

to live so close to guns, let alone people of advanced years. The Minister should consider the question of shifting the people from the home at Fremantle to some place several miles removed from where these guns are situated.

We all hope that we will never see any shells dropped in Western Australia, but if they are dropped in any place it will be Fremantle. That town will stand as good a chance of getting shells from the Japanese as any other place in this State, because of the store of oils there. One of the largest stores of oil in Australia is situated not far from the Old Women's Home—I refer to the tanks containing crude oil—and it would be a target for the Japanese, because if anybody knows the position of stored oil in Fremantle, or of the important works in Western Australia, it is the Japanese. They have been allowed to roam all over the State with cameras and have taken photos of the most important works which would be picked out for bombardment. It is well that the Minister should take this matter into consideration because if an air raid takes place the Old Women's Home will, perhaps, be one of the places on which bombs would be dropped because the enemy would endeavour to put out of action the anti-aircraft guns situated within 100 yards of it.

I was interested to hear the member for Subiaco speak of the amount of milk supplied to school children in her district, and other districts. We have had a milk scheme in operation in Fremantle for the last six or seven years, but owing to the increased prosperity brought about by the war—it seems a remarkable thing that we need a war to bring about prosperity—not so much milk is now being distributed. We have an ardent body of workers which has given a considerable amount of time to this scheme over the last five or six years. The organisation is kept in operation in case there should be another depression.

Vote put and passed.

Votes—Public Health, £12,825; Mental Hospitals and Inebriates, £132,400; Chief Secretary, £22,026; Registry and Friendly Societies, £16,100; Prisons, £31,950; Observatory, £1,310; Education, £873,700; Police, £283,652—agreed to.

Progress reported.

House adjourned at 12.40 a.m. (Wednesday).

Legislative Council.

Wednesday, 10th December, 1941.

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

QUESTION—PEARLING INDUSTRY.

As to Government Assistance.

Hon. C. F. BAXTER asked the Chief Secretary: 1, Has any financial assistance been granted, during the last three seasons, to the pearl fishing industry? 2, If so, what amounts have been granted, respectively, to those operating at—(a) Broome; (b) Shark Bay; (c) Roebourne; (d) Port Hedland; (e) Onslow?

The CHIEF SECRETARY replied: Financial assistance to pearlers, at Broome only, has been given during the last three years—

	£
1939	14,744
1940	6,310
1941	6,540

Full details of this assistance, over a period of years, appear regularly in the Auditor General's report.

MOTION—INDUSTRIES ASSISTANCE ACT.

To Disallow Regulation.

Debate resumed from the previous day on the following motion by Hon. A. Thomson (South-East):—

That Regulation 8 made under the Industries Assistance Act, 1915-1940, as published in the "Government Gazette" on the 21st November, 1941, and laid on the Table of the House on the 25th November, 1941, be and is hereby disallowed.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [4.35]: The first com-

plaint made by Mr. Thomson regarding Regulation 8 is that it has taken the Government too long to prepare and gazette it. The hon. member said it had taken something like 10 months before the regulation had been placed before Parliament. The reason for the long delay is that all the efforts we have made to obtain from the Commonwealth Government information as to the rate of interest to be charged on the money involved have produced no result. The Government has been compelled to table the regulation—it desired to do so before the session ended—before it has any knowledge of what the rate of interest is to be. The rate is not known at the present time; so that, I think, is a sufficient answer to Mr. Thomson's first complaint.

I am advised that during recent months there has been some criticism by responsible people that the Agricultural Bank should be advancing money to settlers to the tune of about £500,000 without either party having any knowledge of what the actual rate of interest to be charged would be. I do not know of any financial institution that would accept the responsibility that has been shouldered by the Government. For a few moments I shall deal with the question of the money that has been provided by the Commonwealth Government, not only in Western Australia, but in other States of the Commonwealth for the assistance of drought-stricken settlers. Members will realise that the money is not available in the form of a grant. It is being provided by the Commonwealth Government, but each State Government has to accept the responsibility attaching to the money. That is a very important point. The Commonwealth Government has laid down the conditions with regard to repayment but the State Governments have to accept the liability and responsibility for such repayment. It is just as well that those people who seem to take a delight in referring to these funds as Commonwealth money, should remember that it is not Commonwealth money at all.

Hon. A. Thomson: It is a loan.

The CHIEF SECRETARY: Yes. There has been much propaganda on the lines that this is money provided by the Commonwealth Government, for which reason the State should not be so anxious as it appears to have been to see that proper arrangements are made for the collection. As long as we recognise the fact that the

State is responsible for the repayment of that money, and that anything not collected by the State from settlers who borrowed the money will have to be made good by the general taxpayer of the State, we understand the reason why at least it is necessary that there should be some conditions which will tend towards repayment of the money by those who have borrowed it, thus enabling the State Government to repay the Commonwealth.

Western Australia is not the only State affected. New South Wales, Victoria and South Australia have all received Commonwealth funds for this purpose. It is interesting to note that in the case of New South Wales the Government intends to collect the whole of the advances this year, if possible. It is prepared, however, in cases that warrant consideration to re-advance the money at the low rate of interest obtainable from the Commonwealth Government. The Victorian Government hopes to obtain repayment of the total advances this year. I mention these facts to show that while Mr. Thomson's endeavour is to make a very important point of the conditions under which the money has been loaned to the States, in at least two other States endeavours are being made to repay the total advances during the current year.

As regards our own State, the regulations adopted by the Government to give effect to the conditions under which the money has been obtained from the Commonwealth Government, are framed in a scientific way. They deal first of all with settlers who are able to repay, and those settlers are asked to repay. Secondly, they deal with men hardly able to pay and to carry on in the ensuing year. In such cases there will be either postponement of payment of the debt, or the debt will be funded and made repayable by instalments over periods up to seven years, which is the maximum period for which the money has been loaned to the State by the Commonwealth. Where a settler's account is not sufficiently satisfactory to be dealt with by the means to which I have referred, money will be advanced from year to year in order to enable the settler to carry on his farming operations; and it will be re-advanced at the low rate of interest which applies to drought relief money. Thus settlers will be charged the same rate of interest as the State Govern-

ment has to pay, there being no debit for the administration of the money.

Numerous remarks were made by Mr. Thomson concerning the operations under the Industries Assistance Act as regards the drought relief money. It is necessary for me to deal perhaps at some length with certain remarks made by him. First of all I have to point out that the provisions of the Industries Assistance Act are specially framed to govern advances made for cropping, and are on all fours with the conditions or requirements of any financial institution which lends money for cropping purposes. Mr. Thomson objects because security is taken for the money advanced. While I do not think the hon. member said so straight out, yet the inference from his remarks was that the Government should have been satisfied with a lien on crops. The hon. member did not say that definitely, but it is the only inference I can draw from his remarks in view of the criticism he offered with regard to the security taken by the Government relative to this drought relief money. The hon. member quoted at length the particular sections of the Act, and referred to the fact that the Agricultural Bank had taken as security practically everything the settler possessed, except, I think he said, the settler's wife and children.

Hon. A. Thomson: I did say that.

The CHIEF SECRETARY: I ask, what is the alternative?

Hon. G. W. Miles: Private institutions do exactly the same.

The CHIEF SECRETARY: Of course. Nobody can expect this Government or any other Government to lend money for this or any other purpose unless there is some security.

Hon. A. Thomson: The private mortgagee does not have the conditions applying to the Industries Assistance Board.

The CHIEF SECRETARY: I think he does, and I think he wants more.

Hon. A. Thomson: He could not get more, because the Industries Assistance Board takes everything.

Hon. J. J. Holmes: The board wants the wife and family as well.

The CHIEF SECRETARY: May I point out that if the Government had only taken a lien over the crop, its position would have been something like this, that in the event of the proceeds from the crop not being

sufficient to meet the amount of money advanced, then the balance of that money would have fallen into the category of an unsecured debt. I ask Mr. Thomson whether that would be a fair position for the Government to be placed in, having regard to the circumstances? I have no doubt that if that method had been adopted the Government would certainly have been subjected to criticism, of course not by the people who received the advances but by the people who eventually would have to pay a share of these advances, the general taxpayers of Western Australia.

The Agricultural Bank is just as keen as is the settler himself that he should be free of the Industries Assistance Act. It has to be recognised that thousands of settlers in this country have to thank the Industries Assistance Board for aid that has kept them on their holdings. There are many primary producers in Western Australia who are indeed grateful for the assistance that has been rendered to them over the years. I think it only fair to add that numerous persons who have been assisted under the Act by the board have in spite of that assistance not been able to pull through, and that as a result there has been in the past considerable loss. I think that at the last sitting of the House I quoted figures indicating the very large sum of money which has been and is involved in the operations of the Industries Assistance Board, quite apart from the drought relief money we are dealing with now. Under this regulation the provisions of the Industries Assistance Act will continue to apply, except in the case of the funding of a debt, until the drought relief advances are repaid in full. That is to say, where the Agricultural Bank is satisfied that by funding the amount which it has lent and which the settler has not been able to repay, he will still be able to carry on satisfactorily, he will be freed from those conditions of the Industries Assistance Act about which the hon. member complained.

Hon. J. Cornell: Assuming that the regulation is disallowed, where will the settlers stand?

The CHIEF SECRETARY: I am wondering just where they will stand. It would be necessary for the Government to frame fresh regulations and any new regulations that may be gazetted must have regard for security. I have already pointed out that

proper security certainly will not be security on crops only. It must be recognised that while we in this State are having a fairly good year, experience shows that we cannot rely on the seasons and that, therefore, where a farmer who has received money under this scheme is in a position to repay this year without any detriment to himself he should be asked to do so. There is another point I would like to make, namely, that many farmers in this State are not enjoying the good season experienced by others. I have no doubt Mr. Thomson has personal knowledge of settlers who are just as badly off today as they were 12 months ago. There are districts in which the results have been not merely disappointing but very bad indeed.

Hon. J. Cornell: Can the Chief Secretary tell the House how the clients of the trading banks stand in comparison with Agricultural Bank clients?

The CHIEF SECRETARY: So far as I am aware, they are both in the same position, except that perhaps the trading banks are a little more severe in their treatment of settlers than the Industries Assistance Board usually is.

Hon. A. Thomson: They can hardly be that!

The CHIEF SECRETARY: The hon. member may not agree, but that is my point of view. Our experience over a number of years shows conclusively that those who have been assisted by the Industries Assistance Board have, generally speaking, had much more generous treatment than has been received by those dealing with the private trading banks, and I think that stands to reason. It must be remembered that quite a large number of settlers have for many years been experiencing a hard time and, had it not been for the continuous assistance received from the board, they could not possibly have carried on. Mr. Thomson read two letters of complaint in regard to this matter, but I believe that both letters were written prior to the publication of information about this regulation. I am wondering whether it would be possible for Mr. Thomson to produce any correspondence written since the regulation was published, and an explanation concerning it appeared in the "West Australian" on the 26th November. All the information we have at present is that those clients who

have received money under the scheme are perfectly satisfied with the conditions.

Hon. H. L. Roche: Have you any correspondence to that effect?

The CHIEF SECRETARY: I have no correspondence but I am passing on the information received from the officials of the Agricultural Bank. On the 26th November there appeared an explanation of the regulation which is quite easy to understand. Any member who reads the explanation will agree that the regulation is decidedly fair. I do not know whether or not I should read that explanation because it is rather lengthy but perhaps for record purposes it may be just as well for me to do so. The article is as follows:—

Drought Relief: Regulations Gazetted; Provision for Repayment.

Regulations under the amendment to the Industries Assistance Act dealing with drought relief money passed during the last session of the State Parliament were published in the "Government Gazette" last Friday and were tabled in the Legislative Assembly yesterday. The regulations apply only in respect of advances made out of or commodities supplied with the money lent to the State for the purpose of drought relief under the Commonwealth of Australia Loan (Drought Relief) Act. The regulations provide that the advances shall be made or the commodities supplied by the Commissioners of the Agricultural Bank. Provision is also made in the regulations for the method of repayment of the advances or commodities.

Where the Agricultural Bank Commissioners are of the opinion that the proceeds derived by the borrower from the sale of his crops or wool or other sources of income arising out of the agricultural farming, grazing or other operations carried on by him during the 1941-42 season are sufficient to repay in full the advances made and leave a balance sufficient to enable him to carry on during the 1942-43 season, he may be required to repay the advances in full. Where the borrower has not made sufficient to repay the advances and have a balance, the commissioners may allow the repayment of the advances to be deferred wholly or in part until the borrower derives sufficient in the following year or years. The commissioners may also fund the advances and allow the borrower to repay by annual instalments over a period not exceeding seven years. If the advances are funded, the commissioners may require the borrower to execute in their favour a mortgage of his land and a bill of sale over his plant and stock to secure the repayment.

When the proceeds from farming or grazing operations are sufficient to repay the advances in full but are not sufficient to leave a balance for the borrower to carry on his activities during the ensuing seasons, the commissioners may

from year to year—with a limit of seven years—repay in full the advances out of the proceeds derived by the borrower from his operations and simultaneously re-advance him money or supply him with commodities.

The regulations also provide that the rate of interest to be charged on advances shall be the same as that payable by the State to the Commonwealth for the money lent under the Commonwealth of Australia Loan (Drought Relief) Act. Advances under the regulations may be made or commodities supplied for a period of seven years commencing from April 1, 1941.

It is provided that interest owing to creditors of the borrower other than the commissioners and payments for machinery and plant owing by the borrower to persons other than the commissioners shall not be considered as expenses incidental to the borrower for carrying on his farming or grazing operations. No interest will be charged on advances during the year ending March 31, 1942.

That is as clear an explanation of the regulation as we are likely to get.

Hon. A. Thomson: It did not mention Clause 4.

The CHIEF SECRETARY: It does not mention any clause.

Hon. A. Thomson: It covers them all except Clause 4.

The CHIEF SECRETARY: The subject matter of Clause 4 is mentioned in the last part of the article, which states—

It is provided that interest owing to creditors of the borrower other than the commissioners and payment of machinery and plant owing by the borrower to persons other than the commissioners shall not be considered as expenses incidental to the borrower for carrying on his farming or grazing operations.

The amount of money involved, so far as the State Government is concerned, is £570,000, which is a considerable sum and one which no Government can treat lightly.

I want to deal with another point raised by Mr. Thomson. He suggested that in all cases this money should have been advanced to settlers for a period of seven years. He wanted to know why these drought-stricken settlers should not have the benefit of the cheap money. He knows that any money which is repaid by settlers is to be used again for the purpose of advances to other settlers who are still suffering from drought, or as a result of the drought years they have experienced.

Hon. G. B. Wood: Have you not a large proportion of that £570,000 not yet expended?

The CHIEF SECRETARY: Something over £500,000 has been advanced. I do not

know the exact figure. Unless settlers who receive advances from the fund repay some of that money it certainly cannot be advanced again. I believe cases arise now under which it will be necessary for the Agricultural Bank, or the Industries Assistance Board, to provide additional moneys to allow those settlers to carry on next year. Is it not desirable that those persons should be able to receive money at this low rate of interest, and interest-free the first year; or should they be compelled to accept money upon which they will have to pay at least five per cent. interest? They are all engaged in the same industry. Surely it cannot be said that any farmer who has received such an advance and who, as the result of a good season this year, finds himself able to repay the whole amount without detriment to himself, should not be called upon to do so. He should do that, not in the interests of the Bank, or of the Industries Assistance Board, but in the interests of those other farmers who are not in that happy position. Surely it cannot be argued that those farmers who find themselves in the position I have just described with a big margin over and above their requirements to carry on next year are still suffering from the results of drought! Nobody would argue that way.

Let me now quote one or two cases which have been supplied to me, though I do not propose to mention names. The first case is that of a settler in the Bruce Rock district. He received drought relief advances as follows: Super £81; sustenance £92; wages £20; parts £15; fuel £15, and sundries £2, making a total of £225. In addition he received drought relief, harvesting and carting £36, and also one year's Agricultural Bank interest at £95, making a full liability of £356. That settler has this year cropped 300 acres and it is estimated that he will sell 2,600 bags of wheat to return a total of £1,170. If he discharged his drought relief debt and Agricultural Bank interest in full, he would have a surplus of £814.

Hon. C. F. Baxter: That is an exceptional case.

The CHIEF SECRETARY: No, it is not. Whether it is exceptional or not, is it not reasonable to ask a settler, under those circumstances, to repay the whole of the money which has been advanced?

Hon. H. V. Piesse: You have not stated his other liabilities.

The CHIEF SECRETARY: By repaying the advances the money would be available to be re-advanced to other farmers who are now in the position in which he was last year. Any other liabilities that man may have are not liabilities in regard to the crop he is harvesting this year, because that money has been provided out of the drought relief funds. In order to satisfy members that that is not the only case, I will quote a few more. In this next instance the farmer received an advance for drought relief amounting to £510 2s. 6d. The area in crop is 440 acres, and the estimated area to be stripped is 420 acres for 10,500 bushels which, at 3s. per bushel, represents £1,575. That is another case where it would be only reasonable to expect the whole of the advance from the drought relief fund to be repaid. I am not saying that that settler is not prepared to do so, but one could reasonably expect him to.

Hon. C. F. Baxter: These cases all yield more than 20 bushels to the acre. They are extraordinary.

