an amendment-

That the words "fifty-two" be inserted in lieu of the words struck out.

The general experience of committees collecting in Perth is that it would be a fatal mistake to increase the number of permits beyond one per week. To do so would result in decreased collections. These committees usually work together, and the particular cause in which they are interested is taken up throughout the metropolitan area at the one time.

Amendment put and negatived.

Hon. G. FRASER: I move an amendment—

That the word "sixty" be inserted.

Amendment put and passed; the Clause, as amended, agreed to.

Clauses 5 to 9, Title—agreed to.

Bill reported with amendments and the report adopted.

Third Reading.

Bill read a third time and transmitted tothe Assembly.

BILL—INDUSTRIES ASSISTANCE ACT AMENDMENT.

First Reading.

Received from the Assembly and read a first time.

Second Reading.

THE CHIEF SECRETARY (Hon, W. H. Kitson-West) [5.6] in moving the second reading said: The necessity for this Bill is well known to all members. It has been brought down for the purpose of providing ways and means for making available drought-stricken farmers the £570,000, which will be this State's share of the sum of £2,770,000 to be raised for drought relief purposes throughout the Commonwealth. The need for this legislation is most regrettable and I think members are agreed that the conditions prevailing at the present time are such that it is essential that relief be provided to those primary producers who are so seriously affeeted by drought conditions. The season we have experienced in this State during the last few months is more serious than any it has been the State's misfortune to pass through, not even excepting that of 1914. which is always referred to as the worst.

Hon. H. Tuckey: It has been far worse this year.

The CHIEF SECRETARY: The 1914 period is always referred to as the drought year, but on this occasion the drought been for more widespread, arising mainly out of the more scattered development our primary industries, and as a result of the increase in settlement there has been considerable advance in the number of stock carried by the primary producers. bers do not require me to remind them of the estimate made regarding the wheat crop this year. I notice, however, that amended is something estimate 23,000,000 bushels for this year as against 40,000,000 bushels last year. I noticed a paragraph in the newspaper, attributed to Mr. Braine, that the amended estimate was the figure I have quoted. We have not forgotten that in one season not so very long ago Western Australia's crop was a little over 50,000,000 bushels. Then again, in many districts there has been an acute shortage of water and feed for stock, and while of course it is heartening to the primary industries generally that the drought appears to have broken during the last few days, at the same time that does not get us away from the fact that the conditions are such that while the water position may have been eased, the state in which the farmer finds himself is no better than it was. Therefore it is necessary to make the provision for him that the Bill sets out to do.

Members are aware also that the drought conditions are not confined to Western Australia; on this occasion every State in the Commonwealth has suffered, so much so that representations were made by the Premiers of all the States to the Commonwealth Government for assistance. While all the State Premiers, and particularly Premier of Western Australia, contended that the Commonwealth Government some responsibility in this regard, all the efforts made at the Premiers' Conference were not successful in inducing the Commonwealth Government to accept any responsibility whatever for the capital sum which might be involved through providing drought relief. Eventually the Commonwealth Government agreed that it would be responsible for interest on the amount involved for the first year, and for half the interest involved for the remaining six

years. The money to be provided has to be repaid at the end of seven years, and the States must accept responsibility for that repayment. So that we cannot speak of this money as a grant; it is a loan pure and simple, and the State Government proposes to pass on to the farming community the amount of money to be allocated to us at the cost the State will have to pay. There will be no charge for administration and the conditions under which repayments will be asked for from those who receive the money will be liberalised to the fullest possible extent. The amount of £2,770,000 has been allocated as follows:— New South Wales, £750,000; Victoria, £600,000; Queensland, £250,000; South Australia, £600,000, and Western Australia. £570,000. Apparently Tasmania is the only State to which nothing has been allocated. We are in the unusual position in this connection of bringing down legislation to provide relief for the farming community without knowing the actual terms upon which the money is to be made available. All we can tell the House is that there is an agreement between the Commonwealth and the States that this amount of money will be provided. We cannot say whether the Commonwealth will raise a special loan for this purpose, whether the money will be borrowed from the Commonwealth Bank, or whether it is to be part of the ordinary loan raisings of the Government. Therefore it is not possible to say at what rate of interest the money will be obtained. For that reason it is necessary in the Bill to set out that the details, such as the provision of interest, shall be covered by regulations. I can only speak on behalf of the Government and ask the House to accept the word of the Government that it is intended to pass on the money at the actual cost to us. cipients will not be called upon to pay interest in the first year, and after that they will be called upon to pay the rate which is being paid by the Government; so that if the rate of interest on this money is 4 per cent. to the State, the rate that will be charged to the farmers will be 2 per cent. There will be no charge for administration. The Premier made sirenuous efforts to secure better terms than we have succeeded in getting; That being so, I he was unsuccessful. simply tell members that the regulations to be made under this Bill will be such as to

cover the conditions I have outlined. The relief is wanted as early as possible. I know many men among our wheat farmers who have hitherto been looked upon as being sound financially, but who to-day, owing to the drought conditions of the past few years, are in a bad way because their position has been undermined.

Hon. H. Tuckey: Will they be able to pay interest on this money?

The CHIEF SECRETARY: The drought has meant disaster to many of those men. This money can be looked upon as being in the nature of an advance to enable them to carry on their operations. I am asked, by way of interjection, whether these farmers would be able to pay interest on this money. I reply that they will be charged only half the rate of interest and consequently they should experience no difficulty in paying it, provided they carry on their operations and have normal seasons. In that connection, I point out that the position to-day, compared with that of last year or the previous year, is entirely different, because under the proposed stabilisation scheme of the Commonwealth Government, wheat farmers are being guaranteed a price, and a price which in some cases, were normal seasons to prevail, will enable them to meet at least some of their liabilities. I understand the price that has been decided upon for next year will be approximately 3s. 2d. net per bushel. This will place the majority of the farmers in a much better position than they have cupied during the past few years. Members are also aware that included in the scheme is the desire to limit the production of wheat throughout the Commonwealth. At this stage I do not wish to enter into a discussion as to whether the quantity fixed is satisfactory or not. I am aware that in that case we must guided by the representatives of all the States, who certainly have more knowledge of the wheat position than it is possible for me to have. But from my knowledge of the agreement which has been made, I am justified in saying that the wheat farmers of the Commonwealth, as a result of that scheme and of the guaranteed price, will-provided we have normal seasons-find themselves in a far more advantageous position than they have occupied in years gone by.

In order to provide ways and means, the Government has decided to amend Section 14 of the Industries Assistance Act. I presume members have followed what took place elsewhere and will already have a fair idea what the Bill means. It is a small measure and provides for the gazettal of regulations which will cover the points I have already explained. I do not think there is anything else I need say on the Bill.

Hon. G. W. Miles: There is not likely to be any opposition to it.

The CHIEF SECRETARY: I hope not. All I desire to say in conclusion is that this money is required urgently. The Commonwealth Government has agreed to make the amount available pending a decision as to how it will eventually be raised. I understand that point will be decided at a Premiers' conference to be held early in the new year. Again I say that I regret the necessity for legislation of this kind, but I hope the Bill will meet with the approval of the House.

Hon. E. H. H. Hall: This money will be made available to all distressed farmers, not merely to clients of the Agricultural Bank?

The CHIEF SECRETARY: Certainly. It does not matter whether a farmer is a client of the Agricultural Bank or of some outside financial institution. All farmers entitled to drought relief will share in this money. The money will be made available for that purpose only; it cannot be used for any other purpose, although we are using the Industries Assistance Act as being a suitable measure to provide ways and means for the proper distribution of the money. I move—

That the Bill be now read a second time.

HON. C. F. BAXTER (East) [5.22]: Important as this matter is, I regret that I cannot agree with the remark of the Leader of the House, when introducing the measure, that it will simplify this drought relief. I do not think the situation is met properly by this slight amendment to the Industrica Assistance Act. In my opinion, there is only one way to deal with this business, and that is by placing a small measure on the statute book on the lines of the Rural Relief Fund Act, so that the advances to be made can be controlled by a board. There was not the slightest need to place this matter under the Industries Assistance Act and by doing so

to put farmers under the control of the Agricultural Bank. In answer to an interjection, the Minister said that this money would be made available to all farmers suffering from drought conditions, whether they were clients of the Agricultural Bank or of an outside financial institution. That is not so, for the simple reason that those who avail themselves of the privilege of this relief will undoubtedly be brought under the machinery of the Industries Assistance Act. What will be the position of those persons or institutions who have already financed Will a bank or a financial these farmers? institution allow its security to become subject to a charge for the repayment of this drought relief money?

Hon. G. W. Miles: The farmers will get the money at 2 per cent. Do not you think the financial institutions would agree?

Hon. C. F. BAXTER: I would ask the hon, member to hear my argument right He holds a different opinion, and I know how his mind works in this The Bill before us will simply direction. enable the Government to provide by regulation for a lower rate of interest than that stipulated by the Industries Assistance Act. But I point out that any farmer who comes under that Act will automatically create a lien in favour of the Government over his land, implements, chattels, stock, progeny of stock, in fact, over everything he owns. Some farmers have successfully escaped such Letters are pouring in from farmers complaining that they are afraid of being brought under an Act which will prevent them from selling even a fowl They will be unable to a neighbour. anything from their property without the consent of the trustees of the Agricultural Bank; and even when a sale is effected the proceeds must go to the Agricultural Bank. No institution which has advanced money to a farmer will consent to be set aside so that its client might obtain a few hundred pounds by way of drought relief at a low rate of interest. I doubt whether the organisation with which Mr. Craig is associated-

Hon. L. Craig: I am not suggesting anything like that.

Hon. C. F. BAXTER: I doubt whether that association would be prepared to allow its securities to be put on one side to enable its clients to obtain assistance under the Industries Assistance Act. As I have said, this Bill really gives power to reduce the rate of 6 per cent. specified in the Industries Assistance Act. As a matter of fact, only 5 per cent, is being charged at the present time, notwithstanding the provision in the Act. The effect of the amendment is that advances made in the past will carry interest at the rate of 6 per cent., but that advances made for drought relief will carry interest at a lower rate. The point is whether the amendment does not clash with the Act itself. The amendment proposes to strike out from Subsection 4 the words "is made or is deemed to be made under this Act" and to insert other words in lieu. The subsection will then read---

The applicant, to whom any advance has been made or is deemed to have been made under this Act prior to the commencement of Subsection 6 of this section

The amendment creates a curious position. I wonder how it can be reconciled. Apart from that, the point is that, while money is being made available to the extent of £570,000 by the Federal Government for drought relief, the only persons who can avail themselves of the privilege are clients of the Agricultural Bank. They will be able to secure the money at 2 per cent.

The Chief Secretary: That is ridiculous.

Hop. C. F. BAXTER: I would like the Minister to explain why it is ridiculous. As I have already said, persons and institutions who have advanced money to farmers will not consent to allow their securities to be placed on one side so that their clients may obtain this relief. The Industries Assistance Board will control the whole situation.

Hon, J. Cornell; Somebody has to control it

Hon. C. F. BANTER: Quite so. It is not proper that this matter should come under the control of the Industries Assistance Act, because people receiving assistance under that Act are bound body and soul.

Hon. J. J. Holmes: What is your remedy?

Hon. C. F. BAXTER: Mr. Holmes was
not in the House when I suggested a remedy.
I suggested the passing of a small Bill similar to the Rural Relief Fund Act.

Hon. J. Cornell: The Leader of the Opposition made that suggestion, and it was shoved on one side.

Hon. C. F. BAXTER: Because it was shoved on one side is not to say that it was not right. My desire is to prevent farmers who are suffering from the drought from being brought under the Industries Assistance Act. They should be able to take advantage of the money offering and of the low rate of interest. That cannot be done under an amendment of the Industries Assistance Yet farmers must come under the Act before they may participate in these The Commonwealth ment did not advance the money in order that control might be exercised by the Agricultural Bank, though doubtless the bank is justified in getting all it can in this way. but it is only reasonable that farmers who are not clients of the Agricultural Bank should receive the same consideration, and they certainly cannot receive it under this Members know how far-reaching measure. are the provisions of the Industries Assistance Act. It gives entire control over the farmer.

Hon. L. Craig: Up to the amount advanced.

Hon. C. F. BAXTER: The I.A.B. controls the whole of the operations of the farmer who comes under the provisions of the Act. A client cannot do anything without the authority of the Bank.

Hon. T. Moore: That applies to other farmers,

Hon. C. F. BANTER: A client of the Bank must obtain authority before he may dispose of any of his produce.

Hon. T. Moore: Do not the private banks operate on the same lines?

Hon. C. F. BAXTER: No. If any other financial institution has advanced money to a farmer, the mortgage will be set aside under this legislation and a first lien will be given to the I.A.B. That would have to be done in order to obtain an advance of £200 or £300, and yet a farmer is entitled to receive drought relief provided by the Commonwealth.

Hon, W. J. Mann: Would that be necessary for a paltry amount such as you have mentioned?

Hon. C. F. BAXTER: During the whole period of the debt, the farmer would be under the control of the Industries Assistance Board and not of the mortgagee. This measure, if it becomes law, will operate for years. Why unnecessarily bring a farmer under such a stringent Act?

The Chief Secretary: You are speaking with your tongue in your cheek.

Hon. C. F. BAXTER: I ask that the Minister withdraw that insurling remark. The PRESIDENT: I am quite sure the Chief Secretary will withdraw the remark in view of the fact that Mr. Baxter regards it as insulting.

The Chief Secretary: Yes, I withdraw.

Hon. C. F. BANTER: I regret that the Minister should make a remark of that sort. Never in my life was I more serious than I am at the moment; I am not speaking with my tongue in my cheek. The Industries Assistance Act is a very stringent piece of legislation. It takes control of every action of the client. In ordinary circumstances that is quite right.

Hon. G. W. Miles: Where is the Government going to get security if it does not have this control?

Hon. C. F. BAXTER: In the same way as under the rural debts relief. This money is being provided by the Commonwealth Government, and during the seven years clients who receive advances will be controlled by the Bank. I regret that other means have not been found under which to extend this relief so that farmers might get the benefit not only of the advance, but also of the low rate of interest, without being tied to the Agricultural Bank.

Hon. G. W. Miles: A mortgagee would never object to the mortgagor getting a couple of hundred pounds, and foregoing the security to that extent.

Hon. C. F. BAXTER: It is not a question of the mortgagee objecting to an advance of £200 or £300. The point is that so long as the debt exists, the farmer will be under the Industries Assistance Act.

Hon. J. Cornell: The Government intends to make regulations outside the Act.

Hon. C. F. BAXTER: In respect of interest only.

Hon. J. Cornell: No; outside the Act.

Hon. C. F. BAXTER: Only to permit of a reduction of the interest rate, and I think it will be difficult to do that.

Hon. T. Moore: That is what we want.

Hon. C. F. BAXTER: Yes. I wish it rould be done all round.

Hon. T. Moore: Hear, hear!

Hon. C. F. BAXTER: The serious feature is the control that will be exercised under the Industries Assistance Act for seven years. The position is a difficult one and much thought should be given to it before the Bill is passed.

HON. J. CORNELL (South) [5.35]: To get back to my old phrase of which Mr. Miles reminded me, yesterday I was with Mr. Baxter horse, foot and artillery, but today I range all against him. The position certainly bristles with difficulties. There was difficulty in obtaining recognition of the existence of drought conditions throughout Australia and then difficulty in finding a source of money to alleviate the situation. The Premiers of the several States assembled-Tasmania was included because it also has had one of the driest seasons on record—and irrespective of political colour, succeeded in collaborating with the Commonwealth and getting a sum of money made available for the specific purpose of relieving drought-stricken farmers. would all like to see that money given to the victims of the drought, but the Prime Minister has said that must be repaid. The Commonwealth would not accept the full obligation for the money.

According to my reading of the facts, every endeavour has been made to ease the situation and every endeavour will be made to ease it in the matter of the repayment of the advances and the rate of interest to be charged to recipients. We have previously given legislation retrospective effect, even under the Act mentioned by Mr. Baxter. We are led to believe that as the years pass and these commitments have to be met, what happened in the past will recur in future, and hardship will not be inflicted if it can possibly be avoided. Each individual presumably will be judged on the merits of his case. The States having got the money and agreed upon the apportionment, the duty now devolves upon the legislature to provide machinery whereby the funds may be advanced under acceptable conditions to the farmers. The Premier and the Minister for Lands have told us that in this matter we must, to a large extent, take the Government on trust. Instead of doing what Mr. Baxter thinks ought to be done, they have asked us to approve of a short amendment to the Industries Assistance Act, which Act was introduced with the idea that it would operate for only a couple of years, whereas it has endured since 1915. Under this Act relief has been granted to clients of the Agricultural Bank for 25 years and all the machinery required

to make advances of drought relief is provided in the Act. This short amendment is designed to make the parent Act sufficiently clastic to cover the present advances.

As I said, we are asked to take the Government on trust. Instead of the Government adhering to the hide-bound provisions of the parent Act, regulations will be framed in an endeavour to meet the altered circumstances. The regulations are to be made applicable not only to clients of the Agricultural Bank, but also to clients of other financial institutions. In the past the Industries Assistance Act has applied principally to the agriculturist who was all the time struggling on the border line or who had been affected by occurrences-acts of God-that were not State-wide, but necessitated his receiving a measure of assistance. This assistance was granted on the terms prescribed in the Act, and it was not given to the clients of private institutions. we are confronted with the difficulty that there are scores of agriculturists in this State under the Agricultural Bank who have never availed themselves of the provisions of the Industries Assistance Act, but they will have to avail themselves of it to obtain drought relief. I venture to say that the measure will apply to clients of private institutions. It seems absurd, however, that clients who have never come under the Industries Assistance Act should be subjected to the drag-net conditions that apply to a man on the border line. It is equally absurd to suggest that the client of a private institution who needs relief to the extent of only a couple of hundred pounds should have to ask the private institution to become a second mortgagee. The commonsense way would be to approach the mortgagee or creditor privately and say, "The security we want, so far as this client is concerned, is to the extent of the money advanced; no more, and no less."

