

## NATIONAL EMERGENCY (STOCKS OF GOODS).

6° AND 7° GEO. VI., No. XXXVI.

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No. 36 of 1942.

**AN ACT** to authorise the execution by the Treasurer of Western Australia of agreements for purposes connected with the ensuring of the provision of emergency stocks of certain goods, to ratify a certain agreement and for purposes connected therewith; to empower the Governor to exempt certain instruments from stamp duty, to amend the Stamp Act, 1921-1941, in certain respects.

[Assented to 23rd December, 1942.]

**BE** it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of Western Australia, in this present Parliament assembled, and by the authority of the same, as follows:—

Short title.

1. This Act may be cited as the *National Emergency (Stocks of Goods) Act, 1942.*

Treasurer may enter into agreements.

2. Where by any regulation for the time being in force made under any Act of the Parliament of the Commonwealth of Australia, the Governor in Council of the State is authorised or empowered to make rules with a view to ensuring the provision of emergency stocks of goods, or any class or description of goods, or for any matter

incidental thereto, the Treasurer of Western Australia is hereby authorised and empowered to enter into agreements for and on behalf of the Crown—

- (a) for the indemnification of any person (including any bank or financial institution) against loss sustained in providing financial accommodation to persons or classes of persons referred to in the said rules;
- (b) for the indemnification of any person (including any bank or financial institution) against loss sustained under any guarantee given by such person to a person who provides such financial accommodation;
- (c) for the payment of interest, bank charges, and other expenses involved in the provisions of such financial accommodation.

3. The agreement set out in the Appendix hereto is hereby ratified and the said agreement may and shall be carried into effect.

Ratification of agreement in Appendix.

4. Any moneys payable by the Crown pursuant to any agreement to which this Act applies shall be paid out of moneys provided by Parliament.

Payment of moneys under agreement.

5. Any instrument or class of instruments entered into under this Act are hereby exempted from the provisions of the Stamp Act, 1921-1941.

Instruments to be exempt from stamp duty.

#### APPENDIX.

THIS DEED made this fifth day of March one thousand nine hundred and forty-two BETWEEN THE HONOURABLE JOHN COLLINGS WILLCOCK the Treasurer of Western Australia acting for and on behalf of the Government of that State (hereinafter with his successors in office called "the Treasurer") of the one part and the COMMONWEALTH BANK OF AUSTRALIA (hereinafter called "the bank") of the other part WHEREAS by the National Security (Emergency Supplies) Regulations made under the provisions of the National Security Act 1939-1940 of the Commonwealth of Australia (hereinafter as amended from time to time referred to as "the regulations") it is provided *inter alia* that subject to the regulations and to any order or direction of the Minister made or given in pursuance of the regulations the Governor in Council of a State in the case of a regional area constituted by a State may make rules for the purpose of ensuring in respect of that regional area the provision of emergency stocks of prescribed goods in any part of that area and that the

Commonwealth may enter into an arrangement with any State providing for the shares for which the Commonwealth and that State will be liable in respect of—

- (a) interest payable to any bank on any moneys advanced by way of overdraft by that bank and employed in the provision of stocks of prescribed goods for the purposes of the regulations; and
- (b) losses arising out of indemnities given to the bank in respect of advances made by the bank and in respect of guarantees given by the bank to trading banks for the purposes of the regulations.