The CHIEF SECRETARY: They are not. I understand there are quite a number of them. Even if they are extraordinary, these are the people who would be expected by the Agricultural Bank to meet their liabilities.

Hon. C. F. Baxter: Under this regulation the others will be too.

The CHIEF SECRETARY: No, they will not. I have explained that position very fully. I will now quote another case in which the amount of drought relief advanced was £296. The area in crop is 510 acres and is estimated to yield for the year 8,200 bushels which, at 3s. per bushel, would return £1,230 giving again a surplus of almost £1,000. In the next case £217 was advanced for drought relief purposes; the area in crop is 320 acres, which is estimated to yield 7,800 bushels valued at £1,170. There would be a surplus of between £800 and £900 in this case. I am informed by the Agricultural Bank that these cases can be multiplied; that there are many similar ones. It is admitted that they are not all of that sort, and because of that we have provided in this regulation for the Agricultural Bank to make the necessary arrangements for those settlers to carry on.

Hon. J. Cornell: Every case is considered on its merits.

The CHIEF SECRETARY: That is a point I want to make in conclusion. It is impossible to treat the whole of the people who have received advances for drought relief in the same way. It would not be fair, and this House will agree with me in that contention. Mr. Thomson is apparently interested in Clause 4 of the regulation. The following information has been supplied to me: The Industries Assistance Act authorises the commissioners to advance moneys for numerous items for carry-on requirements, which include the payment of machinery and store bills. All provisions contained in Clause 4 were discussed with the Solicitor General. They were, I understand, framed after a consideration of the whole of the circumstances. The provision is to be considered as being more in the nature of a machinery clause giving effect to the reference in the preceding clauses dealing with carry-on requirements. It was considered necessary by the Solicitor General to distinguish in this connection what should be considered to be carry-on requirements when the commissioners are dealing with each particular client's case. It was also thought necessary to make clear in the regulation that the commissioners are not deducting moneys or making provision for moneys for the payment of outside creditors. The regulation merely gives effect to the practice followed by the commissioners in the past, namely, that drought relief funds are for the purpose of providing essential requirements to enable settlers to carry on farming operations. Where moneys are required for the payment of machinery hire, or for other purposes not within the scope of essential requirements, advances are obtained by the settler, where possible, against his stock account, or by other methods of finance available to him.

In cases where creditors are pressing for payment and threatening repossession, or the exercise of their powers under the security held by them, the settler may obtain the protection under the Farmers' Debts Adjustment Act. It seems to me that provision is made for all kinds of cases. While Mr. Thomson might consider that all farmers who suffered from drought and are entitled to assistance from these moneys should be treated alike, I think the position is such that he will get very little support for his contention. Where money has been advanced

in order to enable a settler to carry on, and as a result, he finds himself no longer suffering from the effects of drought and has more than enough with which to carry on, surely it is only fair that he should be asked to meet his liability. Where he is not in a position to do so—every case will be judged on its merits—the Commissioners of the Agricultural Bank will make the necessary arrangements. If it is not possible for the settler to repay anything at all, further money will be found to enable him to carry on. That further money can be found from the repayment of drought relief funds and it will be provided at the same low rate of interest. This assistance will be very useful to the farmers who need it. In the case of those farmers who are not quite so badly off, arrangements can be made by the Commissioners of the bank whereby they will be enabled to meet their responsibilities and carry on.

There is no desire to be hard. No one can say that the Commissioners of the bank, who are the members of the I.A.B., have been at all harsh in their dealings with clients. It is necessary that the Government should have security for the money which has been advanced. The security taken on this occasion is the same as that taken by all financial institutions. We are simply asking by the regulation that where a farmer is in a position to do so, he shall repay the amount in full. If he is not in a position to repay in full, we ask that he shall repay something, ensuring in all cases that the farmer will be able to carry on satisfactorily during the ensuing year. Where it is not possible for a farmer to repay anything at all, the Bank is quite prepared to advance further moneys to assist him.

Therefore I hope the House will not agree to the motion. Regulations will have to be framed and will have to operate, and if this regulation is disallowed, it will simply mean that a fresh one will have to be framed and will have to operate before the new Parliament meets. The Commissioners of the bank treat every case on its merits. They do not want to see these settlers forced off their holdings; they want to give these farmers an opportunity to become successful. The regulation in question will enable that to be done. If a settler is not now suffering as a result of drought and is in a position to repay the whole or part of the advance made to him, it is only reasonable in the interests

of the other settlers who are not in the same position that he should do so.

Hon. A. Thomson: We are not asking that he should not pay.

The CHIEF SECRETARY: I have not suggested that the hon. member asked that, but he has asked that in no case should the farmer who has received an advance from the drought relief funds be asked to repay any of the principle until four years have elapsed. The point he wanted to make was that the Government was not advancing this money to the farmers under the same conditions as it was being advanced to the State by the Commonwealth. We claim that we are advancing the money under the conditions which were agreed upon at the time. We claim that in all those cases, whether the amount be large or small, we are passing on this money to the farmers at the same rate of interest as we are paying for it. We are not charging anything for the administration of these funds and we are endeavouring to provide for all those people who obtained relief. We claim that the money during the seven years it is to be made available should, wherever possible, be available for readvancing to settlers. We claim that settlers who are still feeling the effects of the drought, if they require further advances, should be able to receive an additional share of the money at the lower rate of interest, rather than be called upon to pay a higher rate.

I do not think one case has been quoted where the Commissioners of the bank have refused to assist or have been at all harsh, either in their relationship with settlers or with regard to what they ask settlers to do. So long as the Commissioners are prepared to deal with each case on its merits and in accordance with the regulation we are discussing, I do not think there will be much room for complaint. I hope the House will not agree to the motion.

HON. H. L. ROCHE (South-East) [5.23]: In supporting the motion, I must say that this is one of those occasions on which I have the greatest admiration for the efforts of the Chief Secretary to make a case with very little material. The Minister did not devote much time to the undertakings that were specifically given last year, namely, that the same conditions that governed the loan of this money to the State would be passed on to the farmers. That undertaking was definitely given in another place; it was also

contained in the form which the farmers who received drought relief were asked to sign. The Chief Secretary excused the delay in introducing the regulations by stating that the Government did not know—and does not yet know—the rate of interest to be charged by the Commonwealth, but as this money is free of interest for the first 12 months and as that period has not yet elapsed, I cannot see that this is a very valid reason. The interest charge does not apply yet.

In reply to the Chief Secretary's remark about the responsibility of the State for the repayment of the money, I point out that that fact also was known last year. Despite this, the conditions under which the money was lent were publicly stated as the conditions that would be extended to the farmers who had to take advantage of this relief. The money was lent by the Commonwealth on the basis that it would be free of interest for the first year. The loan would be for seven years, and for the first three years there would be no repayment of principal. During the first year the Commonwealth Government would pay the whole of the interest charge, and after the first year the State and Commonwealth would share equally the interest charge. I think I am right in saying that it was accepted then—and still is—that the rate of interest would not exceed 4 per cent. Therefore, from a State point of view, this is 2 per cent. money.

If these definite assurances are worth anything, the farmers are entitled to that money at 2 per cent., and they are also entitled to have the benefit of the three years' grace for the repayment of the principal. I want members to understand quite clearly that this money was not advanced to any farmer whose circumstances were what might be termed reasonably safe. Before a farmer could come with the scope of drought relief, he had to be in such a position that he could not pay his creditors or command funds from any other source. So we may take it as definite that all, or at any rate 99 per cent., of those who received the benefit of drought relief money were what is known as very hard up. There must have been other debts also for which those men were responsible. However, at the end of 12 months or less, the Chief Secretary, the spokesman of the Government in this House, would have us believe that by some wave of a magic wand numbers of those farmers have already

reached a stage when the cheap money for the remaining two years of the first three years means nothing to them and that they are not entitled to it. If they are owing money elsewhere it means that they are paying interest on such money at 5, 5½ or 6 per cent. Surely in view of the circumstances in which the money was lent and in which these poor creatures have been placed, the very least the Government should do is to extend to them the consideration that for three years they will have the use of the whole of the advance at 2 per cent. interest. Speaking of the assurances that were given last year, I remind members that a definite undertaking was attached to the form of application which every farmer seeking relief had to sign. It read—

All concessions in connection with the interest rates and terms of repayment will be granted on this application when the Commonwealth conditions are known.

It is a direct repudiation by the Government to introduce a regulation such as this. The Premier, when speaking on the subject in another place last year, stated—

The principle on which we propose to deal with this money is that the State will accept responsibility for all the administration costs, and whatever terms we get from the Commonwealth Government in the shape of interest rebate or cheap money will be passed on to the farmer. For instance, the Commonwealth Government has said it will not charge the State Government any interest on the money for the first 12 months.

We propose to hand that benefit to the farmers. Any farmer who receives drought relief money this year will pay no interest whatever on it for this year. If a farmer can get out of debt and repay it some day, all the better.

No question of compulsory repayment! The Premier continued—

For the next six years the Commonwealth Government has undertaken to pay half the interest. As the State will have to pay only half the interest rate, we propose to charge the farmers only half the interest rate. However, I do not know at what rate the loan will be floated or at what rate the Commonwealth will advance the money to use for re-advance-ment to the farmers. Still, all the concessions we get from an interest-paying standpoint will be passed on to the farmers. Whatever we have been able to get for the farmers, we do not want to deprive them of it. We will hand over whatever concessions we receive.

There are certain other extracts which could be read, but that one alone, I think, should be sufficient to prove that when the legislation was introduced, there was no question

that any benefit would be withheld from the farmers who were to receive this drought relief. It is only a left-handed benefit, the sort of benefit to keep the farmers just floating.

The particular portions of this regulation which to my mind are unjust and unfair, are paragraphs (3) (a) and (3) (b) (ii) (a) and also paragraph (4). Paragraph (3) (a) means that those receiving relief and who possibly have had a reasonable return this year—after a very bad return last year—will be deprived of the use of cheap money, the cheapest money that they have ever had an opportunity to avail themselves of. Paragraph (3) (b) (ii) (a) means that the Government is not satisfied with the Industries Assistance Act and all the drag-net sections contained therein. Among other things, the Government reserves the right to demand a mortgage as security for this drought relief money. I do not know in what position that would place the farmer if he has other debts, as I do not for a moment doubt he has. If he has already given a mortgage to the Agricultural Bank, why should an additional mortgage be required?

Paragraph (4) of the regulation means the farmer will find himself in the familiar position of being ground between the upper and nether millstones, the Government instrumentality representing one millstone and his private creditors the other. Notwithstanding what the Chief Secretary and other Government spokesmen say regarding the question of protecting the Industries Assistance Board, those mortgages are already in existence, and if a prior claim is to be given for this drought relief money, the private creditors cannot be expected to forgo all their rights. They will have to come in and take what is left, and so this money, which was advanced at a concession rate and for the specific purpose of helping these farmers, will be of very little use to them at all. The Government is approaching this matter in the way I fear that it often approaches similar problems that arise in connection with the embarrassment of the farming community. It is approaching the matter from the standpoint of what is good for the Treasury.

We have often been led to believe that the Commissioners of the Agricultural Bank are today free agents. Although I am not in a position to speak on their behalf, I

wonder sometimes whether they are as free as they would like to be. A few years ago, there was a great deal of discussion regarding political control of the Agricultural Bank; but today we find that the Treasury has representation with the Commissioners. I repeat, the Treasury seems to be more concerned with obtaining money through this Government instrumentality. It has been contended in another place that that instrumentality controls—one might say owns—the section of the farming community indebted to the Agricultural Bank. The whole of the income of those farmers is regarded as portion of the Government's revenue. The House should certainly agree to the disallowance of this regulation, so that justice may be done to the men who have had to avail themselves of this drought relief.

Something was said by the Chief Secretary about refunds which could be allowed by the Commissioners. I would like to have had some assurance on behalf of the Government that any refunds to be made will be refunds of drought relief money, that is, the 2 per cent. money. Many of these farmers are indebted not only to the Industries Assistance Board for drought relief, but also to the Agricultural Bank. That bank has a system of refunding interest. If a farmer pays the whole or some of his interest, will the Commissioners—I assume at the dictation of the Treasury—refund him the drought relief money carrying interest at 2 per cent., or will they refund him some of his interest, on which he will have to pay 5 per cent. or 5½ per cent.?

The Chief Secretary: I think I made it very clear that where the money is refunded after a period of seven years, the lower rate of interest will apply.

Hon. H. L. ROCHE: I am aware of that, but in another part of the regulation it is stated that the Commissioners may refund portion of this money if they are satisfied that the farmer cannot carry on without it.

The Chief Secretary: I made it clear that the money would be made available at the lower rate of interest.

Hon. H. L. ROCHE: That would be so in the case where this money is funded. The cases I am instancing, however, are those where farmers have obtained drought relief and have other interest to pay as well. Will the drought relief money be refunded at 2 per cent., or will the interest

be refunded and carry a rate of 5 per cent. or $5\frac{1}{2}$ per cent.? I cannot understand why the Government, if really disposed to help the farmers, should be so hungry as to demand repayment of the drought relief money except upon the conditions on which it was made available when the amending Bill was before this House last year. Despite its protestations of sympathy, I remind the Government that this drought relief money has cost it nothing; yet the Government seems disposed to drive these people a little further into the morass of worry and despondency in which they have been for years, rather than to extend willingly a helping hand to them. This House should take into consideration the effect that such action will have on the morale of these farmers, who have been struggling for years.

Hon. A. Thomson: That is a most important point.

Hon. H. L. ROCHE: I feel sure that some of the Government spokesmen do not realise the attitude of mind into which these comparatively small matters are forcing thousands of people who are engaged in the farming industry in this State. I hope the House will agree to the motion.

HON. J. CORNELL (South) [5.42]: I think it can be said that, almost without exception, every settler in the South Province is a client of the Agricultural Bank and has had to avail himself of this drought relief. That being so, it is only fitting that I should join in this debate. The first question I have to ask myself is, will the farmers who received drought relief be in any better position if we disallow the regulation? I recollect that last session the main objection to the legislation introduced to provide a method for repayment of the drought relief money tended in the direction of opposing that method. It was asked that the exact position should be set out in an amendment to the Industries Assistance Act. I then took the line of reasoning that that was neither possible nor desirable, because once the conditions had been so fixed we would not have had an opportunity to review them. However, that proposal was defeated and provision was made for this regulation.

First, we should ask ourselves this question: Has the drought relief been of benefit to the farmers? Then we should ask

ourselves another question: Could many of those who received relief have carried on without it? The answer to the first is in the affirmative, and the answer to the second question is in the negative. In the South Province, but for the drought relief men would have had to walk off their farms. The bank settlers themselves had come to the conclusion that they had staked out a claim in the wrong part of the State and that they were prepared to leave. The granting of drought relief has not only kept many farmers on their blocks but has led to their getting a crop for the first time for several years. I have received no complaint against this regulation. The question we have to ask ourselves, when weighing this motion is: What will happen if the regulation is disallowed? We know what will happen if it is agreed to, for all that has been set out and elucidated by the Chief Secretary. If we disagree to the regulation, we have been told emphatically by the Chief Secretary that it will be necessary for the department to draft fresh regulations, and these will apply to the proceeds of the coming harvest. That being so, I know that when this House rejects a regulation—I have had previous experience of this—it is only necessary for it to be repromulgated with a small alteration in the verbiage, and nothing can be done to prevent it. Mr. Seddon knows that that has happened in regard to a regulation disallowed under the Mines Regulation Act, and I could refer to other instances.

Hon. A. Thomson: Of what use is it to give Parliament the right to reject a regulation if the Government can override it?

Hon. J. CORNELL: The right is given to members to move for the disallowance of regulations.

Hon. A. Thomson: That is not worth anything if your statement is correct.

Hon. J. CORNELL: That is so, and the hon. member knows it.

Hon. A. Thomson: I do not know it.

Hon. J. CORNELL: He knows that down the years during which he has been a member of the Legislature regulations have been disallowed, and have subsequently been repromulgated with practically no alteration.

Hon. J. J. Holmes: But they can be disallowed when Parliament meets again.

Hon. J. CORNELL: Yes, but in the meantime they have full effect, and the effect has been put into operation against the persons the regulations are framed to get at. What benefit will accrue from the disallowance of this regulation in the case of some clients the Chief Secretary has enumerated, if the Agricultural Bank takes out of their crops the whole of the proceeds? I have heard no very helpful suggestions with respect to this matter. Members have asked that the regulation should be reviewed, and Mr. Roche has said that the clients of the Agricultural Bank ought not to be charged more than 2 per cent. interest. He also said that with respect to interest the Commonwealth Government should not come into the picture at all. The advance is being made at a total rate of interest of 4 per cent., the Commonwealth Government bearing half and the State Government bearing half. Mr. Roche has suggested that the settler should be charged only 2 per cent., but what about the other 2 per cent.?

Hon. H. L. Roche: The Commonwealth Government is paying that.

Hon. J. CORNELL: The hon. member asks that the Commonwealth Government should make this a free gift.

Hon. H. L. Roche: That was the promise.

Hon. J. CORNELL: Does the hon. member suggest that if this money is costing the State only 2 per cent., the State will charge the settler 4 per cent.? That is ridiculous.