Hon. A. Thomson: How could that be arranged?

Hon. L. Craig: Would it not be the first or the second mortgage?

Hon. J. CORNELL: We have to use a lot of commonsense.

Hon. A. Thomson: That is the point.

Hon. J. CORNELL: In these times we have to take many things on trust. My opinion is that in the general working out

of things a few men, such as the Premier and the Minister for Agriculture with perhaps one or two departmental officers, have much more chance of evolving a satisfactory scheme to meet exceptional circumstances, than 80 members of Parliament have, talking this way and that way. Further, the fact remains that if any regulation is barsh, the whole question can be argued next session. The position presenting itself to us is that the source which is charged with the administration and distribution of this money, in order to provide for some measure of its eventual return, have said, "You have to take us on trust; we will endeavour to implement the arrangement by regulation." Mr. Baxter, in reply to an interjection from me, said that the proposal of this short Bill was to allow the Government to contract outside of the Industries Assistance Board in order Mr. Baxter to meet all the circumstances. contended that that was not right. I think it is. Every advance, every supply of commodities made or deemed to be made under the Act after the commencement of the particular subsection is to be made to and received by the applicant upon such terms and conditions, and time for payment of interest and repayment of loan, as well as other matters, may be prescribed by the regulations under the measure. So that any matter of any relevancy at all to this money can be prescribed.

Hon. A. Thomson: What about Sections 6 and 3?

Hon. J. CORNELL: I have read Section 3. Unfortunately you, Mr. President, and I and Mr. Williams have had, between us, a greater number of impecunious farmers under the Industries Assistance Board than I think all the other farming representatives put together. Those farmers stood up to it as long as they could. I have already endeayoured to demonstrate to the that the paramount object of the management, plainly, is to get over any difficulty or hardship of border-line cases in the administration of the fund. If the Government does not make regulations, so far as this money is concerned, to contract a client out of a position under the Industries Assistance Board, naturally the Industries Assistance Act will apply. I trust the House will not breathe anything sinister into the proposal, not breathe into it anything that will indicate that any hardship or harshness possible under the Industries Assistance Act will be extended to these unfortunate recipients.

One of the most pleasing features of the debate so far, and a paradox of the debate, has been the demeanour of those members of this Chamber who are regarded as the buttresses and pillars of the financial instilutions. Their attitude towards the Bill by way of interjection, and the demeanour also of Mr. Thomson by way of interjection, has been noteworthy. Mr. Thomson, indeed, not long ago wanted to blow up all the pillars and buttresses of the financial institutions. Now we have to take things on trust and do our best, bearing in mind the people we are out to serve. If the Government does not do the right thing, House will have its remedy next session. certainly think that until then the first consideration, and the last consideration, and the only consideration, is how to make availthe the money that these distressed mer. need. I support the second reading of the Bill.

HON. H. L. ROCHE (South-East) [5.52]. I regret that, in the circumstances which obtain, I feel compelled to support the opposition voiced by Mr. Baxter to the Government's proposals in their present form. At the outset I wish to say that I find the assurance given by the Chief Secretary that all farmers, regardless of individual financial position, will be eligible to avail themselves of this money highly interesting, because, so far as I am aware and have been able to ascertain, that assurance has not been given anywhere else.

Hon. T. Moore: It was given in another place.

The Chief Secretary: The hon. member is misquoting my statement.

Hon. H. L. ROCHE: I regret it if I have done that. As I took the statement, it was regardless of whether a farmer was a client of the Agricultural Bank or a client of a private financial institution or had no creditor or mortgagee at all, he would be eligible. Is that correct?

The Chief Secretary: That irrespective of whether he is a client of the Agricultural Bank, so long as he was affected by the drought he would be entitled to relief.

Hon. H. L. ROCHE: If I understand the position now, the Government's attitude as outlined by the Chief Secretary is that regardless of what institution a farmer may be indebted to be will be eligible for this relief.

Hon. T. Moore: The Premier said that in another place.

Hon. H. L. ROCHE: Provided that be has been affected by drought. Certainly that is not as satisfactory as I gathered in the first place from the Chief Secretary's in terjection in reply to a remark which was made. The major feature to which I take exception in the Government's measure is the very extensive power of dealing with the position which arises by regulationsregulations which this Parliament will not have an opportunity to disallow, so far as can be seen, since the session will be closing shortly. The whole of the money will in all probability be disbursed before Parliament meets again. So that, really, by this Bill we hand over almost absolute power to the Government to disburse this money by regulation, although there is a section of the parent Act which raises in my mind doubts as to how far the Government's proposals under the Bill can be taken. I refer to Section 29A which reads-

No commodities shall be supplied, or money advanced under this Act or its amendments after the thirtieth day of June, 1933, except under the provisions of Section 22E.

Now, Section 22E gives certain directions as to what the Industries Assistance Board may do. Therefore I imagine that the regulations which the Government will have power under the Bill to promulgate will still be subject to Section 29A of the parent Clients of State instrumentalities will undoubtedly be in a position where they can avail themselves of this drought relief, although many of them, brought under the Industries Assistance Board, will, I fear, find their operations curtailed and circumscribed to an extent which should not be necessary under provisions somewhat similar to those suggested by Mr. Baxter. After all said and done, it is the Government's responsibility to introduce legislation for the disbursement of the money, and it is our responsibility either to pass or to reject or to amend that legisla-In my opinion the present Bill does not lend itself to amendment in any reasonable form. Clients of private institutions will, I take it, in large measure be debarred from availing themselves of any of the benefits of this cheap money made available by the Commonwealth Government.

Hon. L. Craig: On what authority do you say that?

Hon. H. L. ROCHE: Because under the Industries Assistance Act, the parent Act as it stands, for any advances made by the board a first charge will be taken over any and all, it might be said, of the securities of the client. That is automatic. The first subsection of Section 15 of the Industries Assistance Act—a lengthy subsection of which I do not wish to read the whole, though prepared to do so if desired—provides as follows:—

Notwithstanding any provisions of the Land Act, 1898, the Transfer of Land Act, 1893, or any Act or law to the contrary, the principal and interest of all advances made, or deemed to have been made, under this part of this Act shall be, and until fully paid shall remain, a first charge in favour of the board in priority to all other encumbrances—(a) upon the estate or interest of the applicant in all lands held or occupied by him for agricultural, farming, or grazing purposes, including all such lands held by him under lease or contract for the purchase thereof, or as a homestead farm or otherwise...

Then the subsection goes on to another aspect. Before a client of a private financial institution can avail himself of the advances to be made through this Bill, the private financial institution will have to be prepared to release its security to the board in charge of the Industries Assistance Act, all intents and purposes. I maintain that the board will obtain a release, and not for any specified amount. That is the unfortunate feature of it. Rather than that, security should be taken for a specified amount over crops, plant or To me it seems altogether too embracing for the security to be over everything that the client possesses. I think the result will be that the private financial institutions will refuse their consent to their clients who will have to be content with what arrangements they can make with those institutions and pay the ruling rate of interest at 512 or 6 per cent. If there is likely to be any agreement between the Government and the private financial institutions, it is rather a pity that the Government did not confer with them so as to be in a position to tell the House of the understanding arrived at. Personally I doubt whether the private institutions will be prepared to allow many of their clients to avail themselves of the funds provided for drought relief. That assistance should be available to every farmer regardless of his financial arrangements. That will not be the position unless the private banks are prepared, on an extensive scale, to allow their clients to grant a first charge to the Industries Assistance Board.

Hon. H. S. W. Parker: Will not the money available improve the securities of the banks?

Hon. H. L. ROCHE: That is a matter for the first mortgagees to determine. position may be improved in that a certain amount of money at a cheap rate of interest will be available to enable the farmers to The objection to the carry on this year. Bill is that the control of the assets of the clients of the private financial institutions will automatically pass to the Industries Assistance Board, and that I do not think will prove satisfactory to the private institutions. I should imagine considerable difficulty will be experienced in differentiating between the various classes of Industries Assistance Board clients. They will include those who were under the Act last year or in past years and those who will be granted assistance for drought relief. fact that the board will acquire the right to make a comprehensive claim on the proceeds or assets of the farmer who is granted relief, seems to receive confirmation in the wording of the application form which includes the following:-

I am willing to give an assignment of successive seasons crop until the whole of the money has been paid off; also a mortgage on demand.

The Government should be satisfied with some security, and not require the whole of it.

The Chief Secretary: From what are you quoting?

Hon. H. L. ROCHE: From the form that has to be completed by the farmer who makes application for drought relief under the provisions of this measure. That is the reason why I object to the Bill in its present form. Surely the obligation is on the Government to introduce legislation that will be more fair to all classes of farmers requiring drought relief. I do not think

that bringing the farmers under the Industries Assistance Board, with all its restrictions and the trouble involved, will be in the interests of the industry itself or of those concerned with its welfare.

HON. G. B. WOOD (East) [6.5]: I am not altogether in favour of the Bill. I am prepared to believe, as the Chief Secretary said, that every farmer who has suffered from the effects of the drought will be eligible to receive assistance, but I am not prepared to believe that every farmer who has suffered from the effects of the drought will secure that relief if he has a mortgage with a private financial institution. have been told we must accept the Government's intentions on trust. I am prepared to do so. The required undertaking was given by the Government in another place. The question is: Will the private banks take the Government's word on trust?

Hon. T. Moore: They have done so before.

Hon. G. B. WOOD: The whole position depends on the regulations that will be framed and which will remain until Parliament again meets, without any opportunity to deal with them.

Hou. L. Craig: That is part of the trust.

Hon. G. B. WOOD: Will the private banks agree to waive their rights pending the promulgation of those regulations? The question was raised as to whether the securities available would be improved in consequence of the drought relief assistance now available. Under the provisions of the Industries Assistance Act, a private mortgagee will have to waive all his rights unless some arrangement can be made under the regulations that will be issued later on. The Government would have been better advised to include everything necessary in the amending legislation instead of leaving so much dependent upon the promulgation of regulations that may not prove acceptable to private mortgagees. I am sorry that I have to oppose a Bill that I believe has been introduced in all good fact remains that many faith. The farmers are much perturbed about the legislation.

The Chief Secretary: That is only because of your propaganda throughout the country districts.

Hon. G. B. WOOD: I do not think that remark is altogether fair. I have not indulged in any propaganda.

The Chief Secretary: I am speaking of your colleagues.

Hon. G. B. WOOD: As a matter of fact. I have in mind the case of my own brother who has suffered through the effects of the He does not need very much assistance, but he has to go to his private bank for the necessary money and pay 5 per cent. for it because he is not prepared to go under the Industries Assistance Board. I do not like all this talk about members speaking with their tongues in their cheeks, about sham fights and propaganda. Members are only in Parliament to do what they consider is right, and we have certainly heard a lot of comment about this legislation. I am sorry that I must oppose the second reading of the Bill.

HON. G. W. MILES (North) [6.9]: I support the second reading of the Bill. After all we have heard from Country Party members during the season about what the Government has not done or could do to help the farmers, I am surprised at their present attitude.

Hon. G. B. Wood: The Government is not taking this action, seeing that the money is being made available by the Commonwealth.

Hon. G. W. MILES: The State Government has played its part. The Premier and the Minister for Lands did everything possible to secure this money in order to assist the farmers who have suffered from the effects of the drought, and now the only argument advanced against the Bill is on account of the method of distribution—and that comes from representatives of the farmers! I find the position most astounding. When the Minister moved the second reading of the Bill, I interjected, "Surely there will be no opposition to this Bill." Now we find that the very people the Government are out to assist will not agree to the Bill.

Hon. G. B. Wood: What does St. George's-terrace say about it?

Hon, G. W. MILES: I do not know. The Minister has explained the position and has indicated that regulations will be framed to give effect to what is proposed. The argument has been advanced that those who are not clients of the Agricultural Bank will be

deprived of assistance under the legislation. In my opinion they will not be deprived of that help. The Government has intimated that the money will be available to all sections of the farmers, if they have suffered from the effects of the drought. If a farmer in that position has a private creditor, he will submit his case, and the Agricultural Bank, under the regulations that are to be framed, will be able to come to an agreement with the private mortgagee. The advance will be made without having to realise the whole of the client's securities. That is done to-day. The private financial institutions have a mortgage over a man's land and everything, lock, stock and barrel. That is quite right. In some instances years ago they did not adopt that precautionary measure, and we had the spectacle of clients making use of movable assets such as stock and crops, thereby leaving the lamenting. Now mortgagees the mortgagee requires a bill of sale, and rightly so. What happens nowadays? The financial institution or the bank will give a guarantee to the Agricultural Bank covering the amount advanced to its client, so that the latter may take advantage of the cheap money available for drought relief. If the client is in a reasonable position, the financial institution will grant a priority claim. That is done to-day. Such action is taken with respect to stock firms who are guaranteed respecting assistance granted to clients. I certainly cannot understand the opposition to the Bill. Members should welcome it, particularly those who represent farming constituencies. I hope the Bill will be passed without much more discussion.

HON, A. THOMSON (South-East) [6.12]: I regret that country members are being charged with insincerity. I do not doubt for one moment the sincerity of the Government in its introduction of the Bill. There is a difference of opinion regarding the best method of administering the drought relief fund. The Government considers the method suggested in the Bill the better: we hold a different opinion. We are justified in expressing our views and voicing our opinions. I was a member of another place when the Industries Assistance Act was first introduced, and I said at that time that, in my oninion, the Bill snelt the englavery of the men on the land, and that the only omission was that it did not enable the Government to take possession of a man's wife and children. Everything else was taken over.

Hon. G. W. Miles: And rightly so.

Hon. A. THOMSON: Members can see how unfair and biased is Mr. Miles!

Hon. G. W. Miles: I am not biased at all.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. A. THOMSON: I was a member of another place when the Industries Assistance Act was introduced, and I opposed it at the time because I considered it would bind the farmers body and soul, and that the only thing not attached would be their wives and children. After 26 years' experience of the Act I consider that while it has rendered a certain amount of assistance to farmers, its restrictions have been severe. For that reason I support my colleagues and declare that I honestly believe the Government could have introduced simpler measure which would have removed the objections entertained by many of us who have been associated with the operations of the Industries Assistance Board for many years. In New South Wales provision for assistance to farmers was made through the Rural Relief Fund Act, and it is the considered opinion of my colleagues and myself that the drought relief money provided by the Federal Government should have been distributed under the provisions of our Rural Relief Fund Act.

We have been told that we distrust the Government; that we have no faith in it. That is not so. We are here to give expression to our views and to endeavour to protect the people we represent. I confess I am a little amazed at the construction placed upon our opposition to this measure. I have been accused by two hon, members of having attempted to smash the financial institutions by means of a measure I introduced dealing with rural relief. Now, I and my colleagues, because we are opposing this measure, are accused of fighting for the financial institutions. When some hon, members wish to discredit the honest views of a member, their reasoning becomes very strange. If they were fair they would admit that the measure I introduced was an honest endeavour to protect primary producers who were suffering grave disabilities. The measure we are now dealing with seeks to provide relief for those who have suffered from drought and my colleagues and I are trying to ensure that all who have experienced such conditions will be able to participate in the drought relief money provided by the Federal Government, which will not cost the State one penny except for administration.

The Chief Secretary: Surely you do not believe that!

Hon. A. THOMSON: Is the Chief Secretary referring to possible losses?

The Chief Secretary: You are the one who accuses us of misrepresentation!

Hon. A. THOMSON: I have no intention to misrepresent anybody. When I spoke of the lack of cost to the State Government I had in mind that the £570,000 would be provided by the Commonwealth, and that the portion of the amount that is not repaid by the farmers will be a charge upon the whole of the people of the State. In the extraordinary circumstances which obtain that is perfectly just and fair, but it will not cost the Government anything, because for the first year the Federal Government will provide the money free of charge. For the remaining six years of the term of the loan the State Government will find half the interest and the farmers the other half. When I said that it will not cost the State one penny piece, I meant that the Government is not finding the money for the moment because it is being lent by the Federal authorities. I agree that the Commonwealth Government could have been more generous in its conditions.

The strange fact is that when we introduced a measure designed to conserve the interests of the farming community, we were accused of endeavouring to smash the financial edifice, and now when we attempt to point out that this measure will have a detrimental effect on those who are dealing with private financial institutions-we are told we are supporting those institutions. People coming under the Industries Assistance Board are clients of the Agricultural Bank. When firms supply them with superphosphate or other goods a lien is taken over the crop, and they have a right to the first payment from the proceeds. No doubt the Government's intention is to make this money available under the same conditions.

We are informed that this measure will embrace all who receive advances under the Act, and it is expected that full repayment will not be made. I hope that seasons will be so good and the prices so remunerative that the farmers will be able to repay portion if not the whole of their debt. But if members compare the Bill and the original Act, they will discover that there is very little freedom for those coming under the provisions of the measure.

It was said in another place that the Government had given consideration to the possibility of introducing a small amendment to the Rural Relief Fund Act, with a view to making this money available under that legislation, but after due consideration the decision was reached that such action would tend to complicate matters and would involve the keeping of special accounts. It is rather a lame excuse for the Government to make, that the reason this relief is not being given under the provisions of the Rural Relief Fund Act is that special accounts would have to be kept. I wonder what was meant by that statement, because surely special and proper accounts must be kept in any event?

