

Legislative Assembly.

Tuesday, 7th December, 1948.

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The SPEAKER took the Chair at 3 p.m., and read prayers.

QUESTIONS.

SERVICEMEN'S LAND SETTLEMENT.

As to Chidlow-Mokine Scheme.

Hon. A. R. G. HAWKE asked the Minister for Lands:

(1) In connection with his reply of the 24th November to my questions regarding the suggested Chidlow-Mokine Land Settlement Scheme, will he indicate why it is not proposed to resume the land at the present time for War Service Land Settlement purposes?

(2) Does he not consider it would be wise to resume the land now, even though its development was not proceeded with for some time?

The MINISTER replied:

(1) and (2) As resumption of land for War Service Land Settlement will necessitate considerable clearing and development under the Commonwealth and State agreements, any action again alienating this land after resumption must be considered in relation to the charcoal-iron industry.

BULLDOZERS.

As to Government Machines, Hire and Conditions.

Mr. REYNOLDS asked the Minister for Works:

(1) How many Government-owned bulldozers are now on hire to farmers in the South-West?

(2) In which districts are they now employed?

(3) What are the conditions and charges for hiring?

(4) Which authority controls the bulldozer in each district?

(5) Is there any priority list?

The MINISTER replied:

(1) Ten.

(2) Two at Walpole (D7 and D4). Two at Denmark (D7 and D4). One at Napier (TD18). One at Porongorups (D8). Two in Mount Barker District (D7 and TD9). One at Cranbrook (D8). One at Bridgetown-Cowaramup (D7).

(3) Operating costs are now being checked over a year's operation. Amended charges will be finalised in the near future.

(4) The district agricultural officers supervise the programme and operations of machines in the Bridgetown, Cowaramup, Denmark, Mount Barker and East Albany Districts, while the Rural and Industries Field Officer controls the Walpole machines, and the secretary of the Cranbrook Road Board supervises the Cranbrook machine.

(5) The Agricultural Department arranges the schedule for clearing in consultation with the Public Works Department, which operates the machines.

EAST PERTH POWER HOUSE.

As to Repairs.

Mr. NEEDHAM (without notice) asked the Minister for Works:

(1) What length of time will be occupied in the necessary repairs to the 25,000 K.W. generator at the East Perth Power House?

(2) Is he aware that there is great anxiety in the public mind and particularly among the workers dependent on industrial power as to a probable loss of employment immediately after the Christmas holidays if the necessary repairs are not completed?

(3) Is he in a position to give the House any information that would allay public anxiety on this matter?

The MINISTER replied:

(1) The time is estimated to be from midnight on the 24th of December to midnight on the 16th of January.

(2) Yes.

(3) No. I might advise the hon. member that I am making a Press statement which will give him some information, but he will appreciate that not until the alternator that is at fault has been taken down and thoroughly examined will the engineers have any idea how long it is likely to take to repair it. It is confidently anticipated that the time taken for repairs will not go beyond the 16th, and it is hoped that the work will be completed earlier than that.

GOLD.

(a) As to Selling on Open Market.

Mr. STYANTS (without notice) asked the Premier:

Was he correctly reported in "The West Australian" of Thursday last as advocating the selling of Australian gold on the open market?

The PREMIER replied:

Yes. That was a correct report of what I said.

(b) As to Possible Repercussions.

Mr. STYANTS (without notice) asked the Premier:

Is it a fact that in answer to a communication from a committee that had been formed on the Goldfields in order to assist the goldmining industry the Premier definitely stated that he was opposed to the

selling of gold on the open market and thought the committee would be ill-advised to advocate it as it might have repercussions and result in a lower price for gold than they had been getting up to date?

The PREMIER replied:

This is a matter that would take some explanation. In making my reply I did state that consideration would have to be given to the agreement that was entered into as the result of the International Monetary Agreement, and if gold was sold on the open market, as I suggested it should be, that should be done with the approval of the Commonwealth Government and the the Commonwealth Government should make itself responsible for the stability of the price of gold generally.

(c) As to Effect of Open-market Selling on Price.

Mr. STYANTS (without notice) asked the Premier:

Did he say he thought it would not be advisable to sell the gold on the open market?

The PREMIER replied:

I said that if all gold were sold on the open market it might have the effect of reducing the price of gold.

BUSH FIRES ACT AMENDMENT BILL
(No. 1) SELECT COMMITTEE.*Report Presented.*

Mr. Perkins brought up the report of the Joint Select Committee, together with a type-written copy of the evidence referred to in the report.

Resolved: That the report be received.

MOTION—STATE FORESTS.

To Revoke Dedication.

THE MINISTER FOR FORESTS (Hon. R. R. McDonald—West Perth) [3.12]: I move—

That the proposal for the partial revocation of State Forests Nos. 30, 34 and 38 laid on the Table of the Legislative Assembly by command of His Excellency the Governor on the 3rd December, 1948, be carried out.

The proposals involve the excision of four areas from the State Forests. The acreages concerned are small. Members will recollect

from the reports of the department that the area of State Forests has been steadily increased by the acquisition, mainly by purchase, of parts of the forests previously alienated that from time to time have become available for acquisition.

Area No. 1 lies about four miles south of Greenbushes and approximately 98 acres have been applied for by an adjoining landholder. This landholder has a small holding on which he has lived for nearly 20 years and the particular area which he now seeks by way of addition to his holding from the State Forests has been held by him under forest lease for something more than 10 years. In the circumstances, it is recommended that the landholder might reasonably be allowed, without any detriment to the forests, the additional 98 acres in order that his farm may be more nearly of an economic size.

Area No. 2 is 12 miles south-east of Yornup. It is approximately $5\frac{1}{2}$ acres, being Lots 1-23 south of the Donnelly River on Town Planning Board Plan No. 138-5-3. It is required as a townsite for the construction of houses under the Commonwealth-State rental scheme on the site of a new mill which is to operate in that vicinity. Part of the policy of the Housing Commission is to endeavour to extend, where possible, the benefits of the Commonwealth-State rental housing scheme to the country areas, and this is an occasion where there is to be erected a certain number of Commonwealth-State houses of a suitable type on the townsite which is to serve this new mill area. The total area excised from the forests is a small one of $5\frac{1}{2}$ acres.

The third area is 12 miles south-east of Manjimup. Approximately 46 acres are being taken from the forest in exchange for portion of Nelson Location 701 which contains 59 acres. Some of the advantages of this exchange are that the area to be added to the State Forests is carrying much better quality forest with plenty of advance growth, whereas portion of the State Forests which the applicant desires is more suitable for agriculture. The second advantage of the exchange is that it will facilitate access to State Forests for logging and fire control. This, therefore, is what comes of this exchange with an adjoining landholder, where the land which the Forests Department gets is better suited for forest purposes than the

land which it is proposed to give in exchange for a smaller acreage to the adjoining landholder.

The fourth and last block to be excised from the State Forests is about two miles north-east of Bridgetown. Approximately 40 acres of land are involved. This land is situated a reasonable distance from Bridgetown and it is the only possible site which is suited for the construction of a major sports ground. In the interests of the town and district it is therefore thought that this area might be made available to the people of Bridgetown at the request of the Bridgetown Road Board for a ground for sporting fixtures as, in that particular area, it appears that no other site can be obtained which has the features required for a ground to be used for that purpose.

Copies of the plan are attached to the proposals which were laid on the Table of the House last week and they contain particulars of the four blocks to be excised, the largest of which contains 98 acres and the smallest $5\frac{1}{2}$ acres.

HON. A. A. M. COVERLEY (Kimberley [3.19]: I propose to support the motion moved by the Minister for Forests. In my opinion, members need never fear any excision of land, provided it is recommended by our present Conservator of Forests, who is a civil servant for whom I have the greatest admiration. If he is in fault at all, it is that he is extremely conservative concerning the Forests Department. If he makes any recommendation to the department to excise any forestry area for agricultural purposes then members can be assured that it is of little use to the department because he will hang on to every acre of forest land that he can possibly retain. I do not know these areas because I have not looked at the map to find out exactly where they are, but I am convinced, on the recommendation of the Conservator of Forests, that they are of very little value; otherwise we would not be asked to agree to their excision. Apart from that, they are of small acreage, and I am satisfied that to hang on to them would be of little benefit to the department.

With the rest of the programme I entirely agree. If I have any regret, it is that the area proposed for pine plantations is on the small side. I would rather see an

area of 2,000 acres than 200 acres in the programme next year. The forestry position has improved in the last couple of years. During the war, this department, in common with other departments, was handicapped by lack of manpower. Our forests represent a very valuable asset, and any assistance this House can give the department for the furtherance of fire protection should be given. Quite a large sum of money is involved in the programme for extra mobile services to assist in fire protection measures, and I am pleased to support that proposal. The department intends to spend more money on its housing system and also on water supplies and fire prevention. I have pleasure in supporting the motion.

MR. MAY (Collie) [3.22]: It was very difficult to hear all the Minister's remarks, and I do not know whether he mentioned the matter I have in mind. I refer to the excision from No. 29 of an area of 170 acres. I should like to know whether it is included and, if not, why it has been omitted.

THE MINISTER FOR FORESTS (Hon. R. R. McDonald—West Perth—in reply) [3.23]: I agree with the views expressed by the member for Kimberley. The two objectives he mentioned, namely, the extension of fire control measures and pine planting areas are points of forest policy the value of which cannot be overestimated. In reply to the member for Collie, I know the case referred to; I think he received a letter on the matter recently. The excision or transfer of that area to a returned soldier in the district is considered by the Conservator to be proper and justifiable. It is not contained in these excisions. I made inquiry about the case and, unless I misunderstood the reply over the telephone, it is that the transfer does not need the sanction of Parliament. It can be done departmentally in accordance with the desires of the man to have this addition to the acreage he now holds. I assure the hon. member that the application has been approved and will be given effect to.

Question put and passed.

On motion by the Minister for Forests, resolved: That the resolution be trans-

mitted to the Legislative Council and its concurrence desired therein.

BILL—COMPANIES ACT AMENDMENT.

Second Reading.

MR. WILD (Swan) [3.25] in moving the second reading said: The Companies Act, which came into operation at the beginning of this year, is a most voluminous measure consisting, as it does, of over 350 pages and a further 80 pages in the form of regulations. The Act has been in operation for nearly a year and members of the commercial community have had an opportunity of assessing its worth. They have found during the year that it contains many ambiguities. Of course, it has many excellent points, and I should like to pay tribute to the co-operation with the commercial community of the Registrar, Mr. Boylson, and his assistant, Mr. McFarlane, both of whom have been a great help.

Those working under the Act have been at great pains to inform themselves of its many provisions, and have found various anomalies that it is desired to correct by this amending Bill. The amendments are designed to correct some obvious errors in the drafting, to clarify certain ambiguities and to streamline some of the provisions of the Act and thus make the statute more workable. The Chartered Institute of Secretaries, which has 483 members in this State, the Chartered Institute of Accountants and the Perth Chamber of Commerce have put their heads together and endeavoured, by suggesting these amendments, to bring this legislation up to date so that it will facilitate operations. The Bill is essentially one for consideration in Committee, but I propose to outline some of the proposals.

The Bill seeks to relieve a company secretary of the need for keeping at the registered office of the company copies of every document creating a charge upon the company. Section 95 provides that a company shall keep at the registered office copies of every instrument creating a charge on any of the property of the company. The definition of "charge" in Section 3 of the Act includes a bill of sale registered under the Bills of Sale Act, but does not include a mortgage registered under the Transfer of Land Act. There-

fore, as to mortgages over land, a company is not required to keep copies of such instruments at the registered office; mortgages over land may be perused at the Titles Office. Therefore a company should not be required to keep copies of bills of sale because they may be sighted at the Supreme Court.

Hon. E. Nulsen: Would it not be more convenient to have the documents in the office of the company?

Mr. WILD: I have no doubt that most companies will still keep copies at the office but the representative bodies I have mentioned consider that anyone wishing to sight these documents can do so at the Supreme Court. The Bill is also designed to relieve a company secretary of the necessity to lodge a return of directors, except on the occasion of the lodgment of the annual returns or when there is an actual change in directorate. At present, even if a director changes his occupation, the secretary is obliged, within 14 days, to lodge a return at the court notifying such change. Failure to do so renders him liable under Section 424 to a penalty not exceeding £20 and, in the case of a continuing offence, £5 per day. A director is not a bird of passage, and it should be sufficient if the return is lodged only when there is a change in the directorate.

The Bill also seeks to permit the secretary to certify to the balance sheet in the same manner as do the auditors and directors. Under the Act, the auditors and directors certify the balance sheet and come under the penal provisions of the Act; yet, the Act requires the secretary to search for a J.P. in order to declare the balance sheet to be correct. He, like the directors and auditors, comes under the penal provisions, so if it were a matter of falsification of accounts certified before a justice or otherwise, he would be equally liable.

The Bill also proposes to relieve a foreign company of the necessity for opening a share register in this State if there are no shareholders registered here. It seems unnecessary that an English or New Zealand or other foreign company should have to keep a local register when there are no shareholders here. I cannot see any force behind that at all. The Bill also provides that the annual return of shareholders, which has to be lodged at the court, shall be made up to the 30th June in each year in

lieu of the 31st March. Each year at the 30th June it is necessary for that return to be lodged; and I feel that for companies to make it also at the 31st March is only cluttering up procedure and making a duplication of work for secretaries.

There is no reason why exactly the same return as would apply at the 30th June in the previous year should not be operative at the 31st March. The Bill also makes clear that a company may use its popular trade name in ordinary trade advertisements and shall not be compelled to use its full legal title. Take the case of Peters icecream. We know that all that appears on the containers of the icecream is "Peters." Technically the company should have printed on the packet "Peters American Delicacy Company Ltd."

Mr. SPEAKER: Order! There is a lot of conversation in the Chamber.

Mr. WILD: A similar anomaly was removed by legislation from the British Act last year. Needless to say, a company will still be required to use its full legal title on official documents and in advertisements that appear in the public notices. The Bill is also designed to extend the period during which the share register may be closed. Under the Act a company must hold its annual meeting within three months after the closing of the financial year, but experience has shown that for many companies this period is far too short. I am sure that members who have had anything to do with companies will realise that it is a physical impossibility for auditors and accountants to finalise balance sheets within three months after the 30th June.

Many of these men are auditing for from 40 to 100 companies. Furthermore, under the Act, each shareholder must receive 14 days' clear notice of the intention to hold a meeting, which means that an auditor or an accountant has only 2½ months to prepare a balance sheet. The amendment I am asking the House to accept is that the period of three months be extended to six months. It must be remembered also that the average auditor or accountant, in the three months after June, is not dealing just with one company but, in some instances, with many dozens of companies; and while some could be ready within three months, there are many that could not possibly be.

The Bill is also designed to remove some of the present disabilities of auditors, particularly those who carry on business in this State and who, by virtue of connections in the United Kingdom, have partners resident in that country. There are several firms in Western Australia that have part of their establishment in England, such as Cooper Bros. & Goyder, Flack and Flack and several others. Auditors in Western Australia who may be directors or partners of such a firm are not permitted to use the firm name but must audit under their own names. That is an anomaly. The names of Flack & Flack and Cooper Bros. & Goyder are household words in the accountancy world, and it should be reasonable for partners or directors of those companies to audit company accounts under the name of Flack & Flack and so on and not necessarily under the names of the auditors in Western Australia. Furthermore, under the Act, they must be auditors in keeping with the Companies Act, so that they are not doing anything outside the original intention.

Subsection (6) of Section 154 of the Act seems to have been an unfortunate local invention without any counterpart in the English Act or in any of the Australian Acts or the New Zealand Act. Last year Parliament amended this subsection to make it not apply to a director of a proprietary company or a co-operative company, but the prohibition which that section contains against a director voting on a contract in which he is interested still creates some absurd situations, which prevent companies from carrying out their normal functions. In this regard there are the many companies which have subsidiary companies and interlocked companies with the same directors. Under the Act it is impossible for any one of those directors of the interlocking companies to do anything for the parent company or a subsidiary company. Subsection (6) of Section 154 seriously hampers the continuance of business relationships between the companies inasmuch as, there not being an independent board, no director in these circumstances is entitled to vote on a contract.

It really becomes impossible for a company to carry a valid resolution in respect of agreements between the two companies. It is felt that it should be sufficient for an interested director to declare and have

minuted his interest in any contract as provided by the earlier subsection of Section 154. A further anomaly in the parent Act is the restriction of a proprietary company to 21 members. For all practical purposes, 21 is too low. Frequently one of the larger shareholders in a company dies and leaves his shares to four or five children; so that the proprietary company instead of having 21 members, will have 25 or 26. This is more than the membership allowed and the proprietary company then has to become a public company. As far as I have been able to ascertain, all the other Australian Companies Acts provide that the membership shall not exceed 50.

The Bill also seeks to clarify Section 151 of the principal Act and to remove an anomaly which is causing serious concern to a large number of companies in this State. This section is without precedent in any of the Companies Acts in Australia or the United Kingdom. Article 68 of Table A of the Companies Act provides that the directors may appoint one of their body to the office of managing director at such remuneration as they think fit. The article really adopts the universally accepted practice that the remuneration of the managing director shall be fixed by the board of directors. In legal circles there is a considerable difference of opinion as to what Section 151 means. It has been interpreted and applied by the Companies Office to mean that a managing director's remuneration—that is, his salary as distinct from his director's fees—shall be fixed by the shareholders in general meeting. The salary that a company pays to its managing director should be confidential.

Hon. E. Nulsen: Why?

Mr. WILD: If a company is fortunate in securing a good man, a top-class man, and it is necessary to tell the world and his wife exactly the salary being paid to him, there is nothing to stop some other company going along and perusing the minutes and finding out what fee he is receiving, and it would be possible for another concern to offer him, say, £250 above what he is receiving to induce him to join that concern. In addition, there are many companies which have, as directors, engineers, architects, surveyors and accountants. Frequently they are nominal directors holding only one or two shares. Under the Act these men are debarred from doing any work for the com-

pany. I would cite the case of a company auditing for Boans. If the wife of the auditor happened to run an account with that firm in the name of her husband, the moment she booked something he would not be eligible to be auditor for that company.

The Bill proposes to do away with this absurd position and clarify the section and remove its conflict with Article 68 of Table A. The Bill, however, in no way diminishes the right of a shareholder under Section 153 to have furnished to him full particulars of the amount of payment made to any director by way of fees, salaries, etc. Nor does it diminish in any way the rights under Section 152 of a minority shareholder to appeal to the court against any excessive remuneration paid. The passage of the Bill is requested by a large body of men who have daily contact with the Act and its requirements and who speak from practical experience. I move—

That the Bill be now read a second time.

On motion by the Attorney General, debate adjourned.

BILLS (2)—RETURNED.

1, Constitution Acts Amendment (No. 2).

2, State Transport Co-ordination Act Amendment.

With an amendment.

BILL—HEALTH ACT AMENDMENT (No. 2).

Council's Amendments.

Schedule of three amendments made by the Council now considered.

In Committee.

Mr. Perkins in the Chair; the Minister for Health in charge of the Bill.

No. 1. Clause 1—Delete the figures "1944" in line 7, and substitute the figures "1948."

The MINISTER FOR HEALTH: This amendment is to rectify a typographical error. I move—

That the amendment be agreed to.

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

No. 2. Clause 4—Proposed new section 268E, page 4—Add after the word "drugs" in line 18 the words "and does not conduct

himself so as to preclude infection by him or other persons, whether members of his family or not with tuberculosis."

The MINISTER FOR HEALTH: This amendment coincides with a previous subparagraph. I move—

That the amendment be agreed to.

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

No. 3—Clause 4: Proposed new section 268E, page 4—Delete the words "expresses an intention, or" in line 29.

The MINISTER FOR HEALTH: I submit that the clause will be sufficiently strong even with these words deleted. I move—

That the amendment be agreed to.

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

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

BILL—WESTERN AUSTRALIAN MARINE.

Council's Amendment.

Amendment made by the Council now considered.

In Committee.

Mr. Perkins in the Chair; the Minister for Housing in charge of the Bill.

The CHAIRMAN: The Council's amendment is as follows:—

Clause 207: Delete paragraph (g) on page 105.

The MINISTER FOR HOUSING: This clause deals with the provision of distinguishing words, letters, numbers, colours or marks on private pleasure boats. I have discussed the matter with the Harbour and Light Department, and it is not regarded as being material. In the circumstances I move—

That the amendment be agreed to.

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

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

BILL—PURCHASERS' PROTECTION ACT AMENDMENT.

Second Reading.

Debate resumed from the 3rd December.

MR. HEGNEY (Pilbara) [3.51]: The Attorney General when introducing the Bill outlined its main provisions. Actually it contains only one amendment. It is true that for the purpose of clarification, Section 10 has been re-drafted. Anyone who has a look at that section, together with the amendment passed some time ago, will realise that it is hard for the average person to follow. The Attorney General has had the section paraphrased, and it is now much clearer. It is not necessary for me to go into the ramifications of the Act. Suffice it to say that it was passed in the first place for the purpose of protecting certain purchasers who entered into contracts for the acquisition of sub-divisional land. It has been found that there is a weakness in the Act in connection with subdivisinal land which cannot on resumption be restored in a similar condition to what it was in when the contract was entered into. That weakness is now sought to be overcome by the provisions of the Bill. The amendment is introduced for the protection of the purchaser who, when the land is resumed, finds that the unimproved value is less than 50 per cent. of the sum he engaged to pay the vendor. This measure will give the purchaser practically the same protection as that which he now enjoys under Section 10.

There is a provision that in some circumstances the vendor, on application to the court, will be entitled to certain damages for breach of contract. But each case, I should say, would have to stand on its own. I would like the Attorney General to make clear, when he replies, that the Bill, and indeed the Act itself, applies to contracts which are not completed. Where a contract between a vendor and purchaser has been finalised and a title issued, there would, as far as I can see, be no redress obtainable by the purchaser. It is only where contracts are in the course of fulfilment and the land is resumed, that the purchaser can take action under this measure. I would like to make a slight alteration on page 4 of the Bill where the word "item" is used. The Bill refers to items (B), (C) and (D). I

should say that either the word "subclause" or "paragraph" should be used.

Mr. SPEAKER: Order! That is a matter to be dealt with in the Committee stage.

Mr. HEGNEY: Yes. The Bill is rather simple, and the fact that this amendment has been written into the Act will give to certain purchasers protection which they cannot now receive.

THE ATTORNEY GENERAL (Hon. A. V. R. Abbott—North Perth—in reply [3.57]: I can tell the member for Pilbara that the relief can be given only when proceedings are taken in a court for the recovery of purchase money, or other remedy against the purchaser under the provision of a contract. It is only under those conditions that the amendment referred to by him applies. I propose, for the greater clarification of the section, to move an amendment which has been suggested after further consideration by the Parliamentary Draftsman. It does not introduce any new principle, but is merely one of drafting. It will also introduce another small amendment, again to clarify the section, and it may possibly introduce a small new principle. The amendment is to define "purchaser," which is not defined by the Bill as including not only the purchaser, but his administrator and executor, so that his personal representatives, in the case of his death, will have a like remedy to what he himself had.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Perkins in the Chair; the Attorney General in charge of the Bill.

Clauses 1 and 2—agreed to.

Clause 3—Amendment of Section 10:

The ATTORNEY GENERAL: For the purpose of clarifying this clause it has been considered advisable that the term "purchaser" should be further defined. I move an amendment—

That in Subclause (1) (a) after the word "assigns" in line 4 the following words be added—" 'Purchaser' means the purchaser mentioned in the contract and his executor and administrators."

Amendment put and passed.

The ATTORNEY GENERAL: For further clarification I move an amendment—

That in Subclause (1) (b) after the word "contract" in line 14 the following words be added:—

"or,—on the application of the purchaser at the amount of the valuation,—made by the Commissioner of Taxation pursuant to the provisions of the Land and Income Tax Assessment Act, 1907-1945,—of the subdivisional land, the subject of a contract, was, within three months prior to the application, less than 50 per centum of the purchase price under the contract."

I consider that this paragraph is more aptly inserted here than further down the page. The only change is that the term "Road Districts Act, 1919-1947" is altered to the "Land and Income Tax Assessment Act, 1907-1945." This has been done because in some cases the land may not be in a road board district.

Amendment put and passed.

On motions by the Attorney General, clause further amended on page 2 by deleting the figure "(1)" in line 28; by deleting the word "and" in line 31; by deleting all words and figures from lines 32 to 40 inclusive; on page 3 line 20 deleting the figure "(1)"; deleting the word "and" in line 25; and deleting all words and figures in lines 26 to 32 inclusive.

Clause, as amended, agreed to.

Title—agreed to.

Bill reported with amendments and the report adopted.

BILL—WESTERN AUSTRALIAN TROT- TING ASSOCIATION ACT AMENDMENT.

Second Reading.

Debate resumed from the 10th November.

THE ATTORNEY GENERAL (Hon. A. V. R. Abbott—North Perth) [4.8]: In 1917 an Act was passed for the purpose of limiting the number of trotting meetings that should be held in any year. The Act provided that the number of trotting meetings to be held in the metropolitan area should not exceed 35 with a further five additional meetings which could be authorised in any one year for public hospitals or other charitable or patriotic purposes.

A subsequent amendment to the Act provided that an additional 10 trotting meet-

ings might be held at Fremantle with a further two for charitable purposes. At present, in view of the fact that the Fremantle course is not operating, all of the above trotting meetings are conducted at Perth. The Trotting Association Act, 1946, made provision for the establishment of a Country Clubs' Benefit Fund, to be administered by the association, and gave authority for one meeting in any year, additional to those provided for by the Racing Restriction Act, 1917, to be conducted by a club in the metropolitan area, the profits of which were to be devoted to the fund. There is, therefore, provision existing for trotting meetings to take place at least once a week in each year.

Hon. A. H. Panton: That is 52 meetings a year.

The ATTORNEY GENERAL: There are more; there are 53 meetings a year.

Mr. Rodoreda: They do not have any for six or seven weeks.

The ATTORNEY GENERAL: This Bill proposes to amend Section 15 of the Western Australian Trotting Association Act to provide for three meetings in lieu of one, the profits of which are to be devoted to the Country Clubs' Benefit Fund. One of the main objects of the Western Australian Trotting Association is to foster and extend the sport of trotting in Western Australia, and to make contributions and donations for that purpose. No doubt assistance to country clubs is a worthy object. On the other hand I do not think that excessive racing in the metropolitan area is desirable.

Hon. A. H. Panton: Hear, hear!

The ATTORNEY GENERAL: The Bill has been sponsored on behalf of the country clubs, but I am wondering whether it has the backing of the Western Australian Trotting Association and whether that association wishes the extra racing to take place.

Hon. A. H. Panton: What association are you talking about?

The ATTORNEY GENERAL: The Western Australian Trotting Association.

Mr. Rodoreda: Can you not find that out?

The ATTORNEY GENERAL: I have not been in touch with them, nor have they been in touch with me.

Mr. Rodoreda: That is very important.

The ATTORNEY GENERAL: I think the hon. member who introduced the Bill should be able to answer that in his reply. It may be that the association in question does not wish the extra racing to take place, and that it would be well prepared to give generous assistance to the country clubs without the additional meetings in the metropolitan area. There is no doubt that its financial position would enable it to do so without any inconvenience, if it were really genuine in its desire to assist country clubs. The gross income of the association last year amounted to £205,592. Its accounts showed expenditure amounting to £9,288, made up of the following items:—

Supervision	£2,749
What supervision this was is not disclosed.	
Sundry racing expenses	£2,632
General expenses	£2,255
Repayment to president and committee of out-of-pocket expenses	£1,652

Hon. A. H. Panton: Those are the three per cents.

The ATTORNEY GENERAL: It might be that if an effort were made and a little squeezing done, some of this £9,288 might be devoted to the country clubs.

Mr. Hoar: Do you not think they try to do that already?

The ATTORNEY GENERAL: I think that some of this money might be found for the country clubs if it were desired.

Mr. Hoar: It is desired.

The ATTORNEY GENERAL: At the 31st July, 1948, the association had a credit cash balance in its bank accounts of £41,152 made up as follows:—

	£
Current account	17,542
Taxation provision account	2,115
Country Clubs' subsidies provision account	1,063
Building reserve account	20,432
	<hr/>
	£41,152

There again, with a little squeezing, funds could be made available to the country clubs if the association so desired. I have some doubt as to the wisdom of increasing the number of days available for trotting meetings and, although the encouragement of sporting activities in the country is desirable, it seems clear to me that the parent club is in a position to give all necessary financial assistance, should it de-

sire to do so. It should not be forgotten that the encouragement of trotting is one of its main objects. I also wonder whether the real object of the Bill is to create additional racing days rather than financial assistance for country clubs. It must be remembered that last year the gross profit—

Mr. Kelly: Do you not think they are entitled to any more days?

The ATTORNEY GENERAL: I doubt very much whether there should be any additional racing in the metropolitan area.

Mr. Leslie: Is the Turf Club in that?

The ATTORNEY GENERAL: This has nothing to do with the Turf Club.

Mr. Leslie: That is different!

The ATTORNEY GENERAL: I am quite in favour of additional money being available to country clubs and it would be in the interests of trotting generally if that were done.

Mr. Reynolds: Where would it come from?

The ATTORNEY GENERAL: Out of the £205,000 that the association has by way of receipts, last year it made a gross profit of £35,964, and after having taken into account the heavy expense items I outlined, the net profit was £11,800. The encouragement of country activities is no doubt a worthy objective, and I am fully in sympathy with it; but the hon. member who sponsored the Bill did not suggest the Trotting Association was hard up and needed extra money. There was no hint that the association had asked for these extra racing dates. Taking everything into consideration, I do not feel that the Bill is necessary.

MR. LESLIE (Mt. Marshall) [4.17]: I support the second reading of the Bill, but I am not as happy as I might be with regard to one or two aspects. Since hearing the Attorney General's speech, I feel less happy than I did previously. As I see it, the parent Act provides that the Minister, at the request of the country trotting clubs, can direct the Trotting Association to devote the profits from one of its meetings in the metropolitan area to the Country Clubs' Benefit Fund. The Bill seeks to wipe out that provision. That would be all right if the association were

prepared to play the game and to give a fair proportion of its profits from meetings in the metropolitan area to the country clubs for their assistance.

Instead of the provision in the Act, that embodied in the Bill sets out that the Minister may authorise three meetings to be held in the year, the profits of which will be devoted to the country clubs' fund. That means that those clubs will be entirely at the mercy of the Trotting Association, which may decide it will hold one meeting or perhaps no meeting at all. It might be able to get away with it because the Minister, if the Bill be agreed to, will have no power to direct the association to devote the profits suggested to the country clubs.

Mr. Marshall: The Minister has that power now.