Hon. H. L. Roche: No one suggested that.

Hon. J. CORNELL: It is the only conclusion one can arrive at from the remarks that have been made. We assume that the interest rate will be 4 per cent. in the aggregate.

Hon. J. M. Macfarlane: There will be no profit in the transaction at 2 per cent. interest.

Hon. J. CORNELL: That is all it will cost the State.

Hon. J. M. Macfarlane: And that is all it is proposed to charge the settler.

Hon. J. CORNELL: Are members objecting to the money being advanced at 2 per cent. interest?

Hon. H. L. Roche: No.

Hon. J. CORNELL: There is another phase which has neither been stressed nor mentioned. All the criticism has been levelled at the Agricultural Bank. Are the clients of that institution the only people to benefit from drought relief?

Hon. H. L. Roche: No.

Hon. J. CORNELL: Certainly not. So far as the South Province is concerned, that is so, but I venture to say that 50 per cent. of the settlers in the South-East Province are not clients of the Agricultural Bank. Whilst members rail at the Agricultural Bank, we know that heaven and earth, if not the nether regions, were moved to get certain conditions on behalf of the clients of the trading banks with regard to drought relief.

Hon. A. Thomson: And why not?

Hon. J. CORNELL: We know that every possible move was made in that direction. The Commissioners of the Agricultural Bank stood out, and said they were the proper people to determine how the money should be repaid, when, and by whom.

Hon. H. V. Piesse: They wanted to force the Associated Banks to guarantee repayments.

Hon. J. CORNELL: They should have made them do it. Members who have criticised the Agricultural Bank have not told the House upon what terms and conditions the trading banks were to have the money repaid.

Hon. A. Thomson: We are only dealing with the regulation promulgated by the Government.

Hon. J. CORNELL: There is another side to the story. Drought relief has been advanced not only to clients of the Agricultural Bank but to clients of trading banks; indeed more in the case of the latter than in the case of the former.

Hon. A. Thomson: Is that correct?

Hon. H. L. Roche: Not that many.

Hon. J. CORNELL: I think the proportion would probably be 45 to 55 per cent. No member who has supported Mr. Thomson has enlightened me as to the terms and conditions the trading banks are going to impose in the case of clients who have to repay this money to them. Actually, the money has to be repaid to the State Government.

Hon. H. L. Roche: On what terms did the trading banks get the money in the first place?

Hon. J. CORNELL: The hon. member has not referred to that phase of the matter. To disallow a method of repayment such as has been prescribed for drought relief advances only to Agricultural Bank clients, and not in any way to bring into the picture

the other side, would be altogether too one-sided and unfair.

Hon. J. J. Holmes: How can you bring the other side into the picture?

Hon. J. CORNELL: The State is responsible for the repayment of the money, 45 per cent. of which has been given to clients of the Agricultural Bank. We have a right to know upon what terms and conditions the clients of the trading banks have to meet their obligations. If I thought the disallowance of this regulation would help to elucidate that problem, I would be more favourably disposed towards the motion, but I think the disallowance of the regulation would, in the case of clients of the Agricultural Bank, probably make confusion worse confounded. I am arguing on the assumption that it is fair and reasonable that this drought relief money should be repaid. It has already been stated that the repayments of drought relief moneys will mean the building up of a fund that can be used subsequently, if the necessity arises, for further drought relief.

Hon. H. L. Roche: That is only a recent reason.

Hon. J. CORNELL: It is a very good and valid one.

Hon. H. Tuckey: The idea is a splendid one.

Hon. J. CORNELL: It is said that that is the sole reason for the insistence upon the repayment of the drought relief advances.

Hon. A. Thomson: That was not a condition under which the money was lent.

Hon. J. CORNELL: I have sufficient confidence in the Government to say that it would not endeavour to foist upon Agricultural Bank clients the repayment of the money in contravention of the conditions under which it was advanced. I can speak of the administration of the bank as I have seen it all down the years. I join with the Chief Secretary in saying that I have not yet been able to evolve any better system of dealing with Agricultural Bank clients than that which is now in operation. Every application is dealt with on its merits. If a settler who has received an advance is in a position to repay it, why should he not do so?

Hon. H. V. Piesse: Why not?

Hon. J. CORNELL: If he is not in a position to repay the money, he does not do so.

Hon. H. V. Piesse: A settler may have further liabilities of which the bank is not aware.

Hon. J. CORNELL: That may be so.

Hon. H. V. Piesse: Liabilities that may be ignored.

Hon. J. CORNELL: There may be liabilities to other people, but there is one circumstance that may in part transcend all others, namely, that this money was given to the farmer very often at a time when other institutions or other creditors would not come forward with financial assistance.

Hon. H. V. Piesse: He could not get it unless they had refused him.

Hon. J. CORNELL: Is the hon. member going to say that because the Commonwealth and State Governments came to the rescue of the settler, they are not entitled to a repayment of the money advanced, when other people who might have helped him refrained from doing so? I find myself in a quandary. Impecunious settlers in the South Province were very pleased to receive the drought relief. Not one of them has approached me to protest against the necessity for repayment.

Hon. G. W. Miles: Would they not have to disclose their liabilities before getting relief?

Hon. A. Thomson: Of course, they would.

Hon. J. CORNELL: Yes; but all the cards have to be laid on the table. What we have to ask ourselves is this fundamental question: For what purpose was this money granted and for what purpose are repayments to be utilised? The purpose for which the money was granted was to assist settlers who had suffered so adversely from drought conditions to carry on until a better season was experienced. They have now enjoyed a good season, as a result of which they are being asked to repay the money advanced to them. For what reason? For the purpose of establishing an insurance fund that will be available should similar adverse conditions arise once more. That is exactly what is underlying this regulation.

Hon. A. Thomson: But the regulation does not contain exactly the same conditions as those under which the Government received the money.

Hon. J. CORNELL: If I thought for one moment that the farmers who have passed through such difficult times would be in any better position as a result of the disallow-

ance of Regulation 8 than they will be in should it be allowed to stand, I would not hesitate to vote for its disallowance. On the other hand, I think that its disallowance would mean that the farmers would be worse off and their position more obscure.

HON. H. V. PIESSE (South-East) [6.2]: I listened with great interest to the remarks by Mr. Cornell. My memory reverts to the time when the Government decided to grant a measure of drought relief, and there was a great hullabaloo throughout Western Australia regarding the conditions that were to apply to the grant. There was a great argument between the Associated Banks and the Agricultural Bank as to how the advances were to be treated. We all know that the conditions that obtained then, as Mr. Roche has pointed out, have had an effect on the mentality of the farmers. We know that the worries they have experienced have had a detrimental effect upon them. The Chief Secretary, during the course of his remarks, quoted returns from some of the farms, but he did not tell the House that some of the producers concerned are practically without water supplies now. Some of them have certainly got good crops and feed for stock, but they are faced with the difficulties associated with water supplies.

Hon. L. Craig: Such men would not be compelled to refund the advance. Power is given enabling the Commissioners to return money to such farmers.

Hon. H. V. PIESSE: Of course. Members must appreciate the fact that we are compelled to move for the disallowance of the whole of the regulation although we disagree with one portion only of it. Reverting to the attitude of the Associated Banks and the Agricultural Bank in relation to this matter, I will quote a definite instance regarding a farmer similar to those mentioned by the Minister. I act as the trustee on behalf of the farmer concerned. He could not carry on; his returns were nil. His crop was affected by rust; his wool was held as security by stockbrokers. His position was apparently impossible. I applied to the Agricultural Bank for assistance, for he did not owe that institution a single penny. His liabilities to one of the Associated Banks and to a stock firm were considerable. I was informed in a letter from the chairman of the Commissioners of the Agricultural Bank that unless I had exhausted every avenue of

approach to the Associated Banks and to the stock firm, no drought relief assistance could be made available.

Hon. L. Craig: Was the man's security good?

Hon. H. V. PIESSE: Yes. It is good today to the full 100 per cent. of the value of the property. This farmer was under a scheme of arrangement and the bank had been advancing him money with which to carry on the property for four years.

Hon. J. Cornell: In other words, he was bankrupt.

Hon. H. V. PIESSE: As he was under a scheme of arrangement, he could not be described as bankrupt until proved to be such. It was impossible to get a penny advanced to him from the drought relief fund. How did I get over the difficulty?

Hon. T. Moore: You would know the way!

Hon. H. V. PIESSE: I got it by going to the grocer to whom the farmer owed money and said, "I will give you a bill of sale over next year's crop if you will agree to stand by this man." That is how I got the money. I did it with regard to others too. The stock firm provided a certain amount of money but, admittedly, I did not ask the trading bank concerned to act similarly because it had been advancing money for some years and had not received any interest payments on the money so advanced. That farmer is carrying on today and has had to do so without the advantage of the cheap money made available by the Federal Government to the State at such a low rate of interest.

When Mr. Cornell talks about the position of the Associated Banks, I remind the House that the Associated Banks have since reached an agreement with the Agricultural Bank. The particulars of the agreement have never been divulged to members of Parliament or to the rank and file. I take it the matter was purely one between the Agricultural Bank, those associated with the drought relief fund and the Associated Banks. From information I have received, I understand that the Associated Banks are responsible for 50 per cent. of the money that has been advanced. I may be wrong, but I understand that before any drought relief money could be advanced to the clients of the Agricultural Bank, it had to give an undertaking that the repayment of the whole of the advances would be guaranteed.

Hon. A. Thomson: That is quite correct.

Hon. J. Cornell: And is that not merely fair?

Hon. H. V. PIESSE: It would all depend! If advances for drought relief are to be made from the money provided by the Federal Government, why should not the same conditions apply?

The Chief Secretary: Who is responsible for this money?

Hon. H. V. PIESSE: The State Government.

The Chief Secretary: Do you think the State should advance money without security?

Hon. H. V. PIESSE: Certainly not; no one in his senses would expect money to be advanced without adequate security being available. On the other hand, anyone requiring drought relief had to be in a position to show that he needed the assistance.

Hon. J. Cornell: Have the trading banks been asked to repay?

Hon. H. V. PIESSE: That position arises when the trading banks have their general review, which takes place as soon as the crop returns are known. The trading banks and other mortgagees agree to allocate money to enable the farmers to carry on, making provision for wages and sustenance, quite regardless of whether the interest payments have been met in full or not.

Hon. J. M. Macfarlane: Or whether the storekeepers and others have received payment.

Hon. H. V. PIESSE: In the instance I have quoted I could only give a bill of sale over the surplus of the ensuing year's crop. If the surplus were sufficient to enable a man to pay his debts in full, they would be paid. If they were not sufficient, payments would be made pro rata. The Chief Secretary, during the course of his speech today, said it was the desire of the Government to return this money to the farmers for use along similar lines to those followed in connection with the Farmers' Debts Adjustment Act. I will quote one statement by the Premier in another place when this matter was debated last year. In the course of his speech the Premier said—

I want to reassure the member for Williams-Narrogin (Mr. Doney). The inspectors of the Agricultural Bank have made a very careful inspection and taken a census throughout the State, and they know almost to a penny what amount of money will be available to those in need. We have received practically all we

asked for and all that we considered would be absolutely necessary. We did not want unnecessary money to be lent to us.

The Premier was satisfied that the State would have sufficient money to provide drought relief, and, of course, quite a large proportion of the money so advanced will be repaid. Most decidedly farmers will not sit back and put the money into a savings bank account, retaining it there in reserve for the future. They have other obligations. Moreover, many farmers have had to purchase tractors and other machinery during the last 12 months because no labour has been available for farming operations. I know of farmers at Lake Grace who are operating with tractors and who have been carried on by the machinery firms, to which practically no payments have been made in return. If those farmers were able to secure drought relief, they would be able to make repayments to the firms that have carried them through last season.

Hon. J. Cornell: Each case should be dealt with on its merits.

Hon. H. V. PIESSE: Of course that is so; no one knows that better than the hon. member. In view of the regulation now under discussion, what treatment will be farmers receive, and what treatment will be extended to firms in the position I have indicated? Farmers have enough to contend with at present. They cannot secure the labour necessary to work their farms; they are suffering from shortage of water supplies; there are other difficulties confronting them. We have heard of meetings in the Lake Grace district at which the farmers passed resolutions demanding that the Government should supply water free for use in their homes. Imagine the feelings of people who have been forced to cart water for domestic and other purposes for over two years!

The Chief Secretary: And that in a district that is worthy of being carried on.

Hon. H. V. PIESSE: I quite agree.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. H. V. PIESSE: Before the tea adjournment I was referring to the Associated Banks and their position relative to the Agricultural Bank. I was asked whether it was a fact that the Associated Banks had received drought money and had lent this money out again at their usual rate of interest. The question is a foolish one, because

any drought money received by the Associated Banks would be interest-free for the first 12 months and generally on the same conditions as laid down by the Federal Government. A rate of two per cent. would be charged on any money those banks had received for their clients, after the first 12 months. The Chief Secretary in replying to Mr. Thomson, referred to several letters he had received. I do not intend to read any letters tonight, but a letter dated the 11th November was received by me and I replied to it on the 1st December enclosing the report quoted by the Chief Secretary from the "West Australian."

In my reply I stated what the conditions were, and asked my correspondents to go carefully into those conditions and write to their political representatives in another place, and to the three members representing the province here, stating whether they considered that those conditions would operate harshly or otherwise. The Chief Secretary said no reports had come in since the date mentioned by Mr. Thomson. Now, it is utterly impossible to despatch a letter to Pingrup from here on the 1st December and receive a reply to it by this date. That explains the absence of communications to the parliamentary representatives. Further I need only say that I wholeheartedly support the motion, though the necessity to move it for the abolition of the whole regulation whilst only a small part is objected to is in my opinion regrettable.

HON. J. J. HOLMES (North) [7.35]: I have listened carefully to the case put up by Mr. Thomson and to the Chief Secretary's reply. Whilst I appreciate the Government's action in protecting the assets of the country, in view of the position which has arisen I am bound to vote for the motion, since in my opinion there has been a distinct breach of contract. A contract is a sacred thing, and I consider that we should honour contracts, especially in the position in which we find ourselves today. It does seem quite clear to me that this money was advanced under one set of conditions and is now proposed to be collected under an entirely different set of conditions—which I do not consider fair. In view of that fact I am reluctantly compelled to cast my vote for the motion. I do not know that this will do any good, except that it will be a vote given in support of a principle.

The whole position is bad and distressing. It has been brought about in Western Australia by the nationalisation of the agricultural industry, with political interests sitting on the doorstep of the Agricultural Bank demanding what they could not get from any institution having the interests of depositors at heart. Every step taken by the Government towards nationalisation turns out to be of the worst possible nature. I might refer to the matter of hay taken from the farmers as having something to do with the position in which many of them find themselves today. The Government's action was taken, I should say, at the request of the Country Party. That party howled for more hay to be cut and for the Government to finance it. What happened was that as soon as the Government butted in, the hay and chaff merchants said, "If the Government is coming into this, we are coming out and will not buy at all." They did not buy, and as the result of political influences, chaos supervened. Had those influences not been brought to bear, the present hay position could hardly have been created. Hay would have been cut in the usual way, and the hay and chaff merchants would have found means to dispose of it.

No one knows better than I do the difficulties of farming. During the last ten years my life's savings have been spent in the endeavour to keep a big farm afloat. My trouble is that I have to pay everybody 20s. in the pound, while competing with farmers who have been fed by the Government for the same period of ten years or longer. I even have to pay 20s. in the pound in road board rates. Occasionally members of road boards are absent from a meeting and 2s. 6d. in the pound is accepted from them for rates. From me they insist on 20s. in the pound, and sometimes spend those 20s. in the pound in their own localities. However, that is only by the way. One thing I pride myself upon is that I never broke a contract in my life. My reason for voting, even reluctantly, for the motion is, as I said at the outset, that I am convinced the drought money was advanced under one set of conditions and there is now a proposal to collect the money under another set of conditions.

HON. C. F. BAXTER: (East) [7.41]: The drought relief money was provided by the Federal Government not to assist indi-

viduals but to protect one of our greatest producers, the wheat industry. The Federal Government stepped into the arena to maintain the industry in order that its products might be exported oversea. This is not the first time the State Government has taken advantage of moneys found by the Federal Government for the assistance of farmers to work out its own salvation and help its own revenue. As Mr. Holmes intimated, there is a definite agreement between the Federal Government and the State Government, but again we find the State Government taking advantage of Federal money to assist its own revenue, thus making the position too difficult for those people who were to be assisted. I have yet to learn that any Government in office since 1933 has had any sympathy with the wheatgrowers of Western Australia.

Provision is made that if there is a surplus sufficient for carrying on, the whole of the money shall be repaid. Not so much exception can be taken to that, since it is provided for in the Act; but when we pass from paragraph (3) to paragraph (4) of the regulation we find that the latter paragraph provides that the advances are to be completely recouped after the first year, if possible. On the other hand there is to be no recompense to those persons who supplied the machinery and plant by the aid of which the farmers produce that amount. Is that British? Unfortunate traders who have kept the wheatgrowers going for years and years are not to receive a single penny of recompense for the machinery and plant they furnished to the farmers who grew the grain.