Hon. H. Tuckey: Is that the only objection?

Hon. A. THOMSON: I advise the hon. member to read the speech which he will find in "Hansard." The Government considered that this system was the best. We have been accused of obstructing the Government's desire to obtain this money. Whether the Bill is passed or not, the State is bound to secure the £570,000. The lending of that amount is not contingent upon the passing of this particular amendment to the Industries Assistance Act. The Government admits that it does not know the conditions under which the money would be raised. It is unfortunate that we are so close to the end of the session, but I have no desire to labour the question. I hope the cards are not stacked against us. Some members have said they are surprised at the arguments advanced by representatives of the farmers, but I feel that we are justified in pointing out that a simpler and better method of distributing this relief could have been adopted; in fact, the Premier indicated as much when he introduced this measure in another place.

then that consideration had been given to an amendment to the Rural Relief Fund No complicated method of administration would have been involved. The three gentlemen administering that Act conversant with country conditions, though from a purely Agricultural Bank point simpler view it is very much the Government to bave £570,900 handled by the officers of the Bank because the great majority of the people concerned are the Bank's clients. At the risk of being charged with standing up for the financial institutions, I must say it seems that if the Bill is passed as printed it will be a handy sum for the Agricultural Bank to use. I am not saying anything derogatory about the Bank. We have had instances to show that the income from a farmer has been credited to his account with the Industries Assistance Board, and funds have been used in other directions to recoup him in another way. Neither am I distrusting the Government. I trust it because it will have to administer the fund. I am reluctantly compelled to vote against the Bill, because I do not believe it is in the interests of the farming community that this legislation should be administered by the Industries Assistance Board. The measure should be withdrawn and the Government should bring down a simple amendment to the Rural Relief Fund Act, by which means all the troubles I foresee would be obviated. If we pass this Bill every man who receives assistance out of the Commonwealth fund will automatically be brought under the provisions of the Industries Assistance Board. Whilst the board has done excellent work, and assisted many farmers, the latter object to being brought under the provisions of that Act.

HON. J. J. HOLMES (North) [7.48]: I should like one or two points cleared up before I vote on this Bill. The measure will amend the Industries Assistance Act, and I presume all advances will be made under its provisions. I cannot imagine any advances being made except under a registered mortgage. The Chief Secretary was correct when he said that all farmers in distress could be brought under the provisions of this legislation, but the point is whether they will be permitted to come under it.

Hon. A. Thomson: That is the point.

Hon. J. J. HOLMES: I have here a form of application for assistance. I presume that has been distributed to all members. One of the provisions upon it is, "I am willing to give an assignment on successive seasons' crops until the whole of the moneys advanced have been paid off, and also a mortgage on the land."

Hon. C. F. Baxter: What is that docu-

Hon. J. J. HOLMES: It seems to be a form of application for assistance under this legislation.

Hon. J. Nicholson: Does it refer to the Industries Assistance Act?

Hon, J. J. HOLMES: Yes. It sets out on behalf of the applicant that owing to the present abnormal seasons and because there are no remunerative crops this year, the applicant is unable to continue his operations without assistance, and he thereby applies for the necessary assistance to enable him to keep and develop his holding. Then follows that which I have already quoted. To what does "mortgage" refer? Obviously it refers to the whole of the assets of the clients. I understand these are already tied I am told that the people who have come under the provisions of the Act have not a soul to call their own. They have had their advances owing to the difficulties they have encountered, and one cannot complain Whilst all the farmers in disabout that. tress can come under the Act, many of them will be unable to do so. I believe they cannot do so unless they give a mortgage over all their assets. I cannot imagine any private institution, no matter how liberal it may be towards its clients, handling as it does trust funds, fixed deposits, etc., allowing an advance to be made under the Industries Assistance Act, and its own security for its own advances coming in behind the board's security pending repayment over a period of seven years-or repayment, if ever. hardly think any private institution would allow the assets that represent its security to be held up for seven years.

Hon. C. F. Baxter: That is what has been worrying me.

Hon. J. J. HOLMES: And me too.

Hon. H. S. W. Parker: What is the alternative?

Hon. J. J. HOLMES: The alternative is to make the advances under a separate Act and under separate conditions.

Hon. A. Thomson: That is what we want.

Hon. L. Craig: Administration is one of the difficulties.

Hon. J. J. HOLMES: The legislation could be administered by the Agricultural Bank.

Hon. L. Craig: It will administer this legislation.

Hon, J. J. HOLMES: It is tied down to conditions that should not be imposed. Reference has been made to regulations. I have yet to learn that any regulations can override the provisions of an Act. I have no desire to hamper anyone.

Hon. H. Seddon: How could advances be made without security?

Hon. J. J. HOLMES: An advance would not be made until a mortgage was obtained which would supersede any other mortgage for a period of seven years. No doubt farmers can come under the provisions of the Act if they are allowed to comply with them. I do not think banking institutions would tolerate such provisions. If they decline to do so, all the advances will be made to Agricultural Bank clients.

Hon. A. Thomson: That is exactly what we feel.

Hon. J. J. HOLMES: I should like to hear something further on the subject.

HON. H. S. W. PARKER (Metropolitan-Suburban) [7.52]: If we do not pass the Bill the farmers are likely to be worse off than they are at present.

Hon. A. Thomson: That cannot be so.

Hon. H. S. W. PARKER: Apparently the session will come to an end quite soon, and it will be impossible for the Government to bring down another Bill.

Hon. A. Thomson: Why should it close down at once? We have plenty of time.

Hon. H. S. W. PARKER: I am not saying anything to the contrary, but is it possible for the Government to do that?

Hon. A. Thomson: Yes.

Hon. T. Moore; The Bill might be ruled out of order.

Hon, H. S. W. PARKER: Could the Government during the course of the next few days bring down a Bill that will meet with the approval of the farmers' representatives? It is admitted by all that when money is advanced it must be advanced against some form of security.

Hon. J. Cornell: There must be some recognition that the money has been received.

Hon. H. S. W. PARKER: There must be an undertaking to repay. The repayment will be secured by the assets. That is the ordinary business procedure. One would criticise the Government if it did not do things in a business-like way. It is suggested that financial institutions that are already seriously involved through the destitution of farmers would not agree to allow them to get an advance from the fund under the condition that it should be paid back before their own securities can operate.

Hon. J. J. Holmes: Such an advance would become the first mortgage.

Hon. H. S. W. PARKER: Exactly. Every financial institution so involved would be only too pleased that someone should lend money to its clients so that they might maintain and improve its security, and I think would consent to such advance being paid back in priority of its own claims.

Hon. G. B. Wood: That would mean throwing all securities into the melting pot.

Hon. H. S. W. PARKER: The advance would come first. Regulations would provide all the machinery necessary. I am anxious that farmers should get this assistance quickly.

Hon. J. Cornell: That happens every year in connection with superphosphate and corneacks

Hon. H. S. W. PARKER: Yes. It is the ordinary simple business method. It seems to me the Government is doing this job at the least expense, for the organisation is already in existence. It is suggested in some nebulous way that the work could be done by another method.

Hon. C. F. Baxter: Why do you say "nebulous"?

Hon. H. S. W. PARKER: I used the word "nebulous" because I have listened closely to the speeches, and have not yet heard of a proposition to indicate how else this should be done. There must be some security for the Government, which cannot put all this money into a pool to be scrambled for by those concerned. In the interests of the farmers I support the Bill as it stands.

Hon. J. Cornell: The money is being given to the State Government.

HON, L. CRAIG (South-West) [7.58]: I cannot see anything very dangerous about this Bill. The Government is borrowing

£570,000 from the Commonwealth Government under certain conditions. The money must be repaid within a given time, and the conditions as to interest are laid down. The State Government has said, "We must ensure that if we have to pay back the money within a certain time it must come back to us as nearly as possible in full, so that we may have it to return." Therefore we must see that we have ample protection, and adequate security for the advances to be made to farmers in distress. I have pointed out that the money will be advanced only those farmers who are in distress. It seems to be assumed by some members that people who have no mortgages or no indebtedness will receive advances from this fund.

Hon. A. Thomson: No.

Hon. L. CRAIG: That has been suggested. I do not suppose any advance will be made to a farmer who is not heavily mortgaged. The fund is for the relief of those who are suffering from the effects of drought. In many cases the money may be paid back within a year or two, and I do not see any reason why a good deal of it should not be repaid in full within two years. The Bill says that farmers shall give a mortgage or lien until the full amount has been repaid. There is no reason why it should not be repaid by those who will be able to do so. I look upon this money more in the nature of a seasonal advance, as we might call it. Many members seem to fear the reaction of the financial institutions. Those members are all guessing.

Hon. G. B. Wood: Will you guarantee that we are wrong?

Hon. L. CRAIG: I guarantee nothing, nor do I fear what the financial institutions are likely to do, and I think I know as much about those institutions as any hon, member in this House. But I can guess as well as any other hon, member. I cannot imagine a financial institution holding a mortgage over a property declining to accede to the client's request when he comes along and says, "I can get my advance for this year with no interest in the first year and half rates afterwards, provided you will give priority to the extent of the amount advanced."

Hon. C. F. Baxter: It means-

Hon. L. CRAIG: I know exactly what it means without the hon, member telling me. It means priority, and priority means "coming first." I think that is the interpretation.

It is relieving the institutions from making advances and will enable farmers to obtain money at a lower rate of interest than it would be possible for them to get in other circumstances. On page 2 of the Bill we read this—

Notwithstanding anything in the principal Act contained such regulations shall provide that in any case where the board is of opinion that it is desirable to do so—

There is no one listening, Mr. President, and so I think I am just wasting my time-

The PRESIDENT: Order!

Hon. L. CRAIG: I was reading the new subsection, which continues—

——the board may at any time agree in writing with any applicant or with any creditor of an applicant

It means that the board will have full power if it so desires.

Hon. C. F. Baxter: It is just a pious resolution and means nothing.

Hon, J. Cornell: It means a lot.

Hon. C. F. Baxter: It means nothing whatever.

The PRESIDENT: Order! There are too many interjections.

Hon, L. CRAIG: Hon, members have admitted that they must trust the Government.

Hon. J. J. Holmes: What about the Associated Banks: what will they do?

Hon. L. CRAIG: The board if it so desires can make any arrangements that may be necessary. We must have some such provision and if members ask for further protection than is provided by the Bill, I do not think anything will satisfy them. will be the nearest we can get to good We have an Agricultural administration. Bank Board and staff well trained and the greater part of this money, I should say, will go to Agricultural Bank clients. the whole they are in much worse circumstances than are the clients of the Associated Then who is better able to administer this legislation than the Agricultural Bank trustees?

Several interjections.

Hon. L. CRAIG: I am trying to put the case to the House as well as I can.

The PRESIDENT: The hon. member, I think, is provoking interjections. Perhaps the exact meaning of the paragraphs of the proposed new sections contained in the Bill had better be discussed in Committee.

Hon. L. CRAIG: The trouble is, Mr. President, that the Bill might go out on the second reading, and I am trying to point out that the dangers hon, members see are really not there, and in order to show that they are not there. I have had to refer to the clauses of the Bill. I hope I have not done anything I should not have done. Every provision is to be made for advances to people who are in distressed circumstances. Wisely, provision is also made for security, and I do not see anything wrong with that. money is being advanced by the Commonwealth Government on certain conditions. If it had been advanced under the Rural Relief Fund Act, goodness knows how much would have come back. I see no danger whatever in the Bill. 1 consider it a good one and I shall support the second reading.

HON. E. H. H. HALL (Central) [8.10]: I can quite understand the anxiety felt by members of the Country Party as to the advisability or wisdom of placing the distribution of this money, or bringing its distribution under what is known as the Industries Assistance Act, an Act that is administered by the Industries Board, in other words, the Agricultural Bank Board. It is quite understandable why members of the Country Party view this subject in the manner explained by them during the progress of the debate. They would have preferred this relief money to be distributed by the body set up some years ago, the body specially appointed to distribute relief under the Rural Relief Fund Act.

Hon. H. S. W. Parker interjected.

Hon. E. H. H. HALL: I listened to the hon, member while he was talking and did not interrupt him. He is altogether too fond of interjecting and as a member of the legal profession, he understands all these funny little ways. All the same, I ask him to remain quiet while I address the House very briefly. The hon, member who just resumed his seat indulged in a little guessing, but I am sure he did not succeed in influencing any hon, member of this Cham-I hear some members pleading with others to vote for this or that, and declaring that all this is waste of time. The discussion that has taken place here has followed very closely the debate in another place, and perhaps I am guessing when I say that the impassioned eloquence of the pre-

What we have to bear in mind is that the money is badly needed and that we want to make it available as quickly as possible. I share the concern and understand the feelings which have prompted my colleagues to voice the sentiments they have expressed, but I shall vote for the second reading of the Bill. I know from experience that many farmers must have this money in order that they may be enabled to carry on. there will be some difficulty in respect of mortgages held by the associated banks and other financial institutions, I have no doubt, but if they are wise those institutions will readily agree to the Industries Assistance Board functioning and coming in ahead of them, because although we have a guaranteed price for wheat almost assured, the conditions of some of our people are such that it will require all that it is now proposed to do, as well as something that cannot be guaranteed, that is, a succession of good seasons, to enable them to rehabilitate themselves and remain where we want them to remain, namely, on their properties. have had a promise from the Premier and we have had the promise repeated in this House by the Chief Secretary that this money will be available to all those who can prove that they are deserving of it. Then it becomes a question whether these people who hold first mortgages will play the part of the dog in the manger and refuse farmers the assistance which they know, as well as we know, is essential to them in order to carry on their operations. HON, T. MOORE (Central) [8.16]: I desire to say a word or two on this Bill. Some hon, members have expressed fears with

vious or any other speaker will not make the

slightest difference to any member's vote.

regard to priority claims, but that point As a matter was settled some years ago. of fact, the Government assisted the wheat industry in a portion of this State some years ago by means of a Treasury advance. The financial institutions agreed to accept that money. That took place in the Geraldton district; I was instrumental in assisting in the scheme at the time. ought to be aware of that circumstance. We are proposing to act in a similar way on this occasion. After all, this is a Government advance. The Government has guaranteed the repayment of the money to the Commonwealth Government. The Country Party members ought to know that, especially the Country Party member who has just left the Chamber. I cannot say exactly how long ago it was that the industry was so assisted. What actually happened was that arrangements were made with financial institutions. I will cite a stock firm as an instance. That firm was then taking up the attitude that it could not make further advances to farmers. The Government, through the Industries Assistance Board, got representatives of the institutions together and it was decided that they should go fifty-fifty in certain cases in the matter of priority. The scheme was carried out and I never heard one word of complaint about it. The banks also took part in the scheme. I can prove what I say if members care to go to Geraldton and interview the people who were concerned. They will back up everything I have said. The scheme worked smoothly; there was no trouble at all. I cannot understand why some members have the idea that something not likely to happen will happen. I personally know what will happen. The Associated Banks will take this money if they need it, and make advances against it to farmers to assist them in their seasonal operations. After all, that is all the banks have been doing in the past. there is a scarcity of money, owing to the fact that so much of it is urgently needed for war purposes. Undoubtedly the banks will use this money, where necessary, to assist their clients who are in difficulties.

I am sure members know what happened to this Bill in another place. Had those who opposed the measure wished to place an unbiased case before the House, they ought to have said that this Bill is not the same as the Bill originally introduced into another place. That Bill was amended and the amendment was quoted by Mr. Craig. It was amended for the sole reason of making the measure more workable, and in order that the Associated Banks might be able to work in with the Agricultural Bank.

Hon. C. F. Baxter: It was amended to make it more palatable, you should have said.

Hon, T. MOORE: I feel fairly sure that the Associated Banks have already said that this measure will suit them,

Hon. A. Thomson: Why did not the Government say that?

Hon. T. MOORE: The hon. member ought to know it. These people have a way of letting us know: the hon. member is aware of that.

Hon. A. Thomson: I discovered it.

Hon. T. MOORE: We have not been prompted by the other side. We have had no prompting such as we usually get when things are wrong from its point of view. On that account I was surprised at Mr. Holmes, who was the first to say that he was afraid of what would happen to first mortgagees if the Bill passed. After all, what will matter is the administration of this fund. We want to ensure that it is administered in the right way.

Hon. A. Thomson: That is all we want,

The PRESIDENT: Order!

Hon. T. MOORE: I have had many years' experience of the Agricultural Bank, as have country members. We know we get a fair deal from that Bank, procided everything is in order. Personally, I am quite content that this money should be administered by those who it is proposed shall have control of it. As I said, the arrangements that were made in the past worked excellently. When Mr. Troy was Minister for Lands, he went to Geraldton on the business and it was arranged without a hitch. No member of this House has heard one word of complaint about it. I am sure that will be our experience in this matter. On that account I hope no member will oppose the Bill. If it is opposed, I am quite sure the opposition will not meet with the approval of the unfortunate country people who are so urgently in need of this Members should understand that this Bill is for the betterment of our distressed farmers. Let us get the relief to them as quickly as possible.

HON. J. NICHOLSON (Metropolitan) [8.22]: I have been endeavouring to reconcile, as far as I am able, the contending views voiced in reference to the Bill. I have found some difficulty, I acknowledge, in arriving at an exact decision upon the view to be taken of the measure. I have been trying to solve the riddle. The first thing that occurred to me was to consider the purport of the Bill. It is to amend, as we are aware, the Industries Assistance Act. Members know how that Act came into existence. It was because of

funds provided by the State Government to assist farmers in distress at that time, just as we are trying to assist farmers who at the present time are suffering from the effects of the drought. We need not recall the circumstances, but merely bring back to our memories why the Industries Assistance Act, which this Bill seeks to amend, came into existence.

