Legislative Assembly.

Wednesday, 27th September, 1944.

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

QUESTIONS (3).

MINING LEASES.

As to Granting Relief from Local Rates.

Mr. KELLY asked the Minister for Works:

(1) Is he aware that, although the Mining Tenements (War Time Exemption) Act, 1942, affords holders of mining leases relief from lease rents for the duration of the war and six months thereafter, appropriate legislation does not exist empowering road boards to waive rates raised against mining leases, and that local governing bodies continue to demand both arrears and current rates, even although many leaseholders are now in the fighting Services?

(2) Will he rectify the anomaly and arrange that relief from lease rates be made retrospective?

(3) If amending legislation is necessary to relieve this hardship does he intend to introduce same?

The MINISTER replied:

(1), (2), (3) The Road Districts Act empowers road boards, with the approval of the Minister for Local Government, to write off arrears of rates on any rateable land. Action in this connection has been, or is in course of being, taken by a number of road boards in respect of rates due on mining leases. The approval of the Minister for Local Government has not been withheld in any instance.

FIREWOOD.

As to Cutting Rights and Retail Price.

Mr. KELLY asked the Minister for Forests:

(1) Is it a fact that prisoners of war and other aliens employed in the woodcutting industry by the Forests Department are paid less than the award rates?

(2) Did the Forests Department incur a loss on its firewood operations during the past 12 months?

(3) If so, how much?

(4) Is it a fact that cutter contractors and other private firewood suppliers have had a cut in price on rails from 17s. to 15s. per ton?

(5) Does that mean that an equivalent reduction per ton will be granted by retailers to householders?

The MINISTER replied:

(1) (a) Prisoners of war are employed under special conditions laid down under the Geneva Convention.

(1) (b) Aliens are employed under a determination issued by the Director General of the Allied Works, which sets out rates of pay and conditions of accommodation and work, and are equivalent to Australian rates of pay.

(2) It is not known whether there will be any loss, since this depends on the subsidy requested from the Commonwealth Government, and which is at present the subject of negotiations, for it is affected largely by increases in wages costs and running costs, and the training of unskilled labour not previously employed on this work.

(3) Answered by No. (2).

(4) We have no knowledge of any such reduction. The price on rails at Perth for 6ft. wood, as fixed by the Prices Commissioner, remains at 21s. 6d. per ton.

(5) Answered by No. (4).

EDUCATION.

As to Modernising Legislation.

Mr. McDONALD asked the Minister for Education:

(1) As the present Education Act was enacted 16 years ago and, since then, there has been a great advance in educational study and practice, will the Government give consideration to the introduction of a

modern and comprehensive Education Act such as has been done recently in England?

(2) Will the Government, before introducing such a measure, set up a committee possessing appropriate qualifications, which could co-operate with the Minister and the Director of Education in framing such new legislation?

The MINISTER replied:

(1) and (2) Some consideration to the matters raised has already been given by the Government and further consideration is intended.

BILL—RURAL AND INDUSTRIES BANK.

Message.

Message from the Lieut.-Governor received and read recommending appropriation for the purposes of the Bill.

Second Reading.

THE MINISTER FOR LANDS [4.35] in moving the second reading said: I have often heard it said in this Chamber, when a Bill is introduced, that it is a very small measure and one that will not provoke much argument and in connection with which members will find it unnecessary to pause for long. While I cannot claim that this is either a small measure or, perhaps, one that will not provoke much argument, I think I can confidently anticipate that it is one in connection with which I will find much support. The features of the Bill with which I intend to deal somewhat lengthily involve some new principles, and it may be said that the change from the existing institution of the Agricultural Bank to the one proposed is a very vital change, and of interest not only to the rural sections of the community but to every section inasmuch as within its prescribed activities the new institution will be able to render a service to the rural community, to all sections of the community and at the same time to give to the State the opportunity of getting some benefit from the aspect of rural finance that it has been denied through the years.

It is, perhaps, a commonplace to say that the Agricultural Bank, as we know it in this State, has been a pioneering bank, a bank to service the development of the agricultural industry and a bank, in doing so, that has caused a severe strain on State finances. At the same time there has been little opportunity for that bank to reap any of the advantages associated with that side of farm finance and farmers' finances which would enable it to show a profit from ordinary trading processes. It is, too, perhaps a commonplace to say that when by reason of State funds and the use of moneys made available by the bank, a farmer is placed in a better position than previously he then becomes a subject for the attention of the trading banks, or as we know them, the associated banks. It is when he is an attractive client, and particularly if his current account shows considerable trading and much money at times, that he is the subject of attention by these banks, and the Agricultural Bank loses him because it cannot provide the facilities that the other banks are able to offer.

I think, firstly, it is necessary for me to trace briefly the history of the Agricultural Bank and its past operations. There will, I am sure, be a tendency on the part of members to search quickly through this Bill in an endeavour to discover whether the Government is introducing and insisting upon the continuation of some of the principles with which they have been at variance through the years. It is my intention to explain just what are the differences and what alterations have been made, particularly in respect of such matters as the provisions of Section 51 of the present Act and all matters allied thereto, which have been mentioned. The Agricultural Bank in some form has been in existence for over 50 years. It was established by an Act of Parliament in 1894, the object of the legislation being to promote the occupation, cultivation and improvement of agricultural lands. For a very long period that was the objective that the control, however constituted, had under authority from the Government. The capital of the bank under the 1894 Act was limited to £100,000. It therefore started in a very small way with very limited advances. This amount was increased by means of various amendments to the Act until at the present time the bank's capital is £5,500,000, the Commissioners being empowered to raise further capital by borrowing up to a limit of a further £1,000,000. In the course of many amendments to the Act, perhaps the 1912 amendment was the most vital in the history of the institution.

There was considerable public pressure at the time to expand rural activities and to become enthusiastic over the extension of land settlement in all directions.

The public clamoured for assistance to be rendered to people on the land. It was after that public pressure had almost ceased that political pressure had to be exerted by those who represented people who had got into difficulty principally due to the public pressure and public activities during the period immediately preceding. It was at that stage that advances were approved up to 100 per cent. of the improvements effected. It was at that stage, too, that the bank was forced into financing moneyless men and was required to finance them in districts that have since proved to be quite unsound. This position was continued and maintained until the whole structure of the bank in all its activities got quite out of hand. At that stage a Royal Commission was appointed to inquire into the affairs of the bank, and after the Commission had presented a very voluminous report upon the institution and its activities, the 1934 amending Act was passed.

I referred previously to the capital of the bank being limited under the present legislation to £5,500,000. Of course, the bank controls much more money than that, but under the Agricultural Bank Act there is a limit to its funds. Under that Act it has lent £4,796,000; under the Soldiers Settlement Act it has loaned an additional £3,195,000, and under the group settlement Acts it has loaned £1,327,000, or a total exceeding £9,314,000. The original Act of 1894 provided for the control of the bank by a manager. In 1906 amending legislation was passed placing the management under the control of three trustees—a full-time managing trustee and two part-time trustees. As members are aware, under the amending Act of 1934, three Commissioners were appointed to control the bank—two full-time Commissioners and one part-time Commissioner who represented the Treasury. Under the Act of 1894 the bank's operations generally were placed under the control of a Minister of the Crown and the staff were subject to the Public Service Act of 1904. That arrangement continued until the amending Act of 1934 was passed when the control was vested in the three Commissioners who were not subject to the direct control of a Minister of the Crown and the staff were placed under the direct control of the Commissioners.

In reviewing the functions of the bank and its operations during the period of its existence, I think they can be divided into two sections and one other stage which I shall deal with presently. The period from 1894 to 1934 can, I think, be regarded as that devoted to the occupation cultivation and improvement of Crown lands for agriculture. The period since 1934 may better be described as that of the reconstruction of settlement and, so far as the bank itself is concerned, of the consolidation of its finances. I am quite sure, not only from my recollection of the report of the Agricultural Bank Commission—I think it was on that subject that I made my maiden speech in this House—but from the speech of the Minister in introducing the Bill of 1934, that the principal motive behind the present Act was an endeavour to get into hand the finances of the institution, to ensure that the finances would be dealt with on some better basis and that better methods should be adopted for reconstruction purposes. Since 1934 that has been one of the principal objectives of the Commissioners. It could perhaps be described in respect of the unsafe areas of the State as an operation of salvage, and with respect to the better areas of the State as an attempt safely to reconstruct farming in its many phases in all districts.

But the present position of the bank's activities differs entirely from that which obtained prior to 1934—in fact, prior to 1930. The work of consolidating its activities has almost reached completion, and there has been very little land settlement, compared with the previous figures, since 1930. The work of debt adjustment and reconstruction, of grouping and linking of areas is being proceeded with as rapidly as circumstances will permit, and the general work of the bank has correspondingly been reduced until at the present time the principal work on account of the bank is confined to that of reconstruction rather than to that of making advances. I shall give members some figures dealing with the bank's operations, but, in endeavouring to provide an indication of what the position is, I shall try not to overdo that aspect. The advances made from the Bank funds during 1935, mainly for seasonal carry-on pur-

poses but to some extent also to finance improvements, was £71,016, and during 1943 it was only £5,145. The accounts discharged over the period 1935-1943 by the settlers themselves or through the Associated Banks numbered 1,832. Those 1,832 accounts have left the Bank during the nine years, the mortgages having been cleared by the settlers or through the finance received from the Associated Banks. The figures are very interesting. They show that in 1938, the maximum year for the clearance of mortgages, 277 of the total I have mentioned were paid off, and during 1943-44 the Bank has lost 330 of its clients, who have either themselves paid off their accounts or paid them through the Associated Banks.

Mr. McDonald: Have any new accounts been opened during that period?

The MINISTER FOR LANDS: I will deal with that matter later. The total sum involved in the 1,832 transactions represented £586,993 of mortgage money. That is the total amount paid off by clients in the 10-year period. During last year farmers by themselves paid £65,204 in cancellation of amounts owing, and the banks for this year have paid £30,000 in addition to that sum. The number of accounts in 1938 and 1943 furnishes an interesting comparison. The number of accounts of occupied holdings in 1938 was 10,974, and in 1943 the number was 7,862. Of that number, which I shall analyse shortly, 5,500 are good accounts. The Bank still has 2,494 accounts representing unoccupied or abandoned holdings.

The amounts written off during the period I am reviewing—that is, the term of the present Act—represent a total of £7,659,161. That amount has been written off by the Commissioners of the Bank under Section 65 of the Act and passed through Executive Council on the recommendation of the Minister. Before 1935, there had been £1,044,963 written off, so that the total of the writings-off is £8,704,124. The amounts outstanding in 1935 were £16,523,000, and today are approximately £9,771,000. There is still in some districts somewhat of an overburden of debt with some accounts, but a very important point that must be received very thoughtfully by members of the House and of the community is that if the Bank is to continue as it is at present, operating under the existing Act, there will be, as time goes on, a process of all of the better accounts, which have had the services of the institution and have reached the stage when the institution can give no better facilities in the lending of money than can another bank and still not provide the facilities the Associated Banks can provide, being lost to the institution.

Consequently we have reached the position where no new accounts are being accepted. In answer to the question raised by the member for West Perth a few moments ago, there has been not one new account since 1935. So we have reached a stage where, in the reconstruction process and in the salvage process, if we may call it by that name, the Bank has materially assisted by writing off tremendous sums from irrecoverable debts and tremendous sums also owing by persons who still occupy their properties, but has very little prospect of anything other than liquidation unless some new step is taken. I submit that an analysis of the whole position shows it is distinctly unfair to the general taxpayer of the State, as well as to the farmer, that he be not permitted to enjoy the advantages of a service that the State institution can give and, at the same time, give to the State some measure of recompense by using the moneys of the farmer that are current moneys. All of us know that the institution cannot get any benefit from the moneys lying to the credit of its customers in the Associated Banks.

So the alternative is that fifty years after the Bank was initially established, after it has finished its development work, to allow it to go into a state of liquidation, the good accounts being attracted away with little prospect of the State getting any recompense for the services rendered in the lending of money and the tiding of many people over the pioneering period. No matter in what way we regard the future of this institution, members must admit that there is need for a review of the existing Act and its operations generally because of the steady decline in business and because the institution will be left ultimately with only those accounts that promise very little even from a salvage point of view, and represent perhaps the worst of its clients. We have passed through two stages—the developmental and the reconstructional. We have now reached the third stage when the Bank

must be developed into an institution useful to the farmer and at the same time fair to other sections of the community. In short, we have reached the parting of the ways.