Mr. LESLIE: Yes, but if the Bill be agreed to, he will not have that power, but will merely be able to authorise the association, if it feels generously disposed, to arrange for three extra meetings and to devote the profits to the country clubs. That is not quite satisfactory to me, except that I know the association has been fairly generous to the country clubs in the past. Possibly we can say of everybody and every organisation that it has not been as generous as it might have been in some directions.

Personally, I think the Trotting Association could have rendered greater assistance in the past, but that is merely a matter of opinion. If the association is now prepared to be more generous, that is quite all right. I would be prepared to allow the ministerial power of direction to disappear, but if, as a result of the passing of the Bill, the association were to hold the extra meetings at some inappropriate time, I would not be too happy about it.

[Mr. Hill took the Chair.]

Hon. A. H. Panton: It might agree to the three meetings and hold them during the winter months.

Mr. LESLIE: The member for Leeder-ville has hit the nail on the head. It is possible that the association might agree to hold the three extra meetings; it might ask the Minister to authorise them and he might do so; the meetings might be held at a

time when the profits would be negligible. I should say we should either retain the original provision in the Act while at the same time agreeing to the three meetings, or else take the association on trust and try out the position for a season or two. I would like the sponsor of the Bill to put my mind at rest on the point. The member for Avon is prominent in the country trotting club movement and can speak with authority.

Hon. A. H. Panton: Anyhow, he is not a jockey!

Mr. LESLIE: I doubt if there is a spider that would carry him! However, as he can speak with authority on this subject, I shall be guided by him. If he is satisfied that the country clubs will get a reasonable response from the Trotting Association if the power of ministerial direction is removed from the Act, I shall be happy about the passage of the Bill. On the other hand, if there is the slightest element of doubt about it, I think the existing provision in the Act should be retained, even though we may lose the two extra meetings. In doing that, I do not know if we shall be like the dog with the bone in his mouth which he loses when he seeks to grasp the bone reflected in the water beneath him. I support the second reading of the Bill.

MR. READ (Victoria Park) [4.24]: Any member who could support a Bill like this should be ashamed of himself. That is how I feel about it. Trotting has become a major industry. It started out as a form of amusement but has become a very expensive hobby for many people. Be that as it may, the Trotting Association is the means of diverting many hundreds of young men from industry where their efforts are sorely needed. We have the spectacle of young men driving horses about from the early morning until late in the evening, whereas their services are badly required in other spheres. I would rather see the Bill seek to compel the association to disgorge a quarter or more of its profits for the fostering of trotting in the country areas. If that had been its purpose, it would have been something like a Bill.

We have been told by the Minister that the association's turnover at Gloucester Park per annum has been £205,000 and it has at present over £41,000 to its credit

in the bank. Despite that, the Bill is designed to ask the Trotting Association to hold additional meetings for the purpose of fostering country trotting, and those meetings may be held during the winter months when no profits will accrue. Yet we are told that the object is to encourage trotting in the country districts! If the association desired to do that, it could help from the funds it has now. We should turn the Bill down.

MR. NEEDHAM (Perth) [4.26]: It was not my intention to speak on the second reading of this Bill, and I would not have done so were it not for the speech by the member for Victoria Park. I am not a racing man. Very seldom have I attended a trotting meeting. At the same time, I realise the sport is a safety valve for a good many people.

Hon. A. H. Panton: You are telling me!

MR. NEEDHAM: That phase needs no enlargement. The member for Victoria Park said that any member who supported the Bill should be ashamed of doing so. I disagree with his assertion. I am not against sport nor am I a kill-joy. If people are prepared to patronise racing events, be they trotting or galloping, that is their business, not ours.

Hon. E. H. H. Hall: If they want to go to the dogs, let them go!

MR. NEEDHAM: They are in freedom to do so if they wish. I am not going to prevent them doing so by any vote of mine, provided they conduct themselves properly. People are not compelled to go to the trots nor yet to the galloping events. Attendance is purely voluntary. That being so, I see no harm but rather good in supporting the measure. "All work and no play makes Jack a dull boy," and if people in the rural areas or in the city desire a little enjoyment, good luck to them. The member for Victoria Park roundly condemned the Trotting Association, but completely ignored the good that organisation has done for the community at large.

Hon. A. H. Panton: What good has it done?

MR. NEEDHAM: It has contributed vast sums of money to patriotic purposes and has helped various organisations.

Hon. A. H. Panton: Where did it get the money from?

MR. NEEDHAM: From the people.

Hon. A. H. Panton: The Government could do that, too.

MR. NEEDHAM: There are many other organisations that did not play any particular part at all in helping patriotic objectives or assisting in other movements. The Trotting Association has rendered splendid service over the years and deserves every credit from the public. As part and parcel of the Sportsmen's Council, it rendered great assistance to charitable movements in this State. I certainly support the second reading of the Bill.

MR. SMITH (Brown Hill-Ivanhoe) [4.29]: I support the second reading of the Bill. I have every sympathy for the country trotting clubs and know something about the difficulties with which they have to contend in financing meetings that provide amenities for the people in the rural areas and also some form of entertainment as an encouragement to the people to remain in those parts. I was secretary of the Eastern Goldfields Trotting Club for three or four years and have been associated with it for seven or eight years. During that time I found that the W.A. Trotting Association was very sympathetic. On many occasions when our treasury was depleted, it gave us financial assistance in order that we could continue to provide in the Goldfields area a form of sport which it was at that time rather difficult to make pay, because of the fact that the population had declined, the mining industry was in a state of depression and the Government took so much of the proceeds of each meeting, whether we lost or made a profit.

Last year I saw some figures in connection with the W.A. Trotting Association, and noticed that the association had paid out £122,000 in stakes, while the Government had collected £121,000 in totalisator tax. Perhaps some other forms of taxation, such as entertainment tax, have also to be paid in connection with the sport; but the actual profit made by the association last year was £37,000. I am prepared to accept the word of the hon. member who introduced the Bill. If he thinks that this is a way in which some money will be raised to assist country clubs, I am all for the Bill. I think everything should be done to encourage trotting in country districts, where the horses are of

a utility character and can be used for purposes other than trotting, with a great deal of advantage and profit to a sport that is very acceptable to country people. I have much pleasure in supporting the Bill.

HON. A. H. PANTON (Leederville) [4.32]: I think the member for Brown Hill-Ivanhoe has hit the nail on the head, although I do not think the Bill will increase the sport, so-called, in the country. What the Bill will do will be to add a certain amount to the Treasury. If I remember aright, the Premier was at the trots the other night and, while presenting a cup, said he was rather pleased with trotting, because it brought in to the Treasury £1,000 a week.

The Premier: More than that.

Hon. A. H. PANTON: I think he said that in his usual modest way.

The Premier: It is more than that.

Hon. A. H. PANTON: We are to have three more meetings, but the country clubs will get very little out of them. I agree with the member for Victoria Park that we have far too many trotting meetings now.

Mr. Rodoreda: Why?

Hon. A. H. PANTON: The hon. member does not want me to tell him. I get that every day from a nephew of mine, and I do not want to hear it here.

Mr. Hegney: The Bill does not say anything about bowls.

Hon. A. H. PANTON: We do not have to pay 6s. to go to bowls, nor does the Government get anything from the proceeds of bowls. The hon. member has just taken on bowls, so I suggest he does not know much about it. I do not agree with the proposition that the country clubs will get much out of these extra meetings. The member for Brown Hill-Ivanhoe and other members—and in the early days of trotting we had much of this—spoke about breeding utility horses. I admit that many trotting horses would be better in a baker's cart, from what I read about trotting. I do not go to the trots; I have neither the time nor the money.

Mr. Marshall: Nor the inclination.

Hon. A. H. PANTON:: Yes; that is better. Talk about breeding utility horses! If these people spoke about breeding greyhounds by this method, I might agree. Many of these horses should be in baker's carts,

but about 75 per cent. of them would not be worth their salt in a baker's cart; they could not pull the cart along. I think the member for Avon, who introduced the Bill, should have set about it in another way altogether. He should have tried to induce the Government, or the Treasury, to forgo some of the the money which the Government gets out of these meetings. What is the use of running three more trotting meetings to assist country clubs if the taxes and expenses are going to take the biggest part of the proceeds? That is what will happen. Everyone knows that.

One has only to consider the amount of the turnover and the sum that goes in totalisator tax—while the butcher and the grocer are not paid until the following week—to know that this House would not be justified in granting another three meetings a year. During the Christmas holidays, according to Press statements—I am only digressing for a moment or two, Mr. Deputy Speaker—there is to be a stoppage of electricity supplies. How is the Trotting Association going to get on in that event?

Hon. J. B. Sleeman: That is the smallest load of the week.

Hon. A. H. PANTON: It is wonderful to see the way in which the grounds are lit up, if it is the smallest load of the week. I have heard that tale before, too. What are the people to do for lighting and for current for their electrical appliances? Yet we are to have three extra trotting nights! There cannot be much wrong with the electricity supply. Perhaps the Minister for Works can tell us something about this matter. Like many other Ministers, he goes to the trots and has a share of the three per cents.

The Minister for Works: I do not go, as a matter of fact.

Hon. A. H. PANTON: I hope the Bill will not be passed; but, if it is, let us try in Committee to do something for the trotting clubs in the country. We speak about amenities for country people. We are asking women and boys and girls to attend trotting meetings. The member for Avon, who is about 23 stone, is not likely to be driving at these meetings. He would knock the spider out of shape. We speak of amenities for country people, yet we ask them to attend a trotting meeting in the heat and dust of the day, as I understand trotting meetings are not held at night in the coun-

try. In that discomfort, they stand and watch a few horses trotting round a track trying to break records.

The Premier: What do you suggest we should do in Committee?

Hon. A. H. PANTON: We should endeavour to get amendments agreed to whereby the whole of the proceeds shall go to the country clubs. The Premier shakes his head. I thought he would not allow the whole of the proceeds of the three extra meetings to go to the country clubs.

The Premier: No.

Hon. A. H. PANTON: I say to the House that the object of the Bill is simply to hand more money to the Treasury, to the detriment of racing clubs in the country. In the circumstances, I am opposed to the second reading.

HON. E. NULSEN (Kanowna) [4.38]: I support the Bill. Country people are entitled to amenities. The member for Leederville may not like trotting, but I and others do.

Hon. A. H. Panton: You cannot have trotting without gambling. That is all it is for.

Hon. E. NULSEN: Life is a gamble; everything is a gamble. The member for Leederville took a gamble when he entered this House.

Hon. A. H. Panton: Did he?

Hon. E. NULSEN: Yes. If we had no gambling, I think it would be a poor world to live in. I have not much to say on the Bill. I hope it will pass, because in my opinion country people are entitled to all the amenities we can give them. If this Bill were not required, they would not have asked for it. City people have everything they want, practically. If they feel inclined to go to the trots, they may; but that does not apply to country people, as they have not the same opportunities for attending these meetings. This is one way in which we can help country people, and I therefore support the Bill, as I would any measure that provides further amenities for them.

MR. CORNELL (Avon—in reply) [4.40]: It has been said that mighty oaks from little acorns grow. When I introduced this Bill, I did not for one moment think it would evoke the debate it has. However,

I seem to have the capacity of drawing crabs in the House. All the discussions that I have initiated have developed, I think, into full-scale ones; but on the last occasion I was able to pass the post a winner, although under the whip at the finish. The Government recognised the desirability of assisting country clubs and, in the 1946 Act, Parliament specifically provided for the establishment of a country clubs' benefit fund. It also provided for the manner in which money for that fund should be raised. The Country Clubs' Benefit Fund is not administered by the W.A. Trotting Association, despite the assertion of the Attorney General to the contrary. It is administered by a representative of the W.A. Trotting Association and three representatives, one from each of the three country trotting councils.

The Minister asked whether the W.A. Trotting Association desired these two additional dates. I have consulted the president and certain members of the committee, and am in a position to assure the Attorney General that the association has no objection whatever to these dates and will co-operate to the full in the conduct of the meetings, if they are granted, for the benefit of country clubs. The Treasurer—and I thank the member for Leederville for this thought—stressed the desirability of bolstering up State finances. The Treasurer introduced a Bill—the Acts Amendment (Increase of Fees)—which will have the effect of increasing certain fees and, at the same time, increasing State revenue. For instance, the increase of registration fees for bakehouses, I think, will return the munificent sum of £30 per annum. The passing of this Bill will, as the member for Leederville has observed, increase State revenue by at least £3,000 per annum, by way of extra totalisator tax.

The Attorney General, in his remarks, seemed to be running in two directions at once. Firstly, he said he was not sure whether the W.A. Trotting Association required these two extra dates; but he said, by inference, that the country clubs might be saddling the W.A. Trotting Association with two extra racing fixtures in the metropolitan area which that body did not want. He asked a rather pertinent question: Is the W.A. Trotting Association in favour of these two extra racing dates? I have re-

plied to that question already. Shortly after, in the course of his speech, he said he was constrained to the belief—or he used words to that effect—that the principal reason for the Bill was to give the opportunity to the W.A. Trotting Association to have two extra racing dates in the metropolitan area. The Minister also said he did not consider I had made out a case on behalf of country clubs.

{The Speaker resumed the Chair.}

The Attorney General: I did not suggest that.

Mr. CORNELL: I pointed out, when introducing the Bill, that the country clubs in the main—and this can be borne out by those members in whose constituencies country trotting clubs function—always find it hard to maintain financial equilibrium, and it is their desire in most cases to conduct their racing at night, and thus encourage more people to attend the meetings. As secretary of a country trotting council which has eight or nine clubs affiliated with it, I have a full realisation and appreciation of their financial difficulties. As I have said, this measure was introduced in a desire to assist the clubs financially and help them to carry on their activities as racing organisations.

The Attorney General referred also to the fact that the W.A. Trotting Association is as rich as Croesus and he said it could, out of its ordinary funds, subsidise country clubs. I have no doubt that at the same time he queried certain items in the revenue and expenditure accounts of the W.A. Trotting Association, but as Minister administering the Act he has full power to pursue those inquiries if he so wishes. The W.A. Trotting Association has, I understand, assisted country trotting clubs to the fullest extent and in the past has not stinted its hand-outs to country trotting. The W.A. Turf Club—which also is not entirely broke—has not, in my opinion, assisted its country counterpart to the same extent as has the Trotting Association.

When the first meeting pursuant to the passing of the 1946 Act was conducted—I referred to this when introducing the measure—in addition to conducting the meeting and voting the profits to the Country Clubs Benefit Fund, the association donated the entire stakes totalling £1,800 and also bore

a certain percentage of the overhead expenses of the meeting. In addition to conducting the meeting for the benefit of the country clubs it, therefore, delved into its ordinary revenue to provide additional assistance. The member for Victoria Park appears to oppose the measure, and for once, at all events, he is not wavering as to which way he shall vote. He has come out foursquare in opposition to the proposal. His main bone of contention appears to be that husky and able bodied youths are driving trotters, whereas he thinks they should be driving bakers' carts. I did not know that he favoured the principle of directing people into particular industries, but I am glad to see that he favours the directing of persons from the trotting industry into other avenues of employment.

The purpose of the measure is to encourage trotting in the country and I have no apologies to offer for submitting it to the House. The Attorney General pays lip service to the providing of amenities for people in the country. Here he is given opportunity of providing additional amenities for them but he opposes the proposition I have put forward. Last Wednesday I had the privilege of opening the Kellerberrin night-trotting track. The attendance, which was remarkable, was proof positive that country people do appreciate an entertainment that is different. Residents of the metropolitan area can attend trotting meetings almost every week, whereas country people have that pleasure at most once in every month or five weeks.

Reference has also been made to the suggestion that if the two additional meetings are granted they will probably be conducted at the end of the racing season, in June or July, when seasonal conditions are not at all favourable to night trotting. In reply to that, I would inform the House that when the measure was first mooted I made it my business to consult the president of the W.A. Trotting Association. At a social gathering at Kellerberrin earlier this year he gave me his assurance that, if the two additional meetings were granted, the association would conduct them at times other than in June or July, as in the past. He admitted that that time of year was not suitable and gave the undertaking that if the additional days were granted the meetings would be held at a suitable time. He specifically mentioned the period during

January and February and said that one meeting would be conducted during the country cricket week. I commend the measure to the House.

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—TRADING STAMP.

Second Reading.

Debate resumed from the 3rd December.

MR. MARSHALL (Murchison) [4.54]: May I be permitted to preface my observations of this matter by stating that I am particularly disappointed and surprised that the Government should introduce this Bill at such a late stage of the session, when it is suggested that the session should finish within the next few days and while there is quite a formidable list of most important legislation still to be dealt with, including both Loan and General Estimates. If the measure is important at all it is remarkable that it has taken so long to find the light of day in this Chamber. As far back as 1932 a similar measure was glimpsed in this House but died suddenly. It passed the first reading and then vanished. It was never properly introduced. That was 16 years ago and I believe that representations were made to at least one Government in the intervening period, but no action was taken in the matter. That illustrates how unimportant the measure is.

In spite of all that, the Premier expects members, who have important matters to discuss during the debate on the Estimates and on Bills affecting their electorates, to hasten through consideration of such matters in order to finish the session this week. This Bill has no right to be on the notice paper at all at this juncture, and could well be left over until next session or for a number of sessions without any serious injury being done to the State. I do not think the Government or the Minister should take kudos for the introduction of this Bill, when the need for it is so slight, particu-

larly at this late stage of the session. I have no fixed ideas on the subject-matter of the measure, as members have never been called upon to give it serious consideration. We are now being asked to make a decision on the matter without being given time to go thoroughly into it. Standing Orders have been suspended and the Bill could easily go through all stages today without any member, including the Minister, being thoroughly versed in its pros and cons. I know, from the Minister's speech, that he has not given the measure serious consideration.

Mr. Graham: Not from his speech, from his reading.

Mr. MARSHALL: He did not even read it seriously. If it had been important or urgently required the Minister would have brought down substantial evidence in support of his argument, but in his speech logical argument in support of the measure was conspicuous by its absence.

Hon. A. R. G. Hawke: He should have brought along some of the free gifts and laid them on the Table.

Mr. MARSHALL: I know of nothing for sale in the commercial world that is ever ultimately given to customers. All such things are charged for in the price of goods, in the final analysis.

The Minister for Labour: You are on the right track now.

Hon. A. H. Panton: It is all a matter of how the goods are to be charged for.

Mr. MARSHALL: I would support the Bill if all forms of advertising were to be stamped out, including the Jack Davey show on Monday nights, which cost hundreds of pounds. Why attack one form of advertising? Simply because the capitalistic press derives huge profits from that medium of advertising no action is taken there. Why? Because the Press is too powerful for the Government to take action against it.

The Minister for Labour: They are not the only powerful ones in this picture.

Mr. MARSHALL: They are so powerful that the Minister did not include them under the Bill.

The Minister for Labour: And I did not include the hon. member under it.

Hon. A. R. G. Hawke: Mr. Hollway is pretty powerful.

Mr. MARSHALL: Let us go back to the old days where each class of goods depended for advertising on its merits and value to the consumer.

The Minister for Labour: Upon its merits.

Mr. MARSHALL: Yes, and upon the high quality of the goods. Do not pick out one class of advertising.

The Minister for Labour: Selling on their quality! I hope we get back to those days.

Mr. MARSHALL: So do I. Before I sit down, the Minister will understand that the coupon system is not what some people say it is, namely, that it encourages the sale of inferior quality goods, because we have the highest quality of goods in Western Australia produced by firms that indulge in the coupon system. They are on the highest pinnacle of priority.

Hon. A. H. Panton: What about Bushell's tea?

Mr. MARSHALL: Yes, and Robour tea and condensed milk.

Hon. A. H. Panton: And Mills and Ware's biscuits. Here is a man that does not know his own State.

Mr. MARSHALL: So the Minister cannot get away with that idea, because we have all the evidence concerning that question. I have no experience in commercial technique, so I have been obliged to rest upon my brief experience as a consumer. I have no other.

Mr. Graham: It is not very brief.

Mr. MARSHALL: A man does not altogether on his own do all the buying, even although he might do most of the eating. He generally allows his better half to do the purchasing. So I have had very little knowledge and those that have it are fortunate.

The Minister for Labour: Are you aware that the sales in Bushell's tea fell two-thirds when the coupon system was dropped?

Hon. J. T. Tonkin: For what reason?

The Minister for Labour: Because the coupons were dropped.

Hon. J. T. Tonkin: That is only a guess.

Mr. MARSHALL: The very same reason will apply later. Does the Minister realise that that is a futile argument to advance?

Mr. Styants: Did the public get the tea any cheaper?

Mr. MARSHALL: Yes; did the public get it any cheaper? The public only got it cheaper because of the restrictions imposed by the Commonwealth and the subsidies which it granted to reduce it in price. I went to a great deal of trouble to ascertain the pros and cons on both sides because I thought it was a matter upon which I was not so well versed and that I should take every opportunity of making a thorough inquiry into the ramifications of all systems of advertising, particularly in regard to this measure. I spent a great deal of time in ringing up people concerned. I also had the opportunity of listening to both sides from the organisations which are most vitally interested in this matter. Therefore, as far as possible, I have obtained all the information that I could get in the time at my disposal.

The Minister for Labour: When did you get that information; over the week-end?

Mr. MARSHALL: Yesterday and this morning.

The Minister for Labour: When I resumed my seat on Friday you declared you were against the Bill.

Hon. A. H. Panton: He is consistent; he is still against it.

Mr. SPEAKER: The hon. member should ignore the interjections and go on.

Mr. MARSHALL: I am not influenced one way or the other. I have fixed ideas on the matter. I had little opportunity of gaining the knowledge I have of the subject. I want to find out just exactly what effect this Bill would have on account of the Minister's statement he read to the House. I made a point of doing the best I could to solicit information and argument from both sides. I find that there is very mixed opinion on the matter; so much so, that I think the Government would be unwise to proceed with the Bill at this juncture, anyhow.

Mr. Hegney: Did you seek the opinion of the shop assistants on the matter?

Mr. MARSHALL: It must be readily admitted that stamps and coupons are merely a form of advertising. They are nothing else. They are one form of advertising. We have the capitalistic Press as a medium

for advertising; the broadcasting system as another medium and then finally, we have the personal canvass.

Mr. Yates: Who cut out the crosswords in the newspapers?

Hon. A. H. Panton: Jack Scaddan and he was defeated for doing it. Put out your neck again.

Mr. MARSHALL: So we have four different systems for advertising and in this Bill only one is to be eliminated. I was beginning to wonder and naturally was interested why only one form of advertising was to be attacked, hence my investigations which were as thorough as possible in the time at my disposal. There is a very great difference of opinion amongst all parties concerned in this matter. Those in favour of the Bill claim that business has been established since the coupons have been abolished. The Minister used the same argument. He said that different businesses had become established since the coupon system had been abolished. There can be no doubt about that; there is no argument. No-one would attempt to be hostile to such a theory, but when we look at the situation for a solution as to the reason for businesses being established after the coupon system was abolished, it is found that the system ceased early in 1940 at the commencement of the war.

From an Australia-wide review of the situation, it is found that every State, with or without the coupon system, experienced a growth of commercialism; every one of them! There are only two States that have this system of advertising prohibited by law, namely, South Australia and Queensland, but I think that Victoria and New South Wales developed as many new industries as any other State in Australia, and they have the coupon system. Some people argue that there must have been some particular feature about the coupon system for it to be abolished, and the remaining advertising mediums allowed to exist. I would respectfully suggest that the Press is rather powerful. The old saying that the pen is mightier than the sword is brought home in this case. Likewise, the broadcasting stations are all under or controlled by vested interests in the same way as the Press. They are all interlocked and

become a powerful unit in the political world of Australia, as it is a world-wide one.

So interlocked are these particular mediums of advertising along with the control of other vital factors throughout Australia, that they can do quite a lot to influence the public life of this country. But I would suggest that the Commonwealth Government was desirous—and rightly so, and did so—of getting every possible unit that was capable of running a service at all into the Army, and so it did not want labour to be absorbed in manufacturing consumable goods other than to provide a bare existence for those who remained in Australia during the war period. So eager was the Commonwealth Government to absorb every important unit of labour in Australia that it closed down the goldmine of Western Australia to obtain it. That is how important it was. Therefore, is it any wonder that it took action in this regard?

This was the weakest and only medium of advertising for the small man in business. He could not compete against the Colgate show or Protex soap. He did not have hope of competing against them on the air, nor in the Press. He has not a single chance because he has no capital to indulge in such expensive and elaborate forms of advertising, all of which go into the price of goods the same as does the cost of the coupon system.

The Minister for Labour: They adopted the coupon system.

Mr. MARSHALL: It does not matter whether the coupon system is adopted because the article is no dearer and is cheaper. The most extravagant and expensive form of advertising is that done over the air. If an hon. gentleman desires to speak a few words of a political character over the air, he would find out what would cost him for a bare few moments. Where these broadcasting programmes are indulged in elaborately, the particular firm can hold the programme up for one hour or an hour in order to broadcast a feature all over the Commonwealth. Then we are told the coupon system is an extravagant form of advertising. Dealing with the same point regarding the establishment of businesses, Mr. Speaker, it brings me ve

close to a subject with which you are very familiar and of which I have a smattering of knowledge.

Mr. Hegney: It would not be finance?

Mr. MARSHALL: A business, be it large or small, depends entirely upon the demand. I have yet to know of any company or any individual that has set out to establish a business to produce goods or a class of goods which the public do not want. Never! All goods are created after the demand appears and then there is competition amongst those who wish to make up the leeway in supply. You, Mr. Speaker, are not as old as I am, but you realise that there has been no greater opportunity for establishing a business anywhere in Australia from the point of view of an existing demand than during the war and post-war periods. Never in the history of Australia was the purchasing power of the people so great and consistent as on the declaration of war in 1939 and thereafter. So it will continue until a change is made in the monetary policy.

Anyone who studies the question must appreciate that the purchasing power of the people is the paramount factor in the establishment and existence of industry. Could we have clearer proof of that than what happened in 1930 to 1933 when the purchasing power of the people was so reduced? Businesses then went out of existence and thousands of people committed suicide because they had lost their investments.

It is not the coupon system that influences business or the establishment of a business one way or the other. We had Government expenditure to the tune of a million a day distributed throughout Australia in fulfilment of war orders and never in my life has the purchasing power of the people been so great, nor has it continued so long. Those with a knowledge of the technique of business and the establishing of industry chased demand in order to supply it, and, without the coupon system, they will do so.

Some people claim that the coupon system is an unfair way of advertising and is unjust. I have yet to learn how the coupon system of advertising is less fair than advertising over the broadcasting stations or the Press. The small man has not a possible chance against the big man. The only chance of the small man, if he wishes to com-

pete, is to get some cheaper form of advertising. So the coupon system, far from being unfair, is the only medium that the small man has for advertising, because this inexpensive system is based upon the turnover irrespective of its value as an advertising medium. Coupons and stamps are issued only in proportion to the sales made.

Mr. Kelly: On sales expected, mostly.

Mr. MASHALL: No, so many coupons are issued in respect of a certain article, but not until a sale is made are those coupons issued. The same applies to stamps; until a sale is made, stamps are not issued. So this form of advertising is only in proportion to the value of the sales made. But what about businesses that advertise in the Press and over the air, irrespective of what the sales are?

Mr. Fox: Did you protect yourself this morning?

Mr. MARSHALL: No, but I might have to protect myself against the hon. member. So I maintain that the coupon system of advertising is not altogether unfair. Were the smaller men deprived of this medium of advertising while monopolies had a free hand to advertise in the Press and over the air, where would the small man come in? That is the position as I see it.

Not one penny is spent on the coupon system until a purchase is made, and therefore the advertising is in proportion to the sales made. The contrary is the fact with the other forms of advertising. It has been stated by a party from whom I made inquiries that the coupon system encourages the sale of goods of inferior quality. Before dealing with that point, however, I wish to put a question to the Premier, whose political life depends largely upon an industry located in his electorate. Would he argue that Nestlé's factory in the Waroona district produces an inferior article?

Hon. J. B. Sleeman: He would not.

Mr. MARSHALL: Yet Nestlé's use the coupon system extensively.

Hon. A. H. Panton: That is because the Premier's district produces good milk.

Mr. MARSHALL: That may be so. I have been looking for evidence that coupons are responsible for the sale of goods of inferior quality and have yet to learn that condensed milk of a higher quality than that which comes from Nestlé's Waroona factory

is produced anywhere. I repeat that that firm uses the coupon system. Two other firms use the system—the firms handling Robur tea and Bushell's tea—two of the most popular brands on the market. Can anyone tell me of a tea of higher quality?

The Minister for Labour: Do you wish to give them a free advertisement? That is all you are doing.

Mr. MARSHALL: The Minister has forced me into doing so. I have brought evidence in support of my contention, but the Minister did not support his arguments. Another firm to which I will give some cheap publicity is the one manufacturing Mills and Ware's biscuits. That firm uses the coupon system.

The Minister for Labour: Have you ever tried Amgoorie tea or Wood, Son and Co's. tea, both of which are remarkably good?

Mr. MARSHALL: I have tried quite a number because I am a big tea drinker.

The Minister for Labour: So am I.

Mr. MARSHALL: I have not found any tea superior to Robur.

The Minister for Labour: Then you are no connoisseur.

Mr. MARSHALL: I have been unable to find any condensed milk in Australia to surpass Nestlé's.

The Minister for Labour: That is about the only one there is in Australia.

Mr. MARSHALL: Whether that is so or not, the argument used by opponents of the coupon system is that it leads to the sale of inferior goods. What is certain is that the stamp and coupon system brings into existence permanent custom, which cannot be won by competitors with all their advertising over the air and in the Press. By the coupon system, the small man advertises his wares in such a way that, when the housewife patronises them, it takes a lot to cause her to alter her patronage.

Mr. Hegney: Where did you get that view?

Mr. MARSHALL: I have been analysing the situation. If a housewife finds that, with or without the coupon system, she can purchase a better article at the same price, that is the article she will buy. So long as the quality is reasonable, the coupon system appeals to the thrifty housewife, and

all the advertising by competitors in Press and over the air will not shake confidence. Some people argue that, in the coupon system, they obtain gifts. I are not gifts; the price of them is charged in the price of the article, just as is cost of all forms of advertising.

Some people say that when a thrifty housewife saves coupons in order to obtain half a dozen towels, it means that there are so many towels less for those who do not save towels. Could anything be more stupid? The towels must have been manufactured in the first place. What happens is that it leaves the thrifty housewife with a few shillings more to provide other necessities for the family, and this in turn provides employment for other people. One lady at the Goldfields, as she obtained articles with coupons for purchases of Nestlé's milk, voted their value to the purchase of other commodities for the family, and she was proud of being able to do so. What a pity that many more people do not act similarly!

When securities depreciate, when overdrafts are withdrawn and when credit is restricted, the purchasing power of the people must fall and then, with or without the coupon system, unemployment will ensue. We know from experience that it is so. One half of the young men working today did not know previously what it meant to do a day's work. They were reared on the dole, and then entered the Services when everything was provided for them. When the war ended, they were rehabilitated but had acquired no experience of work. Many of them were reared on the dole. At 16 years of age they went into the Army when they spent another six years with everything provided for them.