We were told by the Chief Secretary that the Bill is introduced with one definite object, namely, to provide facilities to enable the Government to make allocations of the amount which has been granted by the Federal Government to the State Covernment for the benefit of farmers in distress through drought and other conditions which have been prevailing.

The Chief Secretary: I wish you would not use the word "grant."

Hon, J. NICHOLSON: Which word would von prefer?

The Chief Secretary: It is a loan.

Hon. J. NICHOLSON: Very well. I did not mean to say that the Government was getting the loan without responsibility. We will say it is a loan that is being made to the State Government.

Hon. L. Craig: It is a loan.

Hon. J. NICHOLSON: Yes. The amount is to be advanced to the State Government, and it is proposed that it should be allocated to and distributed amongst farmers who are to-day affected by drought conditions. Under what provisions? Under the same provisions as appertain to the Act in force at present. One remembers the hard battles that were fought in years gone by over the Industries Assistance Many members will recall the plea that has been put up not once but many times to terminate the Act. Is there greater justification to-day for perpetuating that Act than was brought forward in years gone by? If we amend the Act, we shall give it a new lease of life. Undoubtedly the result will be that farmers will be enabled to avail themselves of the provisions of the Act under the terms laid down in it. That is the point.

The Chief Secretary: Under the regulations.

Hon. J. NICHOLSON: I will give everything in—under the regulations. The Act will include the regulations. I took the opportunity of trying to ascertain why

Clause 2 was inserted in the Bill. I do not know whether members have found out the reason for themselves, but I ask them to study the Bill to ascertain whether I am right or wrong. I would like the Chief Secretary also to inform me whether I am right or wrong. Clause 2 seeks to delete from Subsection (4) of Section 14 of the Act the following words, "is made or is deemed to be made under this Act:" and to substitute other words, namely, "has been made or is deemed to have been made under this Act prior to the commencement of Subsection (6) of this section." I now invite members to consider Section 13B of the Act and they will learn why those words have been inserted. I wondered why the amendment was being made, I must confess. Section 13B provides-

Notwithstanding anything contained in the principal Act to the contrary, where advances have been made or are deemed to have been made or may hereafter be made under Part 2...

As members know, Part 2 of the Act is administered solely by the Industries Assistance Board. That is provided by Section 8A, and it explains to me why this amendment was made. It is to bring the Bill into line with the provisions of Section 13B. Further on, Section 13B states—

it shall not be essential for an acknowledgment and contract to be signed by the applicant; but the provisions of Sections 15 of the principal Act shall apply—

The provisions of Section 15 are fairly drastic. Members have only to look at them to realise that. Some members have remarked that they bind the farmer body and soul. Every article is tied up by mortgage and is subject to the charge of the I.A.B.

and the charge upon the lands, crops and chattels of the applicant to secure repayment of all advances with interest shall have effect, and the powers of a mortgagee of such lands, crops and chattels shall be conferred on the Colonial Treasurer and the board———

That means the Minister and the board to all intents and purposes as if an acknowledgment and contract had been signed by the applicant.

There is no need for any security to be granted and registered as is necessary in the case of a private individual or institution. Ordinarily, when a loan is made, a mortgage is taken over the land and a bill of sale over the chattels. That is not necessary under the Industries Assistance Act.

The lodging of a caveat against the title gives all the security required. Examining the matter a little further, I endeavoured to ascertain in what way an applicant under the Industries Assistance Act might be treated and whether every farmer, as is intended by the advance of the money by the Commonwealth Government, is going to get relief.

The Chief Secretary: I wish you would not use that term. It is not an advance by the Commonwealth Government.

Hou. J. NICHOLSON: This money is advanced through the Commonwealth Government to the States to provide relief for farmers affected by drought.

The Chief Secretary: This is a loan being raised by the State.

Hon. J. NICHOLSON: The Minister may call it what he likes. A conference was held, as the Press announced, attended by Premiers and Ministers for Lands, and they arranged certain terms upon which the money would be made available to help farmers suffering from drought conditions. Am I right or wrong?

Hon. J. J. Holmes: Right.

Hon. J. NICHOLSON: The question I ask is, will an amendment of the Industries Assistance Act be sufficient to secure to every farmer who has suffered from drought conditions the right to receive a portion of that relief which it is obviously intended he should receive? I am emphatically of the opinion that it will not, and I shall tell the House why. Section 12 of the Act sets out what must be done with an application. If I was a farmer requiring relief under this amending measure, I would make application to the board. Section 12 says—

If the Colonial Treasurer, on the recommendation and advice of the board, is satisfied that an applicant—

(a) lions fide intends to put the land held by him, or part thereof, under crop, and is unable to do so without assistance under this Act; or

(b) requires the commodities applied for to feed his stock, or to maintain himself and his family (if any) on

such land; or

(c) requires the advance applied for to enable him to pay for the agistment of livestock, or for stud feed or for municipal or road board rates and licenses, veterinary charges, the wages of farm hands, insurance premiums or medical, surgical and dental expenses, or for any other object or purpose which the board may approve; or

(d) requires the advance to enable him to pay rents due to the Department of Lands and Surveys, when in default of payment his holding would be liable to forfeiture, or to pay any money due to any other Government department or institution and charged by statute or otherwise on his holding.

he may from time to time grant to the applicant such assistance under this Act as he thinks fit.

Let me point out the provisions of Section 15 to which reference has already been made. It begins—

(1) Notwithstanding any provisions of the Land Act, 1898, the Transfer of Land Act, 1893, or any Act or law to the contrary, the principal and interest of all advances made, or deemed to have been made, under this part of the Act, shall be, and until fully paid shall remain a first charge in favour of the board in priority to all other encumbrances.

Then the charge is made upon the estate or interest of the applicant in all the lands, upon all crops, upon all implements and livestock, and—

(d) Subject to prior encumbrances shall be and, until fully paid shall continue a charge on all other livestock, implements, machinery, plant and moveable structures of the applicant.

There is a proviso at the end of Section 15 that is interesting because it is the point that solves the riddle. It reads—

Provided that when the holding of any applicant is already mortgaged by a registered instrument or is subject to the knowledge of the board to a vendor's lien for unpaid purchase money, notice in the prescribed form of the proposed advances shall be given to the mortgagee or vendor, and if within 14 days after such notice the mortgagee or the vendor, by notice to the board in writing, objects to the proposed advances, or if such notice as aforesaid shall not have been given, the board shall only be entitled to make such advances subject to such mortgage or vendor's lien as regards the applicant's land and on the security of a first charge upon all the crop of the next ensuing harvest and the two succeeding crops to be grown upon such land.

That is the position if the farmer happens to have granted a mortgage to some institution other than the Agricultural Bank or the I.A.B., and the mortgagee objects. The difficulty I can see lies in getting all those requirements complied with. A farmer who happens to have given a mortgage over his block to some institution other than the

Agricultural Bank will have very small hope—a remote hope indeed—of getting any help from this drought relief money. I am anxious to assist the is a danger. Government as far as possible to solve this difficulty, but I feel that it is not to be solved by amending the Industries Assistance Act. As members have already suggested, why not introduce another measure? I quite agree with that proposal. would be the proper course to adopt-to introduce a Bill to deal with this particular matter and not seek to amend an Act which has been attacked in this House year in and year out, an Act which it was sought to terminate long years ago. I suggest to the Chief Secretary that it would be better to introduce another measure to deal with this matter specifically, so that every farmer who has suffered from the effects of drought and can show justification for receiving relief may be granted that help, instead of being left in a doubtful position by passing a measure such as this. In the circumstances I cannot support the Bill. sincerely that something may be done. Perhaps some member who has studied the problem more than I have done may be able to suggest an amendment.

Hon. C. F. Baxter: How could it be

Hon. J. NICHOLSON: I foresee a difficulty in framing any amendment. At any rate, it is not a wise or proper course simply to make the provision proposed by way of an amendment to the Industries Assistance Act.

THE CHIEF SECRETARY (Hon. W. A. Kitson—West—in reply [8.44]: Frankly I find it very difficult indeed to understand the attitude of some members to this Bill. More than one member—amongst those who have raised the strongest opposition to the Bill—have suggested that the Government ought to bring down a simple measure to deal with this money alone, one that would not be complicated by virtue of the provisions of the Industries Assistance Act. May I ask those members whether they think that, by the introduction of a different Bill, the Government would not find it necessary to take security for the advances that will be

Hon, A. Thomson: There is no objection to that.

made?

The CHIEF SECRETARY: If there is no objection to that, I submit that there can be no objection to this Bill.

Hon. A. Thomson: There is a difference. The CHIEF SECRETARY: I submit that there can be no objection to the Bill, because any method of taking security for an advance such as this must naturally be in form similar to the conditions prescribed in the Industries Assistance Act.

Hon. E. H. H. Hall: No.

The CHIEF SECRETARY: Members must be aware that for years this Act has operated very satisfactorily indeed. who suggest that the private financial institutions will not be prepared to agree to the proposals under this legislation, are surely aware that that is what takes place almost Certainly it takes place every week. many occasions each season. There are hundreds of instances where the financial institutions have reached the end of their tether regarding advances to some of their The farmers have approached the Industries Assistance Board and the vate institutions have been only too glad to agree to the proposals submitted by that board. I am advised that up to the present and for years past, the greatest harmony has existed between the private financial institutions and the Industries Assistance Board when dealing with the clients those institutions. More than that, I am advised that in a large number of instances the Industries Assistance Board, when it has made advances to clients under such conditions, has agreed to waive its rights, which were agreed to in the first place by the private financial institutions, the machinery firms, the superphosphate firms, and others concerned. No one knows better than those who have spoken in opposition to the Bill so strongly, that had it not been for the Industries Assistance Board many of the farmers for whom they consider they are fighting simply could not have carried on. Only a few days ago we passed a Bill to authorise the continued operation of the Industries Assistance Act. Was there any objection raised by the representatives of country districts to the continuance of that Act? Not one voice was raised against it. Again I say, more particularly in reply to Mr. Holmes, that the action taken by the Government regarding this legislation merits the appreciation of country Parliamentary representatives rather than their condemnation. The very form that Mr. Holmes criticised, and which was referred to by country members, is the ordinary form used by the Industries Assistance Board.

Hon. J. Nicholson: It is included in the schedule of the Act.

The CHIEF SECRETARY: Of course it Those forms have been sent out to save time. They should serve to indicate to those farmers who are in need of assistance that the Government is anxious to deal with their applications as quickly as possible. I have never heard any complaint from those persons who have made application to the Industries Assistance Board to the effect that anything was contained in the application form to which they could take exception. As to the private institutions, although I do not know it of my own knowledge, I am advised that they take no exception to the form. As I have already stated to the House, the relationship between the private financial institutions together with the firms which make advances to farmers for seasonal requirements and the Industries Assistance Board is most harmonious.

Hon. J. J. Holmes: This is information that we should have received earlier.

The CHIEF SECRETARY: But one member wanted to know why I was talking about the Bill at all! He seemed to think that it would be accepted by everyone. do not know that the remarks I am now making were called for at the stage when I moved the second reading of the Bill. only members had studied the measure and its significance, I do not think they could have offered the critical condemnation of it that we have heard. There are one or two particular points I wish to mention before I Several members, including forget them. Mr. Baxter, made definite statements regarding the money involved-£570,000. will continue to assert that that money has been provided by the Commonwealth Government.

Hon. C. F. Baxter: I did not say that.

The CHIEF SECRETARY: The hon. member went further and said that the money was to be provided by the Commonwealth Government and that the Agricultural Bank could take it for its own purposes. His actual words were—

This was money provided by the Commonwealth Government and under this Bill it would be possible for the Government to take it into the Agricultural Bank funds. Not one member who referred to the money being made available by the Government was prepared to go a little further and point out that the money would not have been made available under the present terms had it not been for the efforts of the Premier. Not one member made reference to the fact that the Government has to accept responsibility for the repayment of the money in its entirety—the full £570,000. Most hon, members have left the impression that they considered this money was to be provided by the Commonwealth and that the State Government was to take no responsibility.

Hon. J. Cornell: The money is merely being raised by the Commonwealth Government.

The CHIEF SECRETARY: Of course, it is; and the hon. members I refer to know that as well as I do. They know that money can be raised only with the authority of the Federal Loan Council.

Hon. C. F. Baxter: And it is allocated. The CHIEF SECRETARY: Yes, allocated by the Loan Council, but it has to be repaid by the State.

Hon. C. F. Baxter: Yes.

The CHIEF SECRETARY: Then why was the hon, member not genuine in his remarks when he referred to that phase.

Hon. C. F. Baxter: That is what I meant.

The CHIEF SECRETARY: Had it not been for the efforts of the Premier, who was assisted by the Minister for Lands, that amount of money would not have been available, and the terms under which money was provided would not have been so favourable as they are.

Hon. C. F. Baxter: Would that not apply to the other States? They did not say anything about it?

The CHIEF SECRETARY: They were quite prepared to accept the original arrangement.

Hon, J. Cornell: That is a fact.

The CHIEF SECRETARY: Had it not been that the Premier made a special trip to the Eastern States to deal with this very question, the Commonwealth Government would not have been prepared to accept so great a responsibility as it has done. What does that responsibility amount to? The Federal Government is to provide the interest for one year and half the interest for six years. The State Government must accept the full responsibility for any of the drought relief fund money not repaid by

farmers who receive advances under that heading. Yet Mr. Thomson could say quite seriously that this money will not cost the State Government anything at all!

Hon. J. Nicholson: That was not right. The CHIEF SECRETARY: Mr. Thomson was not prepared to give the State Government any credit for the position that has arisen.

Hon, A. Thomson: I think I corrected that statement. You should be fair.

The CHIEF SECRETARY: I am trying to be fair, but I find it extremely difficult to understand how any hon, member could make such a statement after reading the Bill.

Hon. C. F. Baxter: We have read the Bill.

The CHIEF SECRETARY: Then the hon, member could not have understood it.

Hon. C. F. Baxter: I take exception to the Minister's statement. We have studied it as the Minister has, and understand it.

The CHIEF SECRETARY: The object of the Bill is to amend Section 14 of the Industries Assistance Act. Mr. Nicholson. during the course of his remarks, said he was trying to solve a riddle and went on to explain what it was, quoting Clause 2 of the Bill. After he had done so and had added a few more remarks, I found it very hard to find any connection whatever between Mr. Nicholson's statements and the riddle to which he referred. If members read Section 14 as it will be amended by the Bill, they will see that the position becomes particularly clear. It will provide that all advances made up to the time of the passing of this legislation shall be subject to the conditions of the Act and particularly to Section 14, and that, after the Bill is passed, the conditions under which the drought relief fund money is to be advanced, shall be subject to regulations to be framed.

Hon. J. Cornell: That is contracting out.

The CHIEF SECRETARY: Undoubtedly. Further on in the clause we provide that the regulations shall cover the terms and conditions governing the advances, the rate of interest, the time for the payment of interest, the repayment of principal and other matters that may be prescribed by regulations. In view of the very indefinite position of the Government, what other method could have been adopted? In the

first place, we do not know how the money is to be raised and, secondly, we do not know the rate of interest that will have to be paid. These are two factors about which any Government or any financial institution would require to have some knowledge before making a definite agreement or before inserting in a Bill a clause providing definite conditions with particular reference to the rates of interest and other matters associated with the advances. have already told the House, and the Premier has already made the announcement on more than one occasion, that the method by which the money will be raised will not be determined until the early part of next On the other hand, we have given to the House an assurance-I hope the assurance will be accepted—that whatever the money costs the Government, that will be the cost it will pass on to the recipients who will receive advances under this legislation, and that the Government will not make any charge at all for the administration of the fund. What could be more fair than that? I would far rather that some of the critics of the Bill had come out into the open and said straightforwardly that they expected the State Government to make a grant of this money to the farmers. I honestly believe that that is what they have in mind.

Hon. A. Thomson: That is not correct.

The CHIEF SECRETARY: I am sure that more than one member of this House considers that whatever money is made available to drought-stricken farmers, should be in the form of a grant rather than a loan.

Hon. A. Thomson: Your own Minister was in favour of that.

The CHIEF SECRETARY: I say again I would far rather that the critics of the Bill came out into the open and gave their real reasons for the objection taken to the indicated The objection I have appears to me to be what is really animating their minds. It is that the advances are to be in the form of a loan that has to be repaid. It is that the farmers who receive these advances are to be expected to repay the money. The farmers concerned are in such a serious financial position that they will have extreme difficulty in carrying on without assistance of this kind, and even when it has been given

to them they will have considerable difficulty in repaying the money at an early date. I tried to show the House, however, that the position of those men from now on will be very different from what it has been in the past, because associated with this question of drought relief and the amount of money to be made available is a stabilisation scheme agreed upon by the States and the Commonwealth Government under which wheat farmers will be guaranteed a price for their wheat. They are thus being placed in a position in which they have never been placed before and one which I believe will, with normal seasons, allow them to meet their responsibilities in connection with any money advanced under the Bill even before the expiration of the seven years provided for in the arrangement with the Commonwealth,

Hon. A. Thomson: You know that they are proposing a curtailment of the acreage?