In the first place the Minister for Lands led us to believe that this drought relief money would be operated apart from the Industries Assistance Board and the Agricultural Bank. During the absence of the Minister at Carnarvon, however, a Bill was passed introducing the Industries Assistance Board into the transaction. In the eyes of the Minister for Lands the wheat-grower is on quite a different plane from, say, the banana-grower. The wheat-grower comes under Part 2 of the Industries Assistance Act, but the banana-grower comes under Part 3, which is something very different. It is most unfair to treat one section of the community well and another section badly. No one blames the Government

for protecting the finances of the State or for asking for the return of the drought relief money. We shall all be very pleased if the money can be returned; but to bolster up the case of the Government, the Agricultural Bank Commissioners have advanced to members cases that are quite exceptional. Returns of over 20 bushels to the acre are most exceptional. There may be many of them this year but what about past years when they were carried by the traders who will get nothing out of this if this regulation is allowed to remain in force? In the Lake Grace district the farmers had practically no crops.

Hon. J. Cornell: There were good crops at Lake Grace.

Hon. C. F. BAXTER: One of the bank officials told me that somewhere in that portion of the State there was an inspection and in the Newdegate area at any rate there were very poor crops. Very good crops were exceptional and even if there were many farmers so situated, are they as well off every year? Our average is between 11 and 12 bushels over the whole of the State, and some of the returns must have been very low to bring down the average. People getting over 20 bushels are very fortunate. This is a most exceptional year. It has been wonderful for wheatgrowing, one of the best I can remember, and I have been growing wheat for 36 years. This regulation is wrong. Mr. Cornell is right in saying it could be amended to a certain degree, and applied, and any self-respecting Government should do it. It remains to be seen whether this Government will do it.

Hon. J. Cornell: Disallow this regulation and see how the cocky gets on!

Hon. C. F. BAXTER: The Chief Secretary says, "See how the cocky will get on." I take that as a threat. Let us disallow the regulation and see how it works out. It is very unjust.

The Chief Secretary: On a point of order, Mr. President, I take exception to Mr. Baxter's remarks. I did not use the expression he attributed to me.

Hon. J. Cornell: The expression was mine. It was quite disorderly. I interjected, "Disallow this regulation and see how the cocky will get on!"

Hon. C. F. BAXTER: I am sorry I misunderstood. I withdraw what I said.

Hon. C. B. Williams: That is the worst of these interjections, Mr. President!

Hon. C. F. BAXTER: In the interests of justice it would be advisable for this House to disallow the regulation.

HON. L. CRAIG (South-West) [7.48]: Like several speakers, I do not care for the whole of the regulation. I do not like paragraph (4), but I think it would be a great mistake to throw out the regulation because one part of it is not acceptable. As it is a question of disallowing all or none of it, I propose to vote against the motion. Perhaps members can carry their minds back to the drought period and recall the outcry that occurred, particularly in this State, as to what was to be done to help the poor unfortunate people who had suffered so much. Eventually it was announced that the Federal Government would provide money. That money was guaranteed by the State so that the Federal Government had nothing to lose except a little interest. The State took the sole responsibility for the repayment of every penny advanced. The very nature of the advances suggests or implies that they are temporary advances made to cover a specific purpose, namely, the relief of drought. As Mr. Cornell has pointed out, a very great proportion of the money was advanced to clients not of the Agricultural Bank but of private institutions.

Hon. A. Thomson: Do you know under what conditions it was advanced?

Hon. L. CRAIG: The private banks had to forego their priorities.

Hon. A. Thomson: They did not accept that condition.

Hon. L. CRAIG: Then how was the money advanced?

Hon. A. Thomson: They refused to do it.

Hon. L. CRAIG: Does not this Federal money come in priority to first mortgages and bills of sale over stock and liens over plant? It takes a very generous institution to say, "We set aside all our constitutional rights, all the first mortgages we have to enable these farmers to save a very few pounds and obtain some cheap money." The institutions concerned rightly say, "We want the position cleaned up as quickly as possible. We are not prepared to go on year after year subordinating our rights to a priority." They have registered first mortgages or bills of sale over stock and plant. Are they to go on subordinating their claims to the advances made by the State? I consider they have a right to ask that these

special loans shall be cleaned up as quickly as possible. The regulation stipulates that a debt shall be immediately cleaned up only if this year's crops and proceeds are sufficient for the purpose. It does not say "shall"; it says that the commissioners may insist that the temporary loan shall be repaid out of the year's current proceeds. That is not too much to ask; it is a temporary loan and the commissioners may request or insist on its repayment.

Hon. H. L. Roche: A temporary loan for seven years.

Hon. L. CRAIG: If the proceeds of a farm are sufficient the loan is to be treated as a temporary loan, but extraordinary powers are given to the commissioners. If the proceeds from a farm are not sufficient to repay the whole loan, the farmer is to repay as much as he is able, and the commissioners may extend the term of repayment of the balance. If the proceeds are low and a farmer can make very little contribution towards repayment, then the commissioners again may extend the period of repayment. I think that is fairly generous.

Hon. L. B. Bolton: Surely outside creditors are entitled to some return if the farmer has a good season.

Hon. L. CRAIG: The outside creditors agreed when the money was made available that their claims would rank after the repayment of the advances. They knew that when they made the agreement.

Hon. H. V. Piesse: For seven years?

Hon. L. CRAIG: They knew that these temporary advances would rank in priority to their debts.

Hon. L. B. Bolton: What, the whole of their debts?

Hon. L. CRAIG: They knew that the whole of the advances would have to be repaid before their debts were taken into consideration. That was known.

Members: No!

Hon. L. CRAIG: Yes it was. That was one of the conditions. I may be wrong, but I understood that this money would rank in priority to those debts. I think the Chief Secretary will confirm that. Is it not so?

The Chief Secretary: Yes.

Hon. A. Thomson: What is so?

Hon. L. CRAIG: That this money should rank in priority over other debts.

Hon. G. B. Wood: For seven years?

Hon. L. CRAIG: Until it is repaid. I am correct. Where the money is not suffi-

cient to repay the loan the commissioners may extend the term. It means that other debts will still come after this priority. I think it was pretty generous of those institutions to say, "All right, we are not prepared to advance the money ourselves, but we will put our claims after the Government's. Until the money is repaid we will take nothing."

Hon. A. Thomson: Are you sure the banks agreed to that?

Hon. L. CRAIG: I understand that the advances were made on that condition.

Hon. A. Thomson: That was the proposal in the beginning.

Hon. J. Cornell: What is the use of Mr. Thomson interjecting when he does not know the conditions?

Hon. A. Thomson: Mr. Craig does not know them either.

Hon. L. CRAIG: I still think I am right. The Chief Secretary nods his head with great confidence, and I think he knows more about this matter than do the rest of us.

Hon. A. Thomson: I do not think he does!

Hon. L. CRAIG: Many banks were unwilling for their clients to accept this money, because they had to put their first mortgage debts after these advances. They were unwilling that their clients should accept this money, and that is probably the reason for such a large amount not having been used.

The Chief Secretary: The banks are dealing with this money in the same way as is provided for in the regulation.

Hon. L. CRAIG: That is so. I think the House would act unwisely if it disallowed the whole of the regulation.

Hon. A. Thomson: We cannot help that.

Hon. L. CRAIG: To allow the regulation to remain in force would be the better of two evils.

Hon. A. Thomson: That is questionable.

Hon. L. CRAIG: It is the better of two evils. I do not agree entirely with paragraph 4, but that is of minor importance compared with the value of the rest of the regulation. The House will be ill-advised to disallow all of it simply because it disapproves of a small portion.

HON. H. SEDDON (North-East) [7.55]: I do not intend to cast a silent vote. I speak with a sense of the seriousness of the position which confronts us in this State. Consequently in order that this matter may

be disposed of I intend to cast my vote in favour of the regulation.

HON. T. MOORE: (Central) [7.56]: I also do not care to cast a silent vote. Having heard the whole case presented by those who have spoken on the subject, including the Chief Secretary, I want to take a commonsense view of the matter. Farmers have been fortunate to secure a loan free of interest for one year. It is money that they would not otherwise have been able to secure and would therefore not have been able to put in their crops. If any of these men is in a position to repay the whole of the money, he is a very fortunate man indeed. In view of the fact that some of these men are already over-capitalised—according to some people the banks were not prepared to carry them any further—it will be a mistake for them to load themselves with this money and on that account it would be a good idea for them not to come under the Industries Assistance Board at all.

Hon. A. Thomson: Unfortunately they are under it.

Hon. T. MOORE: Not if they repay this money. If the money is paid, they do not need to have anything more to do with the board. Men who have had the use of this money free of charge for a year and are in a position to repay it, are very fortunate and I take the line followed by the Chief Secretary that if by returning this money to the pool farmers will assist others who were not so fortunate, they will be doing good service by taking that course and enabling others to get out of the rut. If only 20 return money to the pool and thus assist 20 others to be carried on, they will be doing a fair thing to the country that advanced them the money. Those are my feelings in the matter. I cannot believe that one man who is in such a fortunate position would find fault with the Government for what it is doing. I represent a province containing quite a lot of farmers; I doubt whether there are many members who represent more. I am continually moving among farmers because rarely do I spend a week-end in Perth, and while I have travelled over long distances in this State, I have not found one farmer who has offered any complaint.

Hon. H. V. Piesse: You had a good season in your province.

HON. T. MOORE: I am very pleased to say that we had, but I have received no request to oppose this regulation, and so I shall cast my vote against the motion. I repeat that those farmers who have been fortunate enough to have the free use of drought relief money for 12 months and are in a position to repay it, instead of keeping their capitalisation higher than it should be, ought to be prepared to help those who still need assistance. Some members would have us believe that all the farmers are reaping good crops this season. That is not so. There are numerous farmers in my district who, through certain circumstances, must be carried on with drought relief funds. The Commissioners of the Agricultural Bank have acted fairly and decently. I have had a good deal to do with them over the years and have never yet put up a just case without receiving fair treatment from them. On that account I am prepared to stand by them and the regulation submitted by the Government.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [8.2]: I, too, feel that I should offer a few words on this motion. Mention has been made of the fact that the farmers who have been fortunate enough to have a surplus sufficient to enable them to repay the advance will make no payment at all off their machinery and other accounts. But for giving priority to the advance, however, they would be in such a position that they would have lost their assets because they would have had to walk off their holdings through having no crops. We have been told that the advances are not of great moment as compared with some of the returns, and that some of the farmers would be in a position to make payments to the machinery merchants and others out of their returns. Considering all the facts, however, rather than take the responsibility of rejecting the whole of the regulations, I propose to vote against the motion.

HON. A. THOMSON (South-East—in reply) [8.3]: Though we all feel very anxious and perturbed about the safety of the Empire at the present moment, we must not overlook the fact that we are here to perform a duty to the people we represent. I have been amazed at some of the arguments advanced by members, particu-

larly those who say that sooner than have the whole of the regulation disallowed, they will oppose the motion. Whether the regulation is right or wrong apparently does not matter; we must support the Government! That is the attitude some members have adopted and I say it is an entirely wrong one. We are here to do justice to those we represent.

I have not tabled this motion with any idea that a man who is able to pay shall not pay. Nothing was further from my thoughts. When the measure was before the Council last year many of us fought it because we realised what was going to happen; and what we feared has happened. Scores of farmers who have taken advantage of this so-called cheap money provided by the Commonwealth did so under the impression that they would have the use of it for the whole period and would not have to repay it for seven years. Now, however, we find some members prepared to condone the action of the Government in breaking the agreement. What amazes me is that a definite agreement entered into by the Government should be broken.

Hon. T. Moore: New South Wales and Victoria have done the same thing.

Hon. A. THOMSON: I am not concerned about what is being done in New South Wales or Victoria; I am dealing with the position in this State. The regulation would impose an injustice on many of the farmers and I have a perfect right to speak for them. We have been told by Mr. Craig that one of the reasons why the whole of the money available was not taken advantage of was that some of the institutions would not give priority for its repayment. When the money was made available, the banks point blank refused to allow their clients to avail themselves of it under the terms and conditions imposed.

Hon. F. R. Welsh: Why?

Hon. A. THOMSON: Because they were not prepared to give priority to these advances. Later on an agreement was entered into between the Minister and the financial institutions, but I am not aware what arrangements were made. It is news to me that the machinery merchants have approved of paragraph (4) which provides—

When for the purposes of paragraph (3) of this regulation the Commissioners are considering whether or not, after repayment in full of

the advances or moneys owing by the borrower, the balance of the proceeds derived by the borrower from his operations aforesaid are sufficient to enable him to carry on his said operations during the next ensuing season, interest owing to creditors of the borrower other than the Commissioners, and payments in respect of machinery or plant owing by the borrower to persons other than the Commissioners shall not be taken into account as being expenses incidental to the carrying on of the said operations by the borrower.

The only party safeguarded is the Agricultural bank, even after the advance has been repaid.

Hon. L. Craig: I do not like that.

Hon. A. THOMSON: Yet the hon. member intends to oppose the motion. The merchants who have supplied machinery and other requisites will have to stand on one side, despite the fact that the farmer has repaid the advance and has sufficient money with which to carry on. Nothing is to be paid to outside creditors. This is a rank injustice; it is extremely unfair to merchants and business people. After a farmer has repaid the advance, although he still owes money to the bank, because he took advantage of the drought relief funds the Commissioners of the bank say that money borrowed from other parties shall not be taken into account. I was pleased to hear Mr. Holmes say that this was a breach of contract. Definitely it is a breach of contract on the part of the Government.

The Chief Secretary: That is not correct.

Hon. A. THOMSON: I say it is. When the Federal Minister, on the 10th December of last year, outlined the conditions of the advance on behalf of the Commonwealth Government he said—

Hon. members will see outlined in the Bill an arrangement by which the Commonwealth will meet a portion of the interest which would normally be due by the States on the principal of the moneys loaned to them. This interest contribution, the administrative costs of raising the Commonwealth loan, and a straight-out grant to drought-affected wheatgrowers, which is the subject of a further Bill, may be regarded as the Commonwealth Government's contribution to drought relief in Australia.

The States are being allowed a period of four years before they start to repay the money, but the Agricultural Bank and the I.A.B. are demanding that farmers repay their advances in the first year.

The Chief Secretary: They are not.

Hon. A. THOMSON: What does the regulation say?

The Chief Secretary: That applies only in certain cases.

Hon. A. THOMSON: But the Government has four years before it makes the first repayment. Mr. Anthony added—

Hon. members will note that the States are being allowed a period of four years in which to make their first repayments of principal. In fairness to the States, they must be given an opportunity to recover some of the moneys which they, in turn, will lend to the drought-stricken farmers. It will be appreciated by hon. members that when a farmer has suffered a year of severe drought, at least three or four years must elapse before he will be in the position to repay money advanced to him during or following the drought to enable him to carry on.

The Minister has told us of one or two isolated instances where farmers have been sufficiently fortunate this year to get good returns. I wish that could be said of all our farmers. Not one of the farmers who was granted drought relief assistance received it unless he was entitled to it. To qualify for it, he had to be suffering severe disability and financial distress.

Hon. H. V. Piesse: And unable to get the money anywhere else!

Hon. A. THOMSON: That is so.

Hon. E. M. Heenan: Was not the contract between the farmer and the Agricultural Bank?

Hon. A. THOMSON: No; that was in accordance with the law we unfortunately passed last session. We fought to the utmost to defeat that measure. Some of us have had many years' experience of the I.A.B. and can say that, while the board has been of great help to many people, it has also been a valuable adjunct to the Agricultural Bank.

Hon. V. Hamersley: And help to the State Implement Works, too.

Hon. A. THOMSON: We know that the State Implement Works has disposed of machinery to the farmers through the Industries Assistance Board, but I have no desire to enter upon that matter now.

The Chief Secretary: Keep to the subject.

Hon. C. B. Williams: We will wipe these loans off.

Hon. A. THOMSON: Not a penny will be wiped off.

Hon. C. B. Williams: Do not talk nonsense.

Hon. A. THOMSON: I wish the hon. member would sometimes talk sense.

The PRESIDENT: Order!

Hon. A. THOMSON: I again remind members of the sticker that was attached to the old application form of the I.A.B. which the farmers were required to sign. The Minister for Lands definitely stated that these old forms were used because the department had thousands in stock. The object was to save expense. At the head of the form the following words appeared:—

All concessions in connection with interest rates and terms of repayment will be granted on this application when the Commonwealth conditions are known.

The Chief Secretary told us this afternoon that even today the Government does not know what the terms and conditions are; but the farmers know that the Industries Assistance Board has taken full control of the whole of the proceeds of their crops.

The Chief Secretary: Why will you misquote?

Hon. A. THOMSON: I am not misquoting; I have documentary evidence to prove what I say.

The PRESIDENT: The hon. member must accept the statement of the Minister when he says that the hon. member is misquoting him. I am sure the hon. member will accept the Minister's statement.

Hon. A. THOMSON: I had no intention of misquoting the Minister.

Personal Explanation.

The CHIEF SECRETARY: Mr. President, the hon. member has misquoted me two or three times. He has also misquoted paragraph (4) of the regulation. The point I take exception to at present is that he says I definitely stated the Government did not know even now the terms and conditions under which this money was advanced.

Hon. A. Thomson: I understood you to make that statement.