Mr. Yates: They had plenty of initiative after they got out of the army.

Mr. MARSHALL: People complain about their not working today as was the case 10 years gone by. But the ordinary individual scarcely has the constitution. He never knew what a good meal was until the war ended and was never thrown on his own resources so that he could develop initiative. I understand that there was a Select Committee in a commission of some sort appointed in South Australia to make an investigation into the coupon system and it reported in favour of legislation such as that which we are now dealing with. But I want to quote from another report of a commission

appointed in a country which, so far as commercialism is concerned, is one of the keenest in the world, and where competition is keener than anywhere in Australia. The report from which I shall read was issued by a committee created by the Board of Trade in London in 1933. I want the Minister to follow this. On page 10 the committee has this to say about gift coupons—

Gift coupons represent means by which a new or small firm can gain a footing in a trade against well-established concerns, because expenditure on gift coupons is virtually in direct proportion to sales.

The Honorary Minister: Read Clauses 18 and 19 on page 9.

Mr. MARSHALL: On page 15 of the report appears the following—

Conclusions as to Trading Stamps.

There is evidence to show that trading stamp organisations owe their origin to the necessity of providing the individual trader with a means of competing with his larger and more established rivals by giving to his customers in return for their patronage benefits comparable with the benefits which they would receive if they dealt with such rivals, and our conclusions are that trading stamp organisations are not detrimental to the public interest so long as they are conducted with integrity.

The matter quoted by the Honorary Minister—who disturbed her from her slumber, I do not know!—was merely evidence given. I am reading the conclusions. Evidence given is one thing; conclusions, another. One might commit wilful murder and the conclusion might be drastic. It would depend mainly on the evidence given; but the conclusion is what is important. I have here evidence on both sides, for and against this particular system. On page 16 of the report appears the general conclusion of the committee. It is as follows—

For the reasons set out above we have arrived at the conclusion that both as regards gift coupons and trading stamps the practices which the Gift Coupons Bill seeks to make illegal are not detrimental to the public interest and do not call for any legislative intervention.

I still feel that the coupon system is the small man's only chance. Imagine a small firm trying to establish a toothpaste factory or manufacture some particular kind of soap here against the opposition of the Jack Davey show on Monday nights, plus the advertisements that appear in the paper every day! It would never get a footing.

There was another argument used by the Minister, with regard to dumping. Not one of those with whom I conferred suggested that the coupon system of advertising lent itself to dumping; but the Minister did—which indicated that he had never studied the subject. I am not prepared to cut down my contribution on this Bill one iota since we have been forced to debate a measure like this when more important matters have gone by without proper consideration. Only the Minister argued that this coupon system encouraged dumping. He said it assisted dumping. The Minister never gave two thoughts to it or he would not have said that. I would like the member for Nedlands to relate his experience with regard to dumping.

Hon. J. B. Sleeman: We would not finish on Friday if he did.

Mr. MARSHALL: Western Australia has been most affected by dumping in connection with an industry in which coupons are not used at all. I refer to the production of preserves and conserves, such as pickles and Tasmanian jams. Several people, including the member for Nedlands, have endeavoured to establish themselves in that industry in a small way in this State, with the hope of expanding. No coupon system was used at all. We have had a similar experience with other industries, but more particularly with this one. Big companies in the Eastern States are not concerned about coupons at all. What they are concerned about is retaining the Western Australian market; and as soon as anyone endeavours to establish an industry in competition with them, they will either start here themselves or dump goods at such a price as to make it absolutely impossible for the local syndicate to exist.

The Honorary Minister: Or give more coupons.

Mr. MARSHALL: Fiddlesticks! No coupons were used in that industry. There was a man named Rayner, whom the Government of the day assisted financially and who struggled to survive; but the manufacturers of I.X.L. and O.K. jams were too strong. They dumped stuff in this State at half its price and increased the price in the Eastern States to make up for it. Can that be beaten with coupons? With or without coupons, it cannot be beaten. There

was another little firm that started here for the manufacture of bow ties. It made good ties but they very suddenly disappeared from the market. I made inquiries from a local emporium as to what had happened to these very nice little ties, which were very popular and plentiful. I was told that an Eastern States firm came over here, purchased the business, gave the founder a job in the Eastern States and closed down the concern. Would coupons have saved that? Of course not!

Those people who have a footing are not troubled about coupons. So it is eye-wash and rot to talk about coupons encouraging dumping. These firms are not concerned whether an individual goes in for coupons or not. All they are concerned about is maintaining the market by dumping goods at a fraction of their price so that they may compete against the local man and make his possibility of success very remote indeed. That has been our experience in every instance, and no coupons were used or thought of.

I am sadly disappointed about the introduction of this measure. I have done my best to get both sides of the matter, and I am satisfied that the case I have presented is the weightier one. However, I think that we should let this Bill go till next session. In the meantime we should have a Select Committee, to obtain information on the subject. The Minister put up no argument in support of his contention. He talked about dumping and unemployment. I could tell members about those things. They will exist with or without coupons. So I suggest to the Minister and to the Premier that in order that members might have full information and be able to decide the question fairly, the Bill should be dropped and the matter referred to a Select Committee.

Mr. RODOREDA: I move—

That the debate be adjourned till Friday, the 24th December.

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

Ayes	15
Noes	29
—	—
Majority against	14
—	—

AYES.

Mr. Cornell	Mr. Pantou
Mr. Coverley	Mr. Sleeman
Mr. Fox	Mr. Smith
Mr. Graham	Mr. Styants
Mr. Grayden	Mr. Tonkin
Mr. Hoar	Mr. Triat
Mr. Marshall	Mr. Rodoreda
Mr. Needham	(Teller.)

NOES.

Mr. Abbott	Mr. Murray
Mr. Ackland	Mr. Nalder
Mr. Brady	Mr. Nimmo
Mrs. Cardell-Oliver	Mr. Nulsen
Mr. Doney	Mr. Perkins
Mr. Hall	Mr. Read
Mr. Hawke	Mr. Reynolds
Mr. Hegney	Mr. Seward
Mr. Hill	Mr. Shearn
Mr. Kelly	Mr. Thorn
Mr. Leslie	Mr. Watts
Mr. Mann	Mr. Wild
Mr. May	Mr. Yates
Mr. McDonald	Mr. Brand
Mr. McLarty	(Teller.)

Motion thus negatived.

MR. NEEDHAM (Perth) [5.47]: I supported the motion for the adjournment of this debate believing that further time should be given in which to consider the measure. Like the member for Murchison, I regret that the Government has seen fit to bring down a Bill of such a controversial nature in the dying hours of the session. A measure like this is too important to bring down at the end of a session. If the Government had the idea of bringing down legislation of this nature, it should have done so at a time when members could have given it greater consideration. I have gone to a fair amount of trouble to look at both sides of the question and, like the member for Murchison, I have read the literature supplied to members by those supporting the measure and those opposing it.

The matter of gift coupons is not a new subject; it has been before the public, off and on, for many years; but this is the first time that a decided attempt has been made to reach a decision one way or the other. I notice that South Australia and Queensland have already legislated in this regard, so that no system of coupons is allowed in those States. I realise that a system of coupons might be all right in such a place as Great Britain, in connection with which we have just heard an extract from a report of a committee appointed by the Board of Trade, where the economy is much more balanced than it is in Western Australia. I can also understand that a coupon system would not do much damage in such States as New South Wales and Victoria where, again, the economy is much more balanced

than ours, and where secondary industries are well established. I approach this subject from a purely Western Australian standpoint. I am not much concerned as to whether or not there is a gift coupon system in operation.

Like the member for Murchison, I know that what is obtained by the housewife is not a gift; those who supply the articles make arrangements to cover the cost. What I am concerned about is the effect any gift coupon system will have on the industries in this State. For many years there has been a continuous drive in Western Australia for the encouragement of local industries. To that end, Ministers in both Governments have spent a great deal of time in popularising goods manufactured in this State to prevent, as far as possible, the flow of money from here to the Eastern States that has amounted, in some years, to many millions. The drive to encourage our industries was started by the Collier Government in 1933. The Minister dealing with employment then was Mr. Kenneally, who was very active in this connection. He was followed by the member for Northam. We also have our Department of Industrial Development, which was established by either the Willcock Government or the Collier Government. As a result of the continuous drive to which I have referred, and the work of the Department of Industrial Development, many secondary industries have been started in Western Australia.

I have been approached by representatives of both sides of the question, and I had an open mind. The aspect of our local industries is the one that is troubling me. Unless we adopt legislation of this nature, the advance we have made with our secondary industries might be halted; certainly it will be injuriously affected. At any rate, that is the conclusion I have come to. I know that the drive for the encouragement of local industries has not been as successful as we would like, but that is no reason why we should not continue to do everything possible in this direction. So far as the purchase of commodities is concerned, the slogan has been to give priority first to local goods; next to goods from the Eastern States, and then to goods of British manufacture. During and since the war, a distinct advance has been made in the establishment of secondary industries. We re-

cently saw a statement in the Press of those that had been started here.

I would hesitate to cast a vote in this House that would in any way militate against the continuance of our secondary industries. Australia was taught a salutary lesson when the tocsin of war sounded in 1939, because of lack of manpower to defend our shores against a ruthless foe. We in Western Australia found ourselves during that time severely handicapped because we had to depend largely on the importation of goods from the Eastern States. Owing to scarcity of shipping space and other conditions, that position has not been very much eased since the cessation of hostilities. It should be our endeavour to encourage the establishment of local industries. The member for Murchison has pointed out that this measure will have no effect on employment.

In times such as these, when we have full employment—this is the first time in our history that we have had it—and there is more work offering than there are people to do it, the question of gift coupons is neither here nor there in connection with unemployment. But if at some distant date we again come face to face with an economic disturbance of the magnitude of that which occurred in 1930—or even a lesser one—we would feel the pinch to a greater extent than we have done in the past. In order to do everything possible to minimise that danger, I intend to support the second reading of the Bill. I realise that considerable argument can be adduced for either side. I am only viewing the question from a Western Australian standpoint because I think it will help protect, foster and encourage local industry and get our people to ask for locally made goods at all times.

MR. GRAHAM (East Perth) [G.O.]: I find myself largely in accord with the views expressed by the member for Murchison. From my inquiries it appears that outside the interested parties, members of the public in all walks of life have most divergent views, or they have mixed and divided opinions. In other words, they are not particularly certain as to whether they favour the granting of coupons and gifts received in return for them, or whether such a scheme should be abolished as is proposed in the Bill. I have spoken to persons in very many walks of life and most respon-

sible individuals are numbered amongst them. Accordingly I draw the conclusion that there is by no means a public demand for any action to be taken.

Like the member for Murchison, I wonder why the Government has sought to interfere with what is, as he rightly stated, merely one form of advertising. It is known, of course, that all items of cost enter eventually into the sale price of an article. If it was a Bill designed to regulate or control the amount or percentage that could be spent on advertising, in other words, causing what one might regard as an unnecessary burden on the consumers, then I should be in favour of it, although I realise that any formula which was designed to be fair in its application would be most difficult to draft.

I recall, very many years ago when I was a boy, and an exceedingly young boy, there were gifts in the form of cards in cigarette packets. The younger generation particularly derived a good deal of pleasure in saving those little gifts that they were able to receive from their parents or somebody else. I remember, too, over 20 years ago, pestering my parents in respect to gift coupons from a locally manufactured concern. That company manufactures bisenits in Western Australia. I mention that point to demonstrate that even local trading concerns used this method of advertising and that it has been in operation for a considerable period.

I do not know whether the Minister made any extensive inquiries, particularly regarding the costs that are imposed upon the public in respect of this matter, but I venture to say that some extensive newspaper advertising campaigns, some radio shows and some boardings that appear in many parts of the State—I refer particularly to oil products, and two of them are well known to members—cost a terrific sum of money, and a considerable proportion of the cost of the article. There is also added cost by some of these firms in employing canvassers to retail their goods from door to door and from my knowledge of them that is the only method of sale employed by two of those concerns. In the process of their calling from door to door, samples of gifts are made to the housewives in the expectation of a sale being made, or an increase of sales made at some subsequent time.

If members care to read the Press over the last few days, they will see that a certain brand of toothpaste is advertising what is purporting to be a competition with a prize of £50—I think that is the figure referred to—for the person writing the best letter, in a limited number of lines, indicating why he prefers a particular brand. Of course, that is the brand manufactured by the advertisers. There have been many diverse forms of advertising such as extending gifts, monetary considerations, or some other favours to those who patronise the particular line of goods. It is a perfectly legitimate method of espousing the goods and of building up sales.

I should like the Minister to indicate why, of all the various media of propaganda or advertising, one class only has been selected for the guillotine. I noticed a leading article in "The West Australian" this morning. Naturally, it was in support of this particular measure and for obvious reasons. Firms devote a certain sum of money—they introduce something comparable to our budgets—and allocate a sum to be used for the purpose of advertising. When there is a show such as the Lux Radio, occupying a full hour, not on one radio station but on a number of radio stations in the State, and broadcast throughout the length and breadth of the Commonwealth of Australia, the purchasers of the products obviously pay for those shows. There is this saving grace, however, that they do receive something for the added cost as it is a form of entertainment. There is no denying the fact that very many thousands of people enjoy such a programme.

Where gift coupons are made available to the people, through the purchase of certain lines, the public are able to procure goods or gifts as a consequence. There again the allocation made by the firm for advertising is spent and the goods are advertised but the public do receive some indirect benefit. So far as advertising on boardings is concerned, or the distribution of leaflets, or newspaper advertising particularly, the only advantage that the consumer gets is something that he can use to light his morning fire. Naturally, if a firm has allocated a sum of £10,000 to be spent on advertising, and if this Parliament imposes certain restrictions, then that money will still be spent and there will be no reduction in the price of the articles. However, "The West Aus-

tralian" and other journals will receive additional advertising copy and so it is from a purely mercenary point of view that the leading article appeared in "The West Australian" this morning. That paper and any other, of course, is perfectly entitled to express its point of view.

I am unable to follow the arguments of the Minister when he suggests that gift coupons are by some means unfair to local industries. I have given one illustration, and I could give more, of where coupons have been issued by local manufacturing concerns. They have suffered no handicap and there have been no extortionate prices charged as a result because probably not one penny more was spent on advertising because of the gift coupon system than otherwise would have been the case. I realise that there is a certain amount of organisation and expense necessary in order to equip premises so that coupons might be received and gifts exchanged, but there is nothing to prevent a number of small concerns, whether they be interested in manufacturing goods in Western Australia or not, from handing together and opening their own depot. Members can recall very many occasions on which, for diverse reasons, trading companies have banded together for their mutual interest. We have a system known as a cash order system which is availed of by the public with advantage to itself, but I suggest that many criticisms could be made of that particular system.

I feel that there is something grossly unfair as regards the proposition of the Government. There has been no evidence adduced in favour of the Bill. There have been a few general, and very general, statements submitted by the Minister when delivering his second reading speech. Surely, to interfere with what have become customary trading rights, should first require some sort of evidence or substantial reasons! It is my intention, if the Bill passes the second reading, which I hope it does not, to submit a motion for an inquiry into the question. I decided to do that before the speech of the member for Murchison and I have the terms of my motion written out and in my drawer, ready to be moved at the appropriate stage, which I am given to understand is following the second reading. Surely, before the rights, privileges and freedom of individuals are interfered with—of which the Government members and sup-

porters spoke so glibly earlier this year in the referendum campaign, and during the State election—the Government should give some earnest of its desire to see that only restrictions which are absolutely essential are imposed.

Mr. Fox: They might have seen the Citizens' Rights Association.

Mr. GRAHAM: I wish now to say something about a letter written by the Shop Assistants' Union.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. GRAHAM: As the letter of the Shop Assistants' Union was the only one quoted by the Minister, I feel I am entitled to the assumption that it was read to the House for the purpose of serving as a bait to make Labour members support the Bill; otherwise, there would have been quite a number of other letters quoted as well. The Minister was unfortunate in his selection because one of the paragraphs in the letter from the union states—

We are forced to recognise, however, that the money now spent in free gift advertising can or may be spent in other forms of advertising, hence the saving effected by its abolition will not be reflected in the price the public pay for the commodity.

In other words, that which was to be a knock-out blow to get Labour support for the Bill, proved to be a dud because the Shop Assistants' Union itself expressed the opinion that in the event of the abolition of coupons and free gifts, there would be no reduction in the prices of commodities. I understand that 82 per cent. was the average redemption of coupons for goods sold. I say quite frankly I was surprised to learn that that was so. I had the idea that only a proportion of the public went to the trouble of redeeming their coupons for free gifts. Apparently, taken over a wide range of commodities and covering a number of firms over several years of operating, the result showed that 82 per cent. of the coupons issued for goods sold were redeemed. Therefore, this method of advertising is, from the point of view of the traders or manufacturers, profitable to them; and it is something obviously that appeals to the public.

I again ask the Minister to suggest in what way the public have made representations to him to have this practice, which operated prior to the war, continued once

more. If there had been an outcry from the Housewives' Association, the trade unions or the consumers generally, that they were receiving inferior goods and that extortionately high prices were being charged, and that in order to save some of their losses it was necessary to purchase goods in respect of which they could make up losses by means of the presents, there would be some reason in it. Obviously, certain influences have been at work on the Minister and they have told their side of the story, with no attempt whatever being made to get at the truth or real foundation of the whole situation. Earlier in the debate, the Minister interjected that there had been a tremendous drop of 66 2/3rds in the sales of *Busbell's* tea. I have since been informed that that statement was absolutely and completely erroneous. I trust that other points made by the Minister have a little more substance and truth than, apparently, his interjection had.

I hark back to the inquiry that was made in Great Britain in 1933. There an impartial committee was set up by the British Board of Trade, and that body heard extensive evidence from conflicting points of view but from all directly interested parties. They included the manufacturers and retailers, those who were giving coupons with their products and those who were opposed to that practice. As a result of the investigations, the committee arrived at certain conclusions. There was no shadow of doubt in the minds of the committee as to the harm, if any, done to the public—they were unable to find anything wrong with the system. I do not wish to weary the House with regard to the matter but the committee discovered a number of commendable features and contrasts were made in certain directions as, for instance, with the hire purchase system where a person obtained goods before they had been paid for.

With regard to the gifts received under the coupon system, the price of the articles was included in the commodity charges. Thus obviously the consuming public paid for the gifts, whatever shape or form they took, long before taking delivery of them. Therefore, to some extent, the purchase of goods that are associated with the coupons can be said to resemble a scheme of compulsory saving. The committee found that there was no serious dissatisfaction amongst the recipients of the articles, either from

the standpoint of type or quality, that they received as gifts. In other words, the public were quite happy and content with what they received. There is the point, too, to which I referred earlier, that there is no visible or appreciable increase in the cost of articles, because the amount is portion of the money set aside for advertising; and in this instance, it has been used for advertising in this form instead of using channels or media that are available to trading concerns. I refer, of course, to Press advertisements, broadcasting over the air, travelling agents and so on.

Before concluding, I want to read the conclusions of the English committee in respect of gift coupons. They investigated a number of matters including trading stamps which, from the beginning of this century, have been illegal in Western Australia under a statute that is to be repealed if this Bill is agreed to, namely, the Trading Stamps Abolition Act of 1902. Omitting the final paragraph which refers to the investigation of some compromise system with which the committee did not agree, their report says—

The conclusions which we have reached from a consideration of the arguments on both sides are that the gift coupon system is not detrimental to the public interest.

To our mind the strongest argument brought against gift coupon trading is the undoubted dislocation and uncertainty which it may cause to trades ordinarily distributing goods of the kinds offered as gifts. We do not, however, believe that the harm done is at great as is sometimes represented, nor that any reactions upon the general public are likely to be important.

We consider that the collector of gift coupons does actually obtain in the gift some thing that he would not otherwise get. Whether this is correctly described by the word "gift" appears to us to be of small importance, and we see no reason to suppose that any substantial proportion of people are deluded into believing that they are getting something which is not covered by the price which they pay.

From the point of view of many manufacturers, the gift coupon system is a valuable method of sales promotion, and we attach particular importance to the argument that the system is in some cases the only practicable method open to a newcomer to gain a footing in competition with established concerns. In our view, it would be detrimental to the public interest to discriminate by law against methods of obtaining trade which are specially useful to new producers.

These are the conclusions at which, after analysing closely the representations made

by conflicting interests, the committee arrived. In the unfortunate event of the Bill being proceeded with—I hope it will not be—and passing the second reading,—again I hope that will not be so—it is my intention to move for the appointment of a Select Committee to investigate this method of trading and advertising, and more particularly to investigate what is thought by particular interests of the contents of the Bill. I repeat, as my final word, that there has been no evidence adduced to suggest that people are being called upon to pay exorbitant prices in order to meet the cost of these gifts, which is something embraced in the allocations by the trading firms to cover their advertising expenses. If the advertising were not done by the methods this Bill seeks to abolish, then it would be done by some other means.

I feel I should repeat that whereas advertising done in the great majority of cases gives no return whatsoever to the consumer, and it is not pretended by the traders that the consumers will get something for nothing in the way of these gifts, under the coupon system the public at least gets something for its money. But if the advertisements are placed on the hoarding or published in the Press, there is no chance of anything whatever being returned directly to the consumers. The gifts are exceedingly popular; the people like them and want them. There has been no evidence of public dissatisfaction, and there is a wide variety of goods available for selection. Because of the popularity of gift coupons, it is possible for the firms who distribute them to buy in reasonable quantities and therefore supply better goods at a lower price. In other words, the more successful this method of trading on account of the form of advertising used, the greater the return to the public.

It is wrong morally for the newspapers—although they are within their legal rights—to lead the public to believe that there is something wrong with the coupon system. In a leading article in "The West Australian" this morning, the paper was speaking really from the point of view of the profits, the welfare and the interest of the newspaper, without any concern for the public, the consumers or the traders. One would have expected that the public point of view or interest would be espoused. This method of advertising has proved successful. Be-

fore World War II, I think it had become quite obvious to newspaper proprietors that the method was gradually superseding the paid advertisements in the newspaper. In order to conserve its own interests, the paper has this morning advocated support of the Bill.

The Attorney General: You know, of course, that the firms who use the gift system advertise just as much in the newspapers. They advertise the fact that they give coupons.

Mr. GRAHAM: I am not aware of that.

The Attorney General: Try to find out.

The Minister for Labour: You ought to be sure of your facts before making such statements.

Mr. GRAHAM: I hope I am a little more certain of my facts than the Minister is. He is entirely misleading.

The Minister for Labour: That is your only defence.

Mr. GRAHAM: If the Minister knows, as he must do, something of manufacturing and trading practice, he knows that the invariable practice is to make an allocation for advertising purposes. If that allocation is £10,000, it is going to be spent. It is left to the advertising specialist to decide what particular lines are to be advertised. In other words, the money will be spent and it will be a cost on the goods irrespective of the limitations proposed by the Bill. If the Minister is sincere in his regard for the public, he would endeavour to devise some kind of formula to control all means of advertising, whether by Press, radio or anything else. But what good service is he rendering the people?

The gift system of advertising at least returns something to the public and, if it is abolished, there is no safeguard against what might be spent by firms, whether of Eastern States origin or not, on the coupon system. The matter is not one of great consequence to me. There is nothing harmful or injurious to the public in the system, so why, in the name of all that is fair and reasonable, does the Government, through the Minister, want to interfere with trading concerns which are going about their business doing harm to nobody? I venture to say there has scarcely been a protest from any member of the general public. If there has been, it has come from a few crotchety old women and people of that sort.

HON. J. T. TONKIN (North-East Fre-mantle) [7.50]: This is a matter of very considerable importance and I regret that the Government has not given members more time in which to consider the Bill. I have had the utmost difficulty in getting such facts as are available, and in making up my mind as to what I, as a public man, ought to do in this matter in the public interest. This Bill is before the House because a certain section of business does not like fierce competition, which has developed as a result of the use of trading stamps and the gift coupon system. That section of business fears this competition and therefore has urged the Government to take this step. This is not the first time that such a desire has been expressed by traders here or in other parts of the world, nor is this system anything new.

The gift coupon system in connection with tea and soap has been in operation in Great Britain for 50 years, and in connection with cocoa for 30 odd years. As you have already been told, Mr. Speaker, when a similar Bill was introduced in Great Britain in 1933, it was referred to a Board of Trade inquiry, some of the findings of which have been quoted tonight. As a result of the findings of that committee, the Bill was not proceeded with. There is very little conscience in business. Anyone entering into business and intending to carry it out strictly along Christian lines is bound to fail. There is none of the "Love your neighbour" principle in business. If your neighbour happens to be your competitor, your job is to run him out of business as quickly and as effectually as you can. More especially is that so in certain lines of trade.

It is possible to sell certain commodities without coming into serious conflict with one's competitors and to increase one's sales by putting on the market something entirely new. For example, Henry Ford was able to enlarge his market for cars considerably by reducing the cost of the cars and so making available to himself an entirely new field in which to sell. He was able to improve his sales by progressively reducing his costs, and at each movement to bring within his field further strata of people who became potential purchasers. But with items like tea and soap that is not possible. People require only a

certain quantity of tea and a certain quantity of soap; and any manufacturer who succeeds in increasing his sales of tea and soap can only do so at the expense of one or more of his competitors. Therefore, it is in these lines where the fierce competition develops and success goes to the man with new ideas and the drive behind them. So this method of coupon trading and trading stamps was introduced by some brainy person for the purpose of increasing sales and maintaining them. So effective has it been that those competitors who have not used the method have had to cry out for some protection.

The Attorney General: Of course, Jones rather wrecked our jam factories for a time.

Hon. J. T. TONKIN: That is a different matter.

The Attorney General: Fierce competition!

Hon. J. T. TONKIN: I am dealing now with the person who sells certain commodities and with firms which used the coupon or gift system to expand and maintain their sales.

The Attorney General: Do you not think that might be done by other means?

Hon. J. T. TONKIN: No, I do not. I remind the Attorney General that one of the most successful firms in this State, Mills and Ware, biscuit manufacturers, was able to build up a business using the coupon system in opposition to other businesses.

The Minister for Labour: On one line of biscuits.

Hon. J. T. TONKIN: I remember that in my boyhood days Swallow and Ariell's biscuits had pretty well the whole market. Mills and Ware were able to compete successfully with that soundly entrenched firm because of the excellence of their product and the methods used by them to boost sales.

The Minister for Labour: They only used coupons in one line of business.

Hon. J. T. TONKIN: They used coupons.

The Minister for Labour: For milk arrowroot biscuits only.

Hon. J. T. TONKIN: The fact we have to consider is whether the use of gift coupons is detrimental to the public interest, because usually Parliaments do not pass laws to prevent certain practices which are perfectly legitimate unless those practices are contrary to the public interest or

Government policy. This method of boosting and maintaining sales has been in use so long—I repeat 50 years in Britain—that it is a perfectly legitimate form of trading because all persons in business, who are alive to the need for increasing sales, adopt all sorts of methods to expand their sales at the expense of their competitors, and this system had been a most effective method.

I have not yet heard a single argument to prove that it is a bad practice. It might be a very serious matter for other firms who are competing, but nothing so far has been brought forward to prove that it is a reprehensible practice and one which ought to be outlawed. The Board of Trade inquiry found quite the opposite. Its conclusion was that this system is not against public interest. As a matter of fact, it went further and said that it was in the public interest to permit it. I quote from the Board of Trade report issued to a number of members, page 11, "Conclusions as to Gift Coupons"—

In our view it would be detrimental to the public interest to discriminate by law against methods of obtaining trade which are specially useful to new producers.

Not only did that committee say that it was not detrimental to the public interest. It went further and said that in its view it was detrimental to the public interest to abolish the use of these gift coupons or trading stamps. Surely nobody would argue that this was not a well-appointed committee, not a representative committee, not a responsible committee. An inquiry carried out by the Board of Trade, I would say, has the hall mark of efficiency, and those are the findings of that committee on this self-same problem.

It has been urged that the price of the gift must enter into the cost of the article and that, therefore, the consumer is paying for the gift he gets. Nobody denies that, but it is a form of advertising and people who purchase goods pay for all the advertising indulged in by those who sell them, whether it is over the air, in the newspapers or by means of gift coupons. The evidence I have been able to gather, and most of it I have got from this report as the most authoritative source, indicates that the people generally would be deprived of something they are now getting if the Bill became law.

The manufacturers who distribute gifts purchase them in large quantities at whole-

sale rates and so, when they make them available to the persons who collect coupons, the price is that which the manufacturer has had to pay for the gift goods, and not their retail price. Almost invariably these people select a type of article where there is a fairly wide margin between the wholesale and the retail prices. By so doing the manufacturers are able to make available quite an attractive gift to those who save the coupons. So, if a housewife succeeds in saving the requisite number of coupons to entitle her to a tea-set, even though she has paid the full amount that the tea-set cost the manufacturer, she yet succeeds in getting a benefit because she gets it at a much lower cost than she would have to pay for it if she purchased it retail. I think that is indisputable. Therefore, by depriving these people of the gifts, we do take from them something which the gift coupon system makes available to them.

The Honorary Minister: Does the gift come from the West or the East?

Hon. A. H. Panton: What does it matter, It might come from Jerusalem.

Hon. J. T. TONKIN: Who would be so fatuous as to imagine that these successful, wide-awake business firms who have been using the gift coupon system would simply sit down and say, "The game is up," and do nothing else if this Bill were passed? Having enjoyed the success which this special method of selling has brought to them, they would, within 24 hours, be considering the adoption of some other scheme. It might be that in switching the money over from being spent on gifts to some other form of advertising they would be pledged to spend more in order to hold the business. If they spent more it would have to be at the expense of the consumer, and as they spent more their other competitors who did not use the gifts, would, in an attempt to keep up, have to spend more than at present. So, it is quite possible that the ultimate result of the Bill could be a substantial increase in other forms of advertising, for which the consumer would have to pay. So, no-one would get any benefit in the long run except the broadcasting stations and the newspapers who would gain the advantage of the increased expenditure.

The public would lose because the cost of the extra advertising would be added to the cost of the goods, and, in addition, they

would not be getting the gifts which are now available. There is only one aspect of the matter that has worried me, and where I think the Minister's argument has any weight, and that is that the firms mostly engaged in using these goods are well-established Eastern States firms which are serious competitors of local industry, and that if we permit them to continue we will not be enabling local industry to develop. But it may be that local industry has the wrong angle on this because the Board of Trade report indicates that the committee inquiring into the matter believes that this is the one way in which a small business can establish itself in the face of strong opposition; because the amount spent on gift coupons is in direct ratio to sales.