The CHIEF SECRETARY: Yes, I know that a limitation of production is associated with the same scheme, and I also think that that scheme will meet with the approval of 95 per cent, of those engaged in the wheatgrowing industry. If the hon, member agrees with that, I find it all the harder to understand why he should oppose this Naturally, the Government does measure. not introduce a Bill of this description without considering its implications, and when the Premier stated in another place that we had considered bringing down a different kind of Bill, he was quite correct. We did not consider just one alternative; we considered several, but eventually it was agreed that this was the best method by which we could meet the situation. In this Act is provided all the machinery whereby we can administer this amount of money. and in view of the fact that the Government is prepared to administer it without cost, I consider that it has done the only thing possible in making use of existing legislation which, I repeat, has given considerable satisfaction to many thousands of men. I also believe that if those members who bave criticised the Bill would only speak their minds, they would have to say that the administration of the Industries Assistance Board has been extraordinarily sympathetic.

Hon, C. F. Baxter: Has anybody criticised the board?

The CHIEF SECRETARY: What has all the objection to the Bill amounted to but a criticism of the fact that anyone receiving assistance under the Bill must come under the "dreaded" Industries Assistance Board?

Hon. C. F. Baxter: I was talking about the Industries Assistance Act. You are wilfully misconstruing our statements.

The CHIEF SECRETARY: I do not think there was any misconstruction in my remarks.

Hon. C. F. Baxter: I referred to the Industries Assistance Act.

The CHIEF SECRETARY: Then I will use the words Industries Assistance Act instead of Industries Assistance Board. I contend that the Industries Assistance Act has been administered in a most sympathetic manner.

Hon. C. F. Baxter: I agree.

The CHIEF SECRETARY: Then what complaint has the hon, member against the Bill which, if passed, will become part and parcel of the Act?

Hon. C. F. Baxter: People will be placed under that Act.

The CHIEF SECRETARY: Which is being administered in a sympathetic way! The Bill will allow the Government to introduce regulations providing terms and conditions entirely different from those at present in the Act. All we ask the hon, member to do is to trust the Government to make suitable regulations. Surely the assurances that have been given, and the efforts that have been made by the Premier and the Minister for Agriculture should be a sufficient guarantee to every representative of the farming community in this House that a fair deal will be given. I have sufficient confidence in the Minister who will administer the Act to say that the droughtstricken farmers of this State will receive just as fair a deal from him-and therefore from this Government—as farmers in other States of the Commonwealth will receive. In recent years we have had a lot of experience of the operations of Acts of this kind, and I think we are quite justified in claiming that the actions of this Government and the legislation under which we are operating are easily equivalent to those obtaining elsewhere. In view of our experience in the last two or three years in particular, I feel that those representing

the farming community in this House have no reason to criticise the Government's action on this occasion, but should be prepared to express appreciation of what is being done. I see nothing wrong with the Bill. I cannot give members any stronger assurance than I have already given. If members are not prepared to trust the Government, they will not agree to the Bill, but if they are prepared to accept the word of the Premier and the Minister administering the Act, there is no option for them but to agree to the measure, in order that those entitled to receive assistance may have it at the earliest possible moment.

Before I resume my seat I want to make it particularly clear that the Government does not mind accepting the responsibility for the repayment of this money. We believe the Commonwealth Government should have undertaken a greater responsibility, but in view of the fact that an agreement has been entered into between all the States Commonwealth, we have the accept the position and are prepared make the best of it. I trust that notwithstanding the criticism levelled against the Bill, the House will not only agree to the second reading but will agree to the Bill being finalised with as little delay as pos-

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time and passed.

BILL-ESCHEAT (PROCEDURE).

First Reading.

Received from the Assembly and read a first time.

Second Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [9.10] in moving the second reading said: This is a Bill which I feel sure will be appreciated by the legal members of the House at least as it is one which seeks to simplify and reduce expense in connection with the procedure and practice

involved in the law of escheat, or, in other words, the law in connection with the disposal of ownerless property.

Hon, G. Fraser: Do you think that will appeal to the legal fraternity?

The CHIEF SECRETARY: I thought it might. Escheat can be said to arise when a person dies without leaving a will and has no next-of-kin, or leaves a will and all the beneficiaries in the will die before the testator, without leaving next-of-kin and the testator dies eventually without leaving any next-of-kin. In such an event certain action is taken to escheat the property to At present the law on this the Crown. matter is contained in four Ordinances which were passed before this State had responsible Government. Two of those Ordinances date back to the year 1867, one to 1868 and the other to 1869.

Briefly, these Ordinances provide that before any property can escheat to the Crown an inquest must be held before a jury comprising ten persons, and that if the decision of a jury is in favour of the Crown, an order for the escheat of the property is made and the property or the proceeds thereof pass to the Crown. The Ordinances further provide that proceeds may be paid into consolidated revenue and that afterwards, persons who can substantiate a lawful or moral claim must be repaid by the Governor according to the circumstances. The law in this regard is so old and out of date and the procedure involved thereby is so cumbersome and expensive, that it is considered necessary to bring down this Bill, which will have the effect of lessening the expense for claimants and of simplifying the procedure involved under the law. The ordinary procedure entailed in the sale of a property where there are beneficiaries enables executors, administrators, and the Curator of Intestate Estates, to obtain an order for the sale of a property on the approval of an application by a Judge of the Supreme Court. It is considered that where exhaustive inquiries have been made and an owner of any property cannot be found, the procedure involved in dealing with that property should likewise be simplified.

The Bill, in the first place, provides definitions of the words "Court," "escheated property," and "order of escheat." It repeals the old Ordinances and brings the whole of the law regarding escheat into one statute. It provides that upon a sale of land or an order of the Governor in Council in favour of a legal or moral claimant, the sheriff may execute a transfer of the land to the purchaser or the said claimant, and that the Registrar of Titles must accept and register any such transfer. Once such an order has been given, the rights of any other persons in regard to the escheated property cannot be considered.

A brief explanation of the practice under the Bill is as follows:—

(a) A report is made to the Crown Solicitor that property appears to be without an owner.

(b) The Crown Solicitor, after full enquiry may then make application to a Judge of the Supreme Court in Chambers for an order declaring that the property has become the property of the Crown by way of escheat.

(c) Notice of the hearing of the application will be advertised in the "Government Gazette" and newspapers, and if land is involved a not-

ice will be posted on the land.

(d) Any person who claims an interest in the property can appear on the hearing in Chambers and state his case.

(c) The Judge, on hearing the application and all the matter presented to him thereon, may make an order of escheat.

(f) If the Judge makes such an order the sheriff can then proceed to a sale of the escheated property and after payment of all fees, etc., pay the balance into the Treasury.

(g) The Governor may repay out of consolidated revenue the amount due to any person who

eventually proves a lawful claim.

(h) The Governor may, if no legal claimant comes forward, make an order in favour of a moral claimant.

Hon, J. J. Holmes: Is there any limit to the period in which claims shall be made?

Hon. E. M. Heenan: I think the period is 12 months.

The CHIEF SECRETARY: That is so. The Bill does not seek to alter the law of escheat in any material particular, nor does it confer any greater rights than already exist. All it seeks to do is clarify and simplify the existing procedure and to lessen the expense entailed in any application by a claimant under the law. It may be thought that circumstances seldom arise where such an action is necessary, but the experience of the Crown Law Department indicates that they do frequently occur. The Bill as submitted to the House has been perused by the Master of the Supreme Court, who is the sheriff referred to in the Bill, also by the Commissioner of Titles, who is directly concerned in transactions

under its provisions. They consider it a wise reform of the existing legislation, and an overdue one at that.

Finally, the measure has the approval of the recently formed Law Reform Committee of the Law Society whose function, I understand, is to report on anomalies in legislation and to suggest amendments thereon. In view of the great age of the existing ordinances in connection with this matter, the time has arrived when they might be brought up to date. Anything we can do to simplify legal procedure I think we ought to do. I move—

That the Bill be now read a second time.

HON. H. S. W. PARKER (Metropolitan-Suburban) [9.20]: This Bill is an essential Its necessity arises owing to the difficulty that occurs when a person dies possessed of real estate that is registered under the Transfer of Land Act, and the children cannot prove the marriage of the parents. The person in question has therefore no next-of-kin in law, and may not have left a will, with the result that there is no one to inherit the property. The legal difficulty arises as to the transfer of the land to some other name through the Titles Office. In practice an application is made to the Crown which as a rule foregoes its right of escheat, and allows the real next-of-kin to take it. Then arises the legal difficulty of having the land transferred to the name This Bill provides of the moral owner. an easy and quick remedy for the situation. An application will be made to the court, the property will be formally transferred by order of the court, and that order will be registered at the Titles Office. the Crown will transfer the property to the individual who is morally entitled to it. The present method is expensive and tedious, and difficulties constantly arise. I welcome this Bill as a necessary reform in our legal procedure.

Question put and passed. Bill read a second time.

In Committee.

Bill passed through Committee without debate, and reported without amendment.

Recommittal.

On motion by Hon. W. J. Mann, Bill recommitted for the further consideration of Clause 5.

In Committee.

Hon. J. Nicholson in the Chair; the Chief Secretary in charge of the Bill.

Clause 5-Notice to be published:

Hon. W. J. MANN: I move an amendment—

That in lines 3 and 4 the words "published in Perth and" be struck out.

I cannot understand why these words were included in the clause, for they may have a very wide effect. Some metropolitan papers go to Kalgoorlie, but that town has its own daily newspaper which is read by the local people. A notice published in a metropolitan paper might not be observed by residents of Kalgoorlie. Another point is that the advertising rates in Perth are higher than they are in papers published out of Perth, and the cost of using the former medium for the publication of notices would fall more heavily upon estates than would otherwise be the case. If my amendment is passed, notices may be published in any country district in which a newspaper circulates, and in which the property in question is situated.

The CHIEF SECRETARY: I raise no objection to the amendment; but when the Bill was introduced elsewhere, it provided that the advertisement should be published in the "Government Gazette" only.

Hon. W. J. Mann: That would be worse, because nobody at all sees the "Government Gazette."

The CHIEF SECRETARY: Originally, there was no provision for publication in any newspaper whatever. I do not think another place would object to the amendment. Goldfields people, for instance, do read the local "Miner," whether they read the "West Australian" or not. The amendment is desirable, as the Bill represents an effort to simplify matters.

Amendment put and passed; the clause, as amended, agreed to.

Bill reported with an amendment, and the report adopted.

Third Reading.

Bill read a third time and returned to the Assembly with an amendment.

BILL-APPROPRIATION.

Received from the Assembly and read a first time.

BILL—MUNICIPAL CORPORATIONS ACT AMENDMENT.

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to the Council's amendments.

BILL—SALE OF LAND (VENDORS' OBLIGATIONS).

Assembly's Amendments.

Bill returned from the Assembly with a schedule of six amendments, now considered.

In Committee.

Hon. J. Cornell in the Chair; Hon. G. Fraser in charge of the Bill.

No. 1. Clause 3: In line 35 delete the words "one hundred" and insert the word "fifty" in lieu.

Hon. G. FRASER: I move--

That the amendment be agreed to.

The amendment reduces the maximum fine from £100 to £50.

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

No. 2. Clause 3: In line 35 delete all the words after the word "pounds."

The CHAIRMAN: The amendment means that there will be a fine of £50 only, without imprisonment.

Hon. G. FRASER: I move-

That the amendment be agreed to.

I move thus because I am afraid of the session closing and the Bill being lost altogether.

Hon. J. J. HOLMES: I am not concerned about the reduction of the fine from £100 to £50; but I am concerned about the striking out of the penalty of imprisonment. That penalty would keep many people on the straight and narrow path. I oppose the Assembly's amendment.

Hon. G. FRASER: I endorse the remarks of Mr. Holmes; but at this late stage of the session it is a case of Hobson's choice. I am prepared to accept the amendment made by the Assembly.

Hon. C. F. BAXTER: Clause 3 is practically the essence of the Bill. Mr. Fraser should stand to his guns and insist upon the retention of the penalty of imprisonment.

Hon. G. FRASER: Whilst I regret that the penalty has been struck out, I feel the lateness of the session leaves me no choice but to accept the amendment. If the Bill is returned to the Assembly, the possibility is that it may be numbered among the slaughtered innocents.

Hon. J. J. HOLMES: It is not for the hon. member to accept or reject the amendment. That is a matter for the Committee.

Hon, G. Fraser: That is so.

Hon. J. J. HOLMES: The words proposed to be struck out are really, so to speak, the sting in the tail. In my opinion they should be retained.

Hon. E. M. HEENAN: Members should bear in mind that this measure is an innovation, and innocent breaches may be committed. I think the amendment is justified. A fine of £50 would be sufficient deterrent against breaches, a number of which I am sure will occur owing to ignorance on the part of the general public.

Hon. H. TUCKEY: I cannot support the amendment. In my opinion it would spoil the Bill. It would be better to bring the Bill up at some future date rather than pass it in this form.

Hon. J. J. HOLMES: In reply to Mr. Heenan's statement that some innocent person might be unduly penalised, that is not a matter we should inquire into now. The court will decide whether a person is innocent or guilty. I want the guilty man brought to justice, and for that reason desire this penalty to be retained in the Bill.

Question put and negatived; the Assembly's amendment not agreed to.

No. 3. Clause 3: Insert a new subclause to stand as subclause (2) as follows:—(2) In this section the word "charge" shall not include rates or taxes charged on the land.

Hon. G. FRASER: I move-

That the amendment be agreed to.

The amendment will clear up certain points that have been raised in this Chamber about rates and taxes which might be overlooked by a vendor. Hon. J. NICHOLSON: That matter is provided for in the Land Agents Act.

Hon. G. FRASER: This Bill will cover any person, irrespective of whether he is a land agent or not.

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

No. 4. Clause 4: In line 40, delete the word "or."

Hon. G. FRASER: 1 move-

That the amendment be agreed to.

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

No. 5. Clause 5, subclause (1): In line 11, after the word "vendor" where such word first occurs in that line, insert the words "or where such consent has been given but by reason of some act or default of the purchaser the vendor is unable to mortgage or encumber such land or to register a mortgage or encumbrance thereon."

Hon. G. FRASER: I move-

That the amendment be agreed to.

Both purchaser and vendor may be agreeable to the vendor raising a mortgage on the property sold. The purchaser may have lodged a caveat and may not have removed it in order to allow the vendor to complete his transaction. This amendment would cover the point.

Hon. C. F. BAXTER: We have come to a very important point now. I think it would be a fair thing if the hon. member in charge of the Bill reported progress and put this amendment on to-morrow's notice paper.

Hon. J. Nicholson: I agree.

Hon. C. F. BAXTER: I cannot follow the amendment.

Hon. G. FRASER: The amendment has been suggested and drafted by the law reform committee of the Law Society.

Hon. J. J. Holmes: Is that a recommendation?

Hon. G. FRASER: The amendment will not interfere with the principle of the Bill but will give the vendor protection.

Hon. J. J. Holmes: Does the Law Society approve of the phraseology?

Hon. G. FRASER: I understand the amendment was moved at the request of the society.

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

No. 6. Clause 5, Subclause (1), line 12—Delete the word "appeal" and insert the word "apply."

Hon. G. FRASER: I move -

That the amendment be agreed to.

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

Resolutions reported and the report adopted.

A committee consisting of Hon. G. Fraser, Hon. J. J. Holmes and Hon. W. J. Mann drew up reasons for disagreeing to amendment No. 2.

Reasons adopted and a message accordingly returned to the Assembly.

BILL—BUILDERS REGISTRATION ACT AMENDMENT.

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to the amendments made by the Council.

BILL-GROWERS CHARGE.

Received from the Assembly and, on the motion by Hon. C. F. Baxter, read a first time.

BILL-LOAN, £1,730,000.

Second Reading.

Debate resumed from the previous day.

HON. H. SEDDON (North-East) [10.30]: The Loan Bill provides a very interesting sidelight on the attitude of the Government towards the war. This country has been at war for 15 months, and during the last six months there have been greater changes on the map of Europe than have occurred in that continent for a century. Hitler controls that continent from the Bay of Biscay to the Black Sca, and over that area he has enslaved nations, some of which have enjoyed freedom for over 100 years. On the fringe of that great territory a few small nations are desperately endeavouring to keep out of the war. They are preparing to engage in a life and death struggle. Our Motherland is holding out at a terrible price. She is fighting not only for her own existence but for ours, in order that we might continue to enjoy the freedom which I think many of us regard irresponsibly. The Federal Government has indicated its attitude towards the war by its Budget, and although there has been a good deal of criticism of that Budget, the fact remains that it is an attempt to conserve the resources of this country and utilise them to the best advantage in order that we might last out in the struggle into which we have been drawn. On the expenditure side some items are causing disquiet. In regard to Southern Cross there is said to have been a blunder which has aroused quite a lot of comment. If there has been a blunder those responsible should be brought to account. That is the sort of blunder that loses wars instead of winning them, and it is our duty to draw attention to that fact.

Coming nearer home, the Bill has been prepared during the war period. It is interesting to compare figures laid down in the Bill with figures contained in a similar Bill introduced 12 months ago. War needs are paramount, and when the Premier introduced the Loan Estimates he pointed out that there had been a departure in the practice associated with the negotiations of the Loan Council in so far as there had been appointed a co-ordinator of works whose duty it was to see that the loan works were carried out in a certain order of priority. That priority was determined by war needs. State demands should be secondary to the Commonwealth's war needs.

I desire to offer a few remarks on the programme laid before us, because I think that while generally it is a big improvement on last year's in so far as the direction of the expenditure has been materially altered, there are one or two items which have been retained but which I think might well have been deferred until a more propitious time. The extension of our electricity facilities, work on the railways, country water supplies and conservation and harbour improvements are works that have a bearing on the country's war effort. Metropolitan water supply and sewerage, which I observe will absorb a quarter of a million pounds, are works that might well have been deferred in view of the pressure upon our financial

resources to meet war requirements. The allowance for agriculture has been considerably reduced, but an amount of £120,000 has been retained, and that should be revised. For pine planting £40,000 has been set aside, and that is a work that could have been deferred. For hospitals, £300,000 has been provided. That is an expenditure which is very appropriate, especially in the country districts. I do not, however, see why we should have set aside an amount for State hotels. After all, we have to remember that the resources of this Commonwealth will be strained to the limit before we can hope to achieve victory in the war.