In seeking for methods to adopt in order to discover the right thing to do, the Government has given considerable attention to what has been done in other States and to what we might do on a sound basis to set the position right. We have sought the methods that have been successfully adopted in other States. We have scrutinised the experiences and the activities of institutions in other States, and of all the enterprises that we have examined the experiences of one in Australia, above all others, are outstanding; and those are the experiences of the Rural Bank of New South Wales. I had the opportunity of taking evidence from the President and representative members of that institution, and of noting how similar was the history of that institution, up to a point, to the history of this State's institution; and after having not only that evidence, but all the data of the institution, thoroughly scrutinised by impartial people, the Government recently took the opportunity of having Mr. Brownlie, who is well known to many members of this Chamber, contact the president and the permanent officials of the New South Wales institution with a view to furthering the ideas and thoughts of the Government, and of conferring with those officers, showing our case as it stands at present and asking qualified views in regard to it. Mr. Brownlie who is and for years has been the secretary of our Agricultural Bank, is a very highly qualified and trusted officer. He met with the most cordial reception from the New South Wales officials, who have given us every assurance not only of help towards our own plans for setting our institution in order, but the highly important assurance that they will be pleased to assist us in every way.

I would like to sketch to the House a brief background of the Rural Bank of New South Wales. It started at the same time as our own institution. In 1899 the Advances to Settlers Board was created as the first Government instrumentality specifically concerned in New South Wales with financing primary producers. The functions of that board were first of all vested in the Savings Bank of New South Wales, and in 1906 it was incorporated in the advances department of the institution. It represented at that time a very small section of the Savings Bank of New South Wales; and it was not until 1920 that the legislation was introduced altering its control and its activities to their present form. Under legislation passed in 1931 and 1932 provision was made in the Rural Bank of New South Wales Act to take over all the activities of the rural advances department in the State Savings Bank, and the State Savings Bank itself was transferred to the Commonwealth. One thing that must be mentioned is the contract the New South Wales Government was able to make with the Commonwealth when the institution was handed over.

The Savings Bank of New South Wales has been transferred to the Commonwealth Savings Bank under an arrangement that from the Commonwealth Savings Bank of New South Wales the Rural Bank of New South Wales receives approximately £100,000 annually, which factor has given to that institution in New South Wales a tremendous fillip and a wonderful income. I believe I am not disclosing anything the Premier would not wish me to disclose when I say that he intends to see what can be done on behalf of this State in that connection, and although our agreement with the Commonwealth in relation to our Savings Bank does not afford us that opportunity, he will put forward a case for consideration from that angle, towards our new institution. The Rural Bank of New South Wales is at present under the control of three full-time commissioners, one of whom is known as the president. The institution has 56 branches distributed throughout New South Wales, and in all centres where there is no branch the Commonwealth Savings Bank acts as agent for the Rural Bank. Each branch manager has his own requisite staff, but there is attached to head office a staff of valuers which not only operates for the bank itself but for other sections of Government activities. In the rural bank department every normal banking facility is provided. The services include current accounts, fixed deposits, discounting of bills, provision of advances through both long-term loans and overdrafts on current account to enable farmers to purchase, to develop and to carry on their holdings. All members of the public use the credit facilities, but the lending

activity is available only to those associated with rural industries.

In the accounts of the Rural Bank of New South Wales are very many accounts of business people in all rural districts, and, in addition, in that rural bank section there are the current accounts of very many prominent Sydney business people. I have mentioned that the Rural Bank caters for long-term loans and overdraft accommodation. The overdraft accommodation has proved to be a highly attractive form of business, which has gone to this bank from other institutions and has given farmers a very great benefit. I can give the figures which show that in recent years there has been a tremendous move by the farmers to conduct their business by means of overdraft account. At the 30th June, 1932, the Rural Bank of New South Wales had granted 9,556 overdraft loans for £7,857,000, but at the 30th June, 1942, the overdraft accounts had increased to 9,842, and the amount outstanding was £11,227,000. Information gathered from the commissioners of the Rural Bank of New South Wales shows that clients certainly view the overdraft facilities very favourably.

It is interesting to know, too, that overdrafts were first agreed to and approved in 1922, when only 1,360 were in existence for £128,000, and that returns show that since that time the overdraft facilities and accommodation have proved very popular, obviously because when set-off against interest represented by the current account is reduced seasonally. It really means that the amount represented by current trading is saving the client the amount of interest which he is charged for his overdraft. That is really the position, and constitutes the inducement which has caused so many farmers to leave Associated Banks and change to the Rural Bank of New South Wales. In New South Wales the sources of the funds available to this bank are as follows:—Current accounts and fixed deposits in the rural bank department, returns from borrowers, flotation of public loans, issue of stock and debentures, earnings from ordinary investments and reserve fund investments, and the half share of the profits of the Commonwealth Savings Bank, usually about £100,000, to which I have previously referred. It had at the 30th June, 1943, nearly 10,000 overdraft accounts and over 5,000 long-term loan accounts, representing a total of £15,400,000; and, although the Rural Bank of New South Wales carries on its business as it is proposed this new institution shall—under guarantee of Government—it has carried on its business without cost to the taxpayer; because, in spite of the State Government guaranteeing it against loss, the State has never since the bank's inception had to provide any funds under its guarantee.

One very important section of that bank is the system of valuing and of handling Government business through its agency section. That is an aspect I will discuss at some length in relation to the principle in this Bill of applying a similar prospect to the institution which the measure proposes to create. The agency section of the bank in New South Wales—I propose to make very few further references to that institution—deals with rural finance which is weak so far as the debtor is concerned. That section is used to nurse back to a favourable circumstance the farmer who is either temporarily financially embarrassed, or has had over a period an overburden of debt. The section stipulates that a certain proportion of the equity in the property will be the asset of the bank, but that anything above such proportion is the responsibility of the Treasury and will not thereby affect the soundness of the bank's financial operations. In that agency section a farmer is enabled to have portion of his debt suspended upon which perhaps no interest is charged and some upon which a proportion of interest is charged, and if he strikes a better year he is encouraged to reduce his capital by paying a sum equivalent to the interest which he should have paid.

There are very many methods employed by the agency section to encourage the farmer to try to get back to a sound position with a prospect for the future. In that section, too, all forms of Government-sponsored undertakings are financed. For instance, if it is Government policy in New South Wales to promote irrigation settlement—and there are several irrigation settlements handled by this agency section—the agency undertakes the management and the financing for the Government of those projects. Numerous new industries have been assisted by the Government, not directly from the Treasury as is done in this State with some sections of the rural industry,

but by that agency section operating for the Government, paid an agency fee by the Government, the Government taking any loss that is incurred in the process of establishing such industry by reason of its being Government policy. Further than that, the section is used to undertake special advances for meatworks or processing factories, even fruit canning factories, and industries associated with rural activities generally.

The bank, through its agency section, is empowered to make advances at its discretion for the assistance or relief of persons engaged in agriculture, pastoral or dairying pursuits, or any primary production of any kind, of any dairy farmer or beef-cattle breeder for the purpose of purchasing suitable cattle to improve his herds, of a grazier for the purpose of acquiring suitable rams to improve his flocks, of pig farmers, and for other similar purposes. In the general banking section to which I have referred, the bank handles the accounts of rural clients as well as of many hundreds of people who are not farmers at all, but who have their accounts in the trading section—country storekeepers and others who realise the benefits that the institution has conferred upon the community. It has the facility, in short, to provide any convenience necessary, and all the administrative machinery necessary for the handling of any rural policy and the implementation of any rural programme that the Government may determine upon.

Mr. McDonald: Does the bank handle city accounts?

The MINISTER FOR LANDS: Yes, many of them.

Mr. McDonald: City business accounts?

The MINISTER FOR LANDS: Yes. In the section that handles city accounts provision is made for every facility that any associated bank in Sydney provides. The number of accounts in the agency section is rather interesting. At the 30th June last there were over 21,000 accounts in that section, some of which were of the kind that we have with our own Agricultural Bank. They are termed "hospital accounts"; they are the accounts that need nursing, the accounts of those who have not more than 30 per cent. of value in their own right; that is, not more than 30 per cent. of the equity is owned by the farmer. The agency takes those accounts in hand. Our proposal in this Bill is to handle such accounts in a similar way, 70 per cent. of the val of the equity belonging to the institution to keep it on a sound basis, the remainder to be a debt owed to the Treasur whatever asset there is in it belonging the Treasury. So that with the faciliti obtaining in New South Wales, almost all-fours with the position in 1932 our State at that time, it seems unfo tunate that the outflow of money fro our institution has not been able to giv the farmer a better facility within his ow institution, but in addition has not been ab to stabilise the State finances on a bas on which the State could get some benef which might accrue from the financing the rural activity.

It is quite idle for anyone to claim th the financing of rural industry in this Stat and the activities associated with the mar keting and handling of products do no show to those who have the benefit of th trading section a considerable profit; becaus in the handling of finance associated wit all sorts of products, in the arranging fo oversea despatches of drafts and in all th services associated with the marketing o products, the use of money through ac counts—all of which have been denied t our own institution—banks have certainl made profits in financing the farmers. S that all the outgoings and all the respon sibility have been, as far as our clients ar concerned, the responsibility of the institu tion and the responsibility of the State. W are endeavouring at this stage to rectify tha position. While we have several thousan good accounts not only comparable with th 1,800 odd that I have mentioned we have lo in recent years, but equally good, and som hundreds more favourable, it is I think fair thing to expect, in the interests of th taxpayer of this State, the opportunity fo all this business to be done within our ow institution.

The proposal generally is to convert th Agricultural Bank into a trading bank. Th idea is to re-establish it as such a banl with a special Government agency depart ment for financing the weaker type o settler's account and also undertaking specia works on behalf of the Government, work associated with land settlement generall and the development of industries associate with rural life. The bank's business will b divided into two sections—the rural banl

department and the Government agency department. It is considered that a rural bank section or trading department would be established for the following reasons:—To cover business associated with that section; to enable the bank to retain its clients, and not to develop them to be taken over later by the associated banks; to enable the management to protect the bank's interest, by checking clients' transactions through their ordinary bank accounts; to earn profits that otherwise would go to the associated banks and to utilise portion of such profits to assist the weaker accounts to reach the stage of reasonable financial stability; and to establish an institution that will provide a service to the growers in rural areas and a Government guarantee under which the bank operates to induce business firms and people generally in capital cities and country towns to bank with the institution.

I have mentioned that a scrutiny shows that we have several thousand—perhaps 3,000 to 4,000—accounts equally as sound as those paid off in recent years. I have mentioned, too, that there will be another couple of thousand accounts comparable with those and it is proposed that all such accounts will be taken over by the rural bank section while, in the Government agency section, of the rest of the accounts to be built up and improved, 70 per cent. of the equity would be the asset of the bank and the balance the responsibility or the asset, as the case may be, of the Treasury. So not only will the agency section carry out the reconstruction policy for the continuation of it as now obtains, but it will also be in the position to use moneys earned by it in the other section and apply them to the weaker sections of the clients in the hope that they too will ultimately be able to take their place in the other section of the institution. I think it is necessary to recognise that the Commissioners are still continuing further writings down and, as I mentioned initially, if the bank is to go on as it is, it must inevitably lose in the vicinity of another million pounds. Much of that loss will be aggravated by a continuation of the present overburden of debt.

The Government's intention in the matter is to request the Commissioners to endeavour to stabilise the position as at present, to perform their functions under Section 65 of the present Act, to write off further sums as are considered warranted and necessary to give to the accounts a healthier condition and to the farmers a better prospect, so that at the time of taking over of the new institution there will be a minimum of overburden of debt, a better outlook for the farmer and—where interest is collectable and the prospect is of a maximum of interest being collected—there will be a better outlook for the institution. Referring now to the Bill almost seriatim, it will be noticed that the title includes the words "Rural and Industries Bank." That is to be the name of the institution. The preamble or the long title denotes what it is intended to do and the activities it is intended to cover. In the interpretation or definition clause is set out the scope it is anticipated that the bank will cover.

Hon. N. Keenan: What clauses define what the bank will cover?

Mr. SPEAKER: Order! Clauses may not be discussed at the second reading stage.

Hon. N. Keenan: What number of clauses?

The MINISTER FOR LANDS: The hon. member will notice that the Bill is divided into parts and he will find in certain clauses a description of those parts which I think will help to answer the question he asks, without contravening the Standing Orders. Members will find that the definitions cover a wider interpretation of rural industry. They will notice that arrrangements are incorporated in clauses of the Bill and covered by the definition clause to meet the requirements for fixed loans, amortization loans and also overdraft accounts. It will be found that the management will be vested in three commissioners, two of whom shall be appointed for seven years and one for two years. Unlike the existing Act, under which it is incumbent on the Government to reappoint for a seven-year term, provision is made in this measure for re-appointment for a term not exceeding seven years or for any term less than seven years. In many respects the control of the commissioners is akin to their present responsibilities of management and authority. They are empowered to take over all the business of the present Agricultural Bank, to carry on general banking, to deal with applications for loans, to enforce existing securities and generally to perform the functions of an ordinary banking institution.