AND WHEREAS in pursuance of the regulations the Governor in Council of the State of Western Australia has made the Emergency Reserve Stocks Rules of 1941 (hereinafter as amended from time to time referred to as "the said rules") which were published in the *Western Australian Government Gazette* on Friday the thirty-first day of October one thousand nine hundred and forty-one: AND WHEREAS the object of the said rules is to secure a sufficient supply in all parts of the said State of commodities essential to the life and health of the community in the event of any emergency arising out of the exigencies of war which disturbs or dislocates or threatens to disturb or dislocate normal transport or trading facilities: AND WHEREAS under the said rules there has been appointed a Committee called "The Western Australian Emergency Reserve Stocks Committee" (hereinafter referred to as "the Committee"): AND WHEREAS by the said rules it is amongst other things provided that subject to clause 5 of the financial arrangements made under the said rules a supplier may with the approval of the Committee obtain from the bank or a trading bank a special emergency supplies advance equal to but not exceeding the cost of the emergency stocks other than sugar supplied by him pursuant to an original requisition for the purpose of establishing the reserve stock of any receiver: AND THAT subject to clause 9 of the financial arrangements made under the said rules a supplier who is required by the said rules to establish and maintain a reserve stock of emergency commodities other than sugar in any district may with the approval of the Committee obtain from the bank or a trading bank a special reserve stock advance equal to but not exceeding the "cost into store" of the emergency commodities other than sugar required by him for the purpose of establishing such reserve stock: AND THAT if the Committee approves of an application for a special emergency supplies advance or a special reserve stock advance or for an increase in the amount of any such advance it shall notify the bank of its approval and of the maximum amount of the special advance or increase in the special advance so approved: AND THAT the bank may itself grant or authorise any trading bank to grant the special advance or the increase in the special advance in terms of the Committee's approval: AND THAT the Treasurer of Western Australia shall guarantee the bank against any such losses (including any expenses and charges properly incurred and made by the bank or any trading bank in relation to any advance mentioned in subparagraph (a) of paragraph (16) of the financial arrangements made under the said rules) as the bank may incur in special emergency supplies advances or special reserve stock advances approved by the Committee

granted by it or granted by trading banks and guaranteed by it: AND WHEREAS the Treasurer of Western Australia acting for and on behalf of the Government of that State for the purpose of implementing the scheme contemplated by the regulations and the said rules—

- (a) has requested the bank to provide in accordance with the provisions of the said rules and the financial arrangements made thereunder such financial accommodation as shall be approved of by the Committee to suppliers approved by the Committee; and
- (b) has requested the bank to guarantee to such other banks each of which is herein referred to as "the trading bank" as may be willing to provide in accordance with the provisions of the said rules and the financial arrangements made thereunder such financial accommodation to such suppliers as aforesaid the amount of all or any losses (including any expenses and charges properly incurred and made by the trading bank concerned in relation to the financial accommodation hereinafter in paragraph (b) of clause 1 hereof mentioned) that the trading bank may incur in respect of providing such financial accommodation and to pay to the trading bank the amount of interest from time to time payable to the trading bank in respect of such financial accommodation:

AND WHEREAS the Bank has agreed to accede to the said requests of the said Treasurer upon his entering into and executing these presents: NOW THIS DEED WITNESSETH as follows:—

1. The honourable John Collings Willeoek the Treasurer of Western Australia acting for and on behalf of the Government of that State hereby covenants with the bank as follows:—

- (a) That the Government of the said State will indemnify and keep indemnified the bank from and against all or any losses (including any expenses and charges properly incurred and made by the bank in relation to any financial accommodation hereinafter in this paragraph mentioned) that may from time to time be sustained by the bank in providing during the currency of this deed in accordance with the provisions of the said rules financial accommodation approved by the Committee to suppliers approved by the Committee;
- (b) That the Government of the said State will indemnify and keep indemnified the bank from and against all or any losses (including any expenses and charges properly incurred and made by the trading bank concerned in relation to any financial accommodation hereinafter in this paragraph mentioned) that may from time to time be sustained by the bank under any instrument or deed of guarantee given by the bank on the faith of this deed to any trading bank which may during the currency of this deed provide in accordance with the provisions of the said rules financial accommodation approved by the Committee to suppliers approved by the Committee;

- (c) That the Government of the said State will upon demand pay to the bank the moneys payable to the bank under paragraphs (a) and (b) of this clause;
- (d) That the Government of the said State will on demand pay to the bank all or any amounts properly and actually due to and chargeable by the bank for interest involved in the provision by the bank during the currency of this deed of such financial accommodation as is referred to in paragraph (a) of this clause;
- (e) That the Government of the said State will on demand pay to the bank any sums of money which the bank shall have paid to any trading bank from time to time for interest involved in the provision by such trading bank of such financial accommodation as is referred to in paragraph (b) of this clause.