The CHIEF SECRETARY: I did not make it at all. I said that the Government did not know even now the rate of interest to be charged, not the terms and conditions.

The PRESIDENT: I am sure the hon. member will accept the Chief Secretary's interpretation of what he said.

Debate Resumed.

Hon. A. THOMSON: I certainly accept the Minister's explanation. I have quoted the

terms and conditions which the farmers who applied for relief thought they would obtain. Those terms were published in the Press. The farmers were to have seven years in which to repay the money. Although that may not have been the intention of the Government, it is certainly what the farmers understood.

Hon. E. M. Heenan: It was not in the contract the farmers signed.

Hon. A. THOMSON: That contract contained these words—

All concessions in connection with interest rates and terms of repayment will be granted on this application when the Commonwealth conditions are known.

Surely, those are the terms of the contract. If not, I do not know what are.

Hon. E. M. Heenan: If you say that is so, you are wrong.

Hon. A. THOMSON: I do not think the hon. member is right. We have been told by some members that every farmer's case is dealt with on its merits. I presume when these farmers made their applications, they were dealt with on their merits. Mr. Craig mentioned that the loan was a temporary one; but there is nothing in the conditions providing that it should be a temporary loan, liable to be called up at any moment.

Hon. L. Craig: The very nature of the transaction suggests that.

Hon. A. THOMSON: That may be the hon. member's opinion, but it is not what the farmers concerned understood. It was only on the 25th November this year that they became aware of the actual conditions. That was when this regulation was tabled.

Hon. H. V. Piesse: What farmer expected to get a 26-bushel yield?

Hon. A. THOMSON: I say all the farmers who got that yield were lucky. Mr. Craig said, "What is it? It is a mere nothing."

Hon. L. Craig: I did not say that, Mr. President.

Hon. A. THOMSON: The hon. member said that it was not much.

Hon. H. V. Piesse: Six pounds a year is a lot for some farmers.

Hon. A. THOMSON: There are periods in the lifetime of most men when £6 represents a large sum. If a man can save £6, he should be entitled to do so. Members have, however, already made up their minds to support the Government. I was sorry to hear my friend, Mr. Seddon, mention the serious position we are facing. God knows,

we are all very much down in the dumps at present as far as the war is concerned.

The Chief Secretary: Keep your pecker up!

Hon. A. THOMSON: I agree with the Chief Secretary that we must keep our pecker up. I want the House to indicate its desire that the Government should give effect to what amounts to an honourable understanding. The farmers were led to believe that they would have the use of this money for the period of seven years, and that at least four years would elapse before they would be called upon to make any repayment. I appeal to members to do justice to one section of the community and not stick to the Government for the sake of sticking to it.

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

Ayes	13
Noes	13
<hr/>				
A tie	0
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AYES.	
Hon. C. F. Baxter	Hon. W. J. Mann
Hon. L. B. Bolton	Hon. H. V. Piesse
Hon. Sir Hal Colebatch	Hon. A. Thomson
Hon. J. A. Dimmitt	Hon. F. R. Welsh
Hon. E. H. Hall	Hon. G. B. Wood
Hon. V. Hamersley	Hon. H. L. Roche
Hon. J. J. Holmes	(Teller.)

NOES.	
Hon. J. Cornell	Hon. J. M. Macfarlane
Hon. L. Craig	Hon. G. W. Miles
Hon. J. M. Draw	Hon. T. Moore
Hon. G. Fraser	Hon. H. Seddon
Hon. E. H. Gray	Hon. H. Tuckey
Hon. E. M. Heenan	Hon. C. B. Williams
Hon. W. H. Kiteon	(Teller.)

PAIR.	
AYE.	NO.
Hon. H. S. W. Parker	Hon. J. G. Hislop

The PRESIDENT: The voting being equal, I give my casting vote with the ayes. Question thus passed.

BILL—STATE GOVERNMENT INSURANCE OFFICE ACT AMENDMENT.

Received from the Assembly and read a first time.

BILL—POTATO GROWERS LICENSING.

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to amendments Nos. 2 and 3, but had disagreed to amendment No. 1.

In Committee.

Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

No. 1. Clause 4, Subclause (2), paragraph (i): Add after the word "Act" in line 15 the following words:—"Provided that the portion of the fund so expended shall not exceed one-fifth of the total."

The CHAIRMAN: The Assembly's reason for disagreeing is—

The expenditure should not be limited in this way as such action may react to the detriment of the industry. An inspector will have to be appointed, the industry will have to be organised, money applied in the industry interests, elections will have to be held, and the moneys necessary should not be so limited.

The HONORARY MINISTER: I move—

That the amendment be not insisted on.

Hon. H. V. PIESSE: I would like to move a further amendment. The Government considers that one-fifth of the total income from licenses will not be sufficient to pay one officer's salary to carry out this work. The Government does not desire to utilise the whole of these fees for departmental work, or for the departmental officer to carry out work in connection with his position. A great proportion of the fees is to be utilised for the benefit of the organisation of this industry. The Minister has many powers under this clause with an advisory committee making recommendations. I intend to move that the word "one-fifth" be struck out and the word "two-fifths" inserted in lieu.

Hon. A. Thomson: How much would that amount to?

Hon. H. V. PIESSE: About £320.

Hon. L. Craig: On what do you base your suggestion?

Hon. H. V. PIESSE: Because the department will only have to see to the registering of growers. I have the New South Wales regulations, and know how they operate there.

Hon. L. Craig: Would it not be better to let the measure stand now and amend it next year or the year after if necessary?

Hon. C. B. Williams: You might lose the Bill if you keep arguing.

The CHAIRMAN: Under what Standing Order does the hon. member suggest moving his amendment?

Hon. H. V. PIESSE: I must ask you, Mr. Chairman, to say whether I am correct in so moving.

Hon. C. B. WILLIAMS: I move—

That the Chairman do now leave the Chair.

Motion put and negatived.

Hon. W. J. MANN: I want to be clear where we stand. If I thought we would lose this Bill by supporting Mr. Piesse's amendment, I would vote against it.

The HONORARY MINISTER: Mr. Piesse has done a very good job and has got some of his amendments through. His present amendment will not be acceptable to the Government. He would not be wise to jeopardise the Bill.

Hon. H. V. PIESSE: My reason for seeking this amendment is that I was requested to do so by practically every organisation of potato growers in this State, and it is my duty to fight it to the last ditch. I will trust the Government to this extent, that, after this measure has been in force for 12 months and if the same Minister is in power, consideration will be given to such an amendment as I suggest if it be found necessary. In the circumstances, I will not move my amendment.

The CHAIRMAN: It is not before the Chair.

Question put and passed; the Council's amendment not insisted on.

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

BILL—LAND DRAINAGE ACT AMENDMENT.

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to amendment No. 1, and had agreed to amendment No. 2 subject to a further amendment.

In Committee.

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

No. 2. Clause 4: Insert after the word "works" in line 41 the words "the estimated cost of which shall not exceed £1,000":

The CHAIRMAN: The Assembly agrees to the Council's amendment subject to a further amendment to delete the words "One thousand pounds" and insert in lieu the words "Five Hundred Pounds."

The CHIEF SECRETARY: I move—

That the amendment, as amended, be agreed to.

When we discussed this clause it was admitted it would be difficult to define what would be minor work. I was not in a position to say what would be a fair amount to fix. This Committee agreed to £1,000. There has since been a consultation with the engineers and it is now considered that £500 would be a fair limit to stipulate.

Hon. W. J. MANN: The Chief Secretary is quite correct in what he has said, and I shall not raise any opposition to his motion. We talked this matter over extensively with a view to ascertaining what would be a suitable figure, and we arrived at the conclusion that we would serve the interests of all concerned by making the maximum £1,000. It has been proved that we were a little generous in our decision.

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

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

RESOLUTION—STATE FORESTS.

To Revoke Dedication.

Message from the Assembly received and read requesting concurrence in the following resolution—

That the proposal for the partial revocation of State forests Nos. 15, 20, 27, 29, 30, 37, 38 and 39, laid on the Table of the Legislative Assembly by command of His Excellency the Lieut. Governor on the 9th December, 1941, be carried out.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [8.49]: I move—

That the resolution be agreed to.

It is usual when dealing with proposals for the partial revocation of State forests to give members a brief description of the areas of land affected by the motion. I propose to follow the usual procedure and to give the particulars, which are as follows:—

Area No. 1—3½ miles north of Collie. About 52 acres carrying no marketable timber. Applied for by the adjoining land holder as an extension to his existing holding.

Area No. 2—½ mile south-west of Greenbushes. About 12 acres carrying no timber. Required by Greenbushes Road Board for construction of a swimming pool.

Area No. 3—2½ miles east of Boyanup. Two areas totalling about 123 acres carrying only a small quantity of marketable timber. Required

as an addition to his holding by an adjoining land holder.

Area No. 4—9 miles south-west of Boyanup. About 300 acres carrying a small quantity of poor quality timber. Required by adjoining settler to provide dry country for winter grazing.

Area No. 5—2 miles south of Wilga. About 80 acres of cut-over country. The small quantity of timber remaining will be removed by a mill in the vicinity. Two applicants for this area.

Area No. 6—1½ miles south-east of Wilga. About 150 acres, carrying small quantity of timber to be removed by mill. Applied for by adjoining land holder.

Area No. 7—At North Greenbushes. About 1,400 acres of heavily cut-over country. Required for settlement.

Area No. 8—2 miles north-east of Hester. About 40 acres carrying only a small quantity of marketable timber. Area required as an addition to small adjoining holding.

Area No. 9—14 miles east of Yornup. About 108 acres of poor quality jarrah country. Required to join up settler's present holdings.

Area No. 10—10 miles east of Eastbrook. About 41 acres contained in Parts 1 and 2. Timber on Part 1 has been cut out. The southern portion of Part 1 (5 acres), Part 2 (5 acres) required by Manjimup Road Board as camping reserves. The balance of Part 1 applied for by adjoining land holder.

Area No. 11—12 miles south-east of Manjimup. About 11 acres required by adjoining settler for water supply reasons.

Area No. 12—20 miles south-east of Manjimup. About 22½ acres carrying no timber. Required by adjoining settler to improve his water supply.

Area No. 13—2 miles East of Eastbrook. About 1½ acres carrying no timber. Required for Roman Catholic Church site.

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

BILL—TRAFFIC ACT AMENDMENT (No. 2).

First Reading.

Received from the Assembly and read a first time.

Second Reading.

THE HONORARY MINISTER (Hon. F. H. Gray—West) [8.54] in moving the second reading said: This is an important measure, providing for compulsory third party insurance. Repeated requests have been received from numerous organisations for the introduction of legislation of this nature, which does not differ from the Bill introduced in 1939 as regards the benefits

conferred by insurance effected under it. Under this Bill, however, the insurance will be undertaken by a fund or pool to be administered by the State Government Insurance Office only, and the insurance will be obtained simultaneously with the issue of the motor vehicle license and will run concurrently with the currency of such license.

The Bill provides that insurance must be effected by the owner of every motor vehicle, which will cover the legal liability of any person driving such vehicle, whether lawfully or unlawfully, in the event of death or bodily injury occurring to any third person. No cover is granted on account of damage to property. It is well known that in many cases of injury to third persons caused purely by the negligence of the driver of the vehicle, the injured persons have been unable to recover any hospital or medical expenses, or compensation for permanent injury, owing to the fact that the owner of the vehicle was financially unable to pay, and was not insured.

For some years somewhat similar laws as proposed in this Bill have been in operation in England, New Zealand, Queensland and Tasmania. In 1936 the South Australian Parliament passed a compulsory third party insurance Act. In 1939 Victoria passed similar legislation. The general principles of the Bill now presented are based on the provisions of the South Australian Act, which is somewhat similar to those operating in Queensland, Tasmania and Victoria. Hospital authorities have suffered to a considerable degree in losses incurred by them in treating motor injury cases, owing to neither the injured persons nor the motor vehicle owners being in a position to pay the hospital expenses. There is a provision in the Bill to deal with this unsatisfactory position, and this should assist the hospitals materially. The Adelaide Hospital Board states that the third-party Act in that State has greatly assisted the board.

The number of motor vehicles licensed in Western Australia as at the 30th June, 1941, was 68,487. The number covered by insurance at the present time in this State for third-party risks is not available. In 1938, however, a leading insurance authority stated that probably only 50 per cent. were covered. Third-party insurance, since the 1939 Bill was introduced, has been the matter of inquiry and report by a select

committee of the Legislative Council, Mr. Thomson being the chairman. I will read portion of the committee's report which is very interesting:—

The overwhelming evidence submitted has convinced your Committee that it is essential to introduce compulsory third party personal protection to compensate the public for injuries. We believe this is a social obligation long overdue.

In order to ensure the required protection the licensing authority should collect the premium for third party risk, and should then issue the license which should have imprinted thereon the fact that a premium for third party personal risk has been paid for the period of the license.

This method provides for economy in collection, at practically no cost, by the local authorities; eliminates all possibility of a motor vehicle being on the road without cover, and ensures that any person injured by the vehicle will be compensated by the Pool.

Present conditions do not provide for compensation to persons injured by hit-and-run, unauthorised or uninsured drivers, and insurance companies have the right, under existing legislation, to refuse what they term bad or hazardous risks.

Under the present Act (this obviously refers to the 1939 Bill) no limitation of liability is fixed for persons injured other than in passenger vehicles, where damages are limited to £2,000 per person, or £20,000 in all. Your Committee considers liability should be limited to the sum of £1,000 per person.

As third party compulsory insurance is deemed to be a social obligation and takes the form of a compulsory tax upon the motor vehicle owner, your Committee supported by evidence submitted, maintains that no profit should be made by the State or insurance companies for the imposition of this form of taxation.

Members are aware that the recommendation of the majority of the committee was the establishment of a co-operative pool to be administered by an advisory board. The Government considers that third-party insurance can be efficiently and cheaply dealt with by the State Government Insurance Office on a non-profit making basis, as recommended by the select committee.

During the year ended the 30th June, 1941, an amount of £323,596 was received by the State Government Insurance Office by way of premiums. The administrative expenses were £9,992 and the taxation assessment £18,661—a total of £28,653, equivalent to 8.8 per cent. of the premium income. As suggested by the select committee, provision is made in the Bill for the collection of premiums by the licensing authorities, thus tending to reduce adminis-

trative costs materially. It is provided that when a person applies for a motor vehicle license he will at the same time pay to the local authority the premium for the requisite insurance.

In the new Part IVA to be inserted in the Traffic Act, provision is made for the State Government Insurance Office only to undertake the insurance, and for the nature and extent of its liability under such insurance. The establishment of a special and separate fund, to be called the Traffic Act Insurance Fund, is also provided for, to be administered by the State Government Insurance Office. The fund shall be kept only for use in connection with the insurance obligations of the insurer. Provision is made for the appointment of a Traffic Act insurance committee. Under the Bill, the State Government Insurance Office will, in the first place, fix the premiums to be paid for any insurance. One of the functions of the committee will be to report to the Minister upon the reasonableness of the premiums so fixed. It cannot override the State Government Insurance Office as regards the fixation of rates of premium, but if the committee thinks the rates are unreasonable, and the State Government Insurance Office and the committee cannot reach an agreement on the question, the Minister as arbitrator will decide. The obligation to obtain insurance under the new Bill will operate from the 1st July, 1942.

In regard to policies in operation as at the 30th June, 1942, these will be determined as at that date, when the insurance company will pay to the insurer a reasonable amount of rebate of portion of the premium paid in respect of any policy of insurance. In the event of any difference arising between the car owner and the insurance company with which he has insured as to any amount to be paid by way of rebate, the matter shall be finally determined by the committee in accordance with regulation, and shall as so determined be deemed a debt due by the company to the owner and be paid accordingly.

Regarding premiums to be paid, so far as private cars are concerned the premiums charged in South Australia are 27s. 6d. if registered within 20 miles of the G.P.O., Adelaide, and 17s. 6d. elsewhere within that State. Latest advice is to the effect that reductions are contemplated on account of petrol rationing. The Queensland premium is

30s. (1938), Tasmania 25s. (1938), and New Zealand 26s. (originally it was 20s. but it has recently been increased). In Victoria the rate of premium is 33s. within 20 miles of the G.P.O., Melbourne, and 18s. elsewhere, including a special hospital levy of 1s. 9d. on each vehicle.

Inquiries made in 1938 by the Government Actuary and the Under Secretary for Works indicated that premium rates somewhat in excess of those now operating in South Australia might be justified in Western Australia, having regard to the rather striking increases in the average amount per claim settled under comprehensive policies in this State as compared with South Australia. The officers making the preliminary inquiries admitted, however, that the data available at the time were incomplete and not convincing. In response to a request by the Minister for Works in 1938 for a definite premium rate for Western Australia, the Underwriters' Association offered to accept the risk under an Act similar to that operating in South Australia with a 20 per cent. increase on the South Australian premiums, subject to the schedule being reviewed by the premiums committee at the end of the first year's operations, when it might be possible to reduce, or it might be necessary to increase, the premiums. A 20 per cent. increase on the South Australian rate of 27s. 6d. for the metropolitan area would result in an annual premium in the metropolitan area of 33s. The Underwriters' Association, however, preferred an investigation by the suggested statutory committee before the proclamation of the Act.