Mr. North: Except the creation of credit.

The MINISTER FOR LANDS: They have authority for borrowing on somewhat similar lines to the powers held by the present commissioners. They have, too, the authority for the necessary transfer of the assets of the present Agricultural Bank and indeed of all the assets represented some advances from the Treasurer. They have, too, to take over the liabilities from the bank. They have the authority at all times to confer with the representative of the Treasury in connection with the direct associations as between the Treasurer and the bank. The clauses of the Bill dealing with the funds of the bank include both revenue and loan moneys, and the funds are fixed at £12,000,000. Included in this fund are the outstandings of the institution as at present, the outstandings and assets of the other activities which come to the commissioners under their delegated powers, and in addition the moneys in the trust account at the Treasury. The amount in the trust account at present is in excess of £300,000. It will be found that in the past dealing with finance the capital is expressly mentioned and also which of the assets the funds of the bank would include.

The plan provides that the commissioners will take over existing securities which are sufficiently developed to represent reasonably sound propositions, and the balance above that is to remain in the agency section, and the excess of the valuation is, as I have mentioned before, to be a liability or an asset, as the case may be, according to its prospect of being recovered, to the Treasury. In connection with fixed loans and all the other types of loans that this institution is authorised to advance, the provisions of that part of the Act will be somewhat similar to the provisions of the present Agricultural Bank Act, except that provision for fixed loans and amortization loans is arranged for. There is also the provision for the writing-down or the writing-off or suspension of borrowers' indebtedness. It will be found that provision is made for special sinking fund payments for money appropriated by Parliament. It will also be found that there are certain powers for the borrowing of moneys, and for the issue of debentures, and in this connection provision is made in the Bill for the normal conditions of sinking fund repayments to apply.

In the portion dealing with the appointment of staff, it will be noticed that this will be under the direct control of the commissioners, but as the application of the provisions of the Public Service Act with certain provisos may influence the position, the intention is to have any conditions or circumstances applying to other sections of the Public Service made as consistent in this institution, as a separate body, as its conditions will permit. It will be noticed that certain other activities are to be transferred to the commissioners. They are to administer certain Acts which are to be transferred to them. The Discharged Soldier Settlement Act, the Group Settlement Act, the Group Settlers' Advance Act, the Industries Assistance Act, the Rural Relief Fund Act and the Wire and Wire Netting Act are, with one exception, under the control of the commissioners, the exception being the Rural Relief Fund Act. The commissioners are to exercise the powers of the several authorities formerly controlling the transferred activities, so that in the case of the Industries Assistance Board's activities, that will be one of the authorities delegated to them within their agency section. It will be found that provision is made to take over the register of debentures under the Finance and Development Board Act, 1930.

I think members, or some of them, will recollect that money was difficult to obtain for seasonal advances in 1930. An arrangement was made by the then Treasurer of the State to borrow, I think, £475,000 originally from the Commonwealth Bank to be put into the hands of the Finance and Development Board created to administer it, and subsequently that fund, the register of debentures, and its control, were entrusted to the Agricultural Bank Commissioners. Since then, all outstandings have been met; that is, the amounts owing by the Bank have been repaid, but all the moneys from that fund have not been recollected, so that it is necessary by this Bill to safeguard that position and incorporate it in the measure. The powers of the commissioners in relation to the conduct of business in the rural department are clearly defined, as also are the bases to be used in the furnishing of loans. There are specific requirements necessary in regard to new business, and there are limitations imposed upon the minimum and the maximum amount to be loaned as new

business. There are also prescribed requirements insofar as borrowers are concerned.

There is a clause dealing with the purposes for which new loans may be made, and there is a very important clause dealing with the nature of the security as well as the amount of loans applying to new business. Members will find there is a clause dealing with an exemption given to the Minister for Mines under the provisions of the Mining Development Act, 1902-37. The power to make advances is to be retained by the Minister for Mines, and is specifically mentioned because of the association of Section 24 with the Industries Assistance Act, which is taken over and incorporated in this Bill, and therefore, because of the authority of the Minister for Mines under the Mining Development Act, he should be excluded from the operations of the proposed Act, though he can use the institution for purposes associated with finance. That will not affect his discretion or authority under the statute coming under his control. Perhaps the most contentious of all the sections of the present Agricultural Bank Act is Section 51.

The Minister for Works: We have never heard of it.

The MINISTER FOR LANDS: Moves have been made in the House from time to time not only to repeal that section but to amend it in many ways. I have given that most contentious section, which I have defended and been successful in defending in this Chamber, considerable scrutiny to see whether any irksome restrictions it might impose or any harsh conditions it might apply could in any way be modified. Members will find that this section has to some extent been introduced into the Bill in its present form and modified particularly in the proviso under the appropriate clause. In short, it means that the provisions of this section cannot apply unless and until, in the case of interest due, a payment of interest is in arrear for a period of not less than one year. I am hoping that, with the other provisions which members will find in the appropriate clause, No. 69 will never become as famous as Section 51. I think we have been able to do the fair and right thing in not anticipating default but in providing for it if such default willingly occurs, and if in the opinion of the commissioners they were able to pay.

Mr. Doney: You think, therefore, that we were justified in attempting to improve Section 51?

The MINISTER FOR LANDS: I am not going to make any such admission, but I do say that with the Agricultural Bank as at present constituted it is very necessary to give to the commissioners every possible authority in the endeavour to have collections made where evasion is deliberately indulged in.

Mr. Watts: And you give it in every case whether there is evasion or not; or at least the Act does.

The MINISTER FOR LANDS: The Act as at present operated does impose certain rigid conditions, and, as I have said, I have gone to considerable pains if there is hardship to alleviate that hardship. This Bill incorporates a principle, not of anticipating default or dishonesty, but of insisting immediately there is default that the section will apply. The present practice, as I understand it, is that a list is made of the persons to whom Section 51 applies, and that list is furnished to the appropriate firms. It is sent to the wheat firms, the wool firms and to the butter factories, and it is encumbent upon them to make the proper deductions in the case of the listed persons affected by Section 51. But the provision in this Bill is such that we want, if we can, to encourage the man not only to have confidence in himself and in his ability to pay, but to inspire him to pay if he can be so inspired so that there will not be a continuing charge upon his cream cheque. We are endeavouring to give him the opportunity of paying his interest when it is due so that he can carry on in the intervening months with better farming practices than he has perhaps been able to undertake in the past. I am hoping, too, that this new clause will not only be acceptable to the House, because some such provision is warranted in the interests of the public and in the interests of the State, but that it will give to the farmer the opportunity of showing his bona fides, and at the same time give the State a chance of testing them if he is in default. I admit it is a very contentious matter. I admit, too, that I gave it considerable scrutiny before arriving at the position of recommending to the Government and to the House its inclusion in its present form.

I have spoken at some length in connection with the operation of the Government agency department. Members will find that for each agency separate accounts will be kept. They will all be subject to the scrutiny of the Auditor General and will be under his authority. For each section in the agency department an account will be opened in the rural department, and to the credit of such accounts there will be deposited all moneys received by the bank in respect of such agency. One of the clauses will be found to contain authority to refund interest, and it is obvious that where accounts need some particular scrutiny and some general supervision it will be a very beneficial principle for the commissioners to be able to apply to give relief for a period, or temporary relief, to enable that account to be better circumstanced. The clauses dealing with audit cover both sections of inspection, and all accounts, no matter what activity they represent in the agency section, will be the subject of special reports and special audit. One clause contains a review regarding the writing-down of security. A new principle has there been introduced.

Under Section 65 of the Agricultural Bank Act the Commissioners are empowered to make writings-down of capital sums in connection with which they have to submit to the Minister a certificate showing that the prescribed requirements of the section have been complied with. They are enabled not only to reduce the indebtedness of the client, but the general capitalisation of the bank. Such writings-down then become the responsibility of the Treasury and are a Treasury indebtedness. But it is interesting to note that no matter what amounts are written down from live accounts—from accounts of people who still occupy their properties—the excess amounts written-off still carry the personal covenant responsibility. So that although the capital has been actually written-off by the bank if an opportunity arises for recovering it at a later date, that amount is recoverable under the personal covenant section. The new principle introduced is that such amounts written-off, in conjunction with other creditors, shall be entirely removed from the responsibility of the sections having application to personal covenant.

I shall refer to one or two other minor matters, such as the institution having authority to appoint as its agent any bank in a district or town in which it has not an agency or branch of its own. As in the case of New South Wales, where the Commonwealth Bank acts as agent for the Rural Bank, it is hoped in this State that if the necessity arises a similar arrangement can be made. We must regard this Bill from several angles. It is important to Western Australia to endeavour to have its rural finances on as sound a basis as possible, if we are to regard the future of agriculture either in short-term perspective or from a long-range viewpoint. I think we can anticipate that there will be for a period considerable activity in some directions and much prosperity. In addition to that there will be, by the Commonwealth Government, much activity in connection with soldier settlement. There will be the requirement by the Commonwealth to have, as its agent in all States, institutions, such as is visualised in this Bill I am presenting to the House, to act as its finance authority within those States.

There are many activities, such as this opportunity for conducting, as agent, the business for the Commonwealth, that will assist the institution on to a sound basis. I think it is necessary to preserve to the State any advantages that accrue in connection with the financial standing of its present clients while there is yet time. It is very important that the State should have some prospect of recoupment in respect of its more satisfactorily situated clients' accounts that now pass to other institutions. In general, the Government has endeavoured to present to Parliament a Bill that, I hope, will be a milestone in the history of rural finance in this State. The Government is anxious to give to the rural community and to all people associated with banking practice the opportunity to use this State institution. Its funds are guaranteed by the State Government and the desire is that the bank shall be established on a sound basis, and that it will not only rectify the financial difficulties of the farmers but place the finances of the State on a sound foundation. I will conclude in advising the House of a letter I received today from Mr. C. F. McKerihan, the President of the Rural Bank of New South Wales, who so kindly made his officers and his facilities available to us and assisted us in connection with his case and made much comment concerning

ours. In the course of his letter Mr. McKerihan wrote—

I wish to acknowledge your letter of the 5th inst. which followed the interview which Mr. Brownlie had with me and your previous letter of the 25th August. It is my pleasure to now confirm the fact that if you should require any assistance in connection with the proposed amendments to your Act, we shall deem it a pleasure to be able to help in any way that lies within our power. As we are all striving for the development of our great Commonwealth on the most sound and constructive lines, it is only fitting that there should be an exchange of ideas and experiences of those seeking to accomplish this purpose, so that the greatest benefits may be derived from their collective and individual efforts.

I think it will be generally conceded that there are many phases of this bank's operations that might be beneficially applied to Government and semi-Governmental activities in other States. However, whether it be in this regard or in any other way, you are assured of our ready co-operation at all times.

Mr. McKerihan in a previous communication said he would be pleased not merely to come himself to assist in the endeavour to launch this institution that the Bill deals with, and to launch it on a sound basis, but will bring with him all the appropriate officers to assist in that very desirable direction. I move—

That the Bill be now read a second time.

On motion by Mr. Watts, debate adjourned.

BILL—CROWN SUITS ACT AMENDMENT.

Second Reading.

MR. McDONALD (West Perth) [5.56] in moving the second reading said: The primary object of the Bill is to enlarge the remedies of the subject, or people, against the Crown. By the term "Crown" we mean the Government of the State, Government departments and Government instrumentalities. At the present time the Crown, or in other words the Government, has the fullest remedies against the individual but the individual has only limited remedies against the Crown. The main idea of this Bill is to put the Crown in the same position as the individual and therefore subject to the same liabilities as the individual would be in relation to contracts and wrongs. The Bill is not retrospective; it does not alter or enlarge the rights of the people in respect of past proceedings. It will bring about reforms which will apply in the future. I ask members to bear with me while I make some explanation which I think is necessary to lead up to the introduction of a Bill of this kind. All the law of the land is divided into two parts—that is, common law and statute law. Statute law is that which takes its origin from an Act of Parliament. Common law is the rest of the law as it applies to the people of a country.

Common law is that body of law which comes from the ancient customs of the people and from the principles of justice as they have been evolved and administered through many centuries by British courts. By the common law the subject had his remedy against the Crown in certain cases, not by the ordinary processes of the law but by what was called a petition of right. That is to say, the subject petitioned the King for right to be done in his case, and the King would then refer the petition to the ordinary courts of law to determine what the rights of the case were. Although there was this common law remedy by way of a petition of right, it did not give the subject a remedy against the King, or Crown, in a number of cases. Claims either against the Crown or against the individual arise under three heads. The first is the right that may arise under what is called a contract; that is, an agreement entered into between two or more persons with the intention of creating rights and liabilities as between those persons.