I was pleased to read the Premier's references to secondary industries. He alluded to iron and steel and stressed the fact that the Government might be induced or compelled to undertake some expenditure in the development of that industry. All I can say is that if that is so, the Government will undertake a very big job, because if there is one industry that absorbs tremendous quantities of capital, it is the iron and steel industry. In the Eastern States there is already established very powerful plant which is being extended by the installation of further blast furnaces at Whyalla, and in view of that fact I consider other aspects of secondary industry warrant attention before consideration is given to the establishment of the expensive plant necessary to provide iron and steel works in this State, particularly when we consider the limited market available at the present time.

There is, however, one industry that should be investigated by the Government, and that is the manufacture of explosives which are urgently required in times of peace and still more urgently needed in times of war. When it is realised that explosives are made in the Eastern States and brought over here, and particularly when it is remembered that they are imported at a time when shipping space is so valuable. I think it will be conceded that that is an industry the possibilities of which might very well be investigated. The raw materials for their manufacture are imported into Australia and might very well be brought to this As a matter of fact, some of them State. On more than one occaare available here. sion since the war started our mining industry has been brought nearly to a standstill through interference with the supply of explosives, and the urgency of maintaining that industry was demonstrated then. Gold is one of the things we urgently need to keep our trade balance overseas. I therefore commend to the Government the question of investigating the manufacture of explosives in Western Australia and thereby establishing an industry which will be a permanent one and might be very valuable in view of the existing demand for munitions.

Members have had an opportunity to peruse Mr. Fernie's paper read at the Institute of Science. That was a very valuable and instructive paper which constituted an approach to the study of our economy and contained many suggestions, some of which are being investigated by our scientific people. There is one field of investigation which I think is more promising to Western Australia than any other, and that has to do with industrial chemistry. offers better opportunities for the development of our resources than the study of industrial chemistry. I suggest that the committee of which Mr. Fernic is the head might very well set down as a basis for its programme in the present year an investigation into that aspect of manufacture. could very well begin its inquiry by a critical examination into the thermal efficiency of some of the industrial processes used to-day. The waster associated with the heating processes are tremendous and will repay investigation. Some most important work was carried out in Germany in connection with the manufacture of chemical products, whose manufacture was made economical by the utilising of the interchange of heat in the course of manufacture. There are certain chemical processes that generate heat and others that absorb it. In some of the big chemical works in Germany use was made of those two factors with the result that they were able to carry out high-grade manufacture at a cost no other country could approach. This investigation of thermal efficiency, combined with the wastes associated with manufacturing processes provide opportunities not only for economy but also for establishing industries on a very It would be a very cheap but stable basis. very valuable item of loan expenditure if the Government could see its way clear to subsidise a scientific investigation along The most effective way to those lines. combat unemployment is by means of establishing new industries. One of the most effective ways of overcoming the unbalanced economy of which we have been warned again and again is to utilise the industrial waste associated with industries.

I am sorry that the losses associated with our loan works are still as large as ever. Last year under that heading we had a loss of 21/4 million pounds. The State debt is bigger than ever it was in spite of redemptions made by the operations of the sinking fund. As the Chief Secretary pointed out no less than £6,000,000 represents unfunded debt. That is a verv load to carry. When every pound is needed for victory the loan expenditure cannot be too closely scrutinised. The deficit debts represent a heavy burden in addition to what we are already carrying. It is because of the necessity for conserving our resources that I suggest our loan expenditure could well be revised. Many of works that are still being carried out could be deferred until the time arrives when they may be considered as a means of relieving the disorganisation that will come with the restoration of peace.

Hon. A. Thomson: A wise suggestion but how could it be carried out?

Hon. H. SEDDON: Continual dripping wears away a stone. We may yet have some effect upon the policy of the Government as the result of constantly drawing attention to these matters. In the last war reference was made to the last man and the last shilling. It may well be the case that in this war it will be the last shilling that will enable the Empire to become the victor.

Hon. A. Thomson: We shall be lucky if we get 1s. back.

Hon. H. SEDDON: It is highly desirable that we should conserve our resources. I wish to quote from certain remarks made by the chairman of the Commonwealth Bank in his latest report. He pointed to the steps taken by the Commonwealth Government to conserve our resources and the emergency measures that had to be introduced. Those emergency measures were divided into two classes. The first was designed to strengthen Australia's external financial position, and the second was aimed at protecting Australia's internal economic position. He went on to say—

In the external sphere the main problem has remained that of reducing as far as possible the demand for dollars for civil purposes, in view of the urgent need for the Empire to use all its available dollar resources for the purchase of American aeroplanes, munitions and other essential war needs . . . Although the United Kingdom Government is helping to finance our overseas war expenditure it is desirable that as much as possible should be met out of our current receipts of international funds. Otherwise this expenditure becomes an additional burden on the resources of the United Kingdom . . . Taking into account the increase in our overseas war expenditure it is clear that maintenance of Australia's overseas fund will require widespread economy in the consumption of imports.

Internally the main problem is to provide the resources required for the defence programme without necessarily disturbing employment or reducing production of goods for civil purposes Taxation, loans from the public and sales of war savings certificates have the double aim of providing funds for the Government and freeing resources for war purposes. Only in so far as these funds come from current income are they likely to provide the Government with additional resources. Movements of bank deposits suggest that many purchases of bonds and certificates have come from old rather than current savings. Transfers of this kind which do not increase current savings make no additional resources available for the war.

In other words the chairman of the bank emphasised the necessity for conservation in public as well as in private expenditure in order that the whole of our resources might be available for the war. It is my intention to support the second reading. I hope the steps taken by the Government in the way of altering the direction of this loan expenditure will be continued, that it will cut out all matters that are not urgent, and will leave the State to carry its share in establishing the country on a sound basis to meet the trials ahead of it.

HON. J. J. HOLMES (North) [10.52]: Mr. Seddon referred to the war and the necessity for using the last man and the last shilling. I think every member will endorse his remarks. This Bill provides an opportunity to discuss finance generally. understand the position, apart from the war, which is primarily a Federal matter to carry on, it is our duty to render such assistance as we can, and also see that the affairs of this State are conducted on satisfactory lines. As to the difficulty of the job ahead of us, we need only east our minds back to this afternoon's debate on some of the industries of Western Australia, particularly the great wheat industry, to see what difficulties confront us. I propose to analyse the financial position of the State in my own way to bring home the seriousness of our position. That position was created in peace time in spite of my warnings and those of Mr. Seddon and others. We are somewhat alarmed as to what is ahead of us now that the Empire is at war. The Bill proposes to borrow approximately 134 million pounds. I will set out the State's financial position as I visualise it. If members will weigh the figures I quote they must agree that the State is heading either for bankruptey or unification.

Hon. A. Thomson: For both.

Hon. L. Craig: Not bankruptcy.

Hon. J. J. HOLMES: All the money that comes from Canberra by way of loans hastens the end and carries us further towards unification. I do not propose to discuss the advantages or disadvantages of unification. Some of us for many years have been drawing attention to the financial drift and the unfortunate effects of it upon the country. At the 30th June, 1931, the State's indebtedness was £75,250,000, and at the end of June last it was £96,000,000. During those years the State's indebtdeness increased by £20,750,000. Members who travel round the country may ask themselves what value we have had for that £20,750,000. In the early days, with a few millions of money only, the Coolgardie Water Supply Scheme was established and other big works were undertaken. I wonder whether members have found value for the additional indebtedness that has been incurred in the last nine years. On the revenue side I find that for the year ended the 30th June, 1931, the receipts amounted to £8,700,000, whereas at the 30th June last the revenue £11,120,000, an increase of £2,420,000. expenditure exceeded the revenue in each of those years. The question arises, how have we spent that money, and have we had value for the additional £2,420,000? The State's per capita indebtedness at the 30th June, 1931, was £163, and at the end of June last it was £206. If to that we add £100, the per capita proportion of the Federal indebtedness. it brings the amount to £306. The interest on that per capita indebtedness works out at approximately £13 per annum; so that every child born in the State is born with an interest liability of 5s. per week. All this has been built up in peace time. I am not an expert financier, but I can look at facts and figures with understanding. Expert financiers claim that a per capita indebtedness of £100 is the maximum amount that any community can carry and live in comparative comfort. I have raised this point before and politicians have said, "Look at the amounts we have spent on railways and other public works. The £100 per capita does not apply." It would not apply if the money were invested in profitable employment instead of in unprofitable employment, as I will show later. From taxation alone in 1940 the State collected £2,996,000, compared with £1,134,000 in 1931. The increase in taxation revenue in those years, namely, between 1931 and 1940, therefore, amounted to £1,862,000.

We have had many prosperous years during the past 10-year period: and all this has happened during that period. Attention was drawn to what was happening, but nothing was done. The taxation referred to has increased enormously. It has applied principally to one section of the community. A single illustration should serve to prove this. In Western Australia a person with a taxable income of £100 does not pay income tax, although such persons avail themselves of all social services and have preference for Government employment if they pay 25s. a year to a union. Compare that with the New Zealand position, where there is a Labour Government. From a reliable source I learnt-I could not believe it until I had verified it-that in New Zealand a person with a taxable income of £100 in 1939 paid £11 19s. 7d., and in 1940 £14 7s. 6d. Large numbers of people in this country, who have had to do with the expenditure of enormous sums of money raised by loan and taxation, receive preference as unionists on all Government works. the only condition imposed being that they pay 25s. a year to a union and no taxation to the State. The figures are difficult to analyse, and the accounts kept by the State do not harmonise with commercial practice. However, the fact stands out clearly that at the 30th June last the accumulated deficit was approximately six millions of money. Under the Federal Financial Agreement this State undertook to pay out of revenue 4 per cent. per annum sinking fund to liquidate deficit liability, the reason being that there are no assets for the six millions of money which has been taken as loan and used for deficit purposes. So far as I am able to discover, the 4 per cent. per annum sinking fund has never been paid, and the liability at the 30th June last was a charge upon revenue for approximately two millions of money. That charge has not been paid. deficit of £6,000,000 for this year 4 per cent. sinking fund, as provided by the Financial Agreement, represents a charge of £240,000 on this year's revenue. course it has not been paid. It was not paid in peace time, and how we are going to pay it in time of war is another matter altogether. This is a serious position. The six millions loans were floated to build railways and other public works. Mr. Drew will remember one of those railways. railways and the public works have not been constructed. The money has been used for deficit purposes. In commercial life that would be considered obtaining money under false pretences. I fail to see that anything else would apply to public life. Yet it goes on.

Another point is that public works, buildings and so on are constructed by day labour without competition. It is quite clear—the figures I have quoted show it that the State is not getting value for the money expended. It has to be remembered that in all these big Government works the timber, bricks, stone and so forth are supplied by the State trading concerns. sumably those concerns are in a position to charge their own prices for materials supplied. When I turn to the State trading concerns, which enjoy such advantages, I find that for the year ended on 30th June, 1940, there was a loss of £50,150 3s. 7d. On the State Implement Works since their inception the loss totals approximately £334,000. The Auditor-General pointed out two or three years ago that the losses on the works would soon absorb the entire capital. These works are the works of a Government department which presumably pays without competition whatever prices the works like to charge, and yet such is the result brought about.

Turning now to the railways, according to the Commissioner's report for the year ended the 30th June, 1939, there was a decreased earning of £79,000 for 1939 as against 1938. For 1939 as against 1938 there was an increased expenditure of

£201,500. The deficit for the year, 1938, after deducting working expenses and interest, was £99,500; and the deficit for 1939, after deducting working expenses and interest, was £313,255. The railways, tramways, ferries and electricity supplies loss for the year ended on 30th June last was £278,384, equivalent approximately to a loss of £750 per day for 365 days. The trolley bus system was inaugurated during 1938, and added to the tramway service. diture on this service, namely, tramways and trolley buses, for 1939 exceeded the expenditure for 1938 by £39,000, and the additional revenue earned in 1939 as against 1938 was only £15,000. So there was a slip of £24,000 as compared with the previous year.

During all this period private enterprise has been strangled by Government competition and other impositions. those impositions, which do not exist in Eastern Australia, I candidly believe that at least 75 per cent., perhaps 90 per cent., of our imports of goods manufactured in the East might well be manufactured here. During the current session there was an attempt to provide an additional £75,000 out of traffic fees for the Government to place into general revenue. I strenuously opposed that, for the simple reason that I knew from analysing the figures that the more money we gave to the present Government, the more that Government would spend. haps would have voted for the proposal if the £75,000 would have saved the situation. But the £75,000 would only encourage Ministers to go on a little bit longer and a little more extravagantly. Many years ago I quoted these figures with the object of showing the House and the country that the time had then arrived when it could be demonstrated that if we wanted to keep out of unification, we ought to set our faces to reform our financial methods-not next year, not next week, but there and then. I suppose the Government must have money to carry on. I have voted against Loan Bills by way of protest, but that does not seem to get us anywhere. I must reserve my decision as to whether I shall vote for this Bill or not.

HON. G. B. WOOD (East) [11.12]: In scanning the First Schedule to the Loan Bill, I was greatly disappointed to see a heavy reduction of £40,000 in the vote for agricultural development. It seems a pity at a time like this that lack of money or lack of enterprise should bring neglect to

some portions of the State. I refer especially to the southern portion, between Mt. Barker and Albany, where in my opinion great possibilities exist. I have recently been in that district and seen the wonderful advance in the pastures established there. especially at Denmark, and the research going on there by our agricultural officers todiscover the deficiencies in the land. deficiencies have been found, and wonderful progress has resulted. I venture to say that had this State previously established settlements there in that wonderful rainfall, instead of going out to the far castern wheat belt, our financial position would be much better and there would be many happy people settled in the south instead of some of the tragedies that have occurred in the castern wheat belt. However, it is not yet too late. I would like to see the Government undertake a large scheme for transferring many more settlers to the districts I have mentioned.

Hon. L. Craig: They do not want to go. Hon. G. B. WOOD: Some of them want to 20. At Denmark recently I met a man whom I had known at Bencubbin. a well-established farm and a comfortable home there. He was a worthy settler, but he just could not succeed there because of grasshoppers and other pests. He told me he was doing wonderfully well in the Denmark district and was perfectly contented. The man and his wife were milking 20 or. 30 cows, and did not have the worry and distress of all the disabilities associated with the dry wheat belt. I mention that case; it is one of many. When I return to the north-eastern wheatbelt I shall quote that man as an example to my friends there. I know he is a good settler.

Hon. W. J. Mann: We have scores of them.

Hon. G. B. WOOD: Yes. I believe he was re-settled on the land with the aid of Commonwealth money. I do hope that in the near future the Government will transfer more of those settlers. Another matter I desire to touch upon concerns the allowance for children in our orphanages. The present allowance is 7s. per head and I venture the opinion that it is insufficient. The amount is barely sufficient to feed a child, let alone educate him and provide all the other amenities that are available in our orphanages. I hope the Government will

see fit to increase the allowance. These orphanages are doing excellent work and at present are passing through times of difficulty, owing to the fact that so much money is now being devoted to war purposes. The allowance should be increased to at least 10s. per week.

Another matter I desire to bring up deals with our schools. Some of our country schools have been removed without a proper investigation having been made as to the future possibilities of the districts. The schools are either sold or removed; if sold, they realise a very small amount, and if removed they deteriorate considerably. I can quote two instances where schools have been removed and the number of children of school age in the district has increased. In my view, that showed lack of foresight.

I now have an annual growl, and that is with regard to the Midland Junction saleyards and abattoirs. The Government will not separate the accounts of the saleyards and of the abattoirs, and so we find it impossible to work out what is paid to the abattoirs and what to the saleyards. We contend the fees charged at the saleyards are too high. These yards were never intended to be taxing machine, but that is what they are to-day. They are a source of revenue. have brought this matter up before in the House and hope we shall now be able obtain some enlightenment upon the way in which the accounts are made up. With these few remarks, I support the Bill.

HON, J. CORNELL (South) [11.19]: At this late hour, my contribution to the debate will be brief. I think I can take for my text a passage from "Chu Chin Chow," an extravaganza that I saw in London 22 years ago. The chief character says to another character, "I know what is past. What does the future foretell?" That exactly the position in which we find ourselves to-day. I have listened to the excellent dissertations delivered by Mr. Seddon and Mr. Holmes. While I am not concerned about our past, nor about whether we shall ever be able to repay what we owe, I am concerned about the great disaster which has struck mankind and which Mr. Seddon mentioned. The position to-day is that if we do not apply the lessons of the past to the future we shall be ruined. What does this war demonstrate? It demonstrates more

clearly than anything that has happened in my lifetime that this world is a world not only without end, but a world of mighty and rapid changes. Twenty-two years ago the most dangerous place was in the army; today, the most dangerous place is out of the army. Civilians are suffering, not the forces of the Crown. Sir Hal Colebatch said that the only safe doctrine for a person, a group of persons, or a nation or a congregation of nations to follow, is to pay their way as they go. But will they do so? I say they will not. As I visualise the future, what matters is whether we can preserve our equilibrium and endure to the end, not for the purpose of making money, but retaining our freedom. As I stand here, I am perfectly satisfied that we face an entirely new world in which the things that we knew in the past will have to be improvised and reconstructed to meet the altered circumstances that await us in the future-in the near future, I hope. So far as our Parliamentary institutions and the conduct of the war are concerned, we have subordinated ourselves to the Federal Government. The Government to-day has power of life and death over practically all sections of our community; it can do all things short of sending our men overseas on active ser-That being so, it is futile in my vice. opinion for us to endeavour to construct the future on retrospective lines. I for have no fears of the future, whether or not we shall be able to honour our obligations. I have no fears as to whether we can secure the funds and material necessary to carry this war through to a successful conclusion. If we do that, we can do what any person can do, start off fresh to-morrow. That is how I view the future. I can see no use in endeavouring to gauge the future by the past. I support the second reading of the Bill.