The board considered therefore it was not necessary to embark on a grandiloquent scheme of distributing gifts as the cost would be in proportion to sales. That being so, it may be that we would be rendering our people in this State a disservice by agreeing to the measure. They might be barking up the wrong tree in taking this action now. The passing of the Bill could possibly result in far fiercer competition in other directions. I cannot imagine people like Bushells, Robur Tea Company, and Lever Brothers with their soaps, simply saying, "As this method is finished we shall have to put up with it." They will break out in a fresh place, as we would expect them to do, to maintain their sales. Then the local businesses will find a different form of competition much more difficult with which to cope.

The Attorney General: You would expect them to know that; it is their business.

Hon. J. T. TONKIN: I do not know. Only today I had an experience of a new and most efficient method of advertising by a firm pushing a line of razor blades. Following the principle, I suppose, that the best way to make a man a customer is to let him use the article, it sent one of the blades to me in a letter. If the quality is not there, that will be the end of it; if the quality is there, the firm will probably gain a customer. It so happens that I had some of these blades given to me some months ago. They are quite the equal of any of the imported articles, and much cheaper.

This firm, realising it has goods to sell, is adopting an enterprising method of push-

ing them. Whilst this system is not the same as the gift coupon method or that of trading stamp, it is somewhat similar, as much as the firm is giving away some of its wares in order to gain custom. A man does not use razor blades just because he fancies the idea; nor does he use more razor blades than are necessary. So, if customers switch over and use this brand of blade they will only do so at the expense of some other firms. What will they do?

Hon. A. R. G. Hawke: They will see you two blades.

Hon. J. T. TONKIN: They will work out some method of getting the custom back. I have heard a lot about competition being the soul of trade, but immediately some firm gets a new method which puts its competitors at the spot, the others want to run to the Minister to get legislation to block it.

Hon. E. Nulsen: This is not a new method, though.

Hon. J. T. TONKIN: Of course it is new and that is what makes the Bill all the more remarkable. The practice has operated for so long and it is only now—in the last hour of the session—that the Government has found it necessary to do something about it. If competition is the soul of trade, and businesses adopt legitimate means of pushing their wares, can we keep rushing in all the time to protect those who cannot face the fierce light of the resultant competition? If there were anything nefarious in this business I would not hesitate to say that it should put a stop to it and let the competition be on a fair basis. I was told that representatives of local firms—and I have spoken to representatives of both sides in connection with the matter—that they could not hope to compete with firms using gift coupons because they did not have the capital and so would be run out of business. Yet the Board of Trade report gives the opinion that the use of gifts enables small firms to become known and establish a clientele.

There is something wrong somewhere. The one opinion is in direct opposition to the other. I find it hard to believe that a local firm with the advantage of producing the goods on the spot, is not able to cope with competition on the lines about which they complain. If it is a fact—and I do not know whether it is or not—that the effect of this method of advertising is in direct proportion to sales, then how can the local

firms complain that they are not in a position to compete? The Minister, by interjection, mentioned that it was an indication of the effective use of goods to show that the sales of Bushells tea fell from something like 80 per cent. to about 30 per cent. of the total sales. I made some inquiries about that and I was told that it was nothing of the kind: I was also informed that although there was a falling off in the amount of business, it was due to the increased competition from one or two other lines. That is quite understandable.

The business world is not static. As one firm lets up on its advertising and another concentrates on it, one would expect to find some alteration in the volume of sales. Let us consider for a moment how well-known firms, merchandising a single line, keep on spending tremendous sums in advertising that line. Take for example Aspros, which are universally known! The average person would say, "Why keep on advertising Aspros and spending money that way? It is only a waste. Everyone knows about Aspros and, when necessary, will buy them." But there are serious competitors of Aspros today. Bex is one and Zans another. They have been put on the market, as the result of forceful methods of advertising, and the people naturally are paying the cost.

The Honorary Minister: The two of them are the same firm.

Hon. J. T. TONKIN: I do not know.

The Honorary Minister: Oh, yes, they just wanted a new name.

Hon. J. T. TONKIN: Well, perhaps that is another idea of advertising. The same two articles are put on the market under a different name in order to increase sales. It is probably trying to exploit the prevalent idea in the community that something new is better than something old. It is only another form of alleged advertising and in the long run the people pay for it. We might just as logically introduce a Bill to prevent a firm from advertising more than one line if, by advertising, two or more they have come into serious competition with some other firm or firms. The best thing the Government can do is to defer the Bill and have a proper inquiry to ascertain what shall be done. If members are honest with themselves they will have to own up that they are in a quandary as to the correct action to take with this matter.

I want to do what is right in the public interests. After considering the evidence available to me I am not satisfied that it is in the public interests to ban the gifts because I feel certain that there will be no lessened expenditure on advertising. There might be increased expenditure, and if that results it will be against public interests. Furthermore, those members of the public who do save their coupons and obtain these gifts undoubtedly get some benefit. It is not a question of getting something for nothing, as I read somewhere, but something instead of nothing, because if a firm budgets for an expenditure of £50,000 per annum on advertising, and gives it to the newspapers and broadcasting stations then the members of the public get none of it, but pay for it just the same.

If a firm spends £50,000 on advertising and £20,000 is spent on gifts, then the people get £20,000 of that expenditure back. So it is quite conceivable that it could be against public interests, in certain circumstances, to pass this Bill. The Government should do the same as was done in Great Britain. While on general principle we could accept the findings of the Board of Trade inquiry, they would not be applicable to local industry and conditions. We ought to ascertain here what the position is and when we find that out, and not until then, should we take this step. As things are at present, I am opposed to the Bill.

MR. STYANTS (Kalgoorlie) [8.17]: Unlike the member for Murchison, I have not had to go around searching for the pros and cons of this argument because the two interested parties for and against have been kind enough to send to me, through the post, their views on it. For that I am deeply grateful because it has saved me a great deal of research. I had no fixed opinion on the subject until I had read the case for and against, and I came to the conclusion that those who favoured the continuance of the coupon system have the greater weight in their favour. I am not unsophisticated enough to believe that the gifts which are made to people in return for accumulating a certain number of these stamps and coupons are gifts in the actual sense. They are, of course, paid for and I agree entirely with those who say that this coupon or stamp system is just another method of advertising. There are

quite a number of advertising methods and this is one of the least expensive.

When I consider the full page advertisements which used to appear in a number of newspapers in this State advertising certain goods, I am certain that as a result of the lifting of newsprint rationing in the near future they will appear once again. I notice that the size of advertisements is getting bigger each day in the daily Press and it will only be a short time before full page advertisements will again appear. I have some knowledge of the cost of radio advertising, and when I listen to these advertisements over the air I fully realise that by giving a present to the housewife after perhaps six, nine or twelve months' saving of coupons or stamps, is about the cheapest form of advertising that is possible.

There are quite a number of other ways of advertising and if the Minister will bring down a Bill which will have the effect of prohibiting all advertising, or, if not all advertising, then only a certain percentage of the turnover on the company's goods to be used for advertising, I will wholeheartedly support it. It would astonish most of us if we realised the amount that is added to the cost of every article because of the expenditure on advertising.

The Minister for Labour: We would not get any newspapers if there were no advertising.

Mr. STYANTS: We would get a newspaper, but we would probably have to pay a penny more for it. We are all aware that it is the advertisements in the newspaper that actually show the profit. The twopence received for "The West Australian" is not sufficient to pay for its production and of course, it is the advertising that pays. We would get the newspaper all right, but we would probably have to pay a penny more for it. That would be cheap compared with the hundreds of thousands of pounds that are spent on advertising, particularly over the radio. The Palmolive radio session ties up stations for hours and the Protex show and local soap manufacturers have big special broadcasts.

There must be an enormous profit from the manufacture of soap. I believe that almost every company that manufactures soap has quite a lengthy period of radio advertising. The cost of that when added

to the price of soap must indeed be colossal, if we could only arrive at the exact figure. Another form of gift that used to be given years ago was that at Christmas time, if we had dealt with a particular grocer or trader for 12 months, he would probably give the customer a Christmas ham and a few bottles of wine.

Mr. Hegney: Them were the days!

Mr. STYANTS: Or they even gave the customer a small gift or a packet of biscuits or a bag of lollies for the kiddies when he paid his monthly account. However, the tradespeople got their heads together and abolished that form of advertising and now they are making an attempt to abolish this form. Having perused the information and the case sent to me by those in favour of the abolition of this form of advertising, I will now quote it to the House. It says—

Why Most Manufacturers in Western Australia Oppose Coupons:—Free gift coupons undoubtedly confer on big Eastern States companies which have huge turnovers and large financial resources a very great advantage over the local manufacturers who, whilst they are quite able to compete in regard to service and the quality and price of their goods, are unable to compete in regard to the "gift" schemes operated by the large Eastern States manufacturers.

If I thought that was in accordance with actual fact I would certainly vote to abolish the gift system. I can understand Queensland and South Australia passing legislation to prohibit this gift coupon system operating, because when those two States which are not industrially organised or advanced to the extent that the huge industrial States are, find themselves in competition, there may be something to justify this legislation with the smaller States which are at a disadvantage compared with the larger ones if this gift system is allowed to operate.

Mr. Needham: We are not in that position.

Mr. STYANTS: No. It is a totally different proposition and a totally different cost to bring the goods from the Eastern States to Western Australia compared with slipping them across from New South Wales into Queensland or across the border from Victoria to South Australia. Goods imported here have such great distances to travel from the factories in the Eastern States that if the manufacturers in this State are pro-

pared to instal up-to-date machinery and adopt up-to-date manufacturing methods, then the handling charges and enormous freight charges over two or three thousand miles should be sufficient protection against most production or any importing from the Eastern States.

I speak with some authority on this subject because I have been around some of the factories in this State and have inspected similar factories in the Eastern States. Unfortunately, many of the factories in this State are operating with obsolete machinery. They are not up-to-date according to the standards of Eastern States factories. We cannot be expected to place a premium on obsolescence. If these factories are not prepared to instal up-to-date machinery, then they cannot expect us to take protective measures as a premium upon inefficiency. That is the only portion of the information from the opponents of the coupon system that carries any particular weight. If I thought that we did not have reasonable protection in the huge distances and enormous freight handling costs that have to be incurred on Eastern States goods coming into this State then I would certainly vote to do away with the coupon system, but we must be sure that this does have a detrimental effect on the State's industries. I will continue to quote—

Large manufacturers use the free gift coupon scheme as the most effective form of advertising to extend their turnover. The increased turnover which it brings them must obviously be at the expense of smaller manufacturers who are unable to compete with them in the matter of "gifts." The natural result is that the coupon scheme tends to restrict or ultimately drive smaller firms out of business. It also restricts the establishment and growth of secondary industries in this State which would provide employment for our people.

Of course, that contention is entirely contrary to the finding of the Board of Trade inquiry that was made in England regarding this matter. Its finding was that it was a greater benefit to the smaller companies to establish their business and turnover rather than it was in the case of the larger manufacturer.

The Honorary Minister: Except for the reservation; you have not read that.

Mr. STYANTS: Continuing the quote—

It follows that free gift coupon systems, as conducted by a few of the largest manufacturers, attract business which is not attri-

butable to either the quality or price of their products and the smaller manufacturers whose products are of equal quality and value operate under a continual disadvantage.

Evidently the gentleman responsible for setting that down was not a married man. If he was, the inference is that his wife was incompetent because she had to save for six, nine or 12 months to get a small gift and she would continue to buy an inferior product to do so. Nothing could be further from the truth. The average housewife is a keen judge of quality, and whether there was a coupon attached to her purchase or not, if the goods were not up to quality, there would not be any return patronage from her.

If coupons were prohibited, all manufacturers would have equal opportunity for marketing their produce based on their merits in regard to quality, price, service and normal methods of advertising.

The logical conclusion is that we should prohibit all types of advertising and then every class of goods would be competing entirely on its merits because there would not be the window displays, the hoarding displays and the advertising over the air.

It is a fact that, under modern conditions of merchandising and distribution, a degree of advertising is necessary to establish and maintain the sale of most commodities, and that the cost of advertising is taken into account by the manufacturer when arriving at the selling price of his product.

I believe that to be quite true. A certain amount of advertising is necessary, but not the amount that people have to pay for. Some months ago a misguided individual, referring to a big display advertisement by a Perth firm said, "My word, it must cost that firm a lot for advertising." I pointed out that it was not costing the firm anything at all, and that the people who were paying were the purchasers because the advertising cost was added to the price of the goods. The bigger the outlay on advertising, the more people that patronise the particular firm have to pay.

"Gift" coupons stimulate the sales of the manufacturers who adopt them first but at the expense of other manufacturers who, in self-defence, must either follow suit or turn to other compensating methods of advertising, thereby entering into competitive and wasteful expenditure on publicity. While the coupon system exists, there is little possibility of reduction in advertising costs. On the contrary, they are more likely to increase, and the public will pay either by way of increased prices or inferior goods.

I cannot agree with the latter portion for the reason already given that if the housewife finds she is getting inferior goods, with or without coupons, there will be no return patronage from her. It is alleged that the coupon system stimulates trade, but I believe that if that were so, a greater number of the firms would use it in preference to the expensive forms of advertising indulged in.

To sum up, local manufacturers submit that the elimination of coupons will assist towards—

- (1) increased and successful local secondary industry;
- (2) increased employment;
- (3) reduced cost of living.

Of course it will not assist in reducing the cost of living. When, at the commencement of the war, certain coupon systems that had been operating were prohibited, there was no reduction in the cost of the goods. Some other form of advertising was adopted, or else the additional profit from the saving on the coupon system went into the business. Consequently, there was not any reduction in the cost of living. If the coupon system were prohibited, some other form of advertising would have to be adopted to compete with those firms already advertising to a large extent in so many different ways.

Free gift coupons confer an undue advantage on a few large manufacturers, mostly in the Eastern States, who have the necessary financial resources successfully to exploit them. It is perfectly obvious that they would not fight so tenaciously to retain them if this were not so. It is equally obvious that the great majority of manufacturers, wholesalers and retailers are opposed to coupons and consider them to be an undesirable and unethical means of advertising, which introduces unfair trading conditions and ultimately has the effect of increasing the cost of commodities.

I say that is playing up to the old bias of Commonwealth versus State, because they realise that the people of Western Australia have a definite bias against the Eastern States in that they feel they are not getting a fair deal from the Commonwealth and they have a decided objection to being directed from the Eastern States. Opponents of the coupon system, evidently wishing to capitalise that bias, have introduced the old Commonwealth v. State bias that has operated so long and, I think, so disastrously to this State.

It has also to be borne in mind that some of the industries in this State adopt the gift

coupon system. I do not believe it is a free gift. That is all nonsense, and I do not think many people believe it. They realise that it is a form of advertising, and a cheap form. The goods would not be any cheaper if the coupon system were banned, and for all one to say that we would get lower costs of living is ridiculous. It has also to be remembered that for quite a number of years in this State and also in the Eastern States there has been little or no competition amongst business people. The average trader has adopted the same system as the insurance companies adopt. While they are in competition for trade, there is no competition in prices.

Their prices have been fixed by the Price Control Office and the minimum has in many cases proved to be the maximum. I do not know of any goods for which a minimum and a maximum have been set where the maximum has not been the price charged. There is no competition in prices; traders have identical prices except in some cases where unscrupulous people exceeded the price allowed by the prices authority and some were prosecuted. Although there is no competition in prices, there is still a certain amount of competition for the volume of trade. It has been said that competition is the life of trade, but that maxim has not been borne out by experience in Australia during the last 10 years. There has been no competition in prices; competition has been confined to the volume of trade.

I believe that the gift coupon system is the only method of advertising from which the housewife gets a dividend, and for that reason I shall vote against the second reading of the Bill. When I consider the enormous amount of money that is being spent in this State on the different methods of advertising and the number of goods that are advertised so extensively and expensively, and find the Minister bringing down a Bill to control this innocuous form of advertising, I consider that he is straining at the gnat while prepared to swallow the camel. In conclusion I repeat that if the Minister will bring down a Bill to control the volume of advertising and thus decrease the cost of living, I shall give it my wholehearted support, but I do not feel disposed to sing out this harmless type of advertising—the gift coupon system—while allowing enormous expenditure on other forms of advertising to continue.

MR. KELLY (Yilgarn-Coolgardie) [8.42]: In taking part in this debate, I feel like Paddy on his first day in the Army—a bit out of step with my colleagues on this side of the House.

Mr. Hegney: No, there are some with you.

Mr. KELLY: It is unfortunate that a measure of such far-reaching effect should have been introduced at this late stage of the session. Had I not had some experience of the coupon system, I would not have been quite so ready to support this measure, especially in face of the representations of the wise men, mainly from the East, who have put up a case that should receive attention. So far as this State is concerned, I fail to see in the measure any nigger in the woodpile and I do not think that the Bill should be considered from that angle. My contribution will not be made on behalf of Eastern States manufacturers or wholesalers, but will be made because of the experience I gained on one side of the counter as distinct from the other side of the counter.

Naturally I am pleased that the Bill has been introduced because I agree in principle with it. In my opinion we would be entirely wrong if, after a period of freedom from coupon or free gift systems as an inducement to housewives to purchase goods—often much against their inclination—we permitted the re-introduction of the pernicious practice that existed for many years. My experience leads me to observe that this measure would have the effect of relieving a majority of housewives of the necessity of making decisions when purchasing various commodities.

During the period when the coupon system was in vogue, we would frequently find housewives reluctantly continuing to purchase lines which they had begun to buy because of the coupon system. They often desired to discontinue the use of a particular commodity but were more or less forced to continue purchasing it because of a feeling that they would be losing something if they did not do so. It has been mentioned that during the operation of the coupon system the goods sold thereunder were in no way inferior to those that were coupon-free. I do not agree with that, and I feel that there are thousands of housewives who would share my opinion—women who continued to use the lines that provided coupons because they felt that otherwise

they would be denying themselves something; though they were quite content to deny themselves and their families the good quality that they frequently sacrificed as a result of purchasing goods that carried gift coupons.

It has been stated that the price is not affected by coupons. I can cite a case in which the price was evidently a deciding factor. A traveller for one of the tea companies came to my place and expressed surprise that there were other kinds of tea on my shelves. The line he was selling was one which was extensively using the gift coupon system. He said, "Do you have any sale for those other brands?" I said, "I would not keep them on my shelves if I did not." He said, "I cannot understand you. Here you have an article there is no need to sell because our coupons sell it; yet you have other brands on your shelves which carry no coupons whatever. Do you sell much?" I said "Quite sufficient to warrant my keeping them in my shop." He said he was astounded, and asked me how I accounted for it. I replied that in one instance the tea was one penny cheaper and of comparable value in grade. He said, "If we put our tea out without coupons we could sell it at 2d. a lb. less." Yet we are told by many who have analysed this Bill from circulars that coupons make no difference to the ultimate cost of the article.

Mr. Styants: We are speaking from experience, not circulars.

Mr. KELLY: I am speaking from experience gained the hard way.

Mr. Marshall: You are repeating what a salesman told you.

Mr. Styants: You were on the wrong side to get it the hard way!

Mr. KELLY: I am on the opposite side at the present time. The introduction of this system would favour the large manufacturing concerns; and seeing that most of them are in the Eastern States, it would be detrimental to the best interests of Western Australia. The large houses were frequently placed in an advantageous position because of the gift coupon system. Many smaller traders were squeezed out of the business. A certain firm in this State which was operating under the coupon system had a scale of concessions of which different types of retailers could take advantage because of the trade they were able to do.

One man would sell five cases of this particular product in a month and was offered 2½ per cent. A larger firm, because it was able to sell 25 cases a month, was given an extra inducement of 10 per cent. Those people who were in a superior position and able to buy 500 cases, whether they sold them or not, were given 25 per cent as an inducement to carry the couponed line.

Mr. Rodoreda: That applies to lines that do not carry coupons.

Mr. KELLY: I think it applies to most lines, but the ones I had in mind were couponed lines. The same applies whether purchases are made by the case or the gross. An inducement is given first by means of a percentage reduction in the purchase price, and secondly by an inducement the manufacturing concerns offer the retailers because of the fact that the public will want to purchase couponed lines. I feel the House would be wrong in refusing to pass the Bill. There are portions of the measure that need further consideration before the Bill becomes law. However, I intend to support the second reading.

HON. A. R. G. HAWKE (Northam) [8.52]: I think the Minister has found, as a result of the debate, that this Bill is very controversial. I imagine he thought, when introducing it, that it would raise little or no controversy.

The Minister for Labour: No, I did not think that.

Hon. A. R. G. HAWKE: I suggest that, because the main argument put forward by the Minister in support of the measure was one based on the desirability of safeguarding local manufacturing industries.

The Minister for Labour: Definitely!

Hon. A. R. G. HAWKE: If the only question involved in this Bill was that of safeguarding, as far as a Bill of this type can do so, the manufacturing industries of the State, the measure would not be really controversial at all. One of the questions that the Bill brings clearly before the notice of members is whether the form of advertising established by the free gift system is so undesirable as to justify its prohibition. The debate tonight has clearly shown the many methods of advertising used by firms for the purpose of trying to increase the sales of the particular classes of goods which

they manufacture or distribute. It has also indicated a fairly general idea in the minds of those who have spoken that no one form of advertising is worse than any other form. In other words, any form of advertising that is legitimate is justified in an endeavour to increase the sale of a particular class of goods or at least to maintain the sale at the existing level.

There is no doubt that a very large sum of money is expended on the various forms of advertising to which reference has been made. It is a peculiar thing, too, that there has to be such a vast amount of advertising in connection with goods that are essential to the life of the people. All the goods to which gift coupons have been attached in the past have been essential goods, goods which the people could not very well do without, such as tea, soap, condensed milk, breakfast foods and so on. It is obvious, as some speakers have said, that this vast advertising indulged in costs a tremendous amount of money and consequently increases substantially to the public the price of the various articles. When we come to look at the matter from the point of view of the protection of local industries, I think we find some fairly solid arguments in favour of the Bill.

I do not know of one Western Australian manufacturing firm which, prior to the war, initiated a free gift coupon scheme to increase the sale of the goods it was producing. I think that if a careful check could be made, it would be found that every purely Western Australian firm manufacturing goods, which firm had adopted the free gift coupon scheme, adopted it because it was feeling the strain of competition from goods made in the Eastern States and advertised in this State under the free gift coupon scheme. I think it stands to reason that the bigger the firm concerned indulging in this coupon scheme, the better is it situated to make its free gift scheme more attractive than any small scale competitor in this State or any other State could possibly do. Therefore it seems to me that on balance the bigger and wealthier Eastern States firms could compete very successfully against local manufacturing firms irrespective of whether the local firms were using the free gift coupon scheme or not.

It has been argued, with some degree of strength, that the prohibition of the free

gift coupon scheme would lead only to its displacement, in the case of the firms concerned, by some other scheme that would be equally advantageous to the large organisations we have been discussing. There is a great deal of truth in that and I do not think it would be beyond the ingenuity of those in control of such firms to devise and put into operation schemes that would be within the law as it exists in this State. It is questionable whether this Parliament could in the final analysis, pass legislation that would be effective in safeguarding local manufacturers against competition from the Eastern States through schemes such as that under discussion, or such as might be introduced. In my endeavours to promote manufacturing industry in this State, I have always argued that the measure of success to be achieved in that direction is that which the men and women of Western Australia are prepared to achieve.

In other words, products manufactured in this State will sell only to the extent to which our people are prepared to purchase them. That is the logic of the situation, because if our men and women—particularly our women, because they are the main purchasers—are prepared to sacrifice the interests of this State and its industries, owing to the temptation held out to them by so-called free gifts that go with Eastern States products, then our secondary industries rest on a fairly rotten foundation and one upon which it would be impossible over the years to build industries that could live in competition with those of other States. On examining the progress made in the secondary industries of this State over the last 15 or 20 years, we must admit that it has been substantial, especially when we remember that it was achieved in the face of strong Eastern States competition by firms established over many years, against which local enterprise had to struggle as best it could.

It must also be remembered that the field of manufactures covered by the free gift coupon system is a very small one. The major manufacturing industries in this and the other States are not covered by free gift coupon systems. The danger to our secondary industries from that or any other advertising scheme has been greatly exaggerated by certain interests and individuals. I do not think the measure of ad-

vantage or protection that the passing of this Bill would give our industries is very great. One of the disadvantages to the development of secondary industry in this State is that so many importers, warehouses and retailers here are tied financially to Eastern States concerns. Local wholesalers, importers and retailers have a vital interest—in many cases—in importing goods from the other States into Western Australia, because the more of such goods they import the more money they receive. If I were asked which of all the factors operating in this State in the past had been the greatest handicap to the development of local secondary industry, I would say it had been these local importers, wholesalers and retailers.

In referring to local retailers I do not want to be thought to refer to all the retailers in this State, as some of them have been extremely loyal to our own manufacturing industries and have in the past given local products consistent and solid support, sometimes to their own disadvantage. It is significant that, as far as we know, the local Chamber of Manufactures has made no declaration on this matter up to the present. Judging from the Minister's second reading speech, one would have expected the W.A. Chamber of Manufactures to be the organisation most vitally concerned and the body that would have requested the bringing down of this legislation and its passing by Parliament. However, I understand that the only organisation asking for this legislation and asking members of Parliament to support it is the Retail Traders' Association. I understand that that body represents mostly the grocers of Western Australia.

It is quite understandable that grocers and some other classes of retailers might regard the free gift coupon system as a nuisance, especially where the individual grocer has to receive the coupons, check them and in return make the appropriate gift available to the customer. When this system operated before the war, the manufacturers whose gifts carried the coupons established their distribution depots in the metropolitan area, but in the country centres the storekeepers were responsible for collecting the coupons, checking them and eventually making the gifts available to the customers. It is easy to appreciate the point of view of the retailer concerned.

In similar circumstances I would not want to be bothered with a system of that sort. I would prefer to handle a brand of tea, for instance, that could be sold straight across the counter without any further concern on my part.

I have given this question a great deal of consideration, not only on this occasion but before the war and in the early years of the war when representations were made to me to bring down legislation similar to that which we are now considering. At that time it was most difficult to arrive at a decision either for or against, based on all the arguments and reasons brought forward for consideration. Members on the Government side of the House—more particularly than those on the Opposition side—must decide whether they believe in free enterprise in business or whether they consider the free gift coupon system to be a legitimate method of advertising and selling goods. Some members on the Government side have from time to time told the House that they believe in free enterprise and competition in business, and in all those things that would leave to persons engaged in business the right to carry on their activities, provided they did nothing inimical to the interests of the public.

I suggest to members on the Government side of the House that they have seriously to consider that aspect of the question when deciding how they will vote on the second reading of this Bill. One factor that will decide my vote on the measure is that I believe—though not positive on the point—that the Commonwealth price-fixing authorities took action in connection with the free gift coupon system soon after price-fixing became an accomplished fact in 1942. If my memory serves me rightly those authorities, under the National Security Regulations with reference to the control of prices, issued a prohibition against the use of the free gift coupon system in the selling of goods.

At that time some of the firms that before the war had used that scheme had abandoned it owing to their inability to obtain sufficient quantities of the goods they had previously made available as so-called free gifts to the public. However, when the Commonwealth authorities made that decision there were still some firms in Australia operating under the free gift coupon system. If the Commonwealth price-fixing

authorities considered it justifiable to prohibit the use of the scheme, then it seem to me that there was something in the making up and operation of that scheme which imposed upon consumers a charge which was not justifiable in the ordinary course of events. In other words, the use and operation of the free gift coupon system was taking more from consumers in cash than was being returned to them by the produce which they bought and the gift they later received when they were able to present to the storekeepers the requisite number of coupons.

If this Bill does not go through Parliament this year and is subsequently referred to a Select Committee or, alternatively, has to receive further consideration by the Government before next session, I suggest the action of the Commonwealth price-fixing authorities in prohibiting the use of free gift coupons should be closely investigated to obtain the exact reasons which prompted those authorities to take the action they did. I am inclined to think the State Commissioner of Prices, Mr. Mathea, might have all the reasons at his fingertips, and might be able to make the necessary information available. If he could do that, then we might obtain all the information we require before the Bill leaves this Chamber; if it passes the second reading and Committee stages.

There is much more that could be said about the arguments which the interested parties have put forward for our consideration, including the arguments for the free gift coupon scheme and those against it. I am inclined to think that if we go into too much detail in connection with all the arguments and reasons put forward, we shall become all the more confused and find it all the more difficult to arrive at a clear-cut decision on the matter. For the one special reason which I mentioned, plus a natural anxiety to give to local secondary industries any safeguard or protection which it might give, I intend to support the Bill on the second reading.

MR. BRADY (Guildford-Midland) [9.18] At this stage I do not intend to take up the time of members by making a long speech particularly after following the speakers who have already addressed the House on this Bill. I feel that the introduction of this measure is a sign of the times. For some

years we have had a sellers' market but now the people are entering into a buyers' market, and the wise men from the East realise that unless they get in and take over the markets of Western Australia, they are going to be down in their sales. With a view to consolidating their position and keeping up their sales in this State, a system of inducing people to buy has been introduced, which, in my opinion, is not a desirable one.

Before the war we had this coupon system operating in Western Australia on about half-a-dozen articles and, whilst it purported to save housewives money, in many cases the housewives ultimately lost. The Acting Leader of the Opposition instanced one or two cases, and I can call to mind several others, one in particular being a firm advertising a certain brand of custard. This firm held out the inducement to housewives that if they collected a certain number of coupons they would get certain articles. However, that firm also reserved the right to close that particular coupon system at any time. Consequently, many hundreds of housewives in Western Australia found, on producing their coupons, that the system had closed down and, instead of getting a valuable present for their 50 or 100 coupons, as the case might be, they were left cold and no consideration was given to them. We have nothing to satisfy us that the same position will not arise again. A number of mushroom companies have sprung up in the Eastern States in recent times, and these companies are holding out all sorts of inducements, particularly in regard to coupon systems, to get people to buy their particular articles.

I am opposed to it for another reason. I remember during the war one of the industrial unions in particular wrote letters to the Industrial Council and pointed out that the coupon system was starting a cleavage between wholesale and retail houses because clerks in the various wholesale houses were becoming shop assistants; they had to handle goods which normally they did not handle. On the other hand, the shop assistants were coming into the category of clerks because they had to keep records of the number of coupons received from various retail houses. As a result, cleavage was occurring. I was not surprised, therefore, to receive a letter today from the Retail

Traders' Association and from some of the retail firms stating that they were opposed to the system. I was also not surprised to see the name of the Shop Assistants' Union as being another organisation opposed to it. For that reason, if for no other, I support the Bill.

I understand a number of influential people have been in the precincts of the House during the last two or three days in an endeavour to induce members to oppose the Bill. I believe these people came from the Eastern States representing Eastern States firms. It is significant that members have received printed matter asking them to oppose the Bill, and that this has also come from the Eastern States. Just before the war, there was an intense campaign carried on in this State by the Labour Government, and by other Governments, to induce people to buy Western Australian goods, and we were repeatedly reminded tonight that Eastern States firms were sending anything up to £10,000,000 to £11,000,000 worth of goods to this State, and yet our exports amounted to only about £2,500,000 to £3,000,000. It will be seen that we had an adverse trade balance with the Eastern States of about £7,000,000.