The second class of claim is in relation to torts, in other words, wrongs, and a tort arises when there is a breach of duty by one person to another not originating in a contract. It may be a wrong on the part of a driver of a motorcar who has not observed the duty of prudent driving and runs over another person and injures him. That would be a wrong. Then there is a third class of claim which is called quasi-contract in which, for example, the law imposes a duty upon a person to pay back money when the money has been received in circumstances that it should be paid back. In those cases the court implies a contract on the part of the receiver to pay back the money he has received. An example of that would be if a man paid me £100 thinking I was some other person; there would be no contract between me and the payer, but the law would imply a contract or quasi-contract on my part to

pay back the money I had received by mistake to the person who had paid it to me. Thus claims arise under these three main headings, (1) contracts; (2) quasi-contracts and (3) torts or wrongs.

With that explanation as to how claims arise, I turn to the position of the Crown in relation to such claims. The Crown has always been liable for contracts deliberately entered into by the Crown or on its behalf. At common law it has always accepted liability for contracts of that class. But it has not accepted liability for claims for torts or wrongs, and the reason for this goes back to historical times. I would like to quote on this point a reference in Halsbury's "Laws of England" Volume 27, page 477. It is set out in these words—

> Since the King can neither do nor authorise a wrong, proceedings for a tort will not lie against the Crown, or any servant of the Crown alleged to be acting by the Crown's authority.

So, on account of that ancient principle of law that the King can do no wrong, a subject who has suffered through a wrong done by the Government or a Government department or servant, has no remedy against the Crown or Government for the damage he may have suffered. That was so at common law, and it has been retained, with an exception that I shall mention later, up to the present time. With regard to quasi-contracts—that is the class of claim where, for example the law courts imply an undertaking or contract on the part of the recipient of money to pay back money inadvertently received—it was recognised by the Crown, under common law, in cases where the Crown has been the recipient of money or goods which it could not in conscience claim. So, under common law liability, the Crown would recognise an obligation to the subject or the people in relation to contracts. It would also recognise an obligation under the class of claim known as quasi-contract, but would not recognise any obligation where there had been a tort or wrong committed against the subject.

In this State, we first made a law on this subject by an ordinance in 1867 passed in the 31st year of Victoria, No. 7. I will read the first few words of the ordinance because they will be sufficient for the purpose of the Bill. Section 1 begins—

> In all cases of dispute or difference touching any claim between any person and the Colonial Government, which may have arisen, or may hereafter arise within the said colony, it shall and may be lawful for any person or persons having such disputes or differences to present a petition to the Governor of the said colony setting forth the particulars of the claim of such petitioner.

The ordinance then goes on to say that the Governor shall send the petition to the appropriate court, and the court shall determine whether the Crown shall pay the amount claimed or not. In a case from this State before the High Court this year, it was held by the Chief Justice, Sir John Latham, that the terms of the ordinance I have just read were in substance identical with those of the statute considered in Farnell v. Bowman, 12 A.C. 643, where it was held that under such a provision a remedy was provided against the Crown in cases of tort. So we see that in 1867 our State passed legislation in which the old disability regarding tort was removed in our State, and the subject who had been injured by a wrong on the part of the Government or Crown was given a remedy against the Crown to recover any damages he might have sustained. That was a distinct advance on the old common law; and it virtually gave in this State, from 1867 onwards, all the rights to a subject as against the Crown which the subject would have had as against any individual.

But in 1898 in this State we repealed the Ordinance of 1867 by an Act called the Crown Suits Act, 1898. That Act makes provision for a petition to be utilised to enforce a claim against the Crown, and provides that in relation to certain types of claims stated in the Act the petition of the subject need not be referred to the King at all, as is the case in the Old Country in a petition of right, but can be dealt with in the same way virtually as if it were a private issue here by one subject against another. In the Crown Suits Act, Section 32, are set out the kinds of claim which can be brought under the enabling measure—

> Breach of any contract entered into by or under the lawful authority of the Governor on behalf of the Crown or of the Executive Government of the Colony, whether such authority is express or implied.

So under the Crown Suits Act it is provided that the Crown shall continue to be liable for a contract; that is to say, an express contract; but the Act does not make any provision for the Crown to be liable under what I have described as a quasi-

contract. The Crown only accepts liability under the Crown Suits Act for a contract definitely and deliberately entered into on behalf of the Crown. Then the Crown Suits Act goes on to give the cases in which the subject can sue the Crown for a wrong or tort; and whereas under the old Ordinance of 1867 the subject could sue the Crown for any wrong or tort, the Crown Suits Act of 1898 restricts this remedy by providing that the Crown under this Act shall be liable only for a wrong or damage done or suffered in or in connection with a public work as thereinafter implied. The section then goes on to define various public works, such as railways, tramways, roads, bridges, dredges, harbour works and so forth. The result of that provision is that the old immunity of the Crown in the case of wrong was restored except where the wrong arose out of certain specified public works.

While the Crown Suits Act made provision for a convenient way of prosecuting claims against the Crown in respect of the limited kinds of claims set out in the Act, it was always understood that the subject or the individual still retained his common law right of going to the King with petition of right in any case which was outside the Crown Suits Act. Of course, he could not go by petition of right for a wrong, because at common law the Crown accepted no liability for wrong or tort; but in certain cases outside the Crown Suits Act the subject, not being able to sue under the Crown Suits Act, could fall back upon the old remedy of petition of right and the matter would then be referred to the court and the subject would be able to get justice. A case which arose recently, and which has precipitated the position in connection with Crown claims, was one in this State where the Crown received several thousands of pounds which belonged to a private firm, and which were wrongfully paid into the hands of the Crown under circumstances where there was an implied contract and therefore legal obligation on the part of the Crown to repay those moneys to the firm to which they really belonged. The firm, not being able to sue under the Crown Suits Act for the reason I have mentioned, proceeded to claim by petition of right. The petition of right was referred in the ordinary way to the Supreme Court of this State.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. McDONALD: In a somewhat technical subject, perhaps I may be allowed at this stage, before proceeding, to recapitulate the main points that I have mentioned. Broadly speaking, claims can be divided into three classes. The first is contracts; the second is implied contracts, which are called in law quasi-contracts; and the third wrongs, which are technically known as torts. Prior to 1867 in this State the common law applied and a subject could sue the Crown for redress in the case of a contract and in the case of a quasi-contract, but could not sue in the case of a wrong or tort. In 1867, by an ordinance of this State, the law was altered and the subject was allowed to sue the Crown in all these classes of claims; in other words, the disabilities of the subject in suing the Crown were removed. Then, in 1898, we abolished the ordinance made in 1867, and by the Crown Suits Act of 1898, which still applies, we set up a more convenient procedure for suing the Crown, but we limited that procedure to certain classes of claims, first of all, contracts and, secondly, wrongs or torts arising out of what was called public works.

So that by the Crown Suits Act we took away the right which the subject previously had of suing for quasi-contracts, and we took away also the right which the subject previously had of suing for any kind of wrong or tort; but it was always understood that where the subject could not sue under the Crown Suits Acts under the simplified procedure laid down by that Act, the subject still retained his common law right to petition the King under a petition of right. Therefore, if he had a remedy at common law which did not come within the scope of the Crown Suits Act he could still fall back on his common law right to proceed under petition of right. A case, which subsequently went to the High Court, being a case of a quasi-contract outside the Crown Suits Act, came before the Supreme Court of this State, the subject having fallen back upon the common law remedy of petition of right. When the matter came before the Supreme Court, although it was acknowledged that there was at common law a legal claim enforceable against the Crown by petition of right, the Crown raised the objection that the Crown

Suits Act had abolished the remedy of petition of right.

In all the 46 years that the Crown Suits Act had been in force in this State, it had always been assumed that in cases outside the Crown Suits Act the subject still retained his common law right to obtain redress by petition of right. There have been many cases in this State where the subject has, in a claim outside the Crown Suits Act, obtained redress against the Crown by his common law remedy of petition of right. One of the best known of these cases was the Ravensthorpe Smelters. That was a claim for money which the Crown was held to have wrongfully retained or not fully accounted for. It was not within the Crown Suits Act, and therefore the smelters, or ore-raisers, on the Ravensthorpe field, not being able to sue under the Crown Suits Act, proceeded by petition of right in accordance with the understanding that that remedy still remained to them notwithstanding that the Crown Suits Act had been passed. That was one case where the petition of right was exercised in a case outside the Crown Suits Act, but there were many other cases.

In this case last year, which I previously mentioned, the Crown raised the objection that the real effect of the Crown Suits Act had been to abolish the petition of right and that the subject had no remedy against the Crown in respect of any matter unless it came within the four corners of the Crown Suits Act. That meant that the subject had no remedy in cases of quasi-contracts. The case went to the High Court, which upheld the contention of the Crown. So whereas up to the present time it was always thought that the subject, in addition to any rights which he may have under Crown Suits Act, could fall back on the original right which he had under common law by petition of right, the law now is—under this decision of the High Court—that the subject has no remedy outside the Crown Suits Act. That is a most important decision and it very greatly limits the remedies of a subject against the Crown. First of all, he no longer has any remedy in the case of a quasi-contract; and, secondly, he is still in the position that he cannot sue the Crown for a tort or wrong unless it is a wrong arising out of a public work as set out in the Crown Suits Act. In consequence of this judgment, the position has arisen that the remedies of a subject against the Crown are exceedingly limited and are far less than the subject has if he desires to sue a fellow citizen, a businessman, a company or a municipality.

It is this state of affairs which the Bill seeks to remedy. The first object of the Bill is to go back to the position that was established by the Ordinance of 1867, that is to say, to give the subject the same rights of redress against the Crown as one individual has against another individual. Under the Commonwealth Judiciary Act provision is made for suits and actions by the subject against the Commonwealth, and it is there provided by Section 56 of the Act that any person making any claim against the Commonwealth whether in contract or in tort may in respect of the claim bring a suit against the Commonwealth in the High Court or in the Supreme Court of the State in which the claim may arise. In an article on this subject, to which I shall refer at greater length later, Mr. Justice Lowe, of the Supreme Court of Victoria, said—

> It seems to be clearly established that the Commonwealth is liable in tort.

That is to say it is liable for any wrong. The Commonwealth, by the Judiciary Act, has agreed to accept liability in the same way as if the Commonwealth were a private citizen whereas, in this State, the Government or the Crown accepts no liability for any wrong unless it is a wrong associated with a public work as set out in the terms of the Crown Suits Act.

The Minister for Justice: What is the position in the other States?

Mr. McDONALD: I am coming to that. In New South Wales the position is dealt with by an Act called "Claims against the Government and Crown Suits Act of 1912." The relevant section is Section 3, which says—

> Any person having or deeming himself to have any just claim or demand whatever against the Government of New South Wales may set forth the same in a petition to the Governor praying him to appoint a nominal defendant in the matter of such petition.

Then the Act goes on to provide the procedure by which the petition is heard and adjudicated upon. That section of the New South Wales Act has been held to give the

subject in New South Wales the right of redress against the Government in cases of acts of tort.

Mr. Marshall: It is a lengthy procedure to get there is it not?

Mr. McDONALD: No. This petition is not like the petition of right. It does not have to go to the King for his consent. It is just filed in the Supreme Court of New South Wales in the same way as an ordinary writ and follows the same procedure. So in New South Wales, as in the case of the Commonwealth, the Government have accepted full liability to the subject for any wrongs it may do the subject. In Victoria the right of the subject against the Crown is restricted quite as much as, if not more than it is in Western Australia. I have an analysis of the position in the other States which varies to some degree as to the extent of the remedy which the subject has against the Crown. In 1938 Mr. Justice Lowe, a very experienced and able judge of the Supreme Court of Victoria, wrote a comprehensive article on this subject of Crown liability. It can be found in the 1938 volume of the Australian Law Journal at page 402. In the course of the article, in which he analyses the position historically and in the different States, he says—

> Only compelling reasons of public policy can justify a different measure of liability being applied to the State from that applied to the individual, and no such reasons have been thought to exist in the case of the Commonwealth and several of the States. The model of the New South Wales legislation is available to and should in my judgment be followed by the Victorian legislation. I do not think that the language of the New South Wales Act should necessarily be adopted: it is the result effected which I think desirable.

In the course of the article he went on to refer to one or two eminent legal writers. One is a writer named Maitland who said it would be a wholesome sight to see the Crown sued and answering for its torts. Another legal writer quoted by Mr. Justice Lowe is Sir William Goldsworthy, who wrote these words—

> Such an extension would be in entire conformity with the principle which has guided the development of the subject's remedies against the Crown throughout their history: the principle that their competence are as far as possible to be co-extensive with the remedies available to one subject against another.

Mr. Justice Lowe asks this question in the course of his article—

> Is there then any justification at the present day for continuing this immunity of the Crown in Victoria from liability for tort?