HON. E. H. H. HALL (Central) [11.25]: I have listened with interest to-night, as on previous occasions, to the remarks that have fallen from Mr. Seddon and Mr. Holmes. With some of the views expressed by those gentlemen, I cannot altogether agree, but I admire the stand they take year after year in drawing attention to the financial drift that is occurring in this State. At the same time I do not think we should give way to a feeling of despair, notwith-

standing Mr. Seddon's remarks about the constant dripping of water. Members here have often remarked that little if any notice seems to be taken by the Government of the various suggestions offered from time to time. Whether notice is taken of them or not, we have our duty to perform and can take solace from the time-worn lines—

To thine own self be true . . . And it must follow, as the night the day, Thou caust not then be false to any man.

If we discharge our duty faithfully and conscientiously, what matters anything else? I concede that Governments cannot give effect to all the suggestions and recommendations that are made. Nevertheless, when members feel they have some useful suggestion to offer, they should not refrain from voicing it. Mr. Seddon opened by saying something that I would not have had the courage to mention. The Commonwealth Government is charged with the financing of the war, but in my opinion, State members should have an opportunity of referring to matters connected with the huge expenditure being incurred. I do not know where the fault lies, but we all regret that some thousands of pounds—I think the newspaper put the figure at £14,000, though I hope it is not so large—has been practically wasted at Southern Cross. Nothing would be gained by looking for somebody to blame, but the fact remains that something that should have been prevented has been permitted to occur. I speak with some hesitation on the matter because only today a remark was made that I should return to the position I occupied during the 1914-18 war. I was appointed Inspector on the Central Administrative staff of the Quartermaster General, and in that capacity inspected every A.I.F. camp in the Commonwealth.

In the limited opportunities that have been available to me during the present war, I have been able to see much evidence of the need for some such inquiry as was made several years after the 1914-18 war. Members of the Commonwealth Parliament demanded a Royal Commission to inquire into defence administration. I was a witness before the Royal Commission, but the evidence was such that it was never published. Without indulging in anything like personal vindictiveness, I must remark that I observe various Government officials being called up

for military duty, and I am wondering whether anybody has taken the trouble to ascertain whether those men are drawing two salaries. This remark applies also to some members of Parliament. When we are being called upon to contribute every penny we can spare to the war effort, it should be somebody's duty to ensure that nobody engages in profiteering in the matter of either salary or profit.

I wonder whether the responsible Minister knows that in this State it is impossible to purchase fencing wire. I do not suggest that the Government should embark upon another trading concern, but the matter is so important that the Government should take it up with the Federal authorities to ensure that this material, which is supplied from the Eastern States, is made available in order that local requirements may be I have tried every available source this week to get wire and have been told that the order cannot be supplied for at least eight weeks. If the Government was not aware of the existing state of affairs. I hope it will now take some action to expedite delivery of a very necessary commodity.

Do members appreciate the huge amount of money that has been spent in recent years on the importation of bitumen for road making? We often hear comments about the amount of money being sent out of the country for the purchase of petrol and oil supplies, but I have been informed that the expenditure on bitumen during the last 12 or 15 years amounts to £10,000,000 to £15,000,000.

Hon. L. Craig: It has made some good roads.

Hon. E. H. H. HALL: A concrete road is much more expensive than one of bitumen, but we have cement being manufactured locally, and the material for making it is available in the Swan River. I wonder whether Mr. Fernie has been asked to investigate the matter now that we cannot get supplies of bitumen. Would it not be as well to construct roads of the local material?

Hon. L. Craig: Costs have been submitted to the Government.

Hon. E. H. H. HALL: I am asking the question and am quite within my rights in

doing so. Mr. Craig might know more about the matter than I do, but that would apply to other things also. I support the second reading.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time and passed.

BILL-ESCHEAT (PROCEDURE).

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to the amendment made by the Council.

BILL—SALE OF LAND (VENDORS' OBLIGATIONS).

Assembly's Message.

Message from the Assembly received and read notifying the Council that it insisted on its amendment No. 2, which was disagreed to by the Council.

In Committee.

Hon. J. Cornell in the Chair; Hon. G. Fraser in charge of the Bill.

The CHAIRMAN: The amendment which was made by the Assembly, disagreed to by the Council and insisted on by the Assembly, was amendment No 2. to Clause 3 as follows:—

In line 25 delete all the words after "Crown."

Hon. J. J. HOLMES: I think I was responsible for this Chamber's disagreeing to the amendment made by the Assembly. I have since discussed the matter with an eminent K.C. in another place. He explained that the six months' penalty would apply to a mistake made inadvertently. There is, however, a provision whereby deliberate fraud would come under the Criminal Code with a penalty of two years. I accept the statement as correct and withdraw any further objection to the Assembly's amendment.

Hon. G. FRASER: I move-

That the amendment be no longer disagreed to.

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

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

RESOLUTION—COMPANIES BILL.

To Inquire by Joint Select Committee.

Message from the Assembly received and read notifying that it had appointed a select committee to consider the Companies Bill, and requesting the Council to appoint a select committee of four members with power to confer with the select committee of the Assembly.

THE CHIEF SECRETARY (Hon. W. H.

Kitson-West) [11.40]: I move-

That the request made by the Assembly be agreed to.

The Bill in question is a very important one. In view of the large amount of work performed in preparing it, and to the importance attached to it, I feel sure the House will agree to the Assembly's request. That will give interested parties an opportunity to consider the amendments contained in the Companies Bill, and to make representations on any particular point about which they are concerned. The result of the inquiry should be an Act that will be up to date, and comparable with anything of the kind in the Commonwealth.

Question put and passed.

Select Committee Appointed.

On motion by the Chief Secretary, a select committee consisting of Hon. H. Seddon, Hon. L. Craig, Hon. A. Thomson and Hon. G. Fraser appointed to confer with the select committee of the Legislative Assembly on the Companies Bill.

On motion by the Chief Secretary, resolved:-

That a message be transmitted to the Assembly notifying that the Council had agreed to its request, and had fixed the time of the first meeting as Tuesday, the 10th December, at 2.30 p.m.

BILL—PROFITEERING PREVENTION ACT AMENDMENT (No. 2).

Second Reading-Defeated

Debate resumed from the 28th November.

THOMSON A. (South-East) [11.45]: I fail to see the necessity for the introduction of this Bill, seeing that Western Australia and New South Wales are the only States to have an Act of this description. I find here that the intention is to give the Commissioner power to declare that any service supplied or carried on by any person or body of persons whether incorporate or unincorporate which in the opinion of the Commissioner is essential to the physical well-being and health of the community may be so declared. During the discussion in another place, all we learnt from the Minister who introduced the Bill was the possibility of some dentists charging more than, say, dental companies. The Minister also mentioned that it might be necessary to regulate fees for cleaning ears. For my part I do not think it necessary to amend the existing Act. There are also regulations under the National Security Act, which give the Federal Government power to deal with these matters. I think that on the whole our present Act suffices amply. I feel highly doubtful about giving the Commissioner power to come along and say that a dentist or doctor or lawyer should charge only certain fees for his services, declared a commodity within the meaning of We know that medical men and dentists are being absorbed in the Army day If by means of this Bill we place restrictions upon those professions, what inducement is there for doctors and dentists to stay here? They might decide to go to the Eastern States.

The Chief Secretary: Do you mean that they should be allowed to charge what they like?

Hon. A. THOMSON: There is a regular scale of fees. Does the Government intend that the Public Service Commissioner shall be placed in a position to override a decision of the Arbitration Court?

The Chief Secretary: What are you coming at?

Hon. A. THOMSON: That is what I want to know. The position under the Bill is that the president of the Arbitration Court may give a decision and the Public

Service Commissioner will, be empowered to say, "The basic wage has been increased by the Arbitration Court, but I forbid the increase. These men are rendering services." No one should be in a position to charge what he likes, but unless the Minister can show that some dentists or other professional men have been making unreasonable charges, I must under present conditions oppose the Bill.

HON. C. F. BAXTER (East) [11,51]: Parliament saw fit to pass a Profiteering Prevention Act, notwithstanding that several members of this House pointed out that similar powers were already being exercised in the Federal sphere. Profiteering legislation has been at work for some time; and while an assurance was given by the Commissioner that Federal control would be anparent, that has not proved to be the case. A great deal of the work has been done under the State Act. If we are going to continue that, I do not know how people will be able to carry on their businesses. we have a most extraordinary amendment proposed in the present Act. Up to date that Act has been a source of great trouble to all people in commercial life. After all. there are many avenues with which there is no need to tinker at all, for the reason that competition is so keen that there is not much fear of exploitation occurring. regards the present Bill, it matters not what one attempts to do or what avenue one tries to work in, it will be brought under this profiteering legislation to be controlled by a Commissioner and by a body of men without the slightest experience of commercial life. I wish to draw attention to the fact that the way of the commercial man is a hard and difficult one. Only recently the sales tax has been increased, and there are variations of from five to 15 per cent. for the commercial man to juggle with. Thus one imposition after another is placed upon his shoulders. There is no need whatever to extend the powers of State and Federal profiteering legislation. Now we come again to the professions.

Hon. J. Cornell: The biggest profiteers of the lot are the dentists.

Hon. C. F. BAXTER: The Minister in charge of the Bill elsewhere, who is fond of extreme legislation and revels in bringing it before Parliament, used the dentists as an

example. This evening I heard a member interject about the position of dentists. one inquires regarding the position in that profession, one will find that the charges vary tremendously. I do not know if the question of qualification is a factor, but the fact remains that services can be obtained at a cost of £4 4s. that, if required from another dentist, would involve the patient in an expenditure of £12 12s. Perhaps it depends on the nature of the service and, possibly, the relative skill of the professional man. How could the commissioner adjudicate upon such a matter? What would be do? Would be bring the dentist who is able to charge £12 12s. for the services he renders down to the level of the man who charges £4 4s. for similar work? These are questions we must ask ourselves.

Hon. A. Thomson: In such circumstances, the highly qualified professional man will not remain here.

Hon. C. F. BAXTER: We could not expect highly qualified men to do so. If we are to pass extreme legislation of this type, which will interfere with the livelihood of professional men, we know what will happen. How many men are there in the dental profession to-day? This is no time to frighten men engaged in the professions.

Hon. J. Cornell: Medical men will not be affected.

Hon. C. F. BANTER: This legislation will cover all professional men.

Hon. A. Thomson: It affects services associated with the health of the community.

Hon. C. F. BAXTER: That will cover the medical profession. If this legislation is agreed to, the commissioner will assess fees on the basis of charges made as at the 1st September, 1939. I have made certain inquiries and have ascertained that the price of most raw materials has increased 30 per cent, since that date. If professional men are to be restricted to the charges levied on the 1st September, what will be their position? Are they to be allowed to live at all? To me it is most extraordinary that we should be asked to pass such harassing legislation in these times. Irrespective of what the service may be, there will be interference by the commissioner and by those associated with him when applying the legislation.

Hon, A. Thomson: The Minister said something about laundries.

Hon, C. F. BAXTER: I know the Minister made a statement in which he referred to prices charged by laundries. Surely if laundries overcharge, a simple way of overcoming the difficulty is for people to do their own laundry work. Before long, I am afraid as things are going we shall all have to do a little washing for each other. The Bill also sets out that "to sell" includes in its meaning "barter or exchange and every other disposition of commodities for valuable consideration." Surely the Minister for Labour during the time he was ill experienced dreams of the wildest description that enabled him to conjure up visions of legislation of this description.

Hon. J. Cornell: The Minister has only done what the hon, member did when Minister; he has accepted the advice of his departmental officers.

Hon, C. F. BAXTER: During the years I was associated with Government officials in my Ministerial capacity, I did not gain the impression that any departmental officer would dream of introducing such legislation For the protection of the comas this. munity generally and of those associated with the commercial and professional life of the State, as well as of those who render services in various directions, let us stop this tinkering. The future holds promise of so many drawbacks and difficulties that we should surely refrain from placing harassing legislation on the statute book, particularly when that legislation will serve only to make it more difficult for people to carry on their present avocations. What with the sales tax, increased taxation and other troublesome impositions, circumstances of everyday life are becoming such that the individual is better out of commercial life.

Hon, J. M. Macfarlane: And we find duplication everywhere.

Hon. C. F. BAXTER: Yes. And all these changes and harassing legislative enactments mean additional expense to all concerned. Then there is the war phase. After the present hostilities, there will be the aftermath. There will be depression. Most assuredly present-day methods will have to be altered and present legislation will have to be modified or removed altogether from the statute book.

The Chief Secretary: This is one we must alter.

Hon. C. F. BAXTER: There will be no reason in the future for this legislation. Stern necessity will demand that people shall procure their requirements at the lowest rate possible. High taxation will tend to create that position. We will not be able to afford the present economic circling round, under which everyone is made prosperous by reason of the millions borrowed annually and spent foolishly, at the risk of a future financial crisis. We should ease up the tendency in that direction and refuse to pass legislation such as that under consideration. I hope the House will protect the people by rejecting the Bill at the second reading stage.

HON. J. CORNELL (South) [12.2]: A year ago this House set out joyously to bring down prices by a measure of control.

Hon, J. M. Macfarlane: They got us on the hop.

Hon. J. CORNELL: We passed legislation which we thought was fool-proof. As some members anticipated, the experience of 12 months operations under that legislation demonstrated that it was not fool-proof. If there is one fact deserving of commendation it is that the Australian people generally have enjoyed low prices for the commodities they require. That result has been achieved by measures taken under the National Security Act in the Federal arena and under the anti-profiteering legislation passed by the State. The great mass of the people will not be affected by legislation of that description but only those unscrupulous enough to take advantage of the war posi-If they are permitted to pursue that course of commercial conduct, the effect may be to force decent traders to adopt similar methods. That is what occurred. Unserupulous persons set out to take advantage of the circumstances.

Hon. J. M. Macfarlane: All the power required is contained in the National Security Act.

Hon. J. CORNELL: If Mr. Macfarlane is right, there is only one logical course for us to take, and that is to repeal this legislation.

Hon. J. M. Macfarlane: That is what I suggested before.

Hon. H. S. W. Parker: Why repeal it?

It would have no effect, because there is the Commonwealth legislation.

Hon. J. CORNELL: It has had an effect. We heard the squeal which the Country Party members made when Mr. White did something about the price of mutton.

Hon. G. B. Wood: It certainly had an effect.

Hon. J. CORNELL: It had an effect in other directions. What does this Bill provide for? It asks that certain sections of the community shall do what other sections are asked to do under the existing legislation. Is it fair to ask a large section, comprising the trading community, to comply with this legislation when other sections of the community do not? It is but fair that we should rope in all sections of the community and put all the people on a common level. Traders must keep accounts and are subject to limitations of prices. Why should not the dental profession also be subject to this legislation? So far as the professional side of dentistry is concerned, I presume the charge for extracting a tooth will not enter into the question at all.

Hon. W. J. Mann: You are presuming that.

Hon. J. CORNELL: What would come into the question would be the articles and materials used by the dentist to replace the tooth extracted. The inquiry would be directed to that aspect. Either all sections of the community should come under this legislation, or no section at all. Why should a few people who, in a sense, are in sheltered industries and advantageous positions be exempt? The deutist, unlike the doctors, gets his fec. In many cases the doctor does not. Again I ask, why should such people be exempted when a widow running a small shop is amenable to this law? I am not going to be a party to that. I support the second reading of the Bill.

HON. G. B. WOOD (East) [12.10]: I intend to oppose the second reading and shall briefly state my reasons. There is much in what the previous speaker has said: some people come under this legislation, others do not, but ought to. We passed the parent Act last session in all good faith. No doubt hon. members then thought that investigations would be made into costs and matters of that kind. I contend, however, that we were sadly let down by the Price-Fixing Commissioner, backed up by the Government, in the fixation of the

prices of meat. We know that meat prices were-shall I say-tampered with. No investigation at all was made into the cost of producing the meat. I, for one, do not intend to give additional powers to the Price-Fixing Commissioner under this Bill. or at all until he can show by his actions that he is carrying out the wishes of Parliament as expressed in the parent Act. This, in my opinion, he has not done. I hope, after all the noise that was made about his recent action, he will see the error of his ways and in future administer the Act in the way that I maintain Parliament intended he should. We sought recently to amend the Act, but the Bill got short shrift in another place. Little sympathy was shown to it, and things were said which in my opinion ought not to have been said.

The Chief Secretary: Some of your remarks to-night ought not to have been made, either.

Hon. G. B. WOOD: Things were said by the Minister in another place. Words were put into my mouth that I did not say.

Hon. C. F. Baxter: That is not an isolated case, either.

Hon. G. B. WOOD: I was misrepresented.

Hon. J. Cornell: I think the hon. member is out of order.

Hon. G. B. WOOD: I hope I am not.

Hon. J. Cornell: You are.

Hon. G. B. WOOD: I am referring to another amendment of the parent Act, and this Bill is a further amendment of it. For the reasons I have stated, I shall oppose the second reading.