The war, and events subsequent to the war, have given a number of firms in this State an opportunity to set up industries here, and I believe that if the coupon system is not allowed to intervene there is a reasonable chance of those firms becoming well established. Thus, instead of having to rely upon the Eastern States for our jams, sauces, pickles and particularly confectionery, we shall have permanent employment for a considerable number of Western Australians, and their positions and futures will be assured, which was not so prior to the war. One of the members, during the debate, said that our radio services cannot compete with the Eastern States, and he mentioned the name of the Colgate-Palmolive shows, and the name of Jack Davey. Personally, I consider the Relax show, which advertises Relax soaps in Fremantle, compares more than favourably with Eastern States shows, and I also believe that Relax products are just as good as any others.

It has been said that the firms offering these coupons very often buy expensive goods in large quantities and, as a consequence, housewives get something from the coupon system that would not be available to them

at such a cheap rate if they bought on the open market. I have recollections in my own house of some of these coupon prizes and, as far as I can remember, they amounted to ordinary tea-towels, and I cannot imagine a great saving being made by a firm on that article. In the majority of cases, the prizes offered for coupons are of small value. The days when silver teapots and silver tea-sets were offered are gone.

With the present manpower shortage, the House should try to discourage any scheme likely to involve more manpower being used unnecessarily. Most of the wholesale and many of the retail houses are short-handed, and the introduction of the coupon system, and the sanctioning of it by this House, would be an encouragement to all firms to give consideration to the introduction of coupon systems. If these firms initiate such systems, it means that they will require a larger number of employees to handle the goods and, as a consequence, everyday wages costs will become higher, and the staff shortage will become even more acute than it is now. There is no public clamour for this coupon system. I have read nothing in the papers and have heard nothing from the Housewives' Association about it, and I do not think it is a popular system of advertising. I hope members will support the Bill.

HON. E. NULSEN (Kanowna) [9.28]: Much has been said regarding the prohibition of the gift coupon system. I compliment the Government on bringing down the Bill, because I feel that anyone who is a Western Australian and wants to protect Western Australian industries, should give every consideration to it. This system is not permitted in either Queensland or South Australia. I have read and have listened to those arguments for and against the Bill, but I have no hesitation in making up my mind in regard to it because, if we want to develop local industries, then we must do something that will be beneficial to this State. If we permit a coupon system to be introduced whereby Eastern States firms can come here and induce the people, by coupons, to take their goods, and yet buy their trophies for that system from the Eastern States, it will not be of much benefit to Western Australia. The trophies these firms supply for such schemes are not even manufactured in this State. Thus we

not only have the coupons acting adversely but we also find that the buying of the trophies is supporting the Eastern States industries.

These firms have a huge turnover and in consequence it is not as costly for them to run a coupon system as it is for the smaller manufacturing people. The coupons will not be rationed on the business they do. It must not be forgotten that if the rationing is high there will be a tremendous number of coupons never redeemed. Mention was made this evening of 86 per cent. being recovered. I do not know whether that is correct, but I certainly feel the smaller manufacturers must be at a disadvantage compared with those already well-established in the Eastern States. I do not think quality or price enters into the matter at all, and it is more a question of inducing the housewives and others to buy the couponed products.

When I was in business, I well remember that I had lines that did not carry coupons which were equally as good as others that were couponed, and I had no hope whatever of selling the former. Some people imagine that in getting gifts for their coupons, they are getting something for nothing. That is not the position at all because the cost of the gifts is covered in the charges of the manufacturers. This represents a type of unfair competition against the smaller manufacturers that are not in a position to adopt the system. Unless all lines are couponed, whether the goods come from the Eastern States or elsewhere, there can be no competition on reasonable lines. While the war was in progress, the system was abolished and we have been told that the sales of various lines dropped considerably in consequence.

I wonder whether any member has had a talk with Mr. Fernie, the Director of Industrial Development, about this matter. If he has, then I am sure Mr. Fernie must have told them to support the Bill if the desire is that local industries shall be further developed and placed on a basis enabling them to compete against the Eastern States. I feel that the coupon system is not conducive to increased employment because the goods concerned are manufactured and packed in the Eastern States where otherwise they would be turned out in Western Australia. On the other hand, if the manu-

facturers here were operating on the same financial basis as are those in the Eastern States, competition would not be so difficult. Some members have asked why the Government should have introduced this legislation. If they have read the circular sent out by the Grocers' Association, they will have noted the following paragraph—

Many representative trade organisations such as the Wholesale Grocers' Association, the Retail Grocers' and Storekeepers' Association of Western Australia, the Grocers' Association of Western Australia, the Retail Traders' Association, the Federated Pharmaceutical Service Guild, the Proprietary Articles Trade Association, the Retail Tobaccoists' Association and also the West Australian Shop Assistants' and Warehouse Employees' Union are strongly in favour of Parliament bringing down legislation, similar to that already in force in South Australia and Queensland, to prohibit the use or issue of free gift coupons in this State.

There we have a number of organisations that are in favour of the Bill introduced by the Government, and there must be some adequate reason for that. It is that we want to ensure the development of industries in this State. There is no doubt that if we allowed the coupon and free gift system to be re-introduced in this State by the Eastern States firms, it would adversely affect the development of our secondary industries. The secretary of the Shop Assistants' Union, Mr. Burke, is quite alive to the effect it would have on his organisation and generally upon the firms established here. As to the possibility of some people losing their jobs, the fact remains that there would be more work in this State if all the manufacturing and packing could be done here, and then there would be free sales. It might be that some shop assistants would be affected here indirectly.

Despite what has been said, if the coupon system were introduced, the firms would still advertise and still have their travellers on the road. Thus, it appears to me from the standpoint of advertising that it will not make much difference. I know of one firm that had its travellers out 500 or 600 miles, and that will continue. I can speak from experience of what was in operation previously, and I consider the firms will still advertise and still have their travellers on the road. The great reason behind the coupon system is the inducement to housewives to buy couponed goods. From our point of view, it is not fair to allow all that trade to go to the Eastern States. Probably it does

not affect the people of Australia as a whole, but it will affect the people of this State. The experience of Great Britain has been quoted but the conditions there are not comparable with ours. I hope the Bill will be passed.

THE MINISTER FOR LABOUR (Hon.

L. Thorn—Toodyay—in reply) [9.40]: This has been a most remarkable debate. All sorts of red herrings have been drawn across the trail and astounding speeches have been made. My remarks when moving the second reading of the Bill were mostly based on the interests of local industry. Members have mentioned the attitude of housewives with respect to the coupon system. That is not the main point, and it was refreshing to me to hear the Acting Leader of the Opposition face up to the subject as he did. Every member of this House gives him full marks for the part he has played, through Mr. Fernie, in the development of local industry.

Hon. A. H. Panton: You surrounded him with cobwebs a few months ago.

The MINISTER FOR LABOUR: Never mind about the cobwebs! I repeat that the Acting Leader of the Opposition has to be given full marks for the part he played in that respect. I am out to protect our local industries in the interests of Western Australia. Some reference was made to the visit of our Eastern States friends. I respect them as men, but they have definitely come here with the object of defeating this Bill. Two hours after I had given notice of intention to introduce this legislation, our friends in Sydney knew all about it. Within 24 hours we had a telegram intimating that they were on their way to Western Australia. It was addressed to the Premier and I shall not read it. I shall content myself by saying that it was sent by the Manufacturers' Gift Advertising Association, the address being Box 1590, G.P.O., Sydney.

Mr. May: Why not read the wire?

The MINISTER FOR LABOUR: It is not necessary; it merely asks us to hold up the legislation. Of course, that was in the interests of the Eastern States people only. While here the gentlemen from Sydney have interviewed many members of this House and most of the speakers this evening have told the same story. They

have been informed by our friends that this legislation has been ill-conceived and that it has been too hurriedly placed before this Chamber. They have suggested an inquiry by a Select Committee and anything else that would delay the legislation so that they could get to work. They would like it delayed until next session and by that time they will have endeavoured to murder it. That is what they are out to do. It is to be done in the interests of the Eastern States manufacturers without any doubt.

If we do not protect our local industries these friends of ours will set about crushing them. Members must take into consideration that all the money associated with the free gifts goes to the Eastern States. The articles are manufactured there and the goods with which they are associated are turned out there as well. These presents and bribes that are handed out to the housewives here to induce them to use their articles, all mean so much more to the manufacturers in the Eastern States. They do not purchase the gifts they make available, from the manufacturers in Western Australia but everything is brought from the Eastern States.

Hon. A. H. Panton: Some of our population came from there.

The MINISTER FOR LABOUR: As I mentioned earlier, during the war period great efforts were made to establish industries here. The member for Northam by his efforts persuaded the then Federal Minister (Mr. Dedman)—he is still the Minister—to grant permits for him to assist in the building of those factories. Today they are established. They are providing for the State's requirements, particularly in the way of food supplies that we could not obtain during the war. What will be the result if we do not give these businesses some protection? Did we not have our lesson during the war?

Hon. A. H. Panton: Speak up. We cannot hear you.

The MINISTER FOR LABOUR: The hon. member speaks up at times. A terrific noise emanates from him occasionally. It is up to us to protect these factories so established because, as I said, they are providing commodities that this State was short of and that we could not get from the Eastern States. While the firms there could sell all they manufactured in the

Eastern States, they were not concerned about Western Australia. It is essential it is our duty, to give these manufacturers protection.

Mr. Bovell: And also the workers of the State.

The MINISTER FOR LABOUR: I will come to the workers. Thanks for the reminder! The commodities of which I speak have been supplied quite comfortably without the coupon system. That system could not be used during the war on account of the National Security Regulations, and we got on very well indeed without it. I do not want any more of it: it is not in the interests of the State. It has already been mentioned that Queensland and South Australia have this legislation. We are following in their footsteps, because it has been clearly demonstrated to us that the small States must be protected from Sydney and Melbourne. What has been the result of the establishment of these factories? They employ a chemist, an engineer and 200 to 300 hands each. Most of the firms concerned are Western Australian firms. Some of them have branches in South Australia and Queensland; but they had no hope whatever of establishing branches in Victoria and New South Wales. Pressure there was too heavy; they had not a ghost of a chance of starting. We have the firms of W. & A. Son & Co., D. & J. Fowler, Bateman, Robert Harper, Parsons, Cereal Products, Felton Grimwade and Bickford and Faulkings.

Hon. J. B. Sleeman: Robert Harper is not a Western Australian firm.

The MINISTER FOR LABOUR: No, but it is established here.

Hon. J. B. Sleeman: It is a Victorian firm.

The MINISTER FOR LABOUR: We will leave that firm out, if it will suit the hon. member. The fact remains that all those firms have invested their capital here to establish these factories. Definitely, it is up to us to protect them. A member mentioned this evening the case of Rayner jams. There is a story attached to that. There was one who did quite a lot in my own little way to assist Rayners. The R.S.L. also conducted a local products campaign, in which the present leader of our "Hansard" staff took part. He assisted in the advertisement

tising. We were fighting before the war in the interests of local products through the R.S.L. and other bodies. I have stood on the steps of the G.P.O. with a tomato as a buttonhole, in an attempt to establish "Tomato Week." We were fighting to get our local products on the market. Now, Mr. Speaker, we come to Rayners. What was the result? They were pushed out of business by that big strong company, Jones, Ltd.

Mr. Marshall: By the use of coupons?

The MINISTER FOR LABOUR: They were pushed out of business by Jones, Ltd.

Mr. Marshall: By the use of coupons?

The MINISTER FOR LABOUR: No. Does the hon. member not know?

Mr. SPEAKER: Order!

The MINISTER FOR LABOUR: What did Jones, Ltd., do in Western Australia? As has already been stated, that company sold its jams here cheaper than they were sold in Tasmania. Not only that, that company gave the grocer his requirements on a 12 months' bill, without interest. So the jams were sold, and Jones, Ltd., made its profit.

Hon. A. A. M. Coverley: This Bill will not prevent another such happening.

Mr. SPEAKER: Order!

The MINISTER FOR LABOUR: It has been admitted in this Chamber tonight by nearly all speakers that the price of the coupon, the present, was included in the charge for the article.

Hon. A. R. G. Hawke: Is not the Minister going to tell the whole story about Rayners?

Hon. A. H. Panton: He does not know it.

The MINISTER FOR LABOUR: Yes. I know Rayners received Government assistance.

Mr. Kelly: After Rayners were put out of business, Jones, Ltd., sold its jams at the normal price.

Mr. Marshall: By the use of coupons? I want to know.

The MINISTER FOR LABOUR: It has been mentioned that the housewife undoubtedly pays the cost of the coupon and the cost of the bribe she gets for it. But

what about the profit these companies make on unredeemed coupons? How many thousands and millions of coupons are never presented? The coupons are one of the profit-making sides of the business.

Member: It is a racket.

The MINISTER FOR LABOUR: Of course it is.

Hon. A. H. Panton: Is it as big a racket as the trots?

The MINISTER FOR LABOUR: Why complicate matters? Let us deal with one racket at a time.

Several members interjected.

Mr. SPEAKER: Order!

The MINISTER FOR LABOUR: I appeal to the House to pass this measure in the interests of local industry and local employment. The Bill has been asked for by the Wholesalers and Retailers' Association, the people mostly concerned. There is another aspect. It will be admitted that gift coupons cause a demand for an article. There is no doubt on that score. The public fall for it, as there is a present attached to it. I will call it a present this time. What is the result? A big demand for the article, which the poor storekeeper must stock because of that demand. The manufacturer knows there is a public demand and fixes the price so that the margin of profit to the storekeeper does not pay him for wrapping the article up. That has happened in numerous cases.

Mr. Graham: Give us an example of it.

The MINISTER FOR LABOUR: You dry up! You have given a lot of cheek tonight! I have the floor now.

Mr. SPEAKER: The Minister will proceed.

The MINISTER FOR LABOUR: I ask the House to pass the second reading and to put the Bill through in time to reach another place so that it may become law.

Question put and passed.

Bill read a second time.

BILL—ELECTORAL ACT AMENDMENT.

Returned from the Council without amendment.

BILL—GOVERNMENT EMPLOYEES' PENSIONS.

Second Reading.

Debate resumed from the 2nd December

HON. A. R. G. HAWKE (Northam) [9.55]: This Bill appears to be an attempt on the part of the Government to resolve a question that has been agitating the minds of a number of Government employees and ex-Government employees for many years. It is a question to which various Governments have, over a number of years, given consideration. The main point with which these Governments have had to deal has been whether wages employees of the Government, employed in the Government service prior to the 17th April, 1905, were entitled to a pension under the 1871 Superannuation Act. Every Government which gave the matter serious consideration from 1905 up to the time when the present Government assumed office decided that the employees in question were not entitled to a pension under the provisions of that Act. The present Government has given serious, and I should imagine long, consideration to the same question. In introducing the measure, the Premier said—

The Government was faced firstly with the serious responsibility of finding a substantial sum of money for the purpose . . .

That is, the purpose of paying pensions to these men under the 1871 Superannuation Act—

. . . and, secondly, of upsetting the procedure, practice and policy followed by successive Governments since the 1871 Act came into operation. It was therefore decided that there was no justification for the Government paying pensions to those persons under the 1871 Act. As an alternative, the Bill has been prepared to provide for a modified scheme, and is submitted for the consideration of members.

It is clear from this extract that the members of the Government decided they could not possibly face up to the responsibility involved in making a decision to give to the employees in question a pension based upon the provisions of the 1871 Superannuation Act. Therefore, the members of the Government decided that the men in question were not entitled to a pension under that Act and would not be granted a pension under it. The Government then apparently gave consideration to the question of deciding whether, in all the circumstances, some payment might not be made to these em-

ployees. The final decision made is set out in the Bill, and it indicates the desire of the Government to make what might be called a token payment to some of the men in question.

I do not know whether the Bill could correctly be described as a shandy-gaff arrangement to replace the superannuation scheme which is set out in the 1871 Act. In any event the Bill proposes that a maximum pension of 50s. per week shall be paid to these Government employees, or ex-Government employees who are capable of qualifying under the very restricted definition in the Bill of the term "employee." That definition, among other things, provides that a pension at a maximum rate of 50s. per week shall be paid to a person who was employed by the Government prior to the 17th April, 1905, provided the person concerned was employed in a permanent capacity and was working on a full-time basis; that he had 10 years' service either continuous or in two or more periods; that he was 60 years of age before retirement or, if his employment ceased before that age, it was brought to an end solely because of physical or mental incapacity.

No such person would be eligible if he were receiving or were eligible to receive a pension under the 1871 Superannuation Act, or under the 1938 Superannuation and Family Benefits Act. He would not be eligible if he were discharged or retrenched from employment and had not been re-employed; or if he were dismissed from employment; or if he were not employed by the Government on reaching 60 years of age. It will be seen that the definition of the term "employee" is restricted to a most extreme degree.

The Premier: It is following the 1871 Act.

Hon. A. R. G. HAWKE: I can not agree that it follows in every respect the 1871 Act. For instance a person who might in every other way be qualified to receive a pension under this Bill, is disqualified if he is receiving or is entitled to receive a pension under the 1938 Superannuation and Family Benefits Act.

The Premier: You do not pay two Government pensions.

Hon. A. R. G. HAWKE: I am not suggesting that we should pay two Government pensions to the one individual. What I sug-

gest is that a rather strong anomaly will be created by the passing of the Bill between those employed by the Government prior to the 17th April, 1905, who, because no other pension rates were available to them decided to contribute to the 1938 superannuation scheme rather than face the certainty on retirement of having no superannuation pension at all, and those who did not. Some of this group decided to contribute under the 1938 Act, while others, in exactly the same position decided not to contribute.

If the Bill passes, as I presume it will, there will be created a very serious anomaly as between these two groups. I do not know whether representations of any kind have been made to the Premier since he explained the provisions of the Bill to the House, but I imagine that those who otherwise would have been entitled to benefits under the Bill, but are disqualified because they decided to come under the 1938 Act, will be inclined to complain to him and, I should imagine, ask for some compensation to be made to them to put them in at least the same position, financially, as those people who decided not to contribute to the 1938 scheme and who will, as a result of this measure, be entitled to a pension for no payment at all. If the Premier has not so far received any such representations, then he is lucky indeed; or, perhaps I should more correctly say, an even luckier Treasurer than I thought he was.

I have already pointed out that the term "employee" in respect of those who will be entitled to get pensions under this legislation is very limited. The pension rates to be paid are also limited in a fairly severe fashion. For instance, where an employee or ex-employee qualifies for a pension he will receive 10/48ths of the average yearly wage paid to him during the last three years of his employment if he were employed for a continuous period of at least 10 years, but less than 11 years. An additional 1/48th of the average yearly wage paid to him during his last three years of service will be paid for each complete additional year of service beyond 10 years, and this extra payment will be made up to a maximum of 40 years' service which would give him 40/48ths of the average yearly wage paid to him during his last three years

of employment, with a maximum rate of pension, in any case, of 50s. per week.

The Treasurer told us it has been estimated the Government will have to find between £22,000 and £27,000 per annum during the first year or two of this scheme. He anticipates the payments will reduce in succeeding years because of the fact that most of the men concerned will be very old, even when the scheme first commences. In fact, the Treasurer did tell us that of the 168 men considered to be eligible to draw pensions immediately, all but four are already over 75 years of age. Therefore I think the Treasurer is quite safe in estimating that after the first two or three years the amount of money to be paid will decrease fairly rapidly. The Bill provides that there is to be no retrospective payment of pensions. Even though a person might be qualified in every way, and have resigned or been retired 10 years or more ago, his pension under the proposed legislation will not commence until the measure actually becomes law.

The Premier: On proclamation of the Act.

Hon. A. R. G. HAWKE: It will commence from that date at whatever rate the pensioner is entitled to receive, but there will be no retrospective payment. Where a person is entitled to a pension, but is still employed by the Government, he will not be entitled to draw his first weekly pension payment until he actually retires from the service or is retired from it. In addition, the pension is to cease with the death of the pensioner, which means that no pension can, after his death, be claimed by his widow or any other dependant. I appreciate fully the difficult position the Government must find itself in with respect to this matter. I understand some members of the present Government, during the last election campaign, allowed a belief to be spread around that the men concerned, who had not been regarded as being eligible for pensions under the 1871 Act would, in all probability, be held to be eligible if a change of Government took place at that time, which was March, 1947.

When the Government, of which I was a member, last investigated this position from the financial angle, it found that the estimated cost to place these people under

the provisions of the 1871 Act would have been approximately £140,000 per annum with a total ultimate liability of at least £2,000,000. I think no Government at that stage could possibly have faced up to such a responsibility. The present Treasurer and his colleagues, when they came to deal with the possibility of admitting liability under the 1871 Act, even to the extent of an average pension of £5 a week, found they could not possibly meet the financial liability involved. Therefore they decided not to admit legal liability under that Act, but to devise a restricted scheme, which is in the nature of an ex gratia payment to these men, which gives to them, or those who can qualify for it, a maximum pension payment of 50s. a week.

Some of the men who will be eligible under this proposed legislation will receive a pension of less than 50s. per week, according to the service they gave and the average yearly wage they were receiving in the last three years of their employment.* There will be a good deal of disappointment and heart-burning on the part of those eligible employees who thought, when a change of Government took place in 1947, that the time would quickly come when the new Government would declare them to be eligible under the provisions of the 1871 Pensions Act. On the part of other employees concerned who did not expect that any pension of any kind would ever be paid by any Government there will doubtless be a feeling of appreciation and to some extent a feeling of gratitude. Whether the 168 men concerned, or more than that number if they are eligible, will be able to meet and discuss the provisions of this Bill before it becomes law, is something upon which I could not even speculate.

I believe there has been a committee functioning for many years representing these men with a view to obtaining complete recognition of a pension for them in accordance with the provisions of the 1871 Act. It should be possible, therefore, for the committee to meet to consider the provisions of the Bill and to make some pronouncement regarding them. If the committee does meet and considers the provisions of the Bill I suppose it would be only natural for it to make increased demands on the Government over and above what is provided in this measure. If I interpret correctly the atti-

tude and remarks of the Treasurer on the Bill I think it represents the maximum which the Government is prepared to make available.

The Premier: That is so.

Hon. A. R. G. HAWKE: Therefore, would appear that no matter what the committee representing the men might request and no matter what anyone who might be interested in the matter requests, this Bill represents the absolute maximum and no alteration is likely to be accepted by the Government. In the circumstances, I support the Bill because it will give some of the men concerned a small financial benefit which, except for its introduction, would not have been available.

MR. BRADY (Guildford-Midland [10.19]: I support the Bill in its present form but I believe it should have given certain benefits which were promised to the workers under the 1871 Act; at least those who were on the staff prior to 1900. Scores of railway workers who reared big families and blazed the track from 1890 onwards on seven, eight and nine shillings per day, were not able to provide for their retirement and looked forward to receiving benefits under this scheme when they retired. In the last few days I have had at least half a dozen retired railwaymen and men on the eve of retiring asking me if I could do something to obtain a pension for them in addition to that prescribed in the 1938 Act. They honestly believed that under the provisions of the 1871 Act and on the promise made at the last election by members of the Government it was intended to give them a pension over and above that laid down in the 1938 Act. They felt quite confident that they would receive benefits under the 1871 Act, and when the time came for them to contribute to units under the 1938 Superannuation Act they took out fewer units than they would have done otherwise. Also, they could not afford to take out more units.

At the risk of wearying some members of the House I intend to read a letter received through the post and addressed to me by the member for Guildford-Midland. The letter, although five pages in length, contains information helpful to members of the Government. Whether or not the Government agrees to alter the benefits, if the Committee stages I intend to move

amendments to some of the clauses in order to have some of the benefits increased. The letter reads—

I am heading this appeal to you with the caption of "Two More Years of Misery." Adverting to my conversation with you this morning on the Premier's proposal for satisfying the pleading for an honourable deal for its retired and retiring employees under the provisions of the 1871 Act, the legislature is in a hurry to get home, speeding along towards adjournment in a few days, the members of this legislature will hurry happily down the State House steps and head in the directions of their happy locations out in the December sun, but two or three hundred wishful old workers who have given of their life's best years and living in the hope that these reputable just men would see the wisdom of these rightful claims and not have dust thrown in their eyes by the illogical method that the proposition now before the legislature put forward to solve it. It is proposed that only a few under 190 who just happen to be alive and do not come within the superannuation rights be given a pittance of £2 10s. a week but the bigger majority—that is men who were in the service prior to 1905 when this Act was repealed, these persons to whom I refer joined the service knowing their old age was provided for by the Statute. I mean the 1871 Act. But by an Act of chicanery on the part of the 1905 legislature they were in one fell swoop because they were not white-collar workers, were declared to be not in an established capacity although 9/10ths of them were in the earning side and producing the revenue for the country's need. It would probably be unkind to remind you that some time ago a Joint House meeting recommended that these claims be met under the 1871 Act. But what do we get? Just an emaciated implementation of the Superannuation Act, not a restoration of the rights of all these men who joined prior to 1905. To illustrate to you my own claim, and there are many similar, I joined the railways in May, 1900, was appointed a cadet an "established capacity" but in June, 1901, owing to my parents being in pacerous state I endeavoured to improve their lot by going on the wages staff and was sent to Kalgoorlie on 9s. a day. I was enabled to live there and contribute a substantial amount to help them. I was ambitious for advancement, I passed the examinations in due course for fireman and driver and for 35 years worked on the road in that capacity. In 1937 I was appointed to the staff as an administrative officer, viz., Sub-foreman, Midland Junction, Foreman, Merredin, 1941 to 1945, Foreman, Northam until 1946, thence to Perth as Loco. Running Inspector, all established capacity jobs, until I retired in April, 1947. I claim I am entitled to the full provisions of the 1871 Act, that is, that I should receive an aggregate of my last three years of salary, viz., £490-£520-£585, which should be approximately two-thirds of this combined. I gave 47½ years of faithful, honest service. Several of my junior officers

who remained from their cadetship until their retiring age have gone off with their rightful pension because they remained in a clerical capacity whilst I, who earned hundreds of thousands of pounds working all hours of the clock, and denied those same privileges because I elected to go on the wages side of the department and did not fulfil the anomalous conditions of an established capacity as defined by the then legislature. It has no right or justice in it. I am suffering a real heart-break after putting my faith and belief in the promises made by the leaders of the present legislature and the candidates espousing their claims to do justice and right to these great workers who put Western Australia on the map. By their pioneering work in establishing the farmers and mining industries of this country. This, of course, only refers to the transport section. There are some others, engineering, station masters and night officers and labourers all of whom believed in their right and are suffering the heartbreak to think they put their trust in false legislators. But, Mr. Brady, their voice has not been stilled yet and I can tell you and you can tell these promisers that their day of retribution will come for it has now resolved that they require deeds not words, and now to refer to my opening caption "Two More Years of Misery." We will have to accept the position until these people return to us for our favours, then will our voices be heard and in no uncertain manner will we tell them of their perfidy. There are still a few days left before the adjournment and I am hoping to hear your voice in violent protest for the manner in which this Parliament is evading the carrying out of the promises it made on the hustings to these men . . . Trusting you may be inspired to successfully counter this unjust proposition of this legislature.

Then follows the signature. To show the great anomaly existing, Mr. Reymond, the recently retired Secretary for Railways, who started as a junior, retired on a pension of £1,000 per annum. He was no different from any of these other men but because he was a clerical worker he obtained that pension. Members can therefore realise how these men feel about the matter. I think the Government, even at this late stage, could give some consideration to these men under the 1871 Act. I have met some of these old stalwarts, who have been in the Labour movement and blazed the track to make the State what it is. I believe these men are just as entitled to a pension of three, four and five pounds a week as those in administrative positions. I think it is scandalous that men who retire at this late stage can get a pension of £1,000 a year while men who did such hard and valuable work are denied the same rights. I hope members will agree to

amendments in Committee in order to give these men their just dues.

MR. STYANTS (Kalgoorlie) [10.30]: This is a belated attempt to give a measure of justice to a body of men who many of us think were entitled to the provisions of the Act of 1871, and I think it is to the credit of the Government that the measure has been introduced. I have always been of the opinion that the men in question and unfortunately the hundreds who have died were entitled to the benefits of the Act of 1871. My impression is that those who were entitled to the benefits of that legislation were those on the salaried staff and the wages men.

Unfortunately, in the original Act, no definition was included of "established capacity" and, because of that omission, successive Governments of all political complexions have refused to recognise the claims of wages men under the Act. If a man was not in what is known as the Blue Book on the 15th April, 1905, no matter what position he rose to in the service subsequently, he was not entitled to a pension under the Act. As the member for Guildford-Midland said there were some fearfully illogical and anomalous cases. There was a man who was a driver in 1905 and afterwards became Superintendent of Loco. Running—the highest position that can be obtained in the Loco. Running Department—and because he was on the wages staff in April, 1905, he was not entitled to a pension, but the clerk who was in his office was entitled to and received a pension of £6 or £7 a week under the provisions of the Act.

In my opinion those who framed the 1871 Act intended that the wages men as well as the salaried men should receive pensions. If they had intended otherwise, I believe that entirely different language would have been used in the statute, because it says "all persons in an established capacity," and all persons must include wages men as well as salaried men. Then we come to the matter of "established capacity." It is not commonsense to say that a man who served 45 years as a cleaner, fireman and driver was not in an established capacity just as much as a junior worker or a clerical cadet, who did odd jobs around a station or licked stamps or used a rubber stamp in an office and later rose to a higher posi-

tion. If the driver was not in just as much an established capacity as that man, even though the latter reached the position of Secretary of Railways, it is something we cannot understand. Each one is amenable to discipline, each is liable to dismissal the same way, and to say that the driver after 45 years' service is not in an established capacity and that the clerk is, appears to be totally illogical.

However, the present Government is not to blame for that. Successive Governments since 1871 have declared that the men are not entitled to the benefit. I commend the Government for its action in bringing down this belated measure of relief though, unfortunately, it will be enjoyed by only a very small section of those who should have been receiving the pension for many years. I understand that there are 600 odd of those men still alive but that only about 168 will be eligible for the pension because, if it is given to the other men, it would be the means of relieving the Commonwealth Social Service Department of its obligations. I hope some precaution will be taken to see that this does not occur; otherwise, the money that will be paid to these men under the provisions of this measure will simply relieve the Commonwealth Department of paying them an equivalent amount and the money will have to be found by the State instead of the Commonwealth.