He then said he agreed with the statement of the court in the Scottish case of Macgregor versus the Lord Advocate in which the court said—

> No reason has been suggested why a department of State should not be necessarily like a municipal corporation or any ordinary employer liable for the proper conduct of its business.

Mr. Justice Lowe gave a series of illustrations of the position regarding wrongs as they applied in Victoria and they are to some extent applicable in our State. These are Mr. Justice Lowe's illustrations—

> A fire is so negligently lit or so negligently controlled by a servant of the Crown that it spreads to the property of an adjoining owner and causes him great loss: he is without any enforceable right against the Crown.
>
> The Crown, by its servants, may conduct a noisome, offensive, dangerous trade or business on premises in its occupation, to the nuisance, discomfort or injury of adjoining occupiers, but the Crown cannot be made liable.
>
> The servants of the Crown may trespass on the lands of others and the latter are without civil remedy save against the actual tort feasor.
>
> Servants of the Crown may defame those who deal with them, yet the Crown is free from liability, and so through nearly the whole gamut of torts.

He also gave this illustration from a case he tried himself in Victoria—

> A man was injured by being knocked down by a motor-truck driven by a servant of the Victorian Forestry Commission. But the Forestry Commission being a Crown instrumentality was not liable to the man who had been injured.

In England a committee was set up about 1927 to inquire into this matter, and it recommended that the immunity of the Crown in England for tort should be terminated. A comprehensive Bill was introduced into the House of Commons in 1928 with the intention of making the Crown of England liable for torts and to assimilate the procedure in certain Crown proceedings in the High Court to the procedure in actions between subjects. For some reason which I cannot discover from "Hansard" the Bill was not proceeded with, but when it was introduced—and I read from the House of Commons Parliamentary Debates Vol. 223 at page 2131—

Sir Henry Slesser, who was afterwards one of the judges of the English Court of Appeal, made these remarks—

> This Bill is the result of the deliberations of a committee of extraordinary eminence, composed of the present Lord Chancellor, the present Lord Chief Justice, the law officers of the Crown, ex-law officers of the Crown and a large number of permanent civil servants and heads of Government departments. The committee to whom the most important question of how far the Crown should remain in a peculiar position under procedure of law, were unable or disinclined themselves to make any final decision, but they did unanimously draft a Bill, and expressed the opinion that if that Bill were introduced and passed it would meet most of the difficulties which have been felt.

He later said—

> The Bill meets with the support, in its main principles, of some of the most important bodies in this country. The Association of British Chambers of Commerce, the Corporation of the City of London, the Liverpool Chamber of Commerce, the Liverpool Steamship Owners' Association, the Law Society, the City of London Solicitors' Company and the Bar Council have all expressed their approval of the principles embodied in the Bill.

The Bill, as I have said, was to make the Crown liable for wrongs in the same way as is an individual, and that is the same principle as the one contained in the Bill now before the House.

The Minister for Justice: That Bill never became an Act.

Mr. McDONALD: No, it did not. Why, I do not know. I wish to say that the main principle of this Bill, namely *that the Crown should assume and accept* the same liability for what it does or all that it agrees to do, as anyone else, cannot in these days be denied by any person who gives the matter careful consideration. The old immunity of the Crown in the case of wrongs, depending upon the ancient maxim that the King can do no wrong, is something which should not be allowed to apply in these days when we hope to see our laws based upon some more rational considerations. I have long felt that this matter of the subject against the Crown was in a medieval state and long overdue for reform. Because of lack of time I have not previously had the opportunity to bring the Bill forward. My introducing it tonight was precipitated by the decision of the High Court in the case I have mentioned, which held that even the saving remedy of the common law petition of right is no longer available to the people of Western Australia in certain cases where they have been injured or lost money or property through the action of the Crown.

That is the first principle of the Bill. Members will realise that its application is of some importance. I was in a case myself a year or two ago concerning a collision between a car driven by a farmer in the Murray-Wellington district and a vehicle driven by a soldier who was, of course, an employee of the Commonwealth Government. The Commonwealth was able to sue the farmer and, as the farmer was insured, would have been paid and, I think did get paid in the end, for any damage sustained by the truck and sustained by the soldiers in the truck. The farmer, however, counter claimed and desired to sue for damages which had been sustained by him, but he was unable to sue the Commonwealth because that was a wrong and the Commonwealth, being the Crown, is not liable for wrongs. All that the farmer could do was to sue the soldier who was driving the truck and, as the farmer's claim was for several hundred pounds, even had he succeeded he would have found difficulty in collecting the amount of damages from the private soldier who happened to be driving the truck. The Crown, the Commonwealth, that is, in whose employment the soldier was, and in whose service the truck was being driven at the time of the accident, under the ancient principle that the King can do no wrong was free from any liability for damage suffered by the farmer through the accident.

The second principle of this Bill is to retain even now the common law remedy of petition of right in any case which may not be covered by the law as now proposed to be amended. If the measure is passed the subject will have the right to proceed against the Crown, both in contract and in tort. But I am not too sure how far the subject will have the right against the Crown, even if the Bill is passed, in the case of quasi-contract or implied contract. The Bill, therefore, provides that if there should be any claim against the Crown which is not covered by the law as amended by the Bill, but which would have been available under the old common law petition of right, then the subject may still fall back on his common law remedy by the

petition of right. I hope that if we pass this Bill and thereby largely extend the redress that the subject has against the Crown under the terms of this legislation, we shall still allow the subject to fall back, if need be, on his old common law rights.

As I told the House, the decision of the High Court recently is that in consequence of the Crown Suits Act the old common law rights are abolished in this State. I want them restored. I want to see the subject in no case worse off than he was at common law. So I propose by this Bill that, while we specifically extend the right of the subject to sue the Crown for a wrong or a tort we, at the same time, retain to the subject the right to fall back on his common law remedy in any case not covered by the Act. The third point in the Bill has relation to a section in the Crown Suits Act which provides—

> No person, or the representatives or relatives of any person deceased, shall be entitled to sue for or recover from the Crown, or any Minister or officer of the Crown, any sum of money exceeding Two thousand pounds for or by reason of any personal injury sustained by such person.

That is to say, if a subject has a claim against the Crown for a wrong, because of the limited and restricted terms of the Crown Suits Act as it now stands, he cannot recover more than £2,000. Now £4,000 today would be worth not more than was £2,000 in 1898. But in any case I see no reason why the Crown should not pay for any damage it does in the same way as the private citizen is required to do. The Crown has more money than has a private individual, and in England in particular the courts have been more and more inclined, where a man or woman or child has been injured by accident, a life has been lost, a breadwinner has been killed, or a man has been blinded or has lost a limb, to award substantial damages which, in some instances, have amounted to as much as £7,000. The courts say, "This family has lost its breadwinner and has to be compensated substantially."

The Minister for Justice: Would not the courts here have similar jurisdiction?

Mr. McDONALD: No, not against the Crown. The limitation of £2,000 applies to such damages. I propose that that section shall be abolished and that there shall be no limit to the amount that the Crown should pay and, further, that the Crown should pay damages proportionate to the injury sustained, in the same way as a private individual would be held responsible. There is one more point about the Bill that I shall mention. Under the provisions of Section 37 of the Crown Suits Act, no person is entitled to prosecute or to enforce any claim or demand under the Act against the Crown unless the petition setting forth the relief sought is filed within 12 months after the claim or demand has arisen. In the case of a private individual, the period of limitation to claims is set out in the Limitations Act of 1934, passed by this Parliament, and under it the rights of private individuals run up to six years. I can see no reason why the Crown should not be liable over the same period of time as is the private individual. The Crown keeps records to a greater extent than does a private individual, and therefore if it knows, or has reason to apprehend, that any claim will be lodged, it has the records that will be evidence when the claim reaches the court.

I know of one case where there was a claim against the Crown and the parties negotiated with the idea of reaching a settlement. The Crown denied liability but negotiated with the idea of a compromise. Some 12 months went by and then the claimant found that he was barred from any right of action. It has been held by the High Court that the Crown has no power to waive this 12 months' limitation. The Crown, therefore, is bound by it. In the case I mentioned, the claim was for some thousands of pounds—the claim might have been good or it might have been bad—but the man was barred from bringing the matter before the court, and he had to drop the claim. I fail to see that there should be any artificial or restrictive provision under which the Crown may be sued that does not apply equally to the private individual. I therefore submit the Bill to the House. The main principle of the measure is, of course, to bring the law in this State into line with that of the Commonwealth and of New South Wales, in particular, and to allow the subject the same right to sue the Crown for damages or compensation for wrongs as the subject would have against another individual. I move—

That the Bill be now read a second time.

On motion by the Minister for Justice, debate adjourned.

BILL—PAWNBROKERS ORDINANCE AMENDMENT.

Second Reading.

MRS. CARDELL-OLIVER (Subiaco) [8.6] in moving the second reading said: This is a very small Bill and its provisions will take only a few minutes to explain. It is designed to raise the age at which children can offer goods to a pawnbroker. When the Act was passed and included a reference to children apparently under the age of 14 years, no doubt children commenced work at very early ages. Those who have been in England—I have not seen anything of the sort in Australia—must know that children at an early age were accustomed to going to pawnbrokers for the purpose of pledging goods. The practise there was for their parents to send them along to pledge goods, and later, when the weekly wages were received, the goods were redeemed.

Mr. Cross: Why not abolish pawnbrokers here altogether?

Mr. Marshall: Perhaps the hon. member will start in business himself some day!

Mr. SPEAKER: Order!

Mrs. CARDELL-OLIVER: Times have happily changed and no longer are children expected to work at an early age. In fact, they are prohibited from working in some trades. The school leaving age has been raised to 15 years in some countries while in others it has been raised to 16 or 17 years. We hope that it will be increased in this State to 16 years at no distant date. Notwithstanding the better conditions that obtain nowadays, we find that the Children's Court has to deal with young people in increasing numbers. Many of them are brought before the court on charges of breaking and entering and of petty thieving.

In my opinion, this state of affairs is due to three causes. First of all, it is attributable to the influence of the cinema, where pictures are shown disclosing gangsters in the guise of heroes; secondly, it is due to the want of parental control, and, thirdly, to lack of civic training in the schools. The child who is brought before the Children's Court today does not regard himself as naughty but rather as an adventurous hero. When the report of the proceedings is published, although the child's name is not mentioned, he knows it is his case and his comrades applaud him. Such children emulate the deeds of the gangsters in the films. When pictures, particularly those dealing with gangsters and their families, are shown, on Saturday afternoons, the picture theatres are generally filled to overflowing with children. They imagine themselves to be acting the parts of their gangster heroes, and to them punishment is really martyrdom. The Bill is designed to make boys and girls up to a certain age realise that they cannot get any monetary return as a result of the pawning of goods secured by means of petty theft. Recently a case was brought under my notice in which one of the social service sisters working in one of the missions had her house ransacked by two boys 15 and 16 years of age. They took some antiques, but not very valuable jewels, and pawned them for £3 10s. The police traced them and she was told that she would have to pay the £3 10s. to recover them. That sum might not seem much to members, but it was quite a large sum to her. She got into touch with a magistrate who advised her to take the case to court and possibly the pawnbroker might not recover the amount. However, she came to me and I advised her to pay the £3 10s., because I felt that the child was of an age which allowed him the right to pawn. Consequently she paid the £3 10s. to get back the goods.

On account of that case I looked up the Act and concluded that something ought to be done to raise the age. It might be said that when a child goes to a pawnbroker to pawn goods, it would be difficult to tell the age of the child. I point out, however, that children at the age of 14 have identity cards and it would be quite easy for the pawnbroker, if he was at all in doubt about a child's age, to ask for the production of the identity card. At any rate, the onus should be put on the pawnbroker, and so I ask members to agree to the Bill in the interests of children and of the people generally. I move—

That the Bill be now read a second time.

MR. CROSS (Canning): I am somewhat surprised to find that a child of 14 is permitted to go into a pawnbroker's shop and pawn goods, and I am amazed that the member for Subiaco, while proposing to increase the age, still stipulates the age of an infant, because the law does not regard a child as being other than an infant until it reaches the age of 21. As a matter of fact, a child under the age of 21 is not responsible

for any contract at all. I would support the member for Subiaco if she introduced a Bill with the object of abolishing pawnshops. I do not consider them to be a necessary evil, because the rates of interest charged by them are excessive. I do not know how far they are policed, but I can produce an interesting document from the years of the depression. It is from a Murray-street pawnshop, at which a woman was compelled to pawn her wedding ring. The pawnbroker advanced 10s. on it; he had it in his possession for about six weeks, and I had to pay 18s. to redeem it. I still hold the receipt. This occurred at a time when the husband, after having been out of work for a long time, had been sent away to a job. I was amazed at the rate of interest charged by the pawnbroker, and I found that I had been grossly overcharged.