2. The said Treasurer agrees that it shall not be necessary for the bank or any trading bank to take any security for the payment of any moneys the payment whereof is guaranteed or payable to the bank hereunder unless the bank or such trading bank is requested in writing so to do by the Committee.

3. All financial accommodation granted by the bank as aforesaid to a supplier shall be granted by way of special advance account to be opened in the books of the bank in the name of the supplier designated "Special Emergency Supplies Advance Account" or "Special Reserve Stock Advance Account" (as the case may be) and the bank shall with respect to such accommodation keep such books render such records and furnish such information to the Committee as the regulations or the said rules or the financial arrangements made thereunder may from time to time prescribe and/or as the Committee may reasonably require.

4. All moneys paid to the credit of a supplier's Special Emergency Supplies Advance Account or Special Reserve Stock Advance Account and all moneys which the bank may recover with respect to such account or may receive on realisation of any security specially given to the bank to secure the moneys advanced upon such account shall be applied in reduction of the moneys owing on such account and the liability of the Treasurer in respect of financial accommodation granted to such supplier shall notwithstanding anything herein contained unless the Committee otherwise in writing directs be reduced by the amount or amounts so received or recovered.

5. Any instrument or deed of guarantee given by the bank to any trading bank on the faith of this deed shall be in a form to be approved of by the Committee.

6. In any case where the bank in pursuance of the provisions of this deed has provided financial accommodation on no other security than the security of this deed the bank if so required by the Committee in writing shall forthwith demand payment of the moneys owing to it on the account in respect of which such financial accommodation has been provided. It shall not be encumbent on the bank to exercise any right or remedy available to it for the recovery of any moneys owing

in respect of financial accommodation granted by the bank to a supplier or for the recovery of any moneys paid under or by virtue of any guarantee given by the bank to any trading bank.

7. In no case shall the Government of the said State be required or be liable to pay to the bank in respect of any financial accommodation provided in pursuance of the regulations of the said rules or the financial arrangements made thereunder interest at a rate exceeding four pounds per centum per annum.

8. This guarantee shall be a continuing guarantee and shall extend to and be applicable to the whole sum that shall ultimately be due to the bank in respect of any losses (including any expenses and charges properly incurred and made by the bank in relation to any financial accommodation mentioned in paragraph (a) of clause 1 hereof) that the bank may suffer with respect to financial accommodation made available by it as aforesaid and with respect to sums paid by it to trading banks in pursuance of guarantees given by it to trading banks on the faith of this deed.

9. This guarantee may be withdrawn by the Treasurer in respect of any one or more special account or accounts in which financial accommodation has been or is being provided by the bank to a supplier as aforesaid by seven days' notice in writing to the bank provided that such withdrawal shall not affect the rights of the bank under this deed in respect of any claim which it may have against the Treasurer as a consequence of anything done by the bank on the faith of this deed prior to such withdrawal.

10. In any case where the Treasurer withdraws his guarantee in accordance with the provisions of this deed the bank will on receipt of the notice of withdrawal as far as practicable cease its operations under this deed in respect of the special account or special accounts specified in such notice of withdrawal and will forthwith communicate the effect of such notice to such of its branches and agencies as may be concerned and will if so required by the Committee in writing forthwith demand payment of the moneys owing to it in respect of the special account or special accounts specified as aforesaid.

11. The bank shall not in respect of—

- (a) moneys owing on a Special Emergency Supplies Advance Account or a Special Reserve Stock Advance Account as the case may be of a supplier; or
- (b) any security which has been or may be received by the bank from such supplier with respect to any such account which security is specifically appropriated to secure moneys owing on such account,

grant any time forbearance or indulgence nor assent to any assignment or composition for the benefit of creditors or any scheme or deed of arrangement without having first obtained the consent in writing of the Committee. Save as aforesaid the liability of the said Government hereunder shall not be affected or discharged by the granting to a supplier of any time forbearance or other indulgence or consideration.