The standard third party policy operating in this State covers a much wider scope than that prescribed in the Bill, and covers damage to property in addition to persons. Premiums charged by the tariff companies for the standard cover are:—

	£	s.	d.	
Metropolitan area	..	3	10	0
Goldfields areas	..	3	15	0
Elsewhere	..	3	0	0

} Less 10%

I think I have given members sufficient information regarding the subject of third party insurance. Members have dealt with the question of third party insurance on a previous occasion. I trust the measure will have the approval of the House, and I move—

That the Bill be now read a second time.

On motion by Hon. A. Thomson, debate adjourned.

BILL—LOAN, £916,000.

Second Reading.

Debate resumed from the previous day.

HON. H. SEDDON (North-East) [9.11]: I take it that in view of the understanding that we are to continue debating the usual Parliamentary business, we shall discuss this Loan Bill which has been presented to us in the same manner in which we have discussed it in previous years. There are, however, certain circumstances associated with loan expenditure which are still more important today than they were 12 months ago. Various items raised the all-important question confronting Western Australia along with the other Australian States as to what steps are to be taken in order to ensure that our fullest efforts are directed towards the continuance of our fight for existence. We have been building up over a period of years a scheme of government and of existence; but we all know that the scheme, which was seriously challenged when war broke out, is more seriously endangered today than it was ever before in the history of the country.

What has impressed me in studying Loan Bills from year to year has been the fact that in the items they contain, very little attention is given to urgent national needs. On the other hand, we are simply continuing with our schemes of loan expenditure in directions which might very well be postponed until after the cessation of hostilities, and that we might well concentrate first of all upon the expenditure of money which will be directly associated with increasing the war effort or else allow that money to be spent by the Federal Government in that direction. That is the reason why I consider that many items contained in the Loan Bill could very well have been left aside for another occasion.

I desire to commend the Chief Secretary on the details which he has laid before us in moving the second reading of the Bill. The hon. gentleman has generally gone to considerable trouble in that respect. On this occasion he has done so more fully than usual. It appears to me that many of these items are not required at all. An investigation has been carried out in the Eastern States by prominent newspapers upon the exact position of, and upon many questions associated with, Australia's contribution to the war effort. The results of that investigation have been embodied in a publication

which I am of opinion should be in the hands of every member of Parliament throughout the Commonwealth. The name of the publication is "You, Me, and This War," and among the questions dealt with in it are the extent to which Australia has risen to the occasion with regard to establishment of manufactures and provision of munitions, the degree to which Australia has committed herself in regard to the provision of military forces to fight overseas, and other associated questions. What the investigation did, however, definitely disclose, and what it is designed to emphasise, is that on the account of the smallness of Australia's population we shall very soon be faced with this question, as to whether we intend to concentrate on the military side of the operations or on the provision of munitions.

Hon. A. THOMSON: Why not do both?

Hon. H. SEDDON: The indication of the inquiry is that we will have to alter definitely the scale of our commitments on one side or the other. They set out in a series of very interesting tables an analysis of the people in Australia who are capable of working and they show the demands that are being made on that population with regard to war industries and the requirements of reinforcements. They have arrived at the conclusion that Australia's contribution will have to be seriously revised in view of those figures. My reason for referring to that is that many of the works embodied in this schedule require a considerable amount of labour, and as there is such a demand for labour in connection with the munitions industry, I cannot see how the Government can justify the continuance of these works which, in the light of the national emergency, cannot be regarded as necessary and should at once be closed down in order to liberate the persons employed and make them available for war industries.

The Chief Secretary: Will you refer to the particular works you have in mind?

Hon. H. SEDDON: I will refer to quite a number of them. I might take the whole of the items and ask the Chief Secretary whether, if the Commonwealth were found to be threatened with an invasion, he would think any of them required further consideration. I ask him whether he considers it would then be desirable that men should be engaged even in connection with work on pipe lines, when they could be more profitably employed in shouldering rifles or mak-

ing munitions that riflemen require. From that standpoint I consider that many of the works employing a considerable number of men should undoubtedly be set aside, and would be in an emergency, under which circumstances the Government would very seriously reconsider the programme set before us tonight. I understand that another hon. member intends on a later occasion to take up this question of all our activities and I am looking forward to his speech with a considerable amount of interest because I feel sure that the details which will be given on that occasion by that member will be such as will seriously impress every member of this House. I wish to urge upon the Government and every member the very serious need for every section of the community, and every parliamentarian, to set aside any question of any activity apart from our war requirements, and to concentrate solely on that objective.

From that standpoint, taking the Bill all in all, while there are one or two items that are justified from the point of view of assisting our war work—I refer to the establishment of the annexe at Midland Junction and perhaps one or two other items—there are many other works in this schedule that cannot be justified. As the schedule covers nearly £1,000,000, members will see what a considerable amount of money would be saved for war work, and what a large number of men would be liberated for such work, if these activities could be set aside. It is interesting to notice that although the Loan Bill covers only £916,000, the loan expenditure for this year is £1,500,000, only £200,000 less than the loan expenditure of last year. If one refers to the table of loan expenditure submitted with the Budget returns, he realises that the loan expenditure has been in the vicinity of £1,750,000, in the two war years, so that although the Government has achieved a saving of £200,000 this year, I think it will be found that we could have saved a good deal more.

Before resuming my seat, I would like to quote certain figures I have obtained from the publication to which I previously referred. That publication contains an analysis of the national income. It was pointed out that that income for the year just concluded was £840,000,000—that is for the whole of Australia. Persons with incomes exceeding £1,000 a year had an aggregate income of £95,000,000; those with between £400 and

£1,000 had incomes totalling £185,000,000, and those with under £400 received £560,000,000. The number of people in each group was respectively 40,000 to 50,000; 200,000 to 300,000; and 2,750,000. The figures were quoted with a view to indicating the number of persons who were providing the bulk of taxation today as compared with the spread of taxation in view of the actual portion of the national income taken. These figures are very interesting because they show that the Federal taxation returns for 1941 indicated that the 40,000 to 50,000 persons receiving over £1,000 a year contributed no less than £20,000,000 in the form of Federal income tax; the 200,000 to 300,000 earning from £400 to £1,000 contributed £8,000,000, and the 2,750,000 people earning under £400 a year contributed £5,000,000. That indicated that the increase of taxation that would be necessary to carry on the war programme alone would necessitate a very much wider spread of taxation than was revealed by the tables I have read.

As a contrast the publication concluded by quoting this significant fact: If the Commonwealth Government Budget had been based on the same scale as the British Budget, the amount of money that would have been contributed, instead of being £55,000,000, would have been £110,000,000. Those figures are illuminating. They show that there is going to be a tremendous drain upon the finances of the public and provide an additional argument for the strictest economy with regard to loan expenditure. It is from that angle that I oppose the Loan Bill and suggest to the Government that in carrying out its loan programme it should revise the schedule submitted to us and recast it—especially in view of the development of events of which we have just heard—entirely from the standpoint of our contribution to the war effort.

HON. A. THOMSON (South - East) [9.25]: I always listen with interest to Mr. Seddon. On this occasion he has issued a note of warning with regard to our loan expenditure. We realise that this schedule was framed and approved by the Loan Council when we were not in as serious a position as we are facing today. I listened with interest to the full detailed statement that the Chief Secretary was good enough to present to us. Unfortunately we now find ourselves at war, and the Prime Minister is urging the public to spend as little as possible on

Christmas gifts. The Minister for War Organisation of Industry has also informed us that our manpower will have to be co-opted in every branch of industry, so that we may be able to help the nation to emerge victorious. When delivering his speech on this Bill last night, the Chief Secretary indicated that £35,000 was provided for new rolling stock and engines. Those things will be needed much sooner than the framers of this schedule expected. A sum of £10,000 has been provided for post-war reconstruction. I propose to base my remarks on those two items, because they will afford me an opportunity of indicating how a considerable amount of manpower and money could be saved in the crisis we are facing at present.

Two years ago the woolgrowers in my province urged the Federal Government and the Central Wool Committee to have wool appraisements made at the port of Albany, since in doing so anything from £10,000 to £12,000 per year would be saved on unnecessary rail freights which now have to be paid when the wool goes to Fremantle. After strenuous fighting and much argument, it was ultimately agreed that 15,000 bales would be appraised at the port this year. I do not propose to deal with the delays that have occurred or as to who was responsible, but intend to touch on the result. After an agreement had been reached that at least 15,000 bales of wool should be appraised at that centre, the position is now such that on account of delays approximately only 10,000 bales will be sent to the port for appraisal.

Hon. C. B. Williams: All the fault of the Country Party in the Federal Parliament, not the Labour Party!

Hon. A. THOMSON: One would naturally have assumed that when the 10,000 bales of wool were sent to Albany they would not only have been appraised but would also have been dumped and stored at that port. Members will probably be amazed to learn that the Minister for Commerce and the Central Wool Committee are insisting that the wool, immediately upon being appraised there, shall be railed to Fremantle for dumping and storing. There is a machine at Albany capable of dumping 1,700 bales of wool a week, and there is ample storage for 10,000 bales, and it would cost not a farthing more per bale for doing the dumping at Albany and storing the wool there. Yet the Central Wool

Committee has decided—the decision is acquiesced in by the Minister for Commerce, as well as by his assistant who is not giving us the support we expect of him—that the wool be put on trucks and sent to Fremantle at a cost of £6,000 for railway freight alone. To transport the 10,000 bales of wool to Fremantle, at least 500 trucks will be needed, whereas if the wool was dumped at Albany, half the number of trucks would suffice.

Hon. J. Cornell: What can this House do to rectify that?

Hon. A. THOMSON: This is the only way I have of making public the damnable state of affairs now existing. We have an opportunity to save £6,000 in railway freight, and yet those in authority insist upon the wool being railed to Fremantle. When the wool could be dumped and stored at Albany at the same cost, surely one is justified in raising one's voice against such an outrageous decision! God knows, we ought to be saving all the money possible at the present time. The figures quoted by Mr. Seddon show how difficult the position is in regard to taxation. The Commonwealth Government has announced that probably £40,000,000 to £50,000,000 of loan money will be required from the public. In those circumstances am I not justified in drawing attention to this matter? It is proposed to incur an expenditure of £6,000 on useless freight charges, to say nothing of the wastage of manpower. When the wool arrives at Fremantle, it is to be shunted into the wool stores there, sorted out, dumped, and then carted to the new store erected near the site of the Old Women's Home.

Doubtless I have digressed somewhat from the scope of the Bill. I hope the Government will consider the amount involved in this Bill, namely, £916,000. It is essential that we conserve every shilling if we are going to do our part as portion of the Empire. The Prime Minister has asked that we do not spend money unnecessarily, and although this amount representing altogether about £6,500 might appear to him to be a minor item, my contention is that we should save it. By making a careful scrutiny of our finances, I believe that much money could be saved. Every pound that can be saved should be saved, and every man possible should be directed into

industry that will be helpful in the prosecution of the war.

The Government, in framing its Loan Estimates, anticipated an expenditure of £35,000 on new locomotives and additional rolling stock. It would be a wicked use of rolling stock to haul 1,429 tons of wool all the way from Albany to Fremantle when it can be dumped and stored there. It would be a wicked waste of money and an instance of maladministration if the Commonwealth does not insist upon the Central Wool Committee dealing with this matter in a business-like way.

Hon. C. B. Williams: Your party was in power for 25 years.

Hon. A. THOMSON: I do not care what party was in power; I am dealing with the position confronting us at present.

Hon. C. B. Williams: You have been confronting it for years.

Hon. A. THOMSON: Let me point out also that married men have established their homes at Albany and could be provided with employment if the dumping and storing of the wool were carried out there. I feel I am fully justified in making this complaint. I have a pile of correspondence on the matter but I shall not weary members or burden "Hansard" by reading it. Still, I feel I would not be doing my duty, in view of the serious position we are facing, if I did not direct attention to the utterly wasteful methods being adopted. Surely the men producing wool in the areas served by the port of Albany are entitled to some consideration! But no! Under the policy of centralisation, everything is to be forced into the metropolitan area.

Hon. J. Cornell: It is no different from the port of Esperance.

Hon. A. THOMSON: There is a big difference between Esperance and Albany. For one thing, I do not think Esperance would produce anything like an equal quantity of wool, and another point is that Albany harbour is capable of accommodating the largest ships that come to Australia. Two large stores have been built at Fremantle for the storage of wool. I have inspected the one being built near the site of the Old Women's Home. There is ample wool in the metropolitan area available for shipment if ships can be provided to take it away. I repeat that I am justified in drawing attention to the serious blunder that is being made by

hauling that large quantity of wool from Albany to Fremantle. Unfortunately, my voice has been as one crying in the wilderness.

I support the second reading of the Bill. A measure of this kind is brought before us each year. I thank the Chief Secretary for the information he has supplied. With the assistance of my colleagues, I have tried to induce the authorities in the Eastern States, by telegram, lettergram and letter, to apply commonsense business principles to the handling of our wool, but so far without success. I hope that after having ventilated the question in this House, we might get a step nearer to saving this large amount of freight and helping a portion of the State that is justly entitled to consideration.

HON. L. B. BOLTON (Metropolitan) [9.42]: There is one point on which I desire to offer a little advice, and I should like the Chief Secretary to feel that in this I am offering advice rather than criticising the Government. Before doing so, however, I should like the Minister, in his reply, to explain Item 17 in the Schedule which, on this occasion, is referred to as "Agricultural Implement Works."

Hon. J. Cornell: The old story!

Hon. L. B. BOLTON: I have carefully perused the report of the Auditor General and have been unable to find any reference to agricultural implement works. I did see mention of the State Implement and Engineering Works, so I take it that is what is referred to in Item 17. To my knowledge very little if any agricultural machinery is now being manufactured at the State Implement and Engineering Works.

Hon. J. J. Holmes: They must have done something, because they have lost £400,000.

Hon. L. B. BOLTON: They lost only £7,000 this year. The accumulated deficit, excluding £100,000 written off, amounts to £342,334. However, I have an object in referring to these works. The Industries Expansion Commission, in its wisdom, has voted £64,195 to be spent at the State Implement and Engineering Works at North Fremantle. An additional amount of, I believe, £115,000 has been voted for the general expansion of industries. The State Implement Works will probably receive a large proportion of this amount. The same commission has voted £25,000 for the shell annexe at the Midland Junction Workshops, as well as £35,000 for

the tool room. I am offering no objection to the provision of those two amounts, but in common with some other members of this Chamber who have inspected the work being done at the Midland Junction Workshops I pay a tribute to what those workshops have done and are doing in the war effort. I do, however, enter an emphatic protest against the spending of the greater part of the sum of about £60,000 on Items Nos. 17 and 18 in the Schedule to the Bill. I would have no objection to the money being expended in that way if I could see any prospects of some return that would be of benefit to the State; but I object to its being spent upon the re-establishment of obsolete works that show—as I have previously said—an accumulated loss of well over £400,000. That, to my mind, would be entirely wrong. I speak for the industries of the State, particularly the engineering industries. The danger is that the money may be used simply to re-establish those works; and, when the war is over, they will be carrying on, as they were some years ago, in unfair competition with the engineering industries of the State. I would much prefer that the Government should spend the money in some other direction.

When the Chief Secretary was introducing the Bill, I asked, by way of interjection, whether the annexe at Midland Junction was in production. I am aware that much work has been completed there and I am not blaming the Government for the delay in getting the annexe working, because I appreciate that in the early stages of the war we did not recognise in this State what we could do for ourselves. It was only when we were put to the test that we began to manufacture our own plant and equipment. I pay tribute to the Midland Junction Workshops and to the factories of this State for the magnificent job they are doing; nevertheless, it would be much better for the State Government to bend its energies to commencing work in at least one annexe or more that are being provided for the manufacture of defence requirements, rather than to keep duplicating the capacity of each annexe and not commence production in any of them. We are told, and as one interested I know that it is right, that within the next few months three or more large annexes will be completed for the manufacture of defence work. Each will require hundreds of men; and, unfortunately, owing to the

delay that has taken place in commencing operations, this State has lost a large proportion—I say this advisedly—of its skilled artisans, who have gone to the other States. Had it been possible to commence operations earlier, those men could have remained and could now be training others. We should in that case have had men available for the new building which will be opened at an early date. My object in speaking to the Bill is to draw attention to what, in my opinion, is entirely wrong. I refer to the spending of money on such obsolete works as the State Implement Works.

Hon. C. B. WILLIAMS: Do you think you are wise in criticising those works?

Hon. L. B. BOLTON: I think I am.

Hon. C. B. WILLIAMS: It is an opposition firm.

Hon. L. B. BOLTON: The hon. member is entirely wrong. Those works are not in opposition to me in any way. I dissociate myself entirely from the personal angle, as I am speaking on behalf of the engineering and industrial sections of the State. If a large proportion of this money is spent upon re-establishing the State Implement Works, then I, in common with most other members of this Chamber, can see nothing but further losses and bigger State deficits.

Hon. J. Cornell: The hon. member is a bit of an optimist!

Hon. L. B. BOLTON: I may be, but I can assure members that that is so. While I have no objection to this money being spent to help our war effort, I desire that it should be spent in some other direction.