I intend to be rather more drastic than the hon. member and in Committee shall move an amendment to raise the age to 21. I hope my amendment will receive the support of every member. Children between the ages of 14 and 19 are apt to do things they would not do in later years and should be protected. I consider, too, that a pawnbroker doing business with anyone who he thinks is under 21 should examine the identity card. There are some boys and girls in the community with police records a yard long, and if they thought they could go to a pawnshop and get a decent advance, they would find it an easy way of disposing of stolen property. Any loophole for disposing of stolen property should be blocked. We should not encourage people to borrow money at excessive rates of interest. The rate pawnbrokers are permitted to charge is, I believe, 1s. 8d. per £1 per month. We should encourage people, particularly younger people, to live within their income. There is too much easy credit in this country.

The Minister for Mines: Where do you get it?

Mr. CROSS: In ordinary times, far too many purchases are made on the easy credit system. Some firms supply goods for 1s. down and the balance over 20 weeks, and if the rate of interest is worked out, it is found to be over 50 per cent. We would be a happier community if we followed the example of the pioneers who lived within their means and did not believe in accepting easy credit or paying interest. I repeat that if the hon. member would bring down a measure to abolish pawnshops I would support it, because I believe we would be a happier community without them.

On motion by Mr. Needham, debate adjourned.

BILL—CONSTITUTION ACTS AMENDMENT (No. 3).

Second Reading.

MRS. CARDELL-OLIVER (Subiaco) [8.18] in moving the second reading said: This is a small Bill which I hope will be favourably received by the House. It needs some little explanation. When the Constitution was framed, I think it must have been based on the English law, and probably the framers were very British indeed. I can only assume that Subsection 4 of Section 31, which the Bill seeks to delete, was inserted through a misunderstanding of English law and probably a certain amount of bias, the reason of which I will explain later. The church in England usually is called the Church of England. This is a misnomer; it is actually the Church in England. It is also called the Established Church. This again is not correct. The word "established" arose through the breaking away of various groups from the central body. The only really established church is the Presbyterian Church of Scotland. One can quite understand the framers of the Constitution being nervous about interfering in any way in State matters when one realises that in the Middle Ages there was constant friction concerning spiritual and temporal affairs; and one can quite understand that the framers of our Constitution were against any interference of that kind, when we realise that during the Middle Ages there was constant conflict between the spiritual and temporal heads. At one time ecclesiastics were magistrates, and ecclesiastic barons had feudal and political duties; but those days have passed long since.

No doubt the learned framers of our Constitution had had a good deal of this old-world history well impressed on them by their forefathers; and so in this new land they were advised against any man in religious orders becoming a legislator. What they remembered was that no clergyman could sit in the House of Commons, and what they forgot was that ministers of religion could and did sit in the House of Commons.

Perhaps at that particular time when this Constitution was framed, ministers of religion were not there; but to my knowledge one has sat there for 23 years. Further, the framers of our Constitution forgot that a great many bishops sit in the House of Lords, and that ministers of religion also can sit in that Chamber. A few years ago, as will be remembered, the church in Wales broke away from the parent body, possibly owing to an agitation by Mr. Lloyd George. I shall not enter into the details of that episode, but the anomaly is this, that a clergyman in Wales now has the right to sit in the House of Commons, just as a clergyman in some of the British dominions has the right to sit in the local Parliament. So it will be seen that Britain has been very tolerant of all religions, and I wish to reiterate that the subsection to which I have referred may have been inserted because of a misunderstanding on the part of the framers of our Constitution, who believed that because clergymen of the Church of England were debarred from sitting in the House of Commons, so ministers of all religions were equally debarred.

Mr. J. Hegney: Have you a mandate for this reform?

Mrs. CARDELL-OLIVER: I have a mandate from the electors of Subiaco to say what I want to say, and I am going to say it. Western Australia is the only State on Australia's mainland in which such a provision exists. Indeed, I think we are almost unique in the world, for I do not know of any other country in which a clergyman cannot sit in the Parliament of the country. It may be useful if I read sections of the Commonwealth and State Constitutions dealing with disqualification of candidates for Parliament. The Commonwealth provision is as follows:—

44. Any person who—

(i) Is under any acknowledgment of allegiance, obedience or adherence to a foreign power, or is a subject or a citizen entitled to the rights or privileges of a subject or a citizen of a foreign power; or

(ii) Is attainted of treason, or has been convicted and is under sentence, or subject to be sentenced, for any offence punishable under the law of the Commonwealth or of a State by imprisonment for one year or longer; or

(iii) Is an undischarged bankrupt, or insolvent; or

(iv) Holds any office of profit under the Crown, or any pension payable during the pleasure of the Crown out of any of the revenues of the Commonwealth; or

(v) Has any direct or indirect pecuniary interest in any agreement with the Public Service of the Commonwealth otherwise than as a member and in common with the other members of an incorporated company consisting of more than twenty-five persons

shall be incapable of being chosen or of sitting as a senator or a member of the House of Representatives.

But subsection (iv) does not apply to the office of any of the Queen's Ministers of State for the Commonwealth, or of any of the Queen's Ministers for a State, or to the receipt of pay, half-pay, or a pension by any person as an officer or member of the Queen's navy or army or to the receipt of pay as an officer or member of the naval or military forces of the Commonwealth by any person whose services are not wholly employed by the Commonwealth.

There is nothing in that section which is at all similar to Section 44 of the Commonwealth Act. We can see that ministers of religion, or even clergymen, could sit in the Commonwealth Parliament if their church authorities allowed them to do so; and I believe those authorities do give such a right. Sections 1, 2, 3, 5 and 6 of our own Constitution have a similarity as regards eligibility of candidates for the Commonwealth Houses; but our Section 4 is not to be found in the Commonwealth Constitution at all. Now I come to the State of South Australia, which provides—

31. If any member of the House of Assembly—

(a) for one month of any session of the legislature without the permission of the House entered upon its journals fails to give his attendance in the House; or

(b) takes an oath or makes any declaration or acknowledgment of allegiance, obedience, or adherence to any foreign prince or power; or

(c) does, concurs in, or adopts any act whereby he may become a subject or citizen of any foreign state or power; or

(d) becomes entitled to the rights, privileges, or immunities of a subject or citizen of any foreign state or power; or

(e) becomes bankrupt or an insolvent debtor within the meaning of the laws in force in the State relating to bankrupts or insolvent debtors; or

(f) becomes a public defaulter; or

(g) is attainted of treason; or

(h) is convicted of a felony or an infamous crime; or
(i) becomes of unsound mind,
his seat in the House of Assembly shall thereby become vacant.

Here again we find nothing in South Australian legislation to prevent ministers of religion or clergymen from sitting in the Legislature. Again, one minister of religion does sit there. I believe that at the last general election this man was so impressed with the immorality prevailing in the State that he became a candidate for Parliament and was elected. He is a Presbyterian. In the Act of New South Wales there is nothing that prevents a clergyman or a minister of religion from sitting if he so desires and becomes elected. In Victoria the position is similar, and also in Queensland. Concerning Tasmania I have not the information. However, the foregoing examples show that there is no other mainland Australian State which has such an extraordinary and illogical legislative provision as we have in Subsection (4) of Section 31.

I now state my reasons for bringing forward the Bill. First of all, the Bill deprives men with vast experience of human life and of all ranks of society from helping to frame laws for the welfare of society. These men are compelled to pay taxes, and compelled to conform to the laws of the State, and moreover are compelled to vote; but we deprive them of the opportunity to be voted for. Unlike the judge or magistrate mentioned in our Act, they are not paid a salary by the State; they are not beholden to the State in any way and, unlike the criminal, they are not kept by the State. The specific cases I wish to bring before the House are these: It will be remembered that at the last election Mr. W. A. B. Haynes, who was the chairman of the Armadale-Kelmscott Road Board, wished to nominate, but he found that his nomination was not in order because he was a clergyman. He had been on the land for 23 or 24 years in this particular district, but was not allowed to nominate, and had he not disclosed the fact that he was a clergyman he would have been liable to a penalty of £100.

The Minister for Justice: He could have resigned from the church.

Mrs. CARDELL-OLIVER: I shall come to that later. We have other cases. One of the most brilliant leaderwriters in this State—we read his articles weekly, perhaps daily, but very often—for many years has been a journalist. I refer to Kenneth Henderson, a man who could not sit in this House because he is a clergyman. I know another man in the South-West who came here a few years ago and bought an orchard. He certainly officiates sometimes on a Sunday but he could not, if he wished, enter this House, although he is an orchardist and only occasionally does some church work. The Minister has said that if such a man wishes to enter Parliament he can resign from the Church. It displays ignorance to say that. It is absurd. One cannot unscramble a scrambled egg: once a man is in Holy Orders he remains so all his life. He may become an atheist, he may be delicensed, but nevertheless he remains a clergyman all his life. Therefore, the man Haynes could not possibly say that he was an orchardist, although he was engaged in that occupation for 25 years. It would be just as illogical, in my opinion, to debar a freemason from entering this House because he has entered the Order of Freemasons. One can take it a little further. It would be just as illogical to say to members sitting opposite that because they belong to a union they should not be members of this House. It is the same sort of thing.

Mr. Needham: You are stretching your imagination.

Mrs. CARDELL-OLIVER: I am not. Many persons who are virtually members of and pledged to secret societies nominate as candidates for Parliament and, if elected, enter this House. It has been argued that a clergyman's job is a full-time job, but that is no business of ours. One might as well say that a doctor's job is a full-time job, that a lawyer's job is a full-time job and that a mother's job is a full-time job. In fact, many members sitting in this Chamber hold positions which are full-time jobs, but perhaps they have someone else to help them. I go still further, and say that a member's job in this House is a full-time job. I know one man who has four doctorates; he is a doctor of music, a doctor of medicine, a doctor of law, and a doctor of divinity, but because he is a clergyman he cannot enter this House. That seems to me to be outrageous. It is an interference with one

of the four freedoms, namely, freedom of religion. We talk a great deal about it and eulogise it; yet this is one case in which a man, because of religion, is denied the opportunity to enter this House. We have recently been trying to reform another place and to extend the franchise for it. We certainly need to reform this Chamber and allow men such as those I have been speaking about to enjoy their full rights.

The Minister for Works: Competition is already very severe.

Mrs. CARDELL-OLIVER: This Bill will right a great wrong and will bring Western Australia into conformity with the Commonwealth and the other States in respect of this particular law. The Bill will also conform to world ideas, and we are told that we are to have a new order, with spiritual and cultural expansion. These men are by their education and experience fitted to help in the framing of legislation for the uplift of humanity and they should not be debarred from entering Parliament. I have pleasure in moving—

That the Bill be now read a second time.

On motion by the Minister for Justice, debate adjourned.

MOTION—LICENSED PREMISES.

As to Closing on Cessation of Hostilities.

Debate resumed from the 13th September on the following motion by Mrs. Cardell-Oliver:—

That this House considers the Government should take steps to ensure the closing of all premises licensed for the sale of alcoholic liquor for a period of twenty-four hours immediately there is news that an armistice or any other arrangement is made putting an end to hostilities with Germany or Japan, or when either of them surrenders.

THE MINISTER FOR WORKS [8.37]: This motion asks the House to declare that the Government should take steps to prohibit the sale of intoxicating liquors for a period of 24 hours after news of an armistice or cessation of hostilities is received. I have carefully read the speech which the member for Subiaco made in submitting the motion, and I find that her main reason for bringing it before the House is that we should take this proposed step for the purpose of preventing unseemly and dangerous behaviour which might easily take place if the hotels are allowed to remain open immediately following the receipt of news of an armistice or of the cessation of hostilities against either Germany or Japan. I have no doubt that there will be in this Assembly a substantial conflict of opinion on the wisdom of the step proposed by this motion. It might be said that such a proposal reflects rather severely upon the ability of our citizens, or of a number of them, to conduct themselves reasonably in the atmosphere that will be created upon receipt of the news of an armistice.

We can all agree, I think, that 95 per cent. of our citizens would, in that atmosphere, conduct themselves in a seemly manner. We might all of us drop tools, as it were, and foregather in the streets and be happy and cheer, and perhaps even dance around a bit and do other things. But I think it can be said that 95 per cent. of the citizens would not indulge in dangerous behaviour; that they would not indulge in behaviour that would endanger the physical welfare of anybody, nor would they indulge in behaviour that would be a discredit to themselves and to the community. So this motion, if I understand it aright, proposes to do something which it is calculated would have the effect of controlling perhaps 5 per cent. of the citizens who might lose complete control of their judgment, flock into the hotels, if they were open, and consume altogether too much intoxicating liquor, and then engage in wild behaviour and brawling, and thus endanger the physical welfare not only of themselves but of other people as well, and probably do more or less considerable damage to property, and so on. No one can foresee with any certainty just what might happen.