Take a married man who retired after the superannuation scheme came in but was in the service before 1905. If he took on the requisite units and is getting £3 a week superannuation and could comply with the means test, he will be receiving for himself £2 2s. 6d. and for his wife £2 2s. 6d. social service benefit, bringing them to the maximum of £7 5s. a week. If that man were brought under the provisions of this measure, as he would be entitled to be, and if paid £2 10s. a week, a sum of £2 10s. will be deducted from the social service payment. I hope anything of that sort will be avoided. Last session, when the value of the superannuation unit was increased 25 per cent., that was the experience of many recipients. They received an increase of 25 per cent. in their superannuation—

The Premier: A man could not draw two pensions.

Mr. STYANTS: Which one would he draw?

The Premier: Superannuation.

Mr. STYANTS: I wanted to ensure that he would not be paid from superannuation and thus relieve the Commonwealth of paying him a certain amount for social service. I give the Bill my whole-hearted support, and my only regret is that so many who in my opinion should have been receiving the full pension under the Act of 1871 have gone west, and that only a comparatively small number of that band will get the benefit of this legislation.

THE PREMIER (Hon. D. R. McLarty—Murray-Wellington—in reply) [10.39]: I am pleased at the reception accorded the Bill. Doubts have been expressed for many years regarding the eligibility of these men, for whom the Bill provides a pension, to come under the benefits of the 1871 Act. I am fully appreciative of the difficulties that faced previous Governments in this measure. Years ago Governments were faced with a liability running into an enormous sum of money, and I can understand the attitude they adopted and the consideration they had to give before taking any action.

The men concerned have certainly held the genuine opinion that they had suffered a very grave injustice, but the Act of 1871 did not lay down any specific terms as to who were and who were not in established capacities. It has been recognised that the salaried man was in an established capacity and entitled to a pension under the Act, whilst the wages man was not given the same consideration.

The member for Guildford-Midland has read a letter from one of these men who can claim under the provisions of the Bill. I would say to that man that he is ungrateful, or say the least. This claim has been going on for very many years, and the writer of the letter talks about our being niggardly and guilty of broken promises, etc.

Mr. Marshall: He said you made a promise.

The PREMIER: I made no promise.

Mr. Marshall: That is the basis of his letter.

The PREMIER: We are giving a maximum pension of £2 10s. a week and the great bulk of the claimants have long ago

given up hope of ever receiving any benefit under the 1871 Act. It is true, as pointed out by previous speakers, that these men are now very old, and if they are receiving only the old-age pension, which means for a man and his wife, entitled to the maximum, a sum of £4 5s. a week, as some of them probably are, he will receive an income of £6 15s. a week. I think that can be described as fairly generous.

Hon. A. H. Panton: It is more than the old-age pension.

The PREMIER: Yes, more than the old-age pension they are drawing. Let us take the position of some of the men who do not need the old-age pension but have accumulated some property and perhaps some monetary interest. They will benefit under this scheme. Consequently, I am rather surprised to hear disappointment expressed by claimants at what I consider are at least fairly generous terms. The Acting Leader of the Opposition, whilst supporting the Bill, described this as a token payment. It is more than a token payment. When the maximum amount is more than the actual old-age pension being received today, I do not think it can be classed as merely a token payment.

Hon. A. H. Panton: I think he meant that it was not a payment you had legally to make.

The PREMIER: The hon. gentleman did support the Bill. He stated that those who contributed to the superannuation scheme of 1938 would feel a sense of disappointment or anomaly. Let us consider that angle. The men who would have been eligible under this Bill but who decided to subscribe under the Act of 1938 paid, in fact, very little contribution towards their pensions. The Government paid by far the greater amount. Let it be remembered also that they have this advantage, that their contributions also provide for widows whilst widows are not provided for under the Act of 1871. In framing this Bill, we have kept very closely to the provisions of the 1871 Act. Again, when the pensioner dies, under this provision his pension ceases.

Mr. Marshall: It would not be much good to him after he was dead.

The PREMIER: I mean that his widow will not draw anything. The Government has gone as far as it feels it can go in regard to this measure. I would not be prepared

to accept in Committee an amendment for any increases. As admitted by the Acting Leader of the Opposition, we have given much consideration to this measure.

Mr. Marshall: You are boasting now! Who could move to increase the amount?

The PREMIER: I discussed that matter before I rose to speak, and it was suggested that a move could be made to increase the amount owing to some new ruling that has been given. But I hope the member for Murchison is right. There are one or two amendments I propose to move, and I have distributed them around the Chamber. Actually, I received the amendments this evening. They were drawn up by the Crown Law Department and in no way affect the principles contained in the Bill. There is a provision that the Superannuation Board shall administer the Act instead of the Minister. That is a wise provision because it is much better that claimants should make their claims to the board rather than to the Minister.

Mr. Marshall: You are breaking new ground in reply, which is not permitted.

Hon. A. H. Panton: You can do so unless the Speaker pulls you up.

The PREMIER: There will also be a right of appeal to the Public Service Board. We know that it is expensive to go to court, and a court would be the only place of appeal. I am sure members will agree with the provision. There is also provision for appropriation from Consolidated Revenue. I hope the measure will receive the support of the House.

Question put and passed.

Bill read a second time.

In Committee.

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

Clause 1—agreed to.

Clause 2—Interpretation:

Mr. BRADY: I move an amendment—That paragraph (f) be struck out.

I feel that the people who subscribed to the 1938 superannuation scheme should not be denied the right to obtain this pension. A number of them have been looking forward for years to getting it, and they maintain that any subscription they have made to

the superannuation scheme should have bearing on the 1871 scheme.

The PREMIER: I oppose the amendment. The Bill provides that only one pension shall be paid. I gave reasons why the Government could not be expected to agree to the hon. member's suggestion. At a rough guess it would involve the Government in the expenditure of another £30,000 per year. has been difficult enough to arrive at a decision which led to the introduction of the Bill, and I would ask the hon. member not to press his amendment. The people whom he wishes to provide increased benefits are covered by the 1938 Act, and the widows will be covered as well. The person under this Bill will be covered only during their lifetime.

Amendment put and negatived.

The PREMIER: I move an amendment.

That after the definition of "retrenchment" the following definition be inserted:—" 'Superannuation Board' means the Superannuation Board constituted under the Superannuation and Family Benefits Act, 1947."

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

Clauses 3 and 4—agreed to.

Clause 5—Special provisions affecting continuity of service:

The PREMIER: I move an amendment.

That in line 3 of Subclause (1) the words "Minister" be struck out and the words "Superannuation Board" inserted in lieu thereof.

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

Clauses 6 to 8—agreed to.

Clause 9—Assignment of pensions:

The PREMIER: I move an amendment.

That in line 1 of the proviso the words "Minister" be struck out and the words "Superannuation Board" inserted in lieu thereof.

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

Clause 10—agreed to.

New clauses:

The PREMIER: I move—

That the following new clauses be inserted after Clause 8:—

9. (1) All claims for pensions under this Act shall be made, in the form and manner prescribed, to the Superannuation Board.

(2) Subject to the next succeeding section, the Superannuation Board shall determine all questions and disputes relating to eligibility for and amounts of pensions under this Act.

10. (1) Any person aggrieved by a decision of the Superannuation Board under this Act may, in accordance with the regulations, appeal to the Public Service Appeal Board as constituted under the Public Service Appeal Board Act, 1920-1945.

(2) The decision of the said Public Service Appeal Board hearing and determining an appeal under this section shall be final and conclusive and without further appeal, and effect shall be given thereto according to the tenor thereof.

11. All pensions under this Act shall be payable out of the Consolidated Revenue Fund, which is hereby appropriated accordingly.

New clauses put and passed.

Title—agreed to.

Bill reported with amendments and the report adopted.

BILL—LAND ACT AMENDMENT (No. 2).

Second Reading.

Debate resumed from the 3rd December.

HON. A. H. PANTON (Leederville) [11.2]: This amendment of the Land Act provides that the Governor may by notice in the "Gazette" define and set apart any Crown lands as special settlement lands. In addition to what is provided in the Act it will give the Minister power to build houses and sheds or carry out fencing or the establishment of pastures, orchards and so on. The Act does not give him that power, which the Bill, if passed, will provide. In other words, the Minister proposes to do what the agreement between the Commonwealth and the State provides under the Soldier Settlement Scheme. I am pleased the Minister has decided to take this step, although he offered a good deal of criticism of the proposals in the agreement laid down between the Commonwealth and the State.

I am sorry the member for Beverley is not here, as he believes in the hard old way of doing things. As the Minister said, the days of rough pioneering are gone and it is uneconomical to allow settlers to spend the best years of their lives preparing farms to go into production. On more than one occasion I have stated that land settlement

should move with the times and that where machinery such as bulldozers and so on is available it makes a marvellous difference in the cost and the time spent on clearing land. It is foolish in these days to ask any man to go on the land and clear it as the pioneers did. The Bill will be a step forward in that regard. The Minister said that heavily timbered areas will require special methods of treatment by heavy mechanical equipment—treatment that can be carried out only by the Government.

I agree with that, but I hope the Minister will tell the House whether that equipment is available and, if not, when he expects to obtain it, and from what source. Questions have continually been asked in the last year or two about heavy equipment for land clearing. Most of it is in the hands of the Public Works Department, which is diffident about lending it. I would not like to think that, in introducing this legislation, the Minister had no idea where the equipment was to come from. I hope he will be able to tell the House where it is to be obtained and when it will be available. When the land is cleared, if it is proposed to erect houses, sheds, etc. on it, will that be added to the cost of the land when sold to the settlers and, if so, will long terms be provided? Under the Soldier Settlement Scheme in the agreement between the Commonwealth and States certain regulations are laid down.

I would like to know whether this scheme for Crown lands is to be devoted to returned soldiers who are not likely to get land under the existing scheme, owing to lack of repurchased estates, whether it is to be confined to settlers other than returned soldiers, or whether it will be open to both classes? Such questions are continually being asked and one likes to be in a position to answer them as accurately as possible. I propose to support the Bill because I believe that the only way to settle land is by using modern methods of clearing, but I would like the Minister to tell the House whether the cost of erecting houses, sheds and so on is to be added to the price of the land and if so how long will the settlers be given in which to pay.

THE MINISTER FOR LANDS (Hon. L. Thorn—Toodyay—in reply) [11.9]: The hon. member is quite clear that under the Land Act the Government has not power

to implement this settlement scheme as it desires to. When the present Governor was Leader of the Government and wanted to launch out on the Group Settlement Scheme he required a special Act of Parliament known as the Group Settlement Act. In order that the Government may make progress with this scheme it is necessary for Parliament to agree to the amendment of the Land Act asked for in this Bill. This scheme is unique as the Director of Works is to be in charge of it.

Hon. A. A. M. Coverley: I thought Duncan Raine was in charge.

The MINISTER FOR LANDS: He accused us of stealing his scheme and using it.

Hon. A. A. M. Coverley: Is there no truth in that?

The MINISTER FOR LANDS: I will leave that to the hon. member to work out. The Director of Works is to be in charge of this scheme, and he is also in charge of the heavy equipment. I do not doubt that sufficient of that equipment will be available to implement the scheme. It is in short supply and there is a heavy demand for it all over the State, because of many activities that today are assuming great dimensions. There is a great deal of dam-sinking and clearing to be done, all requiring equipment of this nature, but when we have advanced to a certain stage it is hoped that the Commonwealth Government will take over. The idea is to settle returned soldiers on this Denmark scheme.

Hon. A. H. Panton: Under the present agreement?

The MINISTER FOR LANDS: Yes. It will help us considerably. The more schemes of this nature we have under way, the more progress we will make. I move—

That the Bill be now read a second time.

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 transmitted to the Council.

BILL—WHEAT INDUSTRY STABILISATION.

Second Reading.

Debate resumed from the 1st December

HON. J. T. TONKIN (North-East Fr mantle) [11.13]: If ever there was a Bill that should have been introduced earlier in the session, it is this. There can be no excuse for its late introduction, because the Government gave an undertaking some months ago, following the holding of a ballot, that if the ballot were in favour of the Commonwealth proposal legislation would be introduced accordingly. It was already drawn, because the undertaking was that the legislation would be of a uniform nature. What has been the cause of this delay?

The Minister for Lands: We had to wait for a draft of the Commonwealth measure. That was necessary if this Bill was to be complementary.

Hon. J. T. TONKIN: When was that received?

The Minister for Lands: Only a week before we proceeded with it.

Hon. J. T. TONKIN: It is strange, because South Australia and Victoria were able to proceed before any move was made here.

The Minister for Lands: There was a reason why we should delay the measure. We were anxious to get it through.

Hon. J. T. TONKIN: I do not know that the Government was anxious. It was not over-enthusiastic about the legislation. Members of the Government were opposed to the Commonwealth stabilisation plan and members on the Government side of the House actively campaigned against it in the country and endeavoured to induce farmers not to support the proposal.

The Minister for Education: What was wrong with that?

Hon. J. T. TONKIN: There was nothing wrong with that, but it showed that they were out of step with farmers and could not appreciate what was to the farmers' advantage. It is a good thing that the farmers had such good sense to realise that this was their opportunity and they turned a deaf ear to the arguments which were being used by persons who were supposed to be out

help them. That is why I say the Government has never been very enthusiastic about this, but, because it gave an undertaking that legislation would be introduced, it was obliged to do so. I consider it to be a matter for congratulation that it has remained for a Labour Government to produce a scheme which is acceptable to the farmers of the Commonwealth. Successive Governments down the years have been endeavouring to formulate a plan which would express a stabilisation scheme, but until this plan was put forward there was not one which was accepted by the growers. I repeat that it is a matter for congratulation that a Commonwealth Labour Government has at last succeeded in formulating a plan which has proved acceptable to the growers and which in four States they have so solidly endorsed by ballot.

I have heard arguments from time to time in this House that the plan put forward did not do this or did not do that and therefore was of no value to the wheatgrowers. However, they thought otherwise and have accepted the scheme which will be the commencement of an era of continued prosperity for the people in the industry, and it should go a long way towards removing those wide fluctuations which were responsible in years past for so much widespread misery in times of falling prices. I regret that the Government's Bill does not conform to the undertaking given to the Commonwealth in connection with it. I have carefully checked this Bill with the legislation introduced in Victoria and South Australia and there is this difference, that this Bill provides for the setting up of a State board contrary to the undertaking which was given. It was agreed between the State Ministers and the Commonwealth Minister that those States which desired to set up State boards could do so but upon a certain plan. I quote from the Federal "Hansard" No. 20, page 1448. Mr. Pollard the Minister for Commerce and Agriculture, in moving the second reading of the Bill had this to say—

In the discussion with the States it was agreed also—

(1) That States, where they desire to do so, will constitute State wheat boards composed of a majority of growers' representatives elected by a ballot conducted by the State.

From time to time members in this House have argued about producer control. There

was a departure from that idea the other night with the Milk Bill and we had a lot of discussion with members opposite trying to justify that action by saying that milk was a different commodity. So they got away with that, but what is the explanation with regard to wheat? The clamour has been that on the Australian Wheat Board there should be a majority of producers. The Commonwealth has agreed to that and it will be the position with the Australian Wheat Board under the wheat stabilisation proposals. The Commonwealth will have a majority of growers' representatives. Thus it has met its obligation, but what do we find in this State? Instead of the Government doing what it agreed to do and in conformity with what has been done by the Commonwealth, it proposes to set up a board of six upon which there will only be two straight-out grower representatives.

Mr. Marshall: They are lucky. They introduced a board without one the other day.

Hon. J. T. TONKIN: The Bill states—

The State board shall consist of six persons appointed to the office of member of the State board by the Governor.

Of the six persons—

(a) two shall be selected by the Minister from persons who are wheatgrowers and are nominated for the purpose by the Farmers' Union of Western Australia (Inc.) and shall represent the interests of wheatgrowers;

(b) two shall be the persons occupying for the time being each of the offices of Chairman of Directors and of Manager of Co-operative Bulk Handling Ltd. and shall represent the interests of the licensed receivers;

(c) one shall be nominated by the Minister and shall represent flour mill interests of the State;

(d) one shall be a person nominated by the Commissioner of Railways constituted pursuant to the provisions of the Government Railways Act, 1904-1947, and shall represent the interests of the Commissioner of Railways.

That is a definite breach of the undertaking given by the Minister when he attended the meeting of the Agricultural Council. Not only is it a breach of that but it is also a complete departure from the principle which members opposite have been espousing for years and that is that on these boards, which are to have control of the marketing of primary products, there shall be a majority of producers. The only explanation I can find

for the setting up of a board such as this is that the Government is under the domination of Co-operative Bulk Handling and is prepared to accept such a board as it has suggested to the Government. I do not know, but I can see in this the hand of Jacob.

Hon. J. B. Sleeman: The hand of Irwin-Moore.

Hon. J. T. TONKIN: This is not in the other State Bills. It is peculiar to the Bill in this State, and because it continues the control of Co-operative Bulk Handling it is suggestive to me that the Government was prepared to sink its principle with regard to producer representation and take this suggested constitution because it is favourable to Co-operative Bulk Handling. What becomes of the undertaking given to the Commonwealth that there should be a majority of the producers elected by a ballot carried out by the State? There is to be no ballot and there is not to be a majority of producers.

This matter goes further than would appear on the surface. In order to secure a majority of producers on the Australian Wheat Board it was intended that in those States where no State board was set up, a ballot of growers would be held to select the representative from that State to go on the board. In the States where there is no State board, it can be truthfully said that those men who ultimately get on to the Australian Wheat Board to represent the growers will indeed be elected by those growers by ballot. But what of this State? By no stretch of the imagination can it be said that the persons selected from Western Australia will be elected by ballot, because it is provided that once the State board is established then that board shall select its member, who shall be a grower, to represent the State on the Wheat Board.

If the Minister had taken the initial step and had a majority of growers first of all elected by ballot, then I would have no objection to the State board selecting from amongst its number a grower to represent the State board on the Australian Wheat Board, because that would indirectly be a reflection of the growers' opinion. As this State board is not to be set up as a result of a ballot of growers in the first instance, and as no ballot of growers will be taken at

all, then the person who is selected by the State board to sit on the Australian Wheat Board will not be a grower elected by the growers of Western Australia. What justification is there for this departure as far as this State is concerned? Not only is it a breach of faith with the growers in this State, but it is also a breach of faith with the Commonwealth Government and in my opinion cannot be justified.

I can imagine what an outcry there would have been if we were the Government and we introduced a Bill of this type to make provision to deny the growers the right which is theirs, to have a ballot conducted to select their representatives on the State board. These members apparently are to be selected from a panel which will be submitted to the Minister by members of the Farmers' Union. I take it that that will be the executive. So it is quite possible that a small coterie will get nomination for this position. I know how I would feel about it if I were a rank and file grower, and I was having this right filched from me in this way. The only explanation I can see for it is that the Government is completely under the domination of Co-operative Bulk Handling. What is the need for this board? Victoria is not setting up a State board. This is only additional expense to the taxpayers of Western Australia with no corresponding advantage.

The Minister certainly did not give us any information on the second reading; he left the board severely alone. The board is to be paid for out of Consolidated Revenue but when I asked the Minister who was to pay for it he said he thought it would come out of the tax. That shows how much he has read the Bill. In other words he thought the farmers themselves would be paying for it. The Bill states—

The State Board is hereby empowered to act, subject to the provisions of this Act, as agent for the Board and the Consolidated Revenue Fund is hereby appropriated to the extent necessary to meet the remuneration and allowances of the members of the State Board and the expenses of the State Board in carrying out, as agent of the Board, the functions imposed upon it by the provisions of this Act.

That does not sound as if it is to come from a tax.

Hon. J. B. Sleeman: The Minister ought to know.

Hon. J. T. TONKIN: What justification is there for imposing this additional burden upon the taxpayers of Western Australia? Victoria sees no need for it. This, again, is apparently to enable certain persons to remain in control in this State. Should it not be sufficient for Co-operative Bulk Handling Ltd. to be the licensed receivers, without a State board being established at the expense of the State? The Commonwealth Minister suggested that if State boards were established, their functions might be advisory or administrative. He did not tell the States to set up their boards; he said that if they were not set up, the Australian Wheat Board should carry out the necessary work. Why cannot that be done in Western Australia? If there are reasons for this particular set-up, we should be given the information so that we can justify to the taxpayers this additional expense that will not be incurred in Victoria.

Mr. Marshall: What about New South Wales?

Hon. J. T. TONKIN: I have not seen a copy of the New South Wales Bill, so I do not know. The member for Irwin-Moore may give us that information.

Mr. Marshall: He has not seen the New South Wales Act, either.

Hon. J. T. TONKIN: It is hard to see what reason there can be for it apart from the Australian Wheat Board, which already has the necessary organisation, and all that remains to be done is to ensure their appointment as licensed receivers to accept the wheat as agents of the board. Why not adopt that course instead of incurring this additional expense? To continue with what the Minister for Commerce said in the House of Representatives when dealing with the results of the discussions with the States—

2. That each State board shall nominate growers' representatives, who are growers, to the central authority in accordance with the present grower-representation on the Australian Wheat Board.

3. That it shall be optional for any State board to act either in an advisory or an administrative capacity as decided by the State concerned.

4. That where a State Government does not desire to create a State wheat board, the machinery of the central authority, i.e., the Australian Wheat Board, is to function.

5. That where no State board is created, growers' representatives to the Australian Wheat Board shall be elected by a ballot of growers conducted by the State.

And so the Minister desired to ensure that at some stage there should be a ballot of growers by the parties either selecting growers' representatives to a State board or, if there were no State board, then for the purpose of selecting the growers' representatives on the Australian Wheat Board. Western Australia is to have no ballot at all. This complementary legislation of the States is to make complete the whole plan for the stabilisation of the wheatgrowing industry. Last year we gave considerable time to considering and passing a Bill authorising the establishment of a State pool. I said, when speaking to that measure, that we were wasting time, that it would never be necessary, and that a Commonwealth plan would come into operation. Members opposite did not take much notice of that opinion, and went on suggesting that if the legislation were not passed, there would be a state of chaos in the industry. Those were the very words of the Minister and others.

The Act was passed, but it has not come into operation, nor is it likely to. The farmers have seen the wisdom of adopting a plan for Commonwealth marketing as against State marketing. I think, too, I mentioned on that occasion that it was my opinion that a further move would be made for an international wheat agreement, and that I felt that the industry throughout the world could only be properly stabilised if there were an arrangement, which would be fair to both the producing countries and the consuming countries. I notice that another attempt is being made by America to reach an international agreement. It is very difficult to say, especially now that the attitude of Great Britain has changed, whether such an agreement is probable in the near future.

I am still of opinion that ultimately there will be some sort of international agreement with respect to wheat, because it is a commodity where price fluctuation does not have the same effect on production as in most other industries. Usually, in other industries, when prices fall that applies a corrective to over-production, and the producers immediately respond to the trend and reduce their quantities of production. In wheatgrowing, that is not so. I suppose the reason is that farmers have been accus-

tomed to doing nothing else but growing wheat and taking the price that is offering, hoping that even if the price falls one year, the following year will return to them something over and above that figure.

The Minister for Railways: The farmers always have to prepare for the next season.

Hon. J. T. TONKIN: They go on growing wheat, despite falling prices, so long as they can remain on their farms. That has been our experience. That is the cause of large accumulations of wheat at certain times. I suppose we shall see again those times when there are large accumulations in the various ports, as was the case prior to the war. When that happens, the price of wheat will be very much lower than it is now, and then it will be that the farmers will feel the benefits of a stabilisation plan that will guarantee them a minimum price equal to their cost of production.

I was rather staggered to read in the report of the last Agricultural Council meeting where these wheat stabilisation proposals were considered, that the Honorary Minister for Agriculture in this State actually advocated an increase in the price of bread in order to give the farmers a bigger return than was being provided. It shows that, on most occasions when he attends these conferences, he has in mind the interests of one section of the people only, and on this occasion was prepared to go to the length of suggesting that our people would not mind a further increase in the price of bread so that a higher home consumption price might be paid for wheat. I do not like that attitude.

Several things have occurred in this State that appear to indicate that one section of the community, because it is an influential section, is getting benefits at the expense of the general taxpayers. The people will not stand for that very long because it is not fair. I consider that the wheatgrowers generally have been particularly well treated by the various Governments. When they have been in difficulties, they have been assisted by grants and subsidies; they have been given a particularly cheap rate for the transport of their fertiliser. There are many ways in which assistance has been given them, and the actual advantage in pounds, shillings and pence it would be difficult to compute.

But we cannot go on giving various benefits at the expense of the taxpayers generally in times when prices are such that the growers are receiving a very handsome return. I have already remarked upon the double assistance being given by the Government in connection with the haulage of superphosphate. I shall have more to say on that on the Estimates, so I shall not delay the House by dealing with the matter now. I mention it to emphasise the fact that the Honorary Minister for Agriculture appears to see only one section of the community when he attends these conferences, because he had no warrant whatever for suggesting that our people would be quite prepared to bear an increase in the price of bread in order to give a higher home consumption price for wheat under this stabilisation plan.

The Commonwealth is most anxious that this Bill should be passed, as indeed are also the people in the other States, and I do not wish to do anything to delay its passage, but I should like to hear the Minister give some justification for the setting up of the board in the way he proposes to set it up by giving licensed receivers two representatives out of six, or equal representation with the growers. What particular reason is there for a licensed receiver, an agent of the board having representation on a State board, especially equal representation with the growers? The only reason I can see is that there are two persons connected with Co-operative Bulk Handling Ltd. whom the Minister desires to have on the board and wishes to put there irrespective of what happens to any one else or to any other interest.

Co-operative Bulk Handling Ltd. is an admirable and very efficient institution, but there is no reason why it should run the State, and there is ample evidence that it is having a very big say in running the State. I understand that its officials even refer to the Honorary Minister for Agriculture as "our Minister," which would suggest that he is there to watch their interests only and those of nobody else. Weight might be given to that point of view when I recall that one of the first acts of the Government was to place a very prominent member of Co-operative Bulk Handling Ltd. on a departmental committee to advise the Government on the bulk handling of wheat—a most unusual action.

to take, but one that was taken in very quick time by this Government. I can just imagine the howl that would have gone up had a Labour Government proposed to put into key positions like that representatives of the Trades Hall, for instance.

The Minister for Lands: You have done that before this.

Hon. J. T. TONKIN: Do not make a general statement! Give us an example! That is the usual technique on the Government side—make a general statement and, when called upon to give an example, remain silent for the simple reason that no such example exists. I hope the Bill will have a speedy passage and will enable the Commonwealth plan to come into operation without any hitch whatever.

MR. ACKLAND (Irwin-Moore) [11.46]: Tonight I find myself in a most unhappy position. I rise to support the Bill because I have given a solemn undertaking that I would do my part in giving effect to the referendum of wheatgrowers in this State. Although I intend to support the Bill, holding the views I do and having the interests I have in wheat-growing in this State, I feel that it is my duty to the growers and to myself as a wheatgrower to express my disapproval of this legislation.

I do that, not as a member of the Country and Democratic League or as a supporter of the Government, but as one who has grown wheat for the last 40 years—I am harvesting my 40th crop at present—and one who sought to enter this House to give the benefit of those many years of experience, not only to ensure that wheatgrowers received justice from the rest of the community but also that they gave a fair deal to the rest of the people of this State and of Australia. I know that the referendum in this State was carried by an overwhelming majority, but I am still convinced that, as has happened in the past in other matters that were more of a district nature than this, though I am in a minority on this occasion, ultimately the growers will realise the very great mistake they have made.

So mine is quite an unenviable position. I recall that some 15 or 16 years ago a man who will ever be favourably remembered in this State was placed in a somewhat similar position. We had a referendum on the ques-

tion of secession and the late Philip Collier opposed the move very strongly indeed. I am told that in his own Cabinet, he insisted upon the decision of the people being given effect to, and so I consider I have to some extent a parallel in the attitude I am adopting.

In Western Australia we had 8,072 growers who were eligible to vote on this referendum; 3,957 voted for the Commonwealth scheme and 2,426 for the alternative State scheme, making a majority of 1,531 in favour of the Commonwealth scheme. Although there were some 1,600 growers who did not vote on that occasion, nobody could say that it was not the definitely expressed wish of the growers of this State that we should have the Commonwealth plan. But it has been said that the majority of the growers in Australia favour such a plan. During the debate in the Commonwealth Parliament, Mr. Pollard mentioned the fact that there were 70,000 registered wheatgrowers in the Commonwealth, of whom 29,912 voted for the Commonwealth scheme. It certainly was a majority for those who voted but by no means a majority of the wheatgrowers of Australia. But in Western Australia we had a clear-cut issue.

We did have an alternative scheme which I, for one, still believe would have been in the interests not only of the growers of this State but also of all the people of this State. I think it only right that I should give my reasons for thinking along those lines. I believe that the Commonwealth scheme is nothing but a scheme to socialise the wheat industry of Australia. I hate socialism in any shape or form, but I believe the Bill goes beyond that. There are provisions in the Bill which I think are designed to socialise not only the wheat industry of the State, but the milling industry as well. I think there is a subclause giving the Government definite power to socialise the milling industry of this State.

Hon. A. H. Panton: It is nearly as bad as the electricity Bill.

Mr. ACKLAND: I think also that there is provision in the Bill which makes it possible for the Commonwealth Government to take over the railways of this State, should it think there was any necessity to transport wheat to the exclusion of other railway traffic here.

Hon. A. A. M. Coverley: You will have us bursting out crying if you keep on much longer in this way.

Mr. ACKLAND: Under the Bill the board may, subject to the direction of the Minister, administer the Commonwealth Act. The Bill now before the House is the draft of that Commonwealth measure, the only alteration in it being to suit the domestic set-up in Western Australia. All the vital provisions in the Commonwealth Bill are here. There was necessity in Western Australia to have a State board, and it is controlled by genuine wheatgrowers in this State. Members who know the set-up of the Australian Wheat Board in the Eastern States must be aware of the confusion and waste taking place, more particularly in New South Wales, and possibly to a less extent in Victoria.

Hon. J. T. Tonkin: Are you talking about the new board?

Mr. ACKLAND: About the old Australian Wheat Board.

Hon. J. T. Tonkin: This is the new board.

Mr. ACKLAND: It will not vary to any extent from the present board. The Farmers' Union willingly submitted a panel of names to the Honorary Minister for Agriculture from which to appoint two grower representatives in this State. In Co-operative Bulk Handling, which is so frequently attacked by the member for North-East Fremantle, the chairman is an elected wheatgrower and can be none other, because only wheatgrowers who deliver wheat to that organisation can sit on the board. So in those three members alone we have three wheatgrowers. The other member on it is of vital importance to the wheat industry of the State.

Hon. J. T. Tonkin: Is he a grower?