HON. C. B. WILLIAMS (South) [9.52]: I do not suppose that in my 14 years of Parliamentary experience I have previously spoken to a Loan Bill. I have listened to the speeches in opposition to this measure. How did this country progress to its present position, unless it was on borrowed money? It is easy for some members to talk nonsense about borrowed money. After all, posterity must bear some of the burden. We today are bearing the burden of money borrowed to build the goldfields water scheme. Had men like Mr. Seddon been in Parliament at that time, Lord Forrest would not have constructed that scheme, and Western Australia would today be back with the blackfellows of 140 years ago.

Hon. J. Cornell: There would be no posterity.

Hon. C. B. WILLIAMS: Mr. Holmes has told us about the terrible times people went through in those days. After all, it is a matter of opinion. Labour members know the right way to finance, but the trouble today is that they have not the necessary power. Today we finance with paper; nevertheless, while we have faith in our paper currency, nothing can go wrong. The wealthiest man in this Chamber, as well as the poorest, would be worth nothing if the Government decided to change the colour of its paper and say that the paper of yesterday was worthless. Is not that true? Of course it is. Then let us do away with all this hypocrisy. This State has been plunged into poverty for the sake of the farmers, for whom some members say this ought to be done and that ought to be done. Those members ought to hold their peace.

In 25 years the Commonwealth has had one Labour Government; we have another now. No members of the National Party or of the Country Party should hold his head up and say that Western Australia has regressed because our artisans have left the State. I quite agree with what the previous speaker, Mr. Bolton, said. Why did they leave? Because some Federal members let Western Australia down. Why get up now and talk about the Loan Bill? Is it because the State elections will be held next year? Mr. Seddon had something to say about finance. I point out that recently a person died in Western Australia who left 2,000 sovereigns, for which the country had to pay £4,900 in paper money. Yet Mr. Seddon and other alleged financial authorities want that system to continue. I belong to a party that believes in the nationalisation and socialisation of industry, although I am inclined to think I have made a great mistake in believing our party Government is socialisation. Mr. Thomson said that Mr. Seddon had made a good speech. That is true, but what is the use of making a good speech if one has not the cash to carry on without borrowing?

Hon. H. Seddon: Not necessarily!

Hon. C. B. WILLIAMS: That would not be Labour's idea. The hon. member's ideas are quite opposite to those of the Labour Party. Mr. Bolton made a song—I am speaking quite respectfully—about what might happen to the implement works at North Fremantle. It is a strange thing, but we seem to be blamed for all things. I heard

Mr. Thomson speak about Albany. Now that the elections are to be held, I suggest that if I were Premier plenty of Government works would be started there, because Labour lost Albany only by a few votes. I would find plenty of work to do in Albany and again win that seat for Labour.

Several members interjected.

The PRESIDENT: Order!

Hon. C. B. WILLIAMS: I do not like these interjections. I was an organiser once and would organise that district properly. I do earnestly ask that the opposition to the Bill shall cease. Surely to God, we are getting nearer to the war than we have ever been. So why make a fetish of the Loan Bill, simply because the elections will be taking place next year? If the Japanese came here tonight there would be plenty of vacancies in this Chamber. Any person who says that this country cannot progress is surely talking with his tongue in his teeth. We must develop the country. When dealing with another matter, Mr. Holmes said that he had been financing a farm for 10 years. He allowed for the return of his capital in the improvements to the farm. Surely after that time he would have adequate value for his money. Values continue in other spheres. They continue in regard to hotels, and people borrow money to go into them. I have been in this House 14 years and I have not previously mentioned the loan programme. I have heard nonsense talked on this question. Members have said that we borrow money unnecessarily. Money is borrowed to provide work. There would otherwise be a revolution.

I hope the Bill will not be linked up with the forthcoming election. I cannot see the Labour Party taking one seat from the Country Party, with the possible exception of Albany. If I were in the Minister's place I would not stop flogging members for what they say. Labour has only been in power, in the last 25 years, for two years in the Commonwealth Parliament. This criticism should be directed to the Government which controls the financial structure of Australia. Nobody knows the hypocrisy of politicians better than I do and if there is no wool appraisalment at Albany, it is because Mr. Prowse and the member who died recently, Mr. Gregory, were not game to stand up and tell the Government that they would vote it out if Western Australia did not get justice. Western Australia has two Labour men in

Federal politics, two Nationalists and one Country Party. This Loan Bill should not be made the fetish of party politics. We are not schoolchildren here. We understand our jobs. I support the Bill.

HON. G. FRASER (West) [10.2]: It is very rarely that I speak on the Loan Bill because, as far as I can recollect, we have often debated the measure for hours and have then carried it. I cannot recollect it ever having been defeated or amended. On this occasion, however, I must answer some of the criticism, and particularly that levelled at the amount on the Loan Estimates for the State Implement Works. I am sorry that a number of members who have spoken on this measure have allowed their prejudice regarding State trading concerns to intrude upon their better judgment. It is a good thing for the Australian war effort that the State Implement Works were established and are working today. This State would have contributed very little in that direction had it not been for these works.

Hon. L. B. Bolton: Nonsense! What about the Midland workshops? Are they not doing something?

Hon. G. FRASER: Admittedly. The hon. member shows his distaste for State trading concerns, and particularly the State Implement Works, in favour of private enterprise. Does he not know that ships have been held up in this State and would have been still here had it not been for the State Implement Works; and that private enterprise has undertaken contracts which it could not carry out, and has had to send them to the State Implement Works? That is occurring today. If members instead of taking the word of someone prejudiced against State concerns would study the question themselves, they would have a better understanding of the position.

Hon. L. B. Bolton: I have studied the losses!

Hon. G. FRASER: What are the losses compared to the work done in connection with the war effort? The losses would have been far greater if this work had not been carried out. Members should see the work done not only in connection with shipping, but in connection with other portions of Australia's war effort. Do members know how many private concerns have taken contracts to supply war material to the Federal Government and who have not had the plant.

to do the work? After receiving the contracts they go to the despised State Implement Works to have them carried out.

Hon. L. B. Bolton: You are funny.

Hon. G. FRASER: This is too serious to be funny. These facts can be investigated. The hon. member knows there are firms in this city which have tendered for work, and have not had the machinery to carry it out, and have sublet the contracts to other concerns.

Hon. L. B. Bolton: That is right.

Hon. G. FRASER: At the present time when we are at grips with our enemy, does the hon. member stand for that system of hawking contracts to have them carried out, as against the Government system? I am sorry that some members allow their prejudices against State trading concerns to obscure their judgment in this matter. I regret that the amount on the loan programme is not double what it is, in order that extra and better machinery could be installed in these works. They have been a Godsend to the country.

Hon. J. J. Holmes: They might have been a Godsend to the country but they have cost the State £2,500,000.

Hon. G. FRASER: It would not matter if they had cost £10,000,000. If the services rendered had not been carried out, the loss would have been far greater. The jobs could not have been done by private enterprise.

Hon. L. B. Bolton: Nonsense!

Hon. G. FRASER: I know what these works have saved this country in the last 12 months or so. I hope the Bill will be passed. It has been suggested that the portion dealing with the State Implement Works should be deleted.

Hon. L. B. Bolton: I did not suggest that.

Hon. G. FRASER: I did not say it was Mr. Bolton's suggestion. I think—I am not sure—that Mr. Baxter suggested it. If there are members who are considering supporting such an amendment I ask them to investigate these works before casting a vote of that description. I support the second reading.

HON. E. M. HEENAN (North-East) [10.10]: I congratulate the Government on providing the sum of £30,000 for the development of goldfields mineral resources. We all realise that we have to face difficult times.

The goldfields has a high percentage of enlistments, and it also has a big section of population consisting of old men who have lived on the goldfields all their lives, and whose only calling is that of prospecting. No one can tell what the future of gold will be. We can only hope for the best; and our hope is that gold mining will remain one of the principal industries of this State. These men have been assisted by the Government in the past, and that assistance has borne very good results. These men would not be of much use in the army, or in armament factories. Encouragement should be given to them to carry on the occupation which they have followed in the past. I am pleased to know that the Government proposes to continue to grant assistance to them. By doing that it will be making a vital contribution to the war effort.

HON. H. TUCKEY (South - West) [10.12]: This is one of the two or three Bills introduced into this House over which we have very little control. We cannot amend this Bill. The time is too serious to deal with matters of a trivial nature. I want to commend the Government for the work it has carried out in connection with water schemes in the South-West. A large amount of money has been spent on those undertakings. Although in some cases the expenditure has been high, I think in the long run the works will be justified. They will be a permanent asset, and, as time goes on, will become more valuable. I hope the policy will be continued from time to time as circumstances permit.

Recently the Premier promised the Prime Minister that this State would give the Federal Government every possible assistance in connection with the prosecution of the war. I am somewhat disappointed with the work of this session which is now ending. We have done very little to assist the Federal Government in its war effort. That is a matter for the Federal Government, but we, as representatives of the people of this State, should be given an opportunity to bring forward any matters which may be of benefit to the Commonwealth or the Defence Department. We have been told that a large amount of money is being expended on an annexe at Midland Junction. I would like a sum of money spent on the construction of underground petrol tanks. This is the third or fourth time.

I have referred to what I have described as a sitting shot for the enemy at Fremantle. I regard that as one of the most serious menaces confronting the State and the Commonwealth at present. It is hard to understand why reserves of such vital importance should be allowed to remain exposed as are the petrol tanks at Fremantle, and no notice is ever taken of any comments on the position.

Last session legislation was introduced dealing with the C.O.R. installation at North Fremantle. I opposed the measure and was the only member to speak against it. I did not adopt that attitude with any intention of hampering the State or the Federal Government nor even the company but merely as a protest against what I considered to be an entirely wrong method of dealing with the petrol supplies. I was told that throughout the world the practice was for the petrol supplies to be made available along the water front. My reply to that is that though every other world centre may do what is wrong that is no reason why we should follow such a bad example. Rather would it be preferable for us adopt a better method. I do not know that the State Government can do very much, but it should be the function of the Government, in association with the Commonwealth Government, to see that the State has adequate petrol supplies.

I must confess that I am opposed to the policy of not allowing people to store liquid fuel. If people were allowed to store such supplies as they could, it would result in there being suppliers spread all over the State. At the moment I have only four gallons in hand but it would be quite easy for me to store 400 gallons and I would be prepared to do so under strict supervision. When we realise what has been happening during the last few days, our method of dealing with our petrol supplies appears to be entirely wrong. I regard the tanks at North Fremantle as very fine sitting shots for any enemy raider that may approach our coast. A friend of mine was approaching by sea recently and far out he noticed several small objects and inquired what they were. An officer told him they were the Western Australian petrol tanks which stood out so clearly. They are painted with silva-fros and can be seen for many miles off shore. Even on moonlight nights they

stand out quite clearly. I regard this as a serious matter.

In my view there should be greater co-operation between members of Parliament and the Government. We do not want publicity but if conferences were held we could discuss problems, strictly from a non-party point of view, and perhaps could assist the Premier and his Ministers in dealing with various problems. In turn they could assist the Federal Government and that, I consider, would be a step in the right direction. I regard the introduction of the Loan Bill in this Chamber as a mere matter of form as we have no opportunity to amend it. I have no other option but to support the second reading.

HON. H. V. PIESSE (South-East) [10.20]: I support the second reading of the Bill. I listened with interest to Mr. Bolton's remarks regarding the State Engineering Works. When we have instances to disclose I think we should inform members. I remember that three or four years ago one of the main engines at the Katanning Flour Mills broke down badly. We endeavoured to get it repaired and made inquiries at the various engineering works, but the only place where the repairs could be dealt with satisfactorily was the State works. The engine cost about £4,000 and it was repaired in an excellent manner at the implement works. No other engineering concern in the State could look at the job. In these days, if the expenditure of the money proposed will result in bringing the machinery at the State works up to a condition enabling the repair of marine engines and similar tasks to be performed, we should not hesitate to agree to that expenditure.

HON. E. H. H. HALL (Central) [10.21]: I congratulate Mr. Fraser on his spirited defence of the State Implement Works. When Mr. Bolton discusses manufacturing matters we feel he deals with a subject of which he knows a good deal. The sincere and emphatic manner in which he was completely answered by Mr. Fraser gave me cause to think that perhaps Mr. Bolton is biased against the State concern. Mr. Fraser suggested an aspect to me that I regard as very important in these troubled times. Before Mr. Fraser spoke, we heard Mr. Williams. Mr. Seddon has already

spoken so it is not possible for him to reply to the statements made by Mr. Williams. I do not know what was in Mr. Seddon's mind, but I was amazed to hear Mr. Williams suggest that Mr. Seddon's remarks had been made with a view to the forthcoming election. I cannot say that I gained any such impression.

Hon. H. Seddon: That was not in my mind.

Hon. E. H. H. HALL: Mr. Seddon's invariable practice is to speak on the Loan Bill and most members enjoy listening to him. I do not always see eye to eye with Mr. Seddon in connection with finance. I have reminded him before, and I repeat again, that I think he fails to take into account the vast amount of money paid by the wage earners by way of indirect taxation. The fault of the Federal Government is that it has not been courageous enough to secure the money required for war purposes by means of straight-out taxation. On the other hand, it has allowed people with families and wage earners generally to pay taxation indirectly, including the obnoxious sales tax.

I should say that 75 per cent. of those who have to buy the necessities of life do not realise the insidious indirect taxation they are called upon to pay. Because of that we have the constant complaints about the increased cost of living and we hear suggestions that the Price Fixing Commissioner is not able to keep down prices. We have a very apt illustration of what the payment of a small tax by the great majority of the wage earners can accomplish. I refer to the hospital tax of 1½d. in the pound, from which over £284,000 was collected last year. Certainly people in receipt of the basic wage cannot be expected to pay very much direct taxation, but I do not think they would be unduly handicapped if they were called upon to pay a 1½d. tax, which has yielded the large amount I have already mentioned.

I was amazed to read the speech delivered by the Premier in another place when he moved the second reading of the Loan Bill. He said he did not know just what was going to happen in connection with loan raisings. He announced to members in another place that the very valuable addition to the war effort not only of the Commonwealth Government but of the State by people who subscribed money for war sav-

ings certificates. The Premier spoke as Treasurer of the State and I take it he knew what he was talking about. He rather surprised me, because I thought the money contributed to war savings certificates would have been calculated to help the Federal Government in its war effort, but the Premier has stated it is also a big help to the State. If that is so, why cannot the State do something more definite than it has achieved so far?

Tonight there has been a note of dismay sounded because of the sad news we have received. While I can easily get excited about trivial things, when it comes to big considerations I realise it is time to take hold of ourselves and keep our chins up. Why wait until the trouble arrives at our very doors? The Government knows what is likely to happen, so why wait until it actually transpires? Without any bitterness and merely as a citizen, I say that the State Government should be courageous and should not be afraid of giving offence. We are in Parliament to say what we think so long as we do not indulge in personalities, which is a thing I never do. I say that our war effort so far is no credit to us. We have not done anything of great value to give effect to the promises made to the Federal Government. I am not going to suggest we have not done anything in the way of raising funds, but I am sure that something more could be done. Let any member go outside the House tonight, as I did during the tea adjournment, and note the motor cars there, and see how many have gas producers attached to them.

Hon. G. B. Wood: Mine has.

Hon. E. H. H. HALL: And it is a credit to the hon. member. But we find the Leader of this House with a brand new motor car waiting outside this building but with no producer gas unit on it.

Hon. L. B. Bolton: The hon. member should not indulge in personalities.

Hon. E. H. H. HALL: I am not indulging in personalities. A Minister of the Crown should set an example. I am not dealing with the Minister's private actions, but with his actions as a Minister of the Crown. I also consider that every other member of Parliament who parks his car outside this building while country people have either been compelled to instal gas producers or to ration their petrol should set a good example to the people in general. Only

a fortnight ago I read an appeal addressed by the Premier to the people of the North-West, who are not rationed, to husband their petrol. Those in high places should set good examples.

The Loan Bill includes an amount of £30,000 for development of mining. As I have said before, we have in this Chamber a member, Mr. Drew, who knows a great deal more about the mining possibilities of the Northampton district than I do. Copper is at a very high price. Some time ago the metal was actually being imported into the Commonwealth. There are many abandoned mines on the Northampton copper field; and I consider that through the State Implement Works small parties could be enabled to endeavour to obtain the copper which I am informed is there waiting to be mined. It will be said that the State is too short of money to open up and develop all the work of that nature requiring to be done; but if the proposal was put up to the Federal Government, seeing that copper is so urgently required, the Northampton field might be worked again. Members representing the South Province may say, "We have copper deposits at Ravensthorpe." I cannot ask that the Northampton deposits should take precedence of those at Ravensthorpe; and I do not forget the Whim Creek deposits. Why something has not been done before now to obtain this metal, which is at such a high price, I do not understand.

Now that Mr. Williams has returned to the Chamber, I want to say, following up his remarks about electioneering, that nothing was further from my mind than to suggest that Mr. Seddon was putting up election dope. Speaking for myself I consider it a great pity that at a time when we are all desirous of devoting our energies and abilities to the help of the country we cannot agree to postpone the elections, form a composite Government, and so present a united front to the people.