During the war we have seen some very unfortunate happenings in this city, and those of us who did see those happenings would, I am sure, not want to see them ever happen again, and would be prepared to take every reasonable step to prevent their recurrence in the future. Under one of the National Security Regulations, the Premier of a State is given power by a special order issued under the hand of the Premier to control the sale of liquor even to the extent of prohibiting its sale at any time. Under that regulation, the Premier of this State, with the support of the Government, issued an order many months ago compelling hotels in the metropolitan area to close at 6 p.m. But that order was issued only because, in the

opinion of the Premier, it was calculated to assist the defence of the country and the operation of a more effective war effort in this State. Such an order can be issued only if it is considered by the Premier that it will assist the defence of the country or the war effort.

It is therefore fairly certain that no Premier in any State would be able to issue a prohibitory or controlling order under that regulation in respect of alcoholic liquor once an armistice was declared or once hostilities had ceased, because it could not be argued successfully, I think, that the issuing of an order after an armistice had been declared or after hostilities had ceased would be promoting the defence of the country or further assisting the war effort. So it is doubtful whether the Premier of this State would be able, if this motion were carried, to issue an order in the terms of the motion. The Solicitor General has advised the Government that there is some power in Section 169 of the Licensing Act, but the power contained in that section would not enable the Premier or the Government to take action though it would empower the police or resident magistrate to issue an order closing hotels if in his opinion a riot or tumult were expected to take place when any particular event came to pass.

Mr. Watts: It might be a bit late, sometimes, in those circumstances.

The MINISTER FOR WORKS: If news of an armistice were to be received, say, at noon tomorrow, and a police or resident magistrate considered a riot or tumult was likely to take place because a number of citizens would indulge too much in alcoholic liquor, he would, of course, if he thought it wise and right to do so, be able to issue an order almost immediately for the purpose of closing licensed premises and thus preventing the sale of liquor.

Mrs. Cardell-Oliver: Only a hotel near a riot, according to the Act.

The MINISTER FOR WORKS: I think he could expect, if he had any expectation at all of riots or tumults occurring, that they might occur all over the metropolitan area and certainly in the city area and in the Fremantle area——

Mr. Fox: No!

The MINISTER FOR WORKS: I say that without desiring to reflect in any way upon the citizens of Fremantle! This motion appears to me to be an attempt to meet a situation that might or might not arise, an attempt to say to 5 per cent. of the citizens who might like to indulge in alcoholic liquor in a small, reasonable or even a large way, that they shall not do so. Speaking for myself, I would say that getting drunk would be a poor way of celebrating an armistice, of celebrating the cessation of hostilities after five years of dreadful war, and any Parliament or Government would be thoroughly justified in taking action to declare that that kind of thing should not take place. Our Government has given some consideration to this motion. We feel it is an important question and one in connection with which there may be a great deal of regret when armistice day arrives if something has not been done in the meantime to prevent a serious state of affairs arising.

We have communicated with the Prime Minister for the purpose of asking whether the Commonwealth proposes to take any action along the lines suggested by the member for Subiaco's motion. We have been informed by the Prime Minister that the Premier of Queensland, Mr. Cooper, has listed the subject of Armistice Day arrangements and control for discussion at the Premiers' Conference which is to take place in Canberra next week. If any action is to be taken, it would be advisable for it to be taken on a Commonwealth-wide basis, because in a matter of this kind there is some advantage in uniformity, inasmuch as the people of one city or one State would not have any legitimate complaint if similar action were taken in all cities and all States. On the other hand, if action were to be taken in only one State the citizens of that particular State would have some substantial grievance because they would have placed upon them some control and prohibition that did not apply to the people in the other five States of the Commonwealth. Therefore it seems to me that this motion need not be taken to a vote tonight, or even next Wednesday, because although I think there might be an armistice before Christmas, I do not think there will be one within the next fortnight. So, we lose nothing by postponing our decision for a week or even two weeks, at the end of which time the Premiers' Conference will have given some consideration to the matter and will probably have made a decision either for

or against it, and that decision will subsequently become the one to be adopted in all the States of Australia.

On motion by Mr. Watts, debate adjourned.

MOTION—COMMONWEALTH CURRENCY.

As to Retention of Control.

Debate resumed from the 13th September on the following motion by Mr. Marshall:—

That this House is of opinion that any international agreement that involves the surrender of the Commonwealth's sovereignty over its currency, either partly or wholly, would be disastrous, involving as it would, the complete domination of the social and economic standards, and freedom of the Australian people, by a foreign body. This House, therefore, enters a protest against any such agreement being signed without the consent of the people of Australia being first obtained, and is of opinion that other State Premiers should be invited to co-operate with the Premier of Western Australia in expressing this view to the Commonwealth Government.

THE MINISTER FOR WORKS [8.52]: This motion seeks to make a protest against any international agreement that would involve Australia in the surrender of its sovereign control over its internal currency. It goes further and seeks to obtain a declaration from the House in the form of a protest against any such agreement, and endeavours also to enlist the aid of the Premiers of the other States in expressing to the Commonwealth Government the views set out in the motion. Some of the words used in the motion are tremendous in their meaning and in their general significance. When I come to consider a motion of this nature, in which words of this type occur, I often wish that the tremendous words used could be reduced to some simple meaning in order that we might have a clear understanding of what is actually meant and what we are asked to do. The whole question of currency and finance would be far better understood by the common people, the general public, if the terms by which the question is surrounded could be simplified and the whole matter made more easy of understanding by people generally.

It might very well be that in the past those concerned with maintaining the supremacy of private control over currency and finance have adopted the use of these tremendous words, if I might use that form of description, for the purpose of ensuring that the common or ordinary people will be scared of giving any consideration to the matter whatsoever. It might also be that there have been built up around the question terms which have been at first glance sufficient to scare any ordinary person or layman from having any desire at all to give any thought to the question, let alone any deep study of it. I am not quite sure myself as to what is meant by the word "sovereignty" as expressed in this motion. I take it that the mover intends that word to convey to us that the Commonwealth Government of Australia must not in any international agreement it makes during the war, or after, surrender in any degree the absolute legislative right of the Commonwealth Parliament in respect of internal currency and finance of Australia.

Mr. Smith: Currency, not finance.

The MINISTER FOR WORKS: These terms to some extent are interchangeable. There is of course, a distinction and, as I said a moment ago, some of the distinctions are so fine and so technical that it becomes a problem to know just how far one term goes and just how far another term goes. It is difficult to know where one thing ends and the next begins. But, in general terms, I think we can say that the intention of the member for Murchison is to ensure that the Commonwealth Parliament, as such, will not lose any of its present complete legislative control over banking and currency within Australia. I think we would all support him in that, and agree wholeheartedly with him in that intention. The motion goes on to express the fear that if any such international agreement were to be made by the Commonwealth Parliament, such agreement would be disastrous to the people of Australia generally and would involve them in complete foreign domination of their social and economic standards. I do not know that any such agreement would involve them in a complete domination of those standards by foreign or oversea interests.

At any rate, I think it could be agreed quite well that any such surrender, large or small, would involve the people of Australia in a grave threat to their economic and social standards. A great deal of mystery, of course, surrounds finance, even within one country, and I must frankly admit that I have not to my own satisfaction succeeded in getting inside that mystery. I have

not succeeded to any worthwhile extent in finding out all about the intricacies of banking and finance as carried on even within one country. If, therefore, a good deal of mystery and difficulty surrounds banking, currency and finance generally within one country, we can quite easily imagine how much greater the mystery, the difficulty and the intricacies become when the much larger question of international finance enters into consideration.

Mr. Holman: Is not that the first job of Parliament?

The MINISTER FOR WORKS: It may be, but if it is, I make bold to state that there is not one member of this Parliament anyhow who has yet completed the carrying out of his first duty.

Mr. Holman: That is not correct.

Mr. Watts: There may be one.

The MINISTER FOR WORKS: No. I think the member for Murchison will readily agree that he has not yet——

Mr. Holman: That is a shocking admission!

Mr. SPEAKER: Order!

The MINISTER FOR WORKS: —succeeded in mastering all the intricacies and mysteries of finance. I am satisfied that control of currency and banking is a tremendous power to be placed in the hands of private companies and private individuals. I am satisfied beyond all question that the exercise of this power does, in effect, place in those hands the control of the economic and social life of the people, and I am satisfied, too, that that power can be used according to the desires and ambitions of those who control it either for the great good or for the great ill of the community generally. Therefore I think we can say that in respect of that portion of the motion which asks us to express the opinion that there should be no surrender of any kind, no matter how small, of the Commonwealth Parliament's constitutional right to control banking and currency, we can extend to it our cordial support. It is my opinion that if the Commonwealth Parliament and Commonwealth Government assert themselves much more vigorously on this question in the future, the welfare of the people of Australia can very quickly be substantially promoted. I know that our progress as a nation and the welfare of the people are dependent fundamentally upon the efforts of the individuals that make up the nation. I do not suggest, nor do I think the member for Murchison would assert, that people can be made prosperous by the manipulation of currency and banking.

We all realise that in the final analysis the welfare of the people and the progress of the country depend upon work and production. But the work and production of the people, no matter how earnest and great they may be, can be defeated in the results that should come to the people in consequence of that work and production if the currency and banking of the nation are manipulated against the people by a small group of individuals or by private companies that may desire to operate the currency and banking for their own ends as against using them for the benefit of the people as a whole. I think we saw that to some extent 12 or 14 years ago. I do not say that the bankers of Australia, or even the international bankers, deliberately set out to create misery throughout the world with unemployment, poverty and degradation of all kinds on the widespread scale that existed in 1931 and 1932; but I am inclined to think that they set out deliberately with the purpose of manipulating banking and currency to their own benefit without realising the tragic effects that would flow from the policy they set in motion in 1929 and 1930 and even in the years previously. Therefore it is desirable that the Australian nation, through the Commonwealth Government and Commonwealth Parliament, should not enter into any international agreement that would even possibly link Australia up with another move of the kind that took place in the world prior to 1930, nor do I think that the Commonwealth Parliament or Commonwealth Government as now constituted is likely to do that. It may be that if this motion is carried, the Commonwealth Parliament and the Commonwealth Government might take some offence at us for warning them against something of which they are fully aware.

Mr. Leslie: Even so, they would at least take some notice of Western Australia for a change.

The MINISTER FOR WORKS: They might feel that we were merely asking them to follow a policy they had already decided to adopt, namely, of not surrendering any portion of their power or right to control

the currency and banking laws of Australia.

Mr. Holman: I think the latest announcement will prove that.

The MINISTER FOR WORKS: I am hoping that not only will the Commonwealth Parliament and Commonwealth Government not surrender any of their legislative powers and administrative rights over currency and banking but that they will greatly extend their legislative power and administrative rights over those matters. I think Australia will face a very uncertain post-war future unless the Commonwealth authorities move very substantially along the road of taking much more effective control over both legislation and administration in respect of these matters. I feel that there is no hope of an assured post-war period unless the financial system of Australia can be linked very securely with the productive system of the nation. In the depression years we saw unemployment, hardship, poverty, physical and other suffering in the midst of substantial, if not abundant, production of necessary foodstuffs and other essential requirements for human welfare and comfort. It is not a sufficient answer for anyone to say that the depression was world-wide and that similar suffering was experienced in other countries.

In fact, that is no answer at all. That is only an admission that in other countries the same unfortunate, unnecessary state of affairs existed as existed in our own country. I think it is the height of absurdity to say that people in a country like Australia should go short of food and clothing and proper housing when at the same time in this country there is plenty of wheat, meat, wool and the raw materials from which clothing, furniture and houses are made and plenty of labour available. The tragic aspect is that in those days the skilled and suitable labour that was available to do all things necessary to be done was not employed at all. So I sincerely hope that not only will the Commonwealth authorities not do what the motion proposes to warn them against, but that they will move very much in the other direction.

In Australia in the future I am sure that we can, by maintaining our production at reasonable levels, ensure a continuous period of reasonable comfort for our people. Our productive capacity is known to all of us, and by the application of labour to our productive capacity, we can not merely provide sufficient to meet the reasonable needs of our own people, but can also meet those needs, in my judgment, five times over. It could be said, as it was said at the time of the depression and has been said many times since, that the people of Australia cannot possibly enjoy a reasonable standard of living unless Australia as a nation is able successfully to market overseas its surplus primary products. I have never subscribed to that idea and I do not subscribe to it now. I submit that after the war, as during the war, we can guarantee to our people employment; we can guarantee to our primary producers a reasonable income for what they produce. By doing that we can safeguard and promote the welfare of our people, and if, after their welfare has been safeguarded and promoted and their reasonable needs provided for, there is a surplus of wheat and other primary products to be disposed of in the markets of the world, let them be so disposed of. If we lose 6d. per bushel on the wheat we export and so much on every bale of wool we export, and so much on each measured quantity of other primary products, that need not be a calamity for our people any more than it needed to have been a calamity during the war.