HON. W. J. MANN (South-West) [12.13]: When I first read this Bill I must confess I was in a quandary as to what actually was being sought, so I kept an open mind until I could peruse the statement made by the Minister when introducing it in another place. To me there was something particularly ludicrous in his explanation. He said the measure was designed to deal with laundries, car parking and dentists. What a wonderful tion! I have become extremely suspicious and I want to know whether the gentleman of colour to whom Mr. Holmes often refers is lurking in this Bill.

Hon, J. J. Holmes: Do you mean the nigger in the woodpile?

Hon. W. J. MANN: There appears to be a nigger somewhere. It seems to me that if we intend to deal professions essential to the life of the community or to our physical being, we shall be roping in civil engineers and the Lord knows whom else. All professions are in some respects essential to the life of the community. Otherwise they would not find a place in the general order of things. This appears to me to be a belated attempt to drag in all those sections of the community that happened to be missed when the Act was passed. I am not convinced that the Bill is necessary. and I will require a good deal of explanation to be convinced. For the moment I have made up my mind to oppose the second reading but if the Minister can clear away the doubts in my mind, I may be prepared to reconsider the matter.

HON. J. J. HOLMES (North) [12,16]: The Bill is a dragnet to bring not only laundries but anybody and everybody within the scope of the Act. My reason for opposing the Bill is that so far as I can learn this is the only State in the Commonwealth that has passed legislation of this description.

Hon. C. F. Baxter: No, New South Wales has done so.

Hon. J. J. HOLMES: Mr. Cornell said we passed this legislation 12 months agoand that we should either add to it or repeal it. If members consult "Hansard," they will find that when the Bill was introduced. I discovered the coloured gentleman referred to by Mr. Mann but the House turned a deaf ear to what I had to say. Reference has been made to the Price-Fixing Commissioner, whom I have met only once. The Commissioner is perhaps the right man in the right place, but to give him authority to declare anything a commodity seems to me to give him too much latitude, especially as I think I am correct in saying, not that he receives instructions from Executive Council but that anything he recommends has to be endorsed by Executive Council. would relieve him from all responsibility. Why the business people of this State should be singled out to be harassed in this manner when there is no similar legislation elsewhere, is difficult for me to understand.]

would not like to be associated with a retail business in the city of Perth to-day. I would almost prefer to be growing wheat and to have my crop wiped out by a hailstorm. understand from some tradespeople that up to a certain date in November there were three classes of sales tax with different percentages. On a given date later in November three distinct classes of increased sales tax were introduced and the people are now at their wits' end to know where they are. If people are to be annoyed in the manner suggested by the Bill and are to be prevented from making any profit, I would like to know whence the Government will derive its taxation, the necessity for which I referred to in an earlier speech at this sitting. Minister controlling this Act also controls the development of secondary industries in Western Australia. If we are going to hamper secondary industries in the same way that everybody and everything else is hampered, who will establish industries here, especially when people in the Eastern States, except New South Wales, are not subject to this type of legislation? In view of what I have said, there is no need for me to stress the point that I intend to vote against the second reading.

HON. H. L, ROOHE (South-East) [12.20]: I oppose the second reading of the I was not in the House when the previous measure was passed and do not know what undertakings or understandings were given or implied. From what I have seen of the working of the Act so far as its application to meat prices in this State are concerned, however, I am firmly convinced that the Price Fixing Commissioner has not been able to administer that Act in such a manner as justifies an extension of his powers in the direction indicated in the Serious abuses may be taking place in the charges levelled for parking, dental treatment or laundry services. I have not heard of any such abuses, but those services scarcely seem so vital that unless there are remarkable abuses, an amendment to the parent Act along the lines suggested does not appear to be justified. I am of opinion that the action of the Commissioner with regard to meat prices showed that he had very little realisation of, or had not made sufficient investigation into, the results that might accrue owing to his intervention. He controls mutton on the hoof from the

primary producer to the wholesaler and in recent times we have seen the price for that commodity reduced or forced down partly through seasonal circumstances and partly through pressure or buying control to 2d. and 3d. a lb., that is, a reduction of nearly 75 per cent, on the prices ruling before he intervened. The price to the consumer through the retail shops, however, has not been reduced even by 50 per cent. The prices of certain lines are supposed to be controlled at 8d. and 9d. a lb. and there are shops in the metropolitan area of which I have heard where some classes of meat can be bought for that price, but if one asks for something a little better than is offered-and I think one has a perfect right to do so and is inclined to do so when he sees some of the meat offered at the established price—he is asked to pay 2d, or 3d, more. In protecting the consumer and the producer furnishing the commodity, the Commissioner has ample room for activity within the scope of the present Act. When I feel there is justification for extending his powers, I may be prepared to vote for a Bill of this kind.

THE CHIEF SECRETARY (Hon. W. H. Kitson-West-in reply) [12.25]: I cannot allow the Bill to go to the vote on the second reading without replying to some of the extraordinary statements that have been I marvel that some members can made. allow themselves to make the statements they have made, which leave them open to an accusation of being in favour of persons or companies being permitted to charge what The Bill in the first place seeks they like. to extend the meaning of "commodity." The two or three instances that have been quoted have been referred to in another place as items that have come under the notice of the authorities because of the prices charged. But they are not the only ones.

Hon. J. Nicholson: They are not commodities in the strict sense of the word.

The CHIEF SECRETARY: They will be commodities within the definition if the measure is approved. The hon, member would not say that, because an article is not a commodity as he understands the term, it should not be subject to some control. The very basis of this legislation is the price that was ruling at the 31st August, 1939. When mention is made of services, I should like to remind the House that Government-controlled services are subject

This being so, is there any to the Act. reason why private services of a similar nature should not be subject to the Act? Have not we reached a stage when it is necessary to satisfy ourselves and the public that we are affording protection against persons? actions οť unscrupulous Although this legislation has been in operation for only 12 months, there have been hundreds of cases of overcharging affecting all kinds of goods and services, and thousands of pounds have been returned to people who have been overcharged. The very existence of the Act has had the effect, in many instances, of keeping prices down to a reasonable figure.

Hon. C. F. Baxter: The Federal regulations have no effect at all?

The CHIEF SECRETARY: They do not cover everything. The hon, member is aware of that.

Hon. C. F. Baxter: Very little is left outside their range.

The CHIEF SECRETARY: The hon. member is aware also that, as a result of the activities of the local Prices Commissioner, we have been able to ensure that the public receives a reasonable deal in the matter of a large number of commodities. Even supposing that at the moment no profiteering is occurring, can it do any harm to have this provision in the law? Is it not better to have authority to do these things in the event of profiteering taking place? If the people rendering these services are not overcharging or profiteering-members may call it what they like—have they anything to be afraid of? Once the Prices Commissioner decides to recommend that a particular service or commodity be subject to this Act, he has to secure the approval of the Executive Coun-Members know what that means; it means that in the first place the Government must approve. When I heard the remarks of Mr. Wood and Mr. Roche on the controversy about meat prices, I marvelled that they should have the temerity to introduce that subject in the Chamber again.

Hon. J. J. Holmes: You have to make allowance for the lateness of the hour.

The CHIEF SECRETARY: This is not the first occasion on which we have discussed such subjects at this hour. I am surprised at the time that has been occupied in discussing the Bill, and I am still more surprised at the remarks of some members. The Bill simply makes provision for the prevention of exploitation of the public by unscrupulous people, and if we are not prepared to agree to legislation of that kind, I cannot help it.

Hon, W. J. Mann: Your information has been very vague.

The CHIEF SECRETARY: I want the hon. member to take my word that there have been hundreds of cases of overcharging in the metropolitan area and that the overcharges have been refunded as a result of the activities of the Prices Commissioner.

Hon. G. W. Miles interjected.

The CHIEF SECRETARY: Yes, in such cases action has been taken under the Federal Act and in other cases action has been taken under the State Act. If we are going to protect the public in the way I have indicated, an amendment of our Act is necessary.

Hon. G. W. Miles: I think we ought to repeal the State Act and operate under the Federal Act.

The CHIEF SECRETARY: I have told the House that the Federal Act does not cover all commodities and services. If it did, there would be something to be said for the view of the hon. member.

Hon. J. M. Macfarlane: It is working satisfactorily with the State legislation.

The CHIEF SECHETARY: If the honmember can say that, he knows more than I do. So far as my information goes, New South Wales is the only State where a profiteering measure of this kind has been passed, but the regulations under which prices commissioners are operating in other States are almost as comprehensive as those under which our commissioner is working.

Hon. J. Cornell: Then the alternative to passing this Bill is to ask the Commonwealth Government to act.

The CHIEF SECRETARY: Yes. If members do not agree that we shall have authority to deal with overcharging or profiteering in the prices of goods and services, I cannot help it. In my opinion it is absolutely essential that the Government should have such power. The experience gained during the last 12 months shows that the operation of this legislation through the Prices Commissioner, though complained of by one or

two members, has been distinctly to the advantage of the general public. We ought to be thankful that prices have not increased to any extent in Western Australia or in the Commonwealth.

Hon. A. Thomson: They have not increased in the other States.

The CHIEF SECRETARY: That is what I said, but there have been hundreds of cases in this State in which, but for the action of the Prices Commissioner, the public would have been exploited.

Hon. A. Thomson: That applies to the other States as well.

Question put, and a division taken with the following result :-

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	AYES.
Hon. J. Cornell Hon. J. M. Drew Hon. G. Fraser Hon. E. H. Gray	Hon. E. H. H. Hall Hon. W. R. Hall Hon. W. H. Kitson Hon. E. M. Heenan (Teller.)
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Hon. J. Nicholson Hon. H. S. W. Parker Hon. H. L. Roche Hon. H. Seddon Hon, C. F. Baxter Hon, Sir Hal Colebatch Hon. L. Craig Hon, V. Hamersley Hon, J. J. Holmes Hon, J. M. Macfarlane Hon, W. J. Mann Hon, G. W. Miles PAIRS.

Hon. A. Thomson Hon. H. Tuckey Hon. H. Tuenes Hon. G. B. Wood (Teller.)

NOES.

AYES. Hon. T. Moore Hon. C. B. Williams Hon. L. B. Bolton Hon. H. V. Plesse Question thus negatived.

Bill defeated.

BILL-ELECTORAL ACT AMEND-MENT (No. 3).

Second Reading.

HON. SIR HAL COLEBATCH (Metropolitan) [12,39] in moving the second reading said: This is a simple but a very necessary measure. The circumstances leading up to it may be briefly stated. A good many years ago certain members of the State Parliament of New South Wales conceived the idea that certain Federal members were likely to peach upon their preserves and stand for State seats. The Parliament of New South Wales was induced, very improperly, I think, to pass an Act prohibit-

ing Federal members from standing as candidates for the State Parliament. The Federal Parliament retorted by prohibiting State members from standing for Federal seats, an entirely improper action, and I think contrary both to the letter and the spirit of the Constitution. The Constitution goes so far as to contemplate that State Ministers may be members of the Federal Amongst the disqualifications Parliament. for membership of the Federal Parliament is one that provides that no person who holds any office of profit under the Crown is eligible, but in Subsection 4 there is an exemption which provides that this shall not apply to the office of any of the Queen's Ministers in the Commonwealth Parliament or any of the Queen's Ministers in a State Parliament. It is clear that the Constitution not only contemplates that State members may contest elections for the Federal Parliament, but that State Ministers may at the same time be members of the Federal Parliament. When that Act was passed by the Federal Parliament disqualifying State members from becoming candidates for Federal seats, several of the State Parliaments, including that of Western Australia, passed an Act which was intended to circumvent it, and made provision that a State member might resign his seat for the purpose of contesting a Federal seat, and if unsuccessful might be reinstated in his State seat without a poll. Following upon the passage of that Act, the Commonwealth Parliament again took steps to meet the case, and provided that no person who had resigned from the Parliament of the State and had the right under the law of the State, if not elected to the Parliament of the Commonwealth, to be re-elected to the Parliament of the State without the holding of a poll, would be capable of being nominated as a member of the Senate or House of Representatives. Those provisions still stand on the respective statute-books, namely, the provision in our Act under which in certain circumstances a member resigning his scat in the State Parliament and unsuccessfully contesting an election for the Federal Parliament may be returned to the State Parliament without a poll, and also the provision in the Federal Act which disqualifies any such person from being a candidate. result is that it has been gravely questioned whether a member of the State Parliament

who is desirous of contesting a Federal seat and resigning for that purpose is not by that fact disqualified from nominating. The purpose of the Bill is to remove that provision from our own State Act. When that is removed the question can no longer arise, and the right of any State member to resign his seat and contest a seat in the Federal Parliament cannot be questioned. I do not think there can be any doubt as to the wisdom of allowing State members of Parliament to contest Federal seats. For that reason the Bill should receive general approval. I move—

That the Bill be now read a second time.

HON. J. CORNELL (South) [12.43]: I do not think it matters whether the Bill is passed or lost. Since the State passed this legislation, one man has left the State Parliament, entered the Federal Parliament and remained there ever since. He resigned his seat in this Parliament and then successfully contested a seat in the Senate. I refer to Senator Johnston. At the last Federal elections Mr. Spooner resigned from the New South Wales Parliament, as did Mr. Stev-Mr. Spooner was elected to the Federal Parliament. The only obligation so far as the Federal law is concerned is that member of the State Parliament shall resign 14 days before the close of nominations for a Federal seat. This is one of the grudges I have against the Federal Parliament. venture to say that the framers of the Federal Constitution never intended to debar a sitting member of a State Parliament from standing for a Federal seat. Had the Constitution intended that, it would have been included in the disqualifications. The Federal Parliament took a mean advantage of the words "so far as the electoral laws of the Commonwealth are concerned." For the first election of a Federal Parliament it was laid down that until such Parliament otherwise provided, the various State electoral Acts should be the electoral machinery for the Commonwealth Parliament. the words "until the Commonwealth Parliament otherwise decides" as a subterfuge, the Commonwealth Parliament introduced into the Constitution something disqualifying State members in a manner never intended by the framers of the Constitution.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time, and passed.

BILL—COMMONWEALTH OIL RE-FINERIES, LIMITED (PRIVATE).

Second Reading.

HON. G. FRASER (West) [12.50] in moving the second reading said: A few words will suffice to explain this measure to the House. Some year or two ago the Commonwealth Oil Refineries established works at Fremantle. The company purchased a certain area of land from Commonwealth Government for the purpose. It put down pipe lines in John-street Swan-street North Fremantle, connecting with a line which already served the Vacuum Cov. and the Shell Coy. necessary that Commonwealth Refineries, in case it should later any reason whatever be denied the use of the line owned by the Vacuum and Shell companies, have the right to put down its This includes the right to tear up certain streets and to cross certain Crown lands. The Bill seeks to validate what has already been done, and make it legal for the company to carry on The measure grants permission in future. to the company to tear up streets or to cross lands owned by the Crown or by the Fremantle Harbour Trust, and to go on, under or over railway lines and so forth; in fact, to do anything that is necessary for putting down a pipe line. There is a safeguard that before proceeding to do such things, company must submit plans to the local authorities and to the Government. ample protection is provided. The Bill includes penalties in case the company should offend. There are also penalties provided for any person offending against the company in respect of pipe lines. Another portion of the Bill is by way of an agreement between the company and the North Fremantle Council for a yearly payment of That charge will operate even in the future should the company decide to put down its own pipe line.

The Bill has been considered by a select committee of another place, which gave it a careful examination. It is on all fours with a Bill enacted about 1925 and known as the British Imperial Oil Company's Act. I appeal to members to pass the measure without question.

Hon. J. Nicholson: There is no difference?

Hon. G. FRASER: This Bill is exactly on the same lines as that Act. I move—

That the Bill be now read a second time.

TUCKEY HON. G. (South-West) [12.53]: I wish to express my surprise at the large amount of money that has been expended in providing storage for oil on top of the sand hills at Fremantle. In my opinion, the time has arrived when we should take care that everything that can be done is done to protect what I consider to be some of the life-blood of the defence system of Australia. We know that the Commonwealth Oil Refineries have already expended over £200,000 on their works. We are told that this Bill is to permit of the carrying out of certain additional works. I understand the object is largely to validate works already completed. We do not know from day to day when there may be an attack on the defences of Western Australia. One of the first things to be done is to build up oil supplies for aeroplanes and other necessary machinery. I trust that something will be done to provide underground storage. If sufficient and suitable areas are not to be found near Fremantle, say at Rocky Bay, there is ideal ground to the east of Fremantle, even if it should be found necessary to go as far afield as Armadale, where there is ample land which would be immune to attack from the air. The undertaking would be costly, but it is essential if suitable ground cannot be found near Fremantle itself. My idea is that storage at North Fremantle is all right in times of peace, but that we should provide reservoirs into which the oil supplies could be pumped immediately there was danger, and from which the oil could be pumped back as required.

Hon. G. W. Miles: That argument applies all over Australia. Even at Darwin they have the oil tanks on the wharf frontage.

Hon J. Cornell: It applies all over the world.

The Chief Secretary: This affects the Defence Department.

Hon. H. TUCKEY: We have heard recently that some nations are even building hangars underground, which would be a much more costly undertaking. It is really unbusinesslike for a country that is short of funds to incur expenditure that ultimately will prove unavailing. We have read of the expenditure of thousands of pounds at Southern Cross on a scheme that has since been abandoned. I believe that all the money spent at North Fremantle will have to go by the board because the oil tanks present such a target for enemy attack. I mention these matters that are so patent to me in the hope that those in authority will take the necessary steps to nullify the present danger.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time and passed.

House adjourned at 1.1 a.m. (Thursday).