Mr. ACKLAND: The handling of wheat in Western Australia will be conducted just as satisfactorily as it has been in the past. If we could have any hope that the set-up in the Eastern States was going to be as satisfactory as it is here, we would have something on which to congratulate ourselves. Under this complementary legislation, there is provision for a State board to do certain things under the control and direction of the Minister for Commerce at Canberra. The board can purchase or acquire any wheat, wheaten flour,

semolina, corn sacks, jute or jute product. The board can sell or dispose of any wheat and any of the other things I have mentioned. The board can also grist or arrange for the gristing of any wheat, and sell or otherwise dispose of the product of the gristing. I do not pretend to be a lawyer nor have I a legal mind, but I believe that under this clause it will be competent for the Minister for Commerce, whoever he might be, to take complete control of the milling industry of this and all the other States where this legislation will be in force.

Mr. Hegney: Do you not believe in majority rule?

Mr. ACKLAND: The board can manage and control all matters connected with the handling, storage, protection, treatment, transfer or shipment of any wheat, etc. Under this clause I believe it is also competent for the Minister for Commerce to take over the control of the railways in this State.

Hon. A. H. Panton: They must have a socialistic Government over there.

Mr. Leslie: They have.

Mr. ACKLAND: The wheatgrowers asked for this Bill and I, as one of the representatives, feel compelled to support it, because I gave that undertaking. However, I believe it to be my duty to point these matters out to the House before the Bill is passed.

Hon. J. T. Tonkin: What about the Minister's undertaking? Do you not think you ought to live up to it?

Mr. ACKLAND: I am speaking as a member of this House. The Minister must speak for himself. In all action taken by the Honorary Minister for Agriculture, I have had what little support it has been in my power to give him. I intend to support him in the passage of this legislation. I believe that under this Bill the State Government accepts full responsibility for the grower when he hands the wheat over to the Commonwealth Government and loses control of it. I believe that through neglect on the part of the Commonwealth through its Australian Wheat Board, there is provision for the wheatgrowers to take action at law against the State Government and the Commonwealth Government would carry no responsibility in the matter.

whatever, because it did not acquire the wheat. The wheat is acquired by the State and handed over to the Commonwealth Government, who can do just exactly what it likes with it whilst the State Government carries the responsibility.

It has been said that the Commonwealth board contains a majority growers' representation. It is true there are five members appointed by the Commonwealth Government under the provisions of this Act and that there are seven grower representatives. I understand that those five are constantly meeting as a committee. They meet in Melbourne very frequently; and on occasion the State representatives have gone along to find things already done in their absence. There are two representatives from New South Wales and Victoria and one from South Australia, Queensland and Western Australia. Although 85 per cent. of the Western Australian crop is exported overseas, we find that we have only the same representation on that board as Queensland, a State which only on rare occasions produces wheat for export. It did so last year; It had something around 10,000,000 bushels and its home consumption is about 7,000,000 bushels. Its average crop is usually 7,000,000 bushels.

The wheat grown in that State is mostly for home consumption, and yet it has equal representation with a State that produces the greatest proportion of its wheat for export and whose yield compares in volume with that of South Australia and Victoria. Another matter which I feel should be brought to the notice of the House is the great monetary loss which will be incurred by the growers in Western Australia. With a crop of 31,000,000 bushels and an export of 4,500,000 bushels, we are going to show a loss at present prices of 6s. 8d. home consumption and 17s. overseas of more than 2s. 6d., working under this Commonwealth scheme as compared with a State scheme.

When we take into consideration the natural advantages we have, those figures are very greatly increased. In one instance they are increased by 4d. a bushel which we lose because of the freight advantages that this State would gain under a State scheme. I was very interested to read a letter written by F. H. Cullen, of the Victorian Wheatgrowers' Association, during the campaign in Victoria for a Common-

wealth pool. I have no intention of reading the whole of the letter but there is portion of it which is of very great interest to growers in this State. The item appeared in "The Kaniva Times" of the 23rd August of this year. The extract is as follows:—

These representatives from the West see in the present period of high export prices, the opportunity of obtaining such an advantage and if the growers in that State allow their legislation to be defeated for that purpose then the Commonwealth Plan will fail.

The incentive to do so may in many instances be too strong for human nature to resist.

What then is this advantage which certain West Australian people desire and which if obtained would destroy the chances of those who want a Commonwealth Plan? West Australia at present participates in a Commonwealth Plan under which all growers receive the same net Pool realisations—subject only to freight variations.

The average annual marketable crop in Western Australia is from 30 to 35 million bushels (31,043,000 bushels in 47/48) whilst the total local sales are estimated at approximately 4½ million bushels.

Victoria by comparison has an average production of probably 40 million bushels with estimated local sales of approximately 18 million bushels.

It can readily be seen the advantage which Western Australian growers would obtain under State pooling over Victoria.

And for that matter over the rest of the Commonwealth as well.

Hon. J. T. Tonkin: So long as prices keep up.

Mr. ACKLAND: The price of wheat would have to drop to 4s. 2d. a bushel, Fremantle, before the State Pool would show a loss over a Commonwealth-controlled scheme. Again, under the Commonwealth plan, there is every likelihood of a repetition of the wheat pact that was entered into with New Zealand some years ago. I would like to read an extract which appeared in the "Daily News" of the 6th October this year—

For the first two years of its operation, the wheat sale agreement with New Zealand has cost Australian taxpayers £3,569,000.

Despite a favourable adjustment, it is expected that taxpayers will pay another £1,500,000 in the current year. By the end of the third year of the agreement's operation, Australians will have paid a total subsidy exceeding £5,000,000 to stabilise the price of bread in New Zealand.

That, in spite of an increase of 7d. per bushel over the agreement entered into by the Minister for Commerce with that

country! This is not a stabilisation scheme in any shape or form. It is nothing but an equalisation scheme, and the Commonwealth has taken no risks whatever in entering into a five-year agreement in this matter. There is no fear of its being called upon to contribute in any manner at all to the fund. If it had been agreeable to enter into a ten-year plan, I think it is most unlikely the Australian taxpayer would have been called upon to contribute. He will not be called upon to contribute to a five-year plan because already, although this legislation has not yet become law, we have in the fund £15,600,000 which was deducted from the growers last year. It can be estimated on a very conservative basis that there will be at least another £10,000,000 deducted to meet any possible fall in prices from this year's harvest. So, almost before the scheme has started, we have a credit balance, which the growers have contributed, of £25,600,000.

When it is considered that during last year the concession made by the wheat-growers of Australia to the rest of the people of the Commonwealth was £35,700,000 and that this year it will amount to another £31,000,000, members will see just what a sacrifice the growers are making to the people of this country. This plan does not implement the 15-point plan as has been so often stated by the advocates of it, the 15-point plan laid down by the Australian Wheatgrowers' Federation. It is purely and simply a socialistic scheme which gives to the Minister for Commerce the complete control of wheat in Australia.

Hon. A. H. Panton: You must have a lot of weaklings on that side if it is true.

Mr. ACKLAND: It is perfectly true. If members read the Bill carefully they cannot give it any other interpretation. Although the A.W.F. has asked the Minister that only 15 per cent. of the saleable crop shall be sold to stock feeders in Australia at concessional prices—and that, as it happens, is approximately what the stock feeders use of the Western Australian crop in Western Australia—we find that the stock feeders are being given concessional sales for 45 per cent. of the marketable crop in Australia as a whole. I feel very unhappy about the Bill.

Mr. Kelly: Why support it?

Mr. ACKLAND: Because I have promised the growers of this State that I shall. I am

convinced that this will need to be altered one of these days.

Mr. Kelly: That is wishful thinking.

Mr. ACKLAND: It is easy for members on the opposite side to smile and smirk about it.

Hon. A. H. Panton: It is not our Bill.

Mr. ACKLAND: They are in no way implicated.

Hon. A. H. Panton: Your Government is though.

Mr. ACKLAND: The wheatgrowing section of this country has for many years conducted its business at a loss, and has been working under a tariff scheme, certainly in common with the rest of the people of Australia, but to a far greater extent. Whatever imported goods that section has bought have been subject to the toll taken by custom officers placed by the Commonwealth Government, no matter of what political complexion, at the ports. Now we have a double-headed penny. The same Commonwealth customs officers will be taking a toll of the wheat going out of the country and will be putting it into a fund for the stabilisation of the wheat industry. Because of promises made I support the Bill, but I am convinced in my own mind that it is not in the interests of the wheatgrowers, particularly those of Western Australia.

MR. LESLIE (Mt. Marshall) [12.14]: regret that at this late hour I am obliged to rise but had members been a little more considerate in the early part of the evening they might have avoided the necessity of my afflicting them at this late hour. I have a fairly lengthy field to traverse, and as this is the most appropriate moment it is my intention to go ahead now. I wish, during the course of my remarks, to deal with certain criticism levelled against me personally and indirectly against the C.D.L. organisation, because of the action or supposed action taken during the period, and prior to it, of the conduct of the ballot in connection with the Wheat Marketing Bill. It is appropriate that I should refer to the newspaper criticism because the particular paper appears to be accepted as a fount of authoritative information by members on the other side of the House. I propose to indicate just how easily a paper, which is definitely

coloured, can distort actual facts to suit its own purpose.

Hon. A. H. Panton: What paper?

Mr. LESLIE: If I leave the name of the paper in the dark for the moment I may be able to hold for some time longer the attention of the very inquisitive member. The Bill is for the purpose of providing supplementary legislation to that which the Commonwealth has passed to arrange an equalising scheme in connection with wheat marketing. Prior to the introduction of that measure, certain negotiations took place between the Commonwealth Government and the States.

One of the conditions laid down by the Commonwealth was that the States, if this wheat marketing legislation was to be implemented—and I am quoting now from the clause which was included in the agreement reached between the Commonwealth and the States—would have to provide for the regulation of wheatgrowing in marginal areas which had been restricted under the plan approved for the elimination of uneconomic wheat areas, and the establishment of a committee to advise in cases where action to regulate wheatgrowing on marginal areas was necessary. That caused me considerable concern. It was brought to my attention as far back as July of this year. I said in the House on the 1st September that it was not my intention to take any part in the argument in regard to the relative merits of the Commonwealth and the States wheat marketing proposals, but that I did intend to point out to the wheatgrowers the vital condition which the Commonwealth Government was attempting to insert into this Bill at that time. I said then, and I repeat now, that there is no legal force whereby growers can be compelled to restrict their acreages sown to wheat for marketing as grain, under the marginal areas scheme.

If this clause or something like it went into the Wheat Marketing Bill it would provide legal action for something to which I, and hundreds of other wheatgrowers who have been brought into the scheme without a full knowledge of all its implications, take the strongest exception. My statement on that occasion has been challenged. In order that the House may be fully informed as to how this marginal areas business was brought about, and the lack of information given to wheatgrowers in the past in connection with the proposed

restriction, I have made a thorough investigation into all the circumstances associated with the attempted application of the restriction. I said earlier in this House that the purpose of the marginal areas restriction clause was to eliminate eventually a considerable area of the wheatgrowing portion of this State from wheatgrowing. That of course was denied, and I will later show that Mr. Pollard did deny it—or so the newspapers said. I propose to illustrate that it was intended that that should happen. On the 24th November, 1938—I quote from Volume 158 of the Commonwealth Parliamentary Debates, at page 2049—Sir Earle Page, introducing the Wheat Industry Assistance Bill, No. 53 of 1938, the purpose of which was to impose the flour tax, which was the beginning of an attempt to stabilise the wheat industry, said—

What has been suggested is that there should be taken out of this home consumption price fund a sum to be determined by the Minister of Commerce in conjunction with Ministers of Agriculture in the various States, but not exceeding £500,000 a year, and that that money be utilised for the purpose of transferring farmers growing wheat on marginal lands to other areas where they might engage in mixed farming, or to finance them to increase the size of their holdings by buying up the properties of their neighbours and raising sheep in conjunction with the wheat growing operations. It is hoped, that in this way, those now engaged on marginal land may be able to make a decent living. That is one of the features of this scheme which has emerged from the discussions with the States.

Later on he said—

As I have said, those who have no reasonable chance at present of making a reasonable living will be transferred to other areas where the prospects of successful operation seem much brighter. There are awaiting development areas to which they can be transferred, and there are also other avenues of production in which they might successfully engage.

In those remarks there was no reference to elimination of these areas from wheatgrowing, but it was suggested that some farmers would be transferred to other areas to permit the holdings of those who remained to be increased. When the Commonwealth Act was passed it was necessary—as on this occasion—for the State to pass complementary legislation, which was introduced by the then Minister for Lands, Mr. Troy. In his second reading speech he did not refer to the fact that it was proposed to restrict in any way or to control the wheatgrowing areas.

The Commonwealth Act, No. 53 of 1938, which enabled the Government to pay out in certain directions money raised from the flour tax, states—

There shall be kept in the fund an account to be known as the Wheat Industry Special Account to which shall be credited out of the receipts of the fund (a) in the first year in which the moneys are collected under the Flour Tax (Wheat Industry Assistance) Assessment Act, 1938—the sum of five hundred thousand pounds; and (b) in each year of the period of four years next succeeding that first year—such amount, not exceeding five hundred thousand pounds, as the Minister determines.

Subsection (4) of Section 7 provides—

Any amount paid to a State under Subsection (1) of this section shall be paid upon condition that it is applied in the provision of relief to distressed wheatgrowers in that State in accordance with such method of distribution as is decided by the Minister after advice from the State Minister.

Subsection (5) provides—

Any amount paid to a State under Subsection (2) of this section shall be paid upon condition that it is applied towards meeting the cost of transferring wheat farmers, in accordance with plans approved by the Minister after advice from the State Minister, from lands unsuitable for the economic production of wheat, or of arranging for such lands to be used for other purposes.

Subsection (6) provides—

Notwithstanding anything contained in the last preceding subsection, the Minister may, after advice from the State Minister, approve of the whole or any part of any amount paid to a State under Subsection (2) of this section being applied in the provision of relief to distressed wheat growers in that State in accordance with such method of distribution as is decided by the Minister after advice from the State Minister.

No reference was made, in the debate that took place in this Chamber in 1938 on the complementary State legislation, to the far-reaching effect implied in the Commonwealth Act. The Minister of that time may have viewed the position in the same way as I do—that there was nothing binding on the individual in the disbursement of that money, though there was, as far as the State was concerned, because it had to give an undertaking that it would restrict its uneconomic wheatgrowing areas, and, upon that condition, receive payment of the money. Subsequently, it did not say that any condition was to be demanded from the individual grower. At p. 232 of "Hansard," 1939, Mr. Wise, then Minister for Lands, said, with

respect to the progress of reconstruction wheatgrowing areas—

The point I desire to make is that because of the low prices and bad seasons, following up the general plan of reconstruction that in vogue on the part of the Agricultural Bank, there has been a forced reduction of acreages, and that policy is being continued. Wherever it is possible to carry sheep, they have been introduced.

At late as the 22nd August, 1939, although the Commonwealth Wheat Industry Assistance Act had been in existence for months, there was still no suggestion that wheatgrowing areas were to go out of existence. About that time, I became aware, of the wheatgrowing areas, that there was some hidden arrangement or intention on the part of the Commonwealth Department of Commerce and Agriculture to make a determined attempt to eliminate from wheatgrowing considerable portion of wheatgrowing lands in Australia, and that, as an expedient, areas of the country in each State had been arbitrarily picked, regardless of the comparative productive value of those areas between the States. They were named "marginal areas" and were considered to be uneconomic. It was intended they should go out of production.

Hon. J. T. Tonkin: I do not blame you for unintentionally misrepresenting the position, but you are misrepresenting it.

Mr. LESLIE: I am giving the facts.

Hon. J. T. Tonkin: You are not giving the facts at all.

Mr. LESLIE: These are things that should have been known to the growers, but they have not been informed of them. I am misrepresenting the position then, say that the Governments of the time, both Commonwealth and State, whatever their colours, are responsible. These facts, or the truth behind them, were never given to the growers, and they accepted assistance without realising what they were accepting on the conditions attached to that assistance. Many of them at that time understood that all that was going to happen to them would be assistance by way of sheep, fencing and water supplies to extend operations and that they would be, as they had been in the past, under the Agricultural Bank policy dictated to a greater degree. They thought that they would be allowed to grow their wheat, and never for a moment did the

believe that a stigma would be attached to the land that they were going to be left to occupy.

Farmers accepted that assistance, and can you blame them, because not even the State Parliament was aware of what was going on? No Government has a right to enter into an agreement with another Government which literally sells the birthright of those people, without that agreement being submitted to Parliament for ratification. If any agreement between the States and the Commonwealth in regard to the restriction of the marginal areas and the restriction of wheatgrowing was discussed, then that agreement should have been referred to Parliament; otherwise, it is not worth the paper it is written on—if it is written on paper. Parliament alone is the place that can decide an agreement of that nature which has such a tremendous effect upon so many other people and upon the economy of our State.

Hon. J. T. Tonkin: Fairly substantial sums of money were involved in that, you know.

Mr. LESLIE: Not as big as they appear to be. Now we come to 1940, which is the commencement of the war period. Up to this time, no attempt or suggestion was made to the wheatgrowers that they were to cut out wheatgrowing entirely. I know, the circumstances and was fully aware of the position. In 1940, because of the effect of the war, the then Minister for Commerce and Agriculture in the Commonwealth Parliament introduced the Wheat Industry (Wartime Control) Bill of 1940. I now quote from the Commonwealth Parliamentary Debates, vol. 165, of 1940, p. 319. In introducing the Bill, Sir Earle Page had this to say in connection with marginal areas—

An effort has been made to assist the legitimate wheatgrower by restoring to their natural industries the marginal areas which cannot grow wheat profitably over a period of years. The sum of £500,000 for five years is to be provided to the States under the Wheat Industry Assistance Act in order to accelerate the process of transference of men to more profitable occupations, and thus one menace to the stability of the industry is being removed.

What a shocking thing to say, and how little Sir Earle Page, the Commonwealth Minister at that time for Commerce and Agriculture, was informed of the condition that applied in the outer areas of

Western Australia! How little he was aware of the actual conditions—"restoring to their natural industries the marginal areas"! To restore them to their natural industries would be to let them go back to bush. Was that the intention? If the settlers were to go in for any kind of production, the suggestion was that it was to be stockraising. The officers of the Department of Agriculture know as well as I do that those areas will not grow food for stock unless they are cultivated. Unless they are cultivated, they will not grow food for stock, but by allowing a free rein to vermin, they would be a menace to the areas nearer in.

So that we find in 1940 these areas were, under the marginal reconstruction scheme, to be restored to their natural industries—allowed to go bush. Sir Earle Page then talks about removing one of the menaces to the stability of the industry. What a fine thing! At present, wheatgrowers in the north-eastern areas are asking that their wheat should not be mixed with wheat from the rest of Western Australia, and that they should obtain a premium on all the wheat grown there because the millers say it is first quality for milling.

Hon. J. T. Tonkin: Are they going to do it?

Mr. LESLIE: I am not prepared to support such a case. The milling quality of their wheat is so good that it is necessary to mix it with wheat from the rest of Western Australia to bring it up to f.a.q. milling quality. If we were to introduce that system of grading in Western Australia, there would be difficulty in disposing of a quantity of our other wheat grown in this State. This area grows Beneubbin wheat, which is condemned in the Eastern States because of its poor milling qualities, but when grown in the north-eastern areas is of a top milling quality. How poorly informed is the Commonwealth department on conditions in our marginal areas! It was purely and simply an expedient to overcome what was then a headache.

Hon. J. T. Tonkin: Does this district grow that wheat every year?

Mr. LESLIE: I think so. I have never heard of its being otherwise. The millers definitely state that it is the best quality

milling wheat that can be obtained, and we have had it in that area for years, and nothing has yet been done about a premium. In recent seasons they have been the 'biggest wheatgrowing portion of Western Australia, and it is only right that they should receive proper recognition of the value of the contribution that they make to the economy of this State instead of being damned by a suggestion that they should go out of wheat production.

There was very little in the Act introduced by Sir Earle Page in 1940—that is, the Wheat Industry (Wartime Control) Act—except that regulations were brought in under the National Security Act. Regulation No. 268 of 1940 is one of the regulations which were brought in, and for the first time we find some reference under National Security Regulations to the elimination of the marginal areas from wheatgrowing.

Point of Order.

The Minister for Lands: On a point of order—I do not like doing this—the Bill deals with the stabilisation of wheat and the appointment of a board. I am wondering whether the hon. member is in order in raising the question of marginal areas and quoting from the reports he is reading. I am anxious to get this legislation through and would like the hon. member to stick to the Bill, if possible. I seek your ruling, Mr. Speaker.

Mr. Speaker: What is the hon. member trying to point out in relation to the Bill with this data?

Debate Resumed.

Mr. LESLIE: I appreciate the desire of the Minister and it is not my intention to transgress. In his opening remarks he made reference to this wheat marketing proposal now before us. The Minister also knows that in the agreement which was originally passed for the genesis of this proposal, reference was made to the marginal areas. In fact, I might refer to the speech made by the Commonwealth Minister for Agriculture, Mr. Pollard, when he introduced in the Commonwealth Parliament the Bill to which our Western Australian measure is complementary. I have here a copy of his speech. He said this—

These points set out the action to be taken by the Commonwealth, complementary action by the States is needed to ensure—

The regulation of wheat growing on marginal areas which has been reconstructed under the plans approved for the elimination of uneconomic wheat areas, and the establishment of a committee to advise in cases where action to regulate wheatgrowing on marginal areas is necessary.

That condition was suggested prior to the ballot of wheatgrowers being held. When was held considerable discussion took place regarding this proposal in the Bill to which the State has to consent. I agree that there is no provision in the Bill for this purpose but what other agreement is there? That is what I want the Minister to tell me. I am indicating to the House that some Commonwealth agreement in the past has been entered into which provided for the very thing proposed by Mr. Pollard. I think I have clearly shown that it is impossible for the agreement to be in existence without Parliament knowing it. I am wondering whether this is in existence now; we have not been informed, and that is why I am dealing with it under this Bill. The first time we heard of a proposal to eliminate areas of the State from wheatgrowing was in the National Security Regulation No. 268 of 1940. Under the definition of "wheat farmer" it states this—

"Wheat farm" means a farm on which at any time during the period commencing on the first day of October, one thousand nine hundred and thirty-eight and terminating on the first day of April, one thousand nine hundred and forty-one, wheat has been harvested as grain, but does not include any land in respect of which the Government of a State, in pursuance of any scheme to prevent the production of wheat, on unsuitable land, or on land in unsuitable districts, has caused the cessation of the production of wheat.

There under that National Security Regulation we find the first proposal to legalise the elimination of marginal areas from wheatgrowing. The 1940 regulations provide that the owner of any wheat farm and a wheat farm owner in the marginal areas was not a wheat farm owner, if members understand what I mean—had to make application for a license to grow wheat. It is evident then that the only condition, the only legal hold which the Commonwealth and the State had on wheatgrowers to restrict them from growing wheat in marginal areas or anywhere else, was under the National Security Regulations. For the first time

Since 1941, we have the Hon. F. J. S. Wise, the then Minister for Agriculture, giving the House some information. I am quoting from "Hansard," Vol. No. 108 of 1941, page 1419, under date the 22nd October. It says this—

Every consideration shall be given to them in financing stock and to taper off gradually from wheatgrowing operations. As members know the wheat stabilisation scheme is in a state of flux. It may be that the Commonwealth Government cannot continue the guaranteed price on the basis of the 140,000,000 bushels for export, which was the basis of the former scheme and which insisted on certain areas going entirely out of production.

That is the first time mention is made of any area going entirely out of production. Following that, the history of wheatgrowing in that particular portion of the State during war years was a tragic one. Members who represent wheatgrowing portions of the State will remember that under the National Security Regulations of 1940 and under the Commonwealth Control Bill, wheatgrowing was restricted under license. At that time, growers were paid not to grow wheat, but whereas growers in other parts of the State were paid 12s. 6d. an acre on the difference between the acreage which they normally grew and the basic area for which they were licensed, wheatgrowers in the marginal area were arbitrarily restricted to £45 or £60 without considering the land which was to be put out of production. In 1941 and 1942 when the payment was made on the restricted basis, had full payment been made to them they would have received a far greater sum than they have, or are likely to receive individually, under the marginal area reconstruction scheme and they have therefore suffered much greater on that account.

Mr. SPEAKER: Is the hon. member now coming to the Bill?

Mr. LESLIE: I am coming to that.

Mr. Hoar: There is plenty of time.

Mr. Reynolds: It is quite early. It is only ten minutes to one!

Mr. LESLIE: In the Bill itself there is no provision made for restriction of production in the particular areas to which I refer. In the speech of the Commonwealth Minister for Agriculture I find an apparent contradiction which makes me wonder just what is in existence in regard to this. He said—

This legislation repeals the Act passed in 1946. The 1946 Act was passed in anticipation of State complementary legislation, but the States have not brought their legislation into force. This Bill is very similar to the 1946 Act with the major exception that there is no provision for the control of production.

That is correct. In the Commonwealth Act there is no provision for the control of production. He went on to refer to the complementary action to be taken by the States—this Bill represents the complementary action—which were to ensure the regulation of wheatgrowing in marginal areas. But it is not there and I am wondering why. It was supposed to be provided for. I am hopeful that the pressure brought to bear has induced Mr. Pollard to waive that condition which, he insisted, should be applied by the States. If that is so, I am happy. It is not in the South Australian Act. I have not had an opportunity to peruse the Victorian Act. Has Mr. Pollard changed his mind at some stage after he had made all his arrangements with the representatives of the States? I am wondering whether the agitation that took place and the representations that were made from Western Australia had something to do with it.

In July of this year I was approached on the subject of this wheat legislation and my attention was drawn to the possibility that it would contain some restriction on the marginal areas. Inquiries led to the discovery I have mentioned. On the 30th July I wrote to people in the north-eastern areas who had made inquiries of me, and after quoting the clause stated—

This is the only reference to wheat growing in marginal areas, but I agree with you that if included in stabilisation proposals may cause grave concern. It would to me, in any case, unless I was aware, and had some control over the regulation of wheat growing.

As you know, it is the intention of the Government to submit the whole question to a poll of wheatgrowers. Whether a State Pool would include any conditions similar to those which Mr. Pollard desires, I am not in a position to say, but I can say that I would resist the inclusion of any such proposal in a State Pool, and I feel confident in saying, from my knowledge of the attitude of the present Ministry and my colleagues in Parliament, that I would be supported in my efforts in this connection.

I then promised that as soon as I became aware of the facts, I would discuss the position with the wheatgrowers in those areas.

I arranged with the North-Eastern zone council of the Farmers' Union at Bencubbin for meetings on the 8th and 9th August and for meetings to the north of Bencubbin later. The result of the meetings was reported in the newspapers circulating in those areas in the week ended the 14th August. Members can there see the explanations I gave to the wheatgrowers. I was instructed to support the Commonwealth scheme and to resist the inclusion of any restriction on the marginal areas. I undertook to do so. On the 1st September I made the speech to which I referred earlier in the Chamber and gave a pledge that I would support whichever pool the growers preferred and would resist any attempt at legalising restrictions in the marginal areas. Judge of my surprise to find on the 9th September in the newspaper "Wheatgrower" a statement that I was using the marginal area limitation in order to defeat the Commonwealth wheat pool. The "Wheatgrower" of the 9th September said—

With a view of alienating from the Commonwealth Marketing and Stabilisation Scheme the support of the 360 "marginal area" farmers of this State, Mr. Leslie, member for Mt. Marshall, made a statement in the State Assembly to the effect that these farmers would be excluded from the benefits of the plan should it become operative. Mrs. Sadler, who has taken a keen interest in the marginal area farmer for many years made this statement last week. "I anticipated such a move," she said, "from Mr. Leslie and other supporters of State Marketing, and I made inquiries four weeks ago as to the exact position of our marginal area farmers under the Commonwealth Stabilisation Scheme. The statement I received from the Stabilisation Board and from Federal authorities was to the effect that the so-called marginal area farmer in this State would definitely participate in the Commonwealth plan, and that their basic wheat acreages would not, under any circumstances, be interfered with.

Mr. Reynolds: What has that to do with the Bill?

Mr. LESLIE: There the suggestion was made that I was attempting to sabotage the plan. I had made my inquiries in July. I had discussed the position with the wheatgrowers in my areas and promised to abide by their decision. I realised that the wheat was theirs and that it would be presumptuous on my part to suggest to them how they should dispose of it. They instructed me to approve of the Commonwealth plan, but to object to any proposals for restrict-

ing production in the marginal areas. I replied to the statement in the "Wheatgrower" but, in the same week, to strengthen the argument, Mr. Pollard made the following statement as reported in the "Wheatgrower":—

"The statement by Mr. Leslie that growers of wheat in the marginal areas will not benefit from the Commonwealth Wheat Stabilisation Plan is untrue," stated Mr. Pollard yesterday. "All wheatgrowers in the Commonwealth will be treated on a uniform basis in respect to price guarantees and advances when the plan operated," he added. Mr. Pollard was referring to a statement made by Mr. Leslie in the W.A. Assembly in which he alleged that margin area farmers would be excluded from the plan . . .

"It was made clear to State Ministers at the Agricultural Conference in Canberra that it was not desired to reduce any of the rights which growers in marginal areas have under that 1940 Plan."

I have pointed out that under the 1940 plan Regulation 268 of that year, the marginal area grower had no right at all because his farm did not come under the definition of a wheat farm. Yet Mr. Pollard said he would have his rights preserved to him. Then he went on to say—

"It was further recognised," he added "by both the States and the Commonwealth that gradual elimination of uneconomic wheatgrowing was their joint policy. Therefore there can be no reasonable objection to the States and the Commonwealth insisting that the original terms of the 1940 Marginal Areas Plan be honoured."

In view of that, I say that Mr. Pollard deceived the newspaper, although the newspaper was in a position to discover the facts. In view of these facts, where do we stand with regard to stabilisation in the marginal areas? Are we going to have the National Security Regulation of 1940 imposed in some different form whereby the wheat farm in the marginal areas is going to be classified as being not a wheat farm?

Mr. Reynolds: Ask him first.

Mr. LESLIE: I am not sure whether Mr. Pollard knows where he is. He said there was to be no control over wheat and a little later that there was to be control over the marginal areas. The poll of the growers was being taken, and it was necessary that those who were anxious for the wheatgrowers to adopt the Commonwealth plan, regardless of what it contained, should have as much propaganda as possible. They therefore resorted to one of the usual methods adopted

by anyone who has no argument at all, and that is by making false statements as blatant as they could possibly be. I quote from the "Wheatgrower" of the 30th September—

Despite the assurances of both Commerce Minister Pollard and Mrs. M. Sadler that the Commonwealth Stabilisation Plan allowed marginal area farmers full benefits, Mt. Marshall C.D.L. member, Mr. Leslie, still sees fit to repeat his absurd charges.

I break off from my quotation to mention the fact that, in reply to the earlier charges, I merely explained my attitude in a letter to the newspaper, in which I stated what I am telling the House now, that I had pledged myself to support whatever the growers decided, except as to marginal areas. The "Wheatgrower" continues—

On September 2nd, in the Assembly, he charged that the Commonwealth plan would impose on marginal area farmers acreage restrictions and inferred that they would eventually be excluded from the plan.