I have often wished that someone had the time and skill and the super brain requisite for the job of measuring what the depression cost Australia, even in £.s.d., not to mention the other dreadful costs which were imposed upon so large a section of the people and which have in many respects been a continuing cost to Australia. I do not think that any brain ever created could measure the financial loss of those years, and it would have paid Australia a million times over to have guaranteed to the primary producers in those years a payable price and to have paid that guaranteed price to them for everything they produced. If this had been done, the primary producers would have been maintained in a reasonably solid position and they would have been able to carry on their operations in a reasonably satisfactory financial manner. It might have been and probably would have been necessary to some substantial degree for them to reduce their production, but not to an extent that would have involved them in carrying on at a loss. It would have paid the nation handsomely at

that time to have made up to the farmers of Australia the loss that would have been incurred on the portion of primary production that had to be exported oversea.

The cost to Australia during those years of adopting and operating a system of that kind would have been only a very small percentage of the financial cost that the nation had to bear because a system of that sort was not applied. The cost to the Governments of Australia, because everything was chaos, because every one was impoverished, was terrific, and the cost to individuals also was terrific, simply because everything fell to pieces owing to the fact that banking and currency were not properly controlled and were not operated in the interests of the nation, but operated on the basis of making as little purchasing power as possible available to farmers and the community generally, thus leaving everyone in a condition more or less of being unable to satisfy even the elementary needs of human existence. So, for my part, I propose to support the motion although the wording of it might require altering here and there, but I would much rather have seen it worded in a more positive way somewhat along the lines I have suggested in my remarks.

I would have preferred to see us as a Parliament asking the Commonwealth Government not only not to consent to any international agreement that would cause Australia to surrender some of its internal currency control to international interests, but also to ensure that the Commonwealth Parliament and Government will, at the earliest date, prepare a system of control for currency and banking within Australia that would ensure in the years of the future a reasonable measure of employment to every man willing to accept it, and a reasonable standard of living to primary producers based on a guaranteed price for that which they produce. By doing these two things, I think we would be establishing within Australia a foundation upon which could be built in future years a standard of living of which the people of Australia could very well be proud and other nations of the world might be inspired to follow as a worthy example. Before concluding I wish to emphasise once more and make quite clear that the act of controlling banking and currency by any established authority cannot of itself achieve employment for the people and cannot of itself promote human welfare and prosperity.

Fundamentally, those things depend upon the work and effort of the people in the industries of our country, in the distributive systems of our country, and in every activity which has to be carried on for the purpose of enabling a community to live and to carry on. But the great point about the control of banking and currency is that if these things are properly controlled and directed, and properly linked in with the productive system of the country, if they are used for the purpose of assisting production and human effort, then they can play a tremendous part in the direction of ensuring that every person engaged in useful work in the community will within reasonable limits receive a fair reward for the labour which he or she as a citizen puts into that effort.

Members: Hear, hear!

MR. WATTS (Katanning): My first reaction to the motion moved by the member for Murchison was one of enthusiasm, and I would say at this stage that I propose to support it. The enthusiasm that I first had for the phraseology used by the hon. member has been a little dampened, however, by the observations of the Minister for Works, who has indicated what would perhaps be a line of approach more suitable to the intentions of the member for Murchison.

Mr. Marshall: I have consistently been using the language that I have been reading.

Mr. WATTS: I think the language used by the hon. member has been flamboyant; but I am still going to support the motion, because I consider the intention underlying it to be very wise. I understand the mover's intention is to ensure that any financial agreement that it is sought to enter into and which has been created by international discussion or arrangement, should not be entered into if there is any indication that it means a surrender of the so-called sovereign rights of Australian Governments and Parliaments in respect of the currency, which rights are contained in the Australian Constitution and which can at discretion, and without such limits as the Government and the Parliament choose to determine, be exercised for the benefit of the people of Australia. Now, it is quite clear that in the run of years and in the march of progress the internal economy of every nation which

has self-government and responsible government is becoming substantially more and more the right of that nation's Government and Parliament—if it has the parliamentary system—to determine.

While it may be possible to take advantage of international agreements once we have been assured that the making of those agreements will be to the advantage of the people whom we are called upon to govern, it seems most unwise to accept any such agreement until one has first ascertained what obligations it will ultimately impose upon the people over whom we have control. In the past, as I understand the position, there has been an inclination for conferences to take place among representatives—and representatives only—of various nations, and the conclusions of those representatives, ill-understood by many and ill-considered by some, have been enforced upon all because of an understanding that whatever arrangements were made at those conferences should be carried into effect by the Governments whose representatives were present. In the net result, as I have seen the position, the representative of a Government has come home and, in view of the party political methods under which most of our Governments in the British Commonwealth are conducted, as soon as he has convinced those who follow him in the Legislature of the suitability of the arguments that have been used by him, it results as a matter of course that the agreement shall be brought into operation and applied to all the circumstances of the country—whether, as I say, they have been taken into consideration or not. It is the prevention of any possibility of the repetition of such proceedings that was in the mind of the member for Murchison when he moved the motion.

If any proposal comes forward which is going to do, or which has even a possibility of doing, any of the things discussed by the hon. member when introducing the motion, I for one quite frankly say I do not wish to see any such agreement made. One can only reason from the known to the unknown, and we do know that recommendations which have been brought into this country from outside in regard to financial problems have not resulted to the benefit of the people of this country, even if one makes every allowance for the tendencies of parties and is prepared to concede that it is not possible to depart altogether from some line of orthodoxy in regard to finance. We need go no further back than the period referred to by the Minister for Works, the period of 1929 to 1933. There we found a state of affairs coming into existence which, so far as Australia is concerned, could in my opinion have been met, if not by an increase in the purchasing power of the people—which I concede on the basis that I mentioned a moment ago was impracticable—at least by maintenance of the purchasing power of the people.

Such maintenance, had it been effected, would have definitely minimised the position which arose and which has been referred to by the Minister for Works; but no attempt was made by any Australian Government—I shall not now go into details as to the political qualifications of these Governments—or at all events made with success, to stand out from the proposal which was carried into effect at that time for a very substantial reduction of the purchasing power of every citizen of Australia, including this State, including ourselves, or those of us who were then members of this Chamber. The effect was to increase substantially the evil that existed, and to make confusion worse confounded. There is no doubt in my mind that, making the concessions that I had in my own mind a few moments ago, the proposal and the plan then put into operation and now proved definitely and beyond any shadow of doubt to have been detrimental in its effects, were conceived by those who came advising as international advisers and imposed their advice upon the Australian Governments.

I do not suggest for a moment that that advice was accepted by the Australian Governments with anything but the best of intentions. I had no part in the public life of the State at the time, but I wrote to a member of the Commonwealth Parliament on lines exactly similar to those on which I am speaking this evening. It seemed to me, who was then on the outside of all public matters in this country, that the plan was not going to achieve any result at all except to accentuate the difficulties which we were then experiencing while reducing the purchasing power of the people. It seemed to me then, as it seems to me now, that a small or comparatively small addition to the Australian currency at that time, pro-

perly expended in expanding the opportunities for employment and production where the opportunities obviously existed, and in maintaining the purchasing power of those who could find employment and opportunity for production, would have had a very beneficial effect on the situation which existed during the depression years. We should be extremely unwise, therefore, in my opinion, to reject this motion, whether we entirely agree with its phraseology or not.

The aim of the member for Murchison, in my view, can be expressed shortly in these terms: He desires to indicate to the Commonwealth Government that the greatest possible care should be taken in entering into any international agreement which affects, or is likely to affect, the ability of the Australian Government and Parliament to determine the use that shall be made of its constitutional money power. If that be his intention, as I believe it is, we shall be well advised to join him at least to the extent of saying that we will support his motion. I join, too, with the Minister for Works, in the belief that it is possible to maintain, with proper control, the position of the primary producers of this country in the post-war period. There will be greater difficulties in some industries than in others, because in some industries there is a greater amount of production which is beyond our use because of its quantity, and will be beyond our use for many years to come—such as wool. There are other industries which it is quite obvious we shall, with our ability, be able to maintain at reasonably profitable prices, because we have not to cope with a tremendous export quantity. In those the export quantity is limited or non-existent; but I say that in every case it is reasonably practicable to ensure that there shall not be a recurrence of what took place before in those industries.

Let us consider whether international agreements may be of some benefit. It is reasonable to assume that the kind of international agreement which could with advantage be made is for the international handling or purchase of the export products of a country such as this by agreement between countries such as this and those that desire to purchase the goods, so that there may be at least some approach to a figure at which those products would be likely to be payable to our producers. I consider that there, as has been the case during the war period, lies an ample prospect of protecting the wool industry, if our international negotiations can be conducted as I believe they can. There is also that very large industry, the wheat industry. We know that Australia can grow probably five times, as the Minister said, that which we are likely to consume. It will be a very long time—if the time arrives in the life of any of us—when the people of Australia will be able to consume all the wheat that Australia can produce. We must therefore of necessity be an exporting nation. Is there any reason, under a policy such as existed pre-war of intense nationalism, why wheat in Germany should have been worth 10s. a bushel and at the same time wheat in Australia was worth not more than 3s. or 3s. 6d. a bushel after adding to the Australian price the cost of transport to Germany? Have we not arrived at a stage of international agreement when things such as that can be prevented?

Surely it is not beyond the wit of man, by whose brain so many tremendous achievements, especially in recent years, have been brought about, to devise some method whereby these problems can be solved in the best interests of humanity, so that a nation like Germany will not have to pay a figure which is exorbitant for a product that in very many aspects is only exotic so far as production in that country is concerned, at least in the quantities in which it was trying to produce it! I do not believe that the brain of man cannot be—if we go the right way about it—diverted into channels which will solve these problems, instead of solving the problem of destruction on which, unfortunately, perhaps through no fault of ours—we are always ready to put the blame on others—we have been working for the past 75 years in particular.

We have brought about immense achievements in the production of weapons for destruction. I do not think the first working-out should be control of currency by international agreement, judging from the evidence provided by the member for Murchison and from that which we can read. In my view—it may be an erroneous view, but nevertheless it is my view—the first international agreements that should be made are those which will seek to achieve means

whereby we can dispose of the goods which the nations produce in a manner likely to be profitable to the producers and at the same time bring them within reasonable reach of the consumers. After we have done that there may be time for some international agreement with respect to currency as applied to the internal economies of the nations concerned; for, after we have done that, that is to say, found the means of providing payable prices on reasonable consumption terms, we may be justified in believing that there is a need for international agreement, meant for the benefit of the people of the nation and not for the profit of isolated factions.

On motion by the Minister for Mines, debate adjourned.

House adjourned at 9.38 p.m.

Legislative Assembly.

Thursday, 28th September, 1944.

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

QUESTIONS (3).

PIG MARKETING.

As to Losses in Transport.

Mr. BERRY asked the Minister for Agriculture:

(1) Is he aware of the fact that unnecessary losses are sustained when consigning pigs to market during the summer months?

(2) If so, will he endeavour to have restrictions modified during these months so that pigs may be transported to market by farmers by road?

The MINISTER FOR THE NORTH-WEST replied:

(1) Losses have been reported during extreme summer heat conditions.

(2) The cause of the losses is under review and the possibility of improving facilities is being investigated.

WOOL TRANSPORT.

As to Rail and Road Facilities.

Mr. BERRY asked the Minister for Railways:

(1) Is it a fact that wheat haulage has priority on wool haulage on State Railways at present?

(2) Is he aware that the shortage of wool trucks last year is again embarrassing wool producers this year?

(3) If this position cannot be rectified immediately, will he arrange for permission to be granted to enable wool growers to cart their wool from their farms direct to brokers' stores as there is inadequate storage space for this commodity on the farms?

The MINISTER replied:

(1) Yes, there is a partial priority, but it is of a temporary nature only, as it is necessary to accentuate the flow of wheat, also flour and urgent defence traffic, to ports to avoid delays to shipping.

(2) No.

(3) Answered by (1) and (2).

ARTIFICIAL LIMBS.

As to Civilian Needs.

Mr. McDONALD asked the Minister for Health:

(1) Is he aware that there are inadequate facilities in this State for the supply of artificial limbs for civilians requiring them?

(2) Can he take steps to overcome this difficulty—possibly by arranging that any artificial limb factory or factories supplying Service personnel, should reserve a quota for civilian needs?

The MINISTER FOR EDUCATION replied:

(1) Yes. Normal civilian requirements are too small to justify complete facilities within the State.

(2) The Repatriation Department has always readily co-operated in respect to civilian requirements. At the moment, however, Service needs are very pressing.