HON. W. J. MANN (South - West) [10.36]: I want to have a word to say about the State Implement Works. I take no exception at all to money being expended on metal works, foundries and other works of that kind in this State at the present time. A matter of £50,000 is neither here nor there in view of the great task before us. I am not very keen about

any State trading concern; but I have good reason now to be keen about the State Implement Works. I recall the early days of group settlement when the poor unfortunate group settlers had to take the State Implement Works machinery whether they liked it or not. In one of the first speeches I made in this Chamber I told some stories of what wonderful machinery it was; how the old drag harrows were taken out and how the old horse was put to them, and how after about 200 yards the tyres were all flat. So dad turned the horses round and hitched on to the other end to pull them vertical again; and that process was repeated until the paddock was harrowed. If Mr. Fraser had gone through the South-West and looked at the old machinery dumps he would have found that about 90 per cent. of them consisted of State Implement Works machinery, big heavy machinery. However, it is pleasant to learn that the State Implement Works have done good work in comparatively recent times, and I have no objection whatever to the proposed expenditure in that direction.

I want to pay a tribute to work being done in other places. At Midland Junction there are men who have been working long hours for over a year now. Some of those men are getting very worn and tired, and we shall have to nurse some of them shortly or they may break down. One of them rang me up recently and asked me to take a walk around town with him. He was showing signs of brainfag. This man and others like him have done work very valuable for the State. We cannot afford to despise any work done at any foundry or metal works in Western Australia, "be it ever so humble."

Something was said about people taking contracts and subletting portions of them. I see nothing wrong in that. A man may take a contract to produce a certain article and may know that some other man specialises in a portion of the article, and he quite rightly turns to that other man to supply that particular requirement.

I notice an item of £100,000 for hospital buildings and equipment. I have a suspicion that some of the item may have been spent already, the loan schedule being anticipated; but if the amount has not already been spent, I would suggest that there are a couple of hospitals in the South-West Province badly in need of attention. I com-

mend Bunbury district to the Government in respect of hospitals. The old Bunbury hospital is in a shocking state, and not at all suitable. Moreover, the building itself is ancient. The Bunbury district is becoming highly populous, and I would urge that the Government give attention to the building of the proposed new hospital at Donnybrook, for which all the money but the Government's proportion has been available for two or three years. The inhabitants of both these centres deserve a share of the £109,000 mentioned.

HON. T. MOORE (Central) [10.41]: It has been pointed out before that when we pass Loan Bills the occasion is seized by members to say things which they think the Government should take heed of. I want to bring one matter under the notice of the Government. The Premier is being called away to attend a conference in the East with a view to formulating a policy in the light of the gravity of the situation we now face. Some time ago an endeavour was made to have quantities of foodstuffs sent into country districts. I understand that something of the kind has already been done in the Eastern States, where it is not nearly so necessary as it is here.

The Chief Secretary: It has been done here, too.

HON. T. MOORE: I have seen no evidence of it. I shall be very pleased to know that it has been done in my district, but I have very grave doubts about that. I happen to know country storekeepers who would be likely to receive such supplies, and from one of them, trading in a very large centre, the case was put up to me. It is an absolute necessity in Western Australia to have foodstuffs sent into the country. The ordinary country storekeeper cannot carry large quantities of foodstuffs. Even in the East there are not large supplies. I want to see evidence of such supplies having been established in the country, or I shall feel that we might be left in a very bad position.

A note of warning should be sounded to those in the country who are in a position to acquire foodstuffs for themselves, that they should relieve the Government of that obligation. We want those in a position to buy goods—of whom there are numbers—to take precautions for themselves. It is the Government's duty to bring the position

before the people while things are all right, and while rolling stock is available to move large quantities of food from the city into the country. I hope the Premier will keep that in mind, and that as soon as possible after he comes back it will not be a case of something going to be done but of something being done. The point mentioned in connection with our oil tanks is important. It is shocking to think that those great oil tanks are situated where everybody can see them for miles. I hope something will be done to camouflage them. It has been a real surprise to me that some action has not already been taken in that matter. Camouflage can be very effective, but no attempt has been made to do anything in that direction. On the contrary, the tanks have been painted with the brightest aluminium, or whatever paint it is that is used, apparently to make them more conspicuous! The matter is one that requires urgent attention.

Fault has been found with the State Government, but the Government has to be guided by the Federal authorities. The Federal Government should formulate a programme, because it is in control of the finances of this country. I am pleased that the time has arrived when the Premiers are to be called together to give attention to this matter. This House has wasted the time of a lot of good members. I would much sooner be digging in places where I think we need shelters. The time we waste in listening to piffing speeches from members who know nothing about the subject they are discussing is ridiculous. One man in this House has been picked out for criticism, and he is doing the most work. He has been criticised for having a motor car! Is there any man more entitled to one than he in view of the amount of work he has to do? There are other men who could have been singled out for that particular criticism—men who have cars, and who have not done nearly as much work. That kind of criticism makes me very tired of politics. It is absolutely awful that we should waste time on piffing subjects, and I do not intend to waste any more.

HON. G. B. WOOD (East) [10.47]: I wish to refer to a matter mentioned by Mr. E. H. H. Hall, namely, the unfair rationing of petrol. Throughout the country districts there has been a great shortage of petrol, yet in the city people can be seen flying around

in motor cars with almost as much petrol as they received previously. I walked from Howard-street to William-street at 8.15 p.m. one night, and I counted 29 petrol-driven vehicles. When one sees that kind of thing he becomes aware of the very unfair scale of rationing. I have not the slightest doubt that 90 per cent. of the people who own those cars could have travelled by tram to the pictures or wherever they were going. There is also a considerable waste of petrol in the Army. A lot has been wasted on the pretext of training. Trucks have come to my farm dozens of times with an average of three soldiers in each one. The men were supposed to be learning to drive. It did not take me more than half-an-hour to learn to drive a truck, and I did not use very much petrol. That sort of thing is going on day after day. Huge trucks containing two or three soldiers are flying around the country. I do not know whether my remarks will do any good, but I hope the authorities concerned will realise that there is a mild protest about this waste. I do not know how the supply of petrol is in Western Australia, but I am sure that there is not enough.

Hon. T. Moore: Hear, hear!

Hon. G. B. WOOD: Yet we see all this extravagance occurring. Farmers are not getting enough petrol to enable them to harvest their crops. Furthermore I do not think that this Government is making an earnest attempt to solve the labour problem. We read in the Loan Bill items such as pine planting and forest regeneration £50,000; water supply for the North-West districts, drainage, and so on. I think that that sort of work could be put to one side and that we should undertake essential works. Let us put first things first. One of our essential requirements is to gather the harvest. I can quote appalling instances of the labour shortage in the country. I know a man who is using the services of an old-age pensioner, 73 years old, whom he is paying £4 10s. a week. I do not propose to mention his name or that of the pensioner. I know another man who has employed two natives at £4 a week and their keep. The other day they struck work because they were not getting morning tea! Another man I know went to the local gaol and secured the services of a native prisoner for £3 a week and his keep. Those are absolute facts and indicate the appalling conditions in the country.

What has this Government done about it? We have heard that men were to be released from military duty, but I have not seen any of them.

The Chief Secretary: What do you think the Government should have done in that connection?

Hon. G. B. WOOD: The Government should have considered putting men on to farms in order to get rid of the harvest rather than of putting them on to jobs which do not matter. Our road board at York told two of its employees to leave their jobs and go on to farms, the board holding up road work in the meantime. Mr. Burgess of York is giving £4 10s. a week to the men, or whatever they were being paid by the board. That is an example that could well be followed by other local authorities.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West—in reply) [10.52]: Notwithstanding the long debate I propose to speak for a few minutes.

Hon. C. B. Williams: Make it a few!

The CHIEF SECRETARY: If the hon. member will keep quiet I will be brief in my remarks. It is customary for members when speaking on this Loan Bill to refer to matters in which they are particularly interested, whether those matters are really connected with the Loan Bill or not. Tonight it seems that there has been no exception to the rule, and some members have spoken in a way which I think has been influenced by the serious position with which the country is faced today from a national point of view. At the same time, they have not taken any pains to hide their little prejudices. This is a time when that kind of thing should be put on one side.

I went to a lot of trouble to give members all the information it was possible for me to provide in connection with this Bill. I think I told members that the amount of the Loan Bill on this occasion had been reduced because of the necessity for the State Government to have regard for assistance to the Commonwealth war effort. Members must be aware that every item in the Loan Bill had to receive approval from another source before the money could be raised. Mr. Seddon seemed to think that there were quite a number of items that could be done without. I asked him if he were going to enumerate them, but he enumerated only one.

Hon. H. Seddon: I referred only to one, but I said that the whole lot could be revised.

The CHIEF SECRETARY: I have no doubt that if the necessity arises they will be revised. I mentioned that when introducing the Bill. I pointed out that these were estimates and that so far as the works enumerated were concerned they were for the time being considered necessary. Mr. Bolton and Mr. Baxter both like to have a tilt at the State Implement Works. It is a wonder that we have not had Mr. Holmes speaking on this measure too and telling us about the awful way in which State enterprises are conducted and the large amount of money lost in years gone by.

Hon. J. J. Holmes: I do not want to be like Nero; he fiddled while Rome burned. I think we are doing the same thing.

The CHIEF SECRETARY: I repeat a statement I made on a previous occasion that the time will come when we will be thankful that these works exist and for the job they are doing at present. There are no less than 300 men employed on war work, that number having been increased from 150 last June. That will give some indication of the amount of work being performed at the State Implement Works. If it were not being done there it would not be performed anywhere else in Western Australia and Mr. Bolton knows that. He spoke about the delays at Midland Junction and complained about the small amount of work completed.

Hon. L. B. Bolton: Pardon me! I did not. I gave the Government credit.

The CHIEF SECRETARY: Mr. Bolton was critical of the fact that very little work had been completed at the Midland Junction workshops and suggested that it would have been better for the Government to concentrate on producing more actual work at the annexe rather than on increasing the size. Those were not his words, but that is the effect.

Hon. L. B. Bolton: That is so.

The CHIEF SECRETARY: The hon. member knows that we are in the hands of the Federal Government and also that his own works for many months were in the same position, no doubt for very good reasons. It ill becomes the hon. member interested in work of this kind to put forward the objection that because the State Implement Works is known as an agricultural implement works and because it has had a bad

record from his point of view in regard to losses in years gone by, we should consider spending money somewhere else rather than there. The Government has done all that is possible to assist the Commonwealth war effort. Let me make that very definite. It will continue to do all that is possible to support that effort.

There is much that one could say in reply to the remarks passed tonight, but I do not propose to keep the House any longer. I regret that the statements of some members should have been on the lines they were. I think they could very well have left some things unsaid and instead of talking as they did should have indicated some way in which it is possible for the Government to do more than it is doing to assist the Commonwealth.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time and *passed*.

BILL—CHILD WELFARE ACT AMENDMENT.

In Committee.

Resumed from the previous day. Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

The CHAIRMAN: Progress was reported after Clause 18 had been agreed to.

Clause 19—Amendment of Section 146:

The HONORARY MINISTER: I hope this clause will be struck out because it will be in conflict with Section 124 of the Act. That section provides that when any child committed to the care of the State or an institution or convicted under the Act attains the age of 18, the fact of his committal or conviction shall not be maliciously disclosed to any person or admitted as evidence in any court of law. The Crown Law Department points out that if Clause 19 is retained, we shall have two separate sections dealing with the same matter.

Clause put and negatived.

Clauses 20 to 22—agreed to.

New clause—Amendment of Section 124:

The HONORARY MINISTER: I move—

That the following be inserted to stand as Clause 14:—"Section one hundred and twenty-four of the principal Act is amended—(a) by deleting the word 'maliciously' in line five; (b) by inserting the words 'except with the consent of the Minister' after the word 'person' in line five."

New clause put and passed.

The CHAIRMAN: Clause 6 was deleted last night and apparently another clause should have been struck out as well. The Honorary Minister now desires on recommitment to reinstate Clause 6, and if that is done the other clause will be required. When the Honorary Minister moves for the recommitment of the Bill, he had better include the other clause.

Title—agreed to.

Bill reported with amendments.

Recommitment.

On motion by the Honorary Minister, Bill recommitted for the further consideration of Clauses 6 and 18.

In Committee.

Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

The CHAIRMAN: There is no Clause 6 in the Bill, it having been struck out last night.

The HONORARY MINISTER: I hope the Committee will agree to reinsert Clause 6. The first portion deals with the whipping of children. There are two sections in the Act dealing with whipping and they have not been put into operation for 15 years.

Hon. J. J. Holmes: It is useful to have them.

The CHAIRMAN: The circumstances are exceptional, but I think the simplest way will be for the Honorary Minister to propose Clause 6 as a new clause.

New clause—Amendment of Section 32:

The HONORARY MINISTER: I move—

That the following be inserted to stand as Clause 6:—"Section thirty-two of the principal Act is amended—(a) by deleting paragraph (b) of the section; and (b) by deleting paragraph (b) of the proviso to the said section."

Paragraph (b) of the clause deals with whipping. Paragraph (b) of the proviso requires that security shall be given to the satisfaction of the court for the making of payment for the maintenance of an uncontrollable or incorrigible child. The court

cannot make an order unless security is given for maintenance. Poor people often have no hope of paying and the court cannot make an order, and therefore children are sent back to their old environment.

Hon. J. J. HOLMES: The Honorary Minister has told us that for 15 years no child has been sentenced to a whipping. In my youth I was perhaps brought up in the right way. We were taught that to spare the rod would be to spoil the child. I got plenty of the rod. If we leave the matter of a whipping to the discretion of the court and make the amendment suggested by the Honorary Minister, we shall have done a good job.

Hon. Sir Hal Colebatch: I can see no justification for striking out paragraph (b).

Hon. J. J. Holmes: Then vote against the new clause.

The HONORARY MINISTER: My information is that the court cannot make an order to commit a child unless security is provided. If the amendment is carried, the magistrate will be enabled to make an order for maintenance of the child; if the parents cannot afford to pay such maintenance, they will not be required to pay it. The position is that a child cannot be committed to an institution unless an order is made for its maintenance and security is given.

Hon. E. M. HEENAN: I agree with the interpretation placed upon the proviso by Sir Hal Colebatch. However, the near relative of a child may be its mother; the father may be quite worthless. The court may be of the opinion that the mother could afford to pay 5s. a week; but is it not in the interests of society that the child should be committed to the State irrespective of whether the near relative is able to contribute to its support? A difficulty might arise in connection with security. A woman may be able to pay 5s. one or two weeks but not regularly for a specified period. The Act provides that no order shall be made unless security is given.

Hon. Sir HAL COLEBATCH: The security required is merely security to the satisfaction of the court. No magistrate should have power to make a child a burden on the State unless he is satisfied that the parents cannot afford to contribute to its maintenance. If it is desired that parents

should escape responsibility, strike out the provision.

The HONORARY MINISTER: If the amendment is carried, the magistrate will be enabled to make an order for the parents to pay, if they have the means. The present position is that a child cannot be committed unless security is given for maintenance. Mr. Heenan pointed out it is in the best interests of the child and of the State that the child, if uncontrollable, should be committed to an institution. I ask the Committee to accept as correct the information I have given.

Hon. Sir HAL COLEBATCH: If this provision is struck out, will the court have authority to order parents to contribute to the maintenance?

The Honorary Minister: Yes. My information is that the court has authority to make such an order.

Hon. J. G. Hislop: Do not Sections 68, 69 and 70 deal with the liability of parents to pay for the maintenance of their children?

Hon. Sir HAL COLEBATCH: It appears to me that Sections 68 and 69 follow on. Section 32 gives power to the court to order the payment, and Sections 68 and 69 more or less set out the proportions in which the relatives shall pay. If the Honorary Minister's contention is correct, it would be simple to add a proviso empowering the court to order the committal of a child who is without parents, or in such cases as it is considered the parents could not afford to pay any costs.

Progress reported.

BILL—INDUSTRIES ASSISTANCE ACT CONTINUANCE.

Second Reading.

Order of the Day read for the resumption from the previous day of the debate on the second reading.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time, and *passed*.

House adjourned at 11.35 p.m.

Legislative Assembly.

Wednesday, 10th December, 1941.

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

QUESTION—AGRICULTURE.

Shortage of Farm Labour.

Mr. SEWARD asked the Premier: In view of the acute shortage of farm labour and the urgent need of providing such labour to enable harvesting operations to be satisfactorily carried on and finished at as early a date as will prevent deterioration in the quality of the produce, and to prevent the tedious delays that occur when application for exemption from training has to be made to the military authorities, as well as the need for reducing such applications to a minimum, will he arrange for a conference of the parties concerned to formulate and put into operation a scheme that will enable harvesting operations to be successfully carried out?

The MINISTER FOR LANDS (for the Premier) replied: We have been in constant touch with the military authorities in this connection and a recent communication has been received from the Prime Minister, a copy of which is attached. In view of the gravity of Australia's situation in a military sense, which may require a new approach to the problem, we are asking to be advised of any alteration of this position.

Dear Sir,

I desire to refer again to your letter of 6th October, 1941, regarding the shortage of labour required for agricultural industry during harvesting season, and to inform you that a recent amendment to the list of reserved occupations schedule provides that rural workers singly em-