I was only repeating Mr. Pollard. Continuing—

In the last issue of the "Farmers' Weekly" Mr. Leslie repeated his Parliamentary assertions in a letter in which he says:—

"In my remarks I gave the undertaking to support whatever scheme growers prefer, but I refused to support the particular clause in the Commonwealth scheme, to which I made reference. My attitude in this connection applies to any scheme, whether Commonwealth or State, should an attempt to made in either scheme to legalise, and so make permanent, the imposition of an unwarranted and unjust restriction of wheatgrowing upon only a section of the wheatgrowers."

The article continues, under the heading of "This Propaganda"—

Mrs. M. Sadler, of Goomalling, well-known secretary of the old W.G.U., said Mr. Leslie's statement "is not true." "The mistake I made was in gauging the psychological moment for Mr. Leslie to strike with this propaganda," she said. "I fully expected such a statement by Mr. Leslie prior to the Farmers' Union Conference, but as it was not forthcoming I felt I had misjudged him."

How much this paper lied in this connection! I would point out that on the 8th and 9th August, I attended a meeting of farmers. I circulated the branches of the Farmers' Union in the district, and it was not until the 25th August that the conference of the wheatgrowers was held in Perth, so it was a month before.

Mr. Reynolds: Why attack the lady in this House? Why not have it out with her?

Mr. LESLIE: The suggestion here was that my action was a deliberate attempt to sabotage the Commonwealth wheat plan. The article continues—

Commenting on Mr. Leslie's remark that the wheat proposals had been made a political issue, Mrs. Sadler said that the blame for this lay with the C.D.L. when at its July conference it passed a motion supporting the State Marketing Act.

Mr. Leslie is an active member of the C.D.L. and their representative for Mt. Marshall in the Legislative Assembly.

Actually, the motion passed at that conference was merely that the conference support a State scheme, unless there was a better Federal scheme in view. The paper proceeds—

In the "Wheatgrower" of 9th September, Commerce Minister Pollard gave an assurance that "all wheatgrowers in the Commonwealth will be treated on a uniform basis in respect to price guarantees and advances when the plan operates."

He also said that "the statement by Mr. Leslie that growers of wheat in the marginal areas will not benefit under the Commonwealth Wheat Stabilisation Plan is untrue."

Of course, the marginal areas would benefit so long as the farmers were allowed to grow wheat there. I am not denying that, but the point was that under the plan, as far as I could see, they were to go out of wheatgrowing, so how they could benefit under the scheme, I do not know. I say that members opposite—

Mr. Reynolds: Don't poke your finger at me.

Mr. LESLIE: —are inclined to accept as gospel the statements published in the "Wheatgrower."

The Minister for Railways: Who accepts the "Wheatgrower"?

Mr. LESLIE: Those statements are deliberately distorted. I saw the editor, who is known to me, and gave him my opinion of this. That paper can expect but scant respect for its opinions.

Hon. A. R. G. Hawke: The member for Mt. Marshall did the same thing during the election campaign of 1947.

Mr. LESLIE: No, I did not. I suggest to the Acting Leader of the Opposition that I did no such thing.

Hon. A. R. G. Hawke: I am sure the hon. member did.

Mr. LESLIE: If the Acting Leader of the Opposition would care to look at some of the facts I gave, he would find that they were mainly prefaced by the word "No." During this and the last Session he has accused the present Government of not remedying the conditions which existed then. That is confirmation of the fact that what I put my name to stands firm.

Hon. A. R. G. Hawke: They were wilful distortions of the truth.

Mr. LESLIE: Coming back to the Bill—

Members: Hear, hear!

Mr. LESLIE: I have been dealing with the Bill right through the piece. I say to the Minister that if there is anything behind this Bill, any agreement or any implied undertaking by the Government in conjunction with this wheat marketing stabilisation proposal which has for its purpose the elimination of wheatgrowing in the marginal reconstruction areas, then the Government is doing a grievous injustice to those farmers. First of all, I say that the Government has no right, nor had any previous Government the right, to enter into such a far-reaching agreement without first submitting it to Parliament.

How far-reaching and how unjust such a proposal could be can be seen from the answers to the questions which I recently asked in this House in connection with the marginal areas. The replies disclose that in the marginal area there are 2,037 wheat-growers who would not have any restriction of wheatgrowing imposed upon them under any marginal area scheme, while there are only 739 who would have such a condition imposed on them. We therefore find that of two neighbours, one is restricted in what he can do on his own land because he obtained some paltry assistance from the Government, the conditions attaching to which he did not know, while the other, who did not have the opportunity of getting that assistance or did not take advantage of it, is free to do what he likes. About 2,877,258 acres is the total area of the 739 marginal area farms. Although that number appears to be small, and although the land is comparatively restricted in extent, it is because of the very fact that it is so small in area that it cannot have a very great influence on the

overall production of wheat, unless there is an extraordinarily good season, it would be unjust to exclude it. As an indication of how grievously not only the area I represent but other parts of the State are concerned about this attempt to eliminate the marginal areas, I will quote from a letter received from the Salmon Gums sub-branch of the R.S.L. as follows:—

On Saturday, 4th September, at the sub-branch meeting, a motion was passed to request your Executive to do their utmost in helping us to prevent this mallee district from being squeezed out of wheatgrowing and to strongly fight for basic areas to be reclaimed. The sub-branch feels that unless action is taken now, the district will be eliminated as a wheatgrowing area. Crops look so well now, that with good finishing rains an excellent harvest should result.

I am sure that harvest is resulting. It would be a disgrace for this or any other Government to continue to suggest that any portion of the outer areas of our State—and the number of marginal area farmers in my electorate is comparatively small; out of 739 in the State there are only 300 in my electorate—should be excluded from wheatgrowing. Because of the stigma attached to that area by its being called marginal, it has already been excluded from participating in many benefits. The country stands condemned in the eyes of many people. Its land values have gone down. Although its production is still as good as ever it is not considered an attractive proposition. I suggest that this Government should attempt to rehabilitate that area, not merely by reconstructing it into a stock and wheatgrowing area, but by re-establishing the confidence of the people of this State in it. It should make an attempt with the Commonwealth Government to see that the stigma which a previous Government wrongly attached to it is removed at the earliest possible moment. I have pleasure in supporting the Bill and I hope that the Minister will give an assurance that there are no hidden clauses in the treaty made between the Commonwealth and the State.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Perkins in the Chair; the Minister for Lands in charge of the Bill.

Clauses 1 to 3—agreed to.

Clause 4 — The Western Australian Agency Board of the Australian Wheat Board:

Hon. J. T. TONKIN: I think the Minister should give us some explanation for the setting up of a State board and constituting it in this way, contrary to the undertaking given to the Commonwealth. If the Minister's explanation is not satisfactory, I propose to move an amendment.

The MINISTER FOR LANDS: The reason for setting up a board of this nature is to get the best advice possible from those most capable of handling the coming harvest. It is proposed to appoint two persons who are wheatgrowers. I take it the hon. member agrees with that. Then I think it is most desirable we should have as members the chairman of directors and the manager of Co-operative Bulk Handling Ltd. They are the people who have indicated to this State the capable manner in which they can handle the harvest. The company has the facilities to do so and has had the experience. So that we will have the best advice in regard to the flourmilling side, we propose to appoint someone to represent the flourmilling interests. Then, seeing that transport enters very seriously into the matter, we have provided for a person to be nominated by the Commissioner of Railways. Regarding the point mentioned by the hon. member concerning the agreement, I have to admit I am not conversant with that. This might sound funny, but after all the Minister for Agriculture deals with this matter. It was sent to me and I explained the position. I would like to know what the objections are.

Hon. J. T. TONKIN: The Minister's explanation does not satisfy me. Victoria does not find it necessary to have a State board. It produces a large quantity of wheat and its handling problems will be similar to ours. The expert advice of the manager of Co-operative Bulk Handling Ltd. would be available because the company would be appointed a licensed receiver and would handle the wheat as agent of the board. In order to get their expert advice it would not be necessary to have these representatives on the board and pay for them out of the Consolidated Revenue of the State when, if the company is used as a licensed receiver, any costs involved will be met by the Australian Wheat Board.

Surely the Minister appreciates that the undertaking was that there would be a majority of growers on the Australian Wheat Board.

If a State board is not to be set up, the growers' representative on the Commonwealth Board will be elected by a ballot of growers conducted by the State. In those States where a State board is being set up, in order to ensure that the person ultimately selected will be a representative of growers, it is necessary in the first instance to have a ballot of growers. This suggestion that two persons will be selected from a panel of names submitted by the Farmers' Union leaves me cold. That is not a ballot of growers. We might get the executive of the Farmers' Union submitting names of persons acceptable to it but not acceptable to the rank and file of the Union, even admitting that the Union embraces all farmers. If the undertaking is that there shall be a ballot of growers, the ballot should be held so that the growers can appoint a representative to a State board. I move an amendment—

That paragraph (a) of Subclause (3) be struck out with a view to inserting a new paragraph as follows:—

(a) four shall be growers elected by a ballot of growers conducted by the State.

If that is accepted, I will move to delete paragraph (b) so that the board would then consist of six persons, four elected by the growers, one nominated by the Minister to represent the flourmilling interests, and one nominated by the Minister for Railways. That would be a board consisting of a majority of producers elected by ballot, which would be in accordance with the undertaking given to the Commonwealth Minister.

The MINISTER FOR LANDS: The Government has given serious consideration to this matter.

Hon. J. T. Tonkin: When?

The MINISTER FOR LANDS: In Cabinet. It has decided on a board of the composition provided in the Bill. The chairman of Co-operative Bulk Handling Ltd., is a very successful farmer. The farmers will have at least three representatives on the board.

Hon. J. T. Tonkin: They will not have majority representation.

The MINISTER FOR LANDS: The member for North-East Fremantle said that the cost of the board would come out of Consolidated Revenue. The expenses are to be charged to Consolidated Revenue, but the State Government is to be reimbursed by the Commonwealth Government. Undoubtedly the cost of the board will be met by the wheatgrower. I cannot accept the amendment.

Mr. ACKLAND: I hope the Committee will not agree to the amendment. The facts are not exactly as the member for North-East Fremantle has suggested. This is one of the alternatives offered by the Commonwealth Government and it was adopted by Western Australia because it would give the best results here. In past years we have handled our crop more satisfactorily than have the authorities in the Eastern States. We want to be sure that there will be a continuation of those conditions. I do not know what will be the composition of the board, but the Minister has told me that the first two names appearing on the panel of names submitted from the Farmers' Union will be the two appointed to the board. There will be Mr. W. J. Russell because of his position as chairman of Co-operative Bulk Handling Ltd.

Hon. J. T. Tonkin: What is the objection to a ballot?

The Attorney General: Ballots do not always produce the best results, as you know.

Mr. ACKLAND: I have heard no complaint from the wheat section of the Farmers' Union of Western Australia about this set-up.

Hon. J. T. TONKIN: Members on the Government side have been ranting and raving for years in regard to a majority of producer-representation. Here, when they have the matter in their own hands and can design the Bill as they like, they do not provide for it.

The Attorney General: This part of the Government has never done that.

Hon. J. T. TONKIN: So the Liberal section is wagging the tail of the dog. That is a fine thing for the Country and Democratic League to swallow! I have two objections to the proposals in the Bill. The first is that the producers are not given a majority representation. That was one of the requests of the wheatgrowers to the

Commonwealth. The Labour Government gave them a majority on the board. This Government will not live up to its undertaking to give the producers that to which they are entitled, namely, a majority on the board. Not only that, but it will not allow them to have a ballot because the Attorney General says that we do not get the most efficient men that way.

The Attorney General: Not necessarily.

Hon. J. T. TONKIN: The reason for this is obvious. The pressure from Co-operative Bulk Handling Ltd. for control is so persistent that, having acceded to it, there is no room to put other members on the board. I propose to test this matter and it will be of considerable interest to have a division list in "Hansard" on a proposal to give the growers majority representation by ballot. The only explanation for the Government's departing from what it ought to do in this matter is that the pressure from Co-operative Bulk Handling Ltd. is too strong for it. If the Government is prepared to accept that, I will not, without testing it. It is a breach of faith with the growers of the State. These capable men will be available as licensed receivers handling the wheat crop, and I have heard a suggestion that the Minister for Transport has already agreed that if the measure goes through the Transport Board shall be over-ruled in the matter of road haulage of wheat.

The Minister for Railways: That is not true.

Hon. J. T. TONKIN: I am glad to hear it. I hope the Committee will not agree to the proposed set-up, but will support the amendment.

Hon. A. R. G. HAWKE: Even admitting that some kind of committee might be desirable, I see no justification for having on it even one representative of Co-operative Bulk Handling Ltd. That organisation will be employed by the committee as a licensed receiver of the wheat brought in by farmers of the State.

The Minister for Housing: Co-operative Bulk Handling Ltd. is the farmers themselves.

Hon. A. R. G. HAWKE: I cannot agree to that, without some reservations; but even if it were so, Co-operative Bulk Handling Ltd. will be carrying out the functions of

licensed receiver of wheat and will, in effect, be a contractor to the board or committee.

The Minister for Housing: In other words, the farmers are to do their own contracting.

Hon. A. R. G. HAWKE: Not at all. The wheat will be received by Co-operative Bulk Handling Ltd., not for the farmers but for the Commonwealth. From whatever angle it is viewed, it must be admitted that Co-operative Bulk Handling Ltd. will be employed as a paid contractor to receive wheat at country sidings.

The Minister for Railways: Appointed by the Commonwealth Board under Section 6.

Hon. A. R. G. HAWKE: That does not affect the position. Why should a paid contractor appointed by the Commonwealth or the board, or the proposed State committee, be entitled to representation on that committee? If Co-operative Bulk Handling Ltd., as licensed receiver of wheat, is adequately paid for that service, that is as much as should be done. Why should Parliament give that contractor even one representative on the committee? The amendment is both necessary and just in the circumstances. The aim of the mover is to give the wheat farmers of the State four representatives on the committee instead of two, as proposed by the Bill. That would enable the farmers as a whole to select by ballot four representatives on the committee.

The Attorney General: Do not the wheat farmers elect the directors of Co-operative Bulk Handling Ltd.?

Hon. A. R. G. HAWKE: That has no bearing on it. If they do, it is to carry out the duties of management only. They are not elected to hold positions on the proposed committee. If the growers had known they were voting for directors to represent them on the proposed committee, different directors might have been elected. The work to be carried out by the committee under this Bill is quite separate and apart from the work which Bulk Handling Ltd. does. The wheatgrowers are entitled to a voice as to who should represent them upon this committee and two representatives from Co-operative Bulk Handling Ltd., should not be imposed upon them. Co-operative Bulk Handling Ltd., is a firm that will be a paid contractor in relation to this committee and a paid contractor is the last

person who should have representation upon it. I hope members will support the amendment because it will prevent a private contractor from having any representation and it will give to the wheatgrower the right to select by ballot, not two members, but four.

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

Ayes	15
Noes	19
Majority against	4

AYES.

Mr. Brady	Mr. Marshall
Mr. Cornell	Mr. May
Mr. Fox	Mr. Nulsen
Mr. Graham	Mr. Sleeman
Mr. Hawke	Mr. Styants
Mr. Hegney	Mr. Tonkin
Mr. Hoar	Mr. Redoreda
Mr. Kelly	(Teller.)

NOES.

Mr. Abbott	Mr. Nalder
Mr. Ackland	Mr. Nimmo
Mrs. Cardell-Oliver	Mr. North
Mr. Doney	Mr. Seward
Mr. Grayden	Mr. Thorn
Mr. Hill	Mr. Watts
Mr. Leslie	Mr. Wild
Mr. McDonald	Mr. Yates
Mr. McLarty	Mr. Brand
Mr. Murray	(Teller.)

Amendment thus negatived.

Clause put and passed.

Clauses 5 to 19, Title—agreed to.

Bill reported without amendment and the report adopted.

Third Reading.

Bill read a third time and transmitted to the Council.

BILL—HIDE AND LEATHER INDUSTRIES.

Second Reading.

Debate resumed from the 3rd December.

HON. A. R. G. HAWKE (Northam) [1.49]: If I might be excused for making a pun, I think the Government has a terrible hide in bringing down a Bill of this description at this hour of the morning. I understand it has been brought before us for the purpose of continuing the scheme which has been operating in Australia in connection with the control of hides and leathers in recent years. The scheme that has continued up to the present has been completely under the control of the Commonwealth and has been in operation mainly to ensure that suffi-

cient leather would be available within Australia to meet home consumption requirements. If a free market for leather were in existence, I understand that the overseas prices are so high and therefore so attractive that most of the leather produced in Australia would be exported overseas to be sold at the highest prices, with the result that not nearly sufficient would be available for the needs of the Australian people.

I understand also that all sections of the various industries are in favour of the existing scheme now operating, and are anxious that the various States should pass the legislation required to enable it to be continued in the future. The Commonwealth Hide and Leather Industries Board which operates, of course, under Commonwealth legislation, is to continue and the committee proposed to be set up under this Bill, which is to be known as an appraisement committee, will function subject completely to any direction which the Australian Hide and Leather Industries Board might put forward at any time. The proposed appraisement committee is to consist of six members, each of whom is to have some particular interest in dealing with hides or leather or is to be concerned with the tanning of hides.

I was disappointed to notice, in the composition of the proposed committee, that no representation of any kind is allowed to employees in the hide and leather industries. I understand that the member for North-East Fremantle, when the Bill is in Committee, is to move an amendment with the object of giving employees in the industry one representative on the committee and I should say that that amendment will meet with the approval of members. The control to be exercised by the Commonwealth Board and the proposed allocation committee respecting the sale of hides is to be very strict. Only those persons licensed by the board will be entitled to deal in hides. Any person outside of those licensed will be prohibited from dealing in hides and will be subject to an extremely severe penalty if he does in fact deal in them without the necessary license from the board. The penalties provided in this Bill for those who commit offences against its provisions when it becomes an Act are extremely heavy.

Where a body corporate commits an offence a fine of up to £400 may be imposed, and where a person other than a body cor-

porate commits an offence against this legislation such person is to be liable to a fine of not more than £200 or to imprisonment for a term of not more than one year or to both the imprisonment and the fine. Although at first glance those proposed maximum penalties appear to be severe, I think it has to be remembered that legislation of this kind, to be effective, must carry severe penalties for those who breach it. Otherwise we would find it breached very frequently and probably to such an extent as serious to interfere with the effectiveness of the legislation and I believe would undermine dangerously the scheme of control which this Bill aims at establishing. The circumstances surrounding the hide and leather industry in Australia are such at present as to justify a continuance of the wartime system of control.

As the Commonwealth Government desires to vacate the field of control to a large extent at the end of this year, it has become necessary for the State Government to decide whether it will, in co-operation with the Commonwealth Government, assist to carry on the system of control in the future. I understand that the other Australian State Parliaments have already considered, or are considering, similar legislation in order that there should be more or less a uniform system of control throughout all the State with the Commonwealth Hide and Leather Industries Board exercising directive control in respect of each of these State appraisement committees. As all sections of the industry are anxious to have this system of control continued per medium of State legislation I think we, as members of this Legislative Assembly, are entitled to take that step.

I believe that this Bill is necessary at this time in order that industry may continue to be organised upon the basis that has existed for the past six or seven years. If this control is not continued, then it seems to me that chaos could easily develop in the industry especially in the direction of no sufficient leather being available for the needs of the Australian people. The purchase of hides, even before the war, was a trade in which undesirable influences had developed. I can quite imagine that in these days such influences would expand very considerably and those particular people who were buying hides before the war, with the

great demand oversea for hides and leather at this stage, would be prepared, for the sake of making quick and big profits, to sell leather and hides to oversea purchasers to the great detriment of local manufacturers, and naturally to the great detriment also of the Australian people who, in those circumstances and under those conditions, would not be able to obtain all the leather required for their use. Therefore, I find myself in agreement with the general principles of the Bill and also with most of its provisions and I support the second reading.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Perkins in the Chair; the Attorney General in charge of the Bill.

Clauses 1 and 2—agreed to.

Clause 3—Appraisement Committee:

Hon. J. T. TONKIN: I have been advised that the secretary of the Tanning and Leather Dressing Section of the Employees' Federation was a member of the board under Commonwealth control.

The Attorney General: I think he was on the allocation committee, not the appraisement committee.

Hon. J. T. TONKIN: I said on the board. I understand that his presence was of considerable assistance in getting a greater allocation of hides for Western Australia. Employees have requested that, under State control, they should have representation because they believe they can do a job, and I agree with them. This clause appears to be the only one in which provision may be made for their representation. I move an amendment—

That in paragraph (d) of Subclause (2) the words "two persons who are hide brokers" be struck out.

If those words are deleted, I propose to move for the insertion of the words "one person who is a hide broker," and that will leave room for the appointment of a member of the union. If I could move to increase the size of the committee I would not mind the hide brokers having two representatives, but this is the only section to have two representatives and it can afford to yield one.

The ATTORNEY GENERAL: The amendment is not appropriate. The employees have a representative on the board under the Federal Act. This is only a subsidiary committee that will work under the orders of and in conjunction with the Commonwealth board.

Hon. J. T. Tonkin: What is wrong with the employees having a representative here?

The ATTORNEY GENERAL: This is a committee of experts to fix prices.

Mr. Hegney: Would not a tradesman be competent to act on the board?

The ATTORNEY GENERAL: But this is a committee to fix the prices to be paid by merchants for hides and has nothing to do with the interests of employees. Evidently the employees do not appreciate the fact that their representation on the board will be retained.

Amendment put and negatived.

Mr. HEGNEY: I move an amendment—

That Subclause (6) be struck out.

The subclause provides that at any meeting of the committee, the chairman or person acting as chairman shall have a deliberative vote and, in the case of an equality of votes, shall also have a casting vote. The principle of eliminating a plurality of votes for a chairman has been observed for some time and was observed in the Wheat Industry Stabilisation Bill dealt with tonight.

The ATTORNEY GENERAL: I cannot accept the amendment. The committee will consist of six members, who are to fix the prices for leather of various qualities. With an even number, the chairman must have a casting vote in order that a decision may be obtained.

Mr. HEGNEY: I cannot accept the Minister's explanation. The Bill we have passed a few moments ago provides for a committee which has to make decisions.

The Attorney General: Not on prices.

Mr. HEGNEY: That does not matter. It must be a majority decision.

The Attorney General: There might not be a majority and consequently a price could not be fixed.

Mr. HEGNEY: The committee would have to arrive at a decision.

The Attorney General: By tossing up?

Mr. HEGNEY: We should refuse to pass legislation containing a provision for a chairman of a committee or a board to have two votes.

Hon. A. R. G. HAWKE: In recent years, Parliament had laid it down as a principle that the chairman of a board or a committee, such as this committee, shall have one vote only. This committee of six persons surely could be trusted to arrive at a commonsense decision.

The Attorney General: The proposal is that this legislation shall be uniform throughout the Commonwealth. The Commonwealth Government is responsible for it.

Hon. A. R. G. HAWKE: That is a good reason for the Attorney General to support the amendment.

The Attorney General: It is an excellent reason why you should oppose it.

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

Ayes	17
Noes	17
	—
A tie	0
	—

AYES.

Mr. Brady	Mr. Murray
Mr. Fox	Mr. Nalder
Mr. Graham	Mr. Nulsen
Mr. Hawke	Mr. Sleeman
Mr. Hegney	Mr. Styants
Mr. Hoar	Mr. Tonkin
Mr. Kelly	Mr. Yates
Mr. Marshall	Mr. Rodoreda
Mr. May	(Teller.)

NOES.

Mr. Abbott	Mr. McLarty
Mr. Ackland	Mr. Nimmo
Mrs. Cardell-Oliver	Mr. North
Mr. Cornell	Mr. Seward
Mr. Doney	Mr. Thorn
Mr. Grayden	Mr. Watts
Mr. Hill	Mr. Wild
Mr. Leslie	Mr. Brand
Mr. McDonald	(Teller.)

The CHAIRMAN: The voting being equal, I give my vote with the noes.

Amendment thus negatived.

Mr. HEGNEY: May I move an amendment to Subclause (6)?

The CHAIRMAN: I am afraid not. The previous amendment was to delete the subclause. That has been negatived so I think

the subclause must stand. The hon. member may add to it but not take anything out of it.

Clause put and passed.

Clause 4—agreed to.

Clause 5—Allocation committee:

Hon. J. T. TONKIN: I sought previously to include a representative of the employees on the appraisement committee and the Minister rightly pointed out that that was an expert committee and the appointment of an employee was not appropriate. This clause deals with the allocation of hides and a worker is likely to have a far better knowledge of where they should be allocated and be better able to stop any funny business than some other persons who might be appointed. I therefore move an amendment—

That in line 2 of Subclause (2) after the word "determines" the words "but shall include a representative of the Tanning and Leather Dressing Section of the W.A. Branch of the Leather, Canvas and Allied Trades Employees' Federation Industrial Union of Workers," be inserted.

The ATTORNEY GENERAL: I cannot accept the amendment. Why make it compulsory on the Government? If it is found suitable to appoint such a representative that matter could be given consideration. This is uniform legislation, considered and drawn up in conjunction with the Governments of the Commonwealth and Tasmania—

Hon. J. T. Tonkin: Do not use that eye-wash after the Wheat Stabilisation Bill!

The ATTORNEY GENERAL:—and Queensland, all Labour Governments. What is the good of trying to alter our State Bill, which would not then be uniform with the other measures? I do not know what implication this amendment might have. I am prepared to give careful consideration to the suggestion but not to have the Government obliged to do this. There might not be a suitable man. I am not going to have a nominee.

Hon. J. B. Sleeman: Have a panel.

The ATTORNEY GENERAL: There might be a panel, but I think this should be left to the Government. What are the duties of the committee? To allocate hides amongst the tanners in Western Australia. Surely the persons to do that are the tanners and someone to act as chairman.

Hon. A. R. G. HAWKE: I am extremely surprised at the attitude of the Minister.

The Attorney General: I do not think so.

Hon. A. R. G. HAWKE: I am.

The Attorney General: Why?

Hon. A. R. G. HAWKE: Because the amendment is most reasonable.

The Attorney General: What has it to do with the employees?

Hon. A. R. G. HAWKE: Everything.

The Attorney General: Nothing.

Hon. A. R. G. HAWKE: It affects their employment and therefore their ability to get a living; and through that it affects their families. That is how much it affects the workers in the industry. We want to ensure that the interests of the employees will be protected. The representative of the workers on this allocation committee would act for all the workers in the industry. Consequently, he would have an obligation to ensure that there would be the most equitable distribution of available hides to tanners operating within the State. The Attorney General and the Government might very easily put tanners and other businessmen on the proposed allocation committee, and goodness knows what arrangements they might make in regard to the allocations.

The Attorney General: You always have the overriding authority of the board.

Hon. A. R. G. HAWKE: The board is not in Western Australia, but is far removed. We want to be certain that employees in the industry are protected. I cannot imagine that the Minister would refuse what is asked for in the amendment.

The Attorney General: The Government probably will not.

Hon. A. R. G. HAWKE: We want to ensure that the Government will allow the employees one representative.

The Attorney General: All right. Have it your own way.

The Minister for Education: He is converted.

Hon. A. R. G. HAWKE: I think he is directed rather than converted. I cannot imagine that the Premier would go to the physical trouble at 25 to 3 in the morning to dance from his own position to the Attorney General and whisper in his pearly

white ear for the purpose of developing a situation in respect to which I had convinced the Attorney General against his will.

The Minister for Education: You had better sit down, or he might be converted again.

Hon. A. R. G. HAWKE: If the Attorney General indicates to me that he is prepared to accept the amendment, I shall have no more to say.

The Attorney General: I accept it.

Amendment put and passed.

Mr. HEGNEY: I am concerned about the matter of plural voting. Will the Minister accept an amendment for the deletion of Subclause (6)?

The Attorney General: No.

Mr. HEGNEY: It is my intention then to move to delete the words "have a deliberative vote" in lines 2 and 3 and the words "shall also" in line 4, and add at the end of the subclause the word "only." The clause would then read—

At any meeting of the Allocation Committee the Chairman or person acting as Chairman shall in the case of an equality of votes have a casting vote only.

That would overcome the difficulties of equality of votes and of plural voting. The chairman should not have a deliberative and a casting vote. On the previous occasion the Minister's objection was that the committee would have to decide on prices, but here it will only be a question of allocation. The amendment seeks to give the chairman the same voting power as any other member of the committee, and that is what obtains here. I move an amendment—

That in lines 2 and 3 of Subclause (6) the words "have a deliberative vote and" be struck out.

The ATTORNEY GENERAL: I do not think the amendment makes sense. We have already decided the principle that is to apply. What harm is there in a case like this for some man to have the final say? I cannot see any objection to the subclause.

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

Ayes	17
Noes	17
A tie	0

AYES.	
Mr. Brady	Mr. Murray
Mr. Fox	Mr. Nalder
Mr. Graham	Mr. Nulsen
Mr. Hawke	Mr. Rodoreda
Mr. Hegney	Mr. Sloeman
Mr. Hoar	Mr. Styants
Mr. Kelly	Mr. Tonkin
Mr. Marshall	Mr. Yates
Mr. May	(Teller.)

NOES.	
Mr. Abbott	Mr. McLarty
Mr. Ackland	Mr. Nimmo
Mrs. Cardell-Oliver	Mr. North
Mr. Cornell	Mr. Seward
Mr. Doney	Mr. Thorn
Mr. Grayden	Mr. Watts
Mr. Hill	Mr. Wild
Mr. Leslie	Mr. Brand
Mr. McDonald	(Teller.)

The CHAIRMAN: The voting being equal, I give my casting vote with the noes.

Amendment thus negatived.

Clause put and passed.

Clauses 6 to 21, Title—agreed to.

Bill reported with an amendment and the report adopted.

Third Reading.

Bill read a third time and transmitted to the Council.

House adjourned at 2.17 a.m. Wednesday.

Legislative Council.

Wednesday, 8th December, 1948.

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Railway (Mt. Magnet-Black Range) Discontinuance, 1r.	3251
Feeding Stuffs Act Amendment (No. 2), 2r., remaining stages	3251
Constitution Acts Amendment (No. 2), Assembly's message, laid aside	3261
Adjournment, special	3261

The PRESIDENT took the Chair at 2.15 p.m. and read prayers.

BILL—BULK HANDLING ACT AMENDMENT.

Introduced by the Honorary Minister for Agriculture and read a first time.

MOTION—ADDITIONAL SITTING DAY

On motion by the Chief Secretary resolved:

That unless otherwise ordered, the House meet for the despatch of business on Friday at 2.30 p.m., in addition to the ordinary sitting days.

BILL—COUNTRY TOWNS SEWERAGE

Report, Etc.

Report of Committee adopted.

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