

staggering to members but the amount which can be obtained from the pension to which these people are entitled, together with the Government subsidy of \$1 a day, is not sufficient for the homes in question to provide these people with breakfast. To say the least this is a crying shame, and I do not think the State Government is doing sufficient in connection with this matter, particularly when we realise that it grants a subsidy of only \$1 a day to organisations for the care of frail aged people.

I think we will all agree that these old people have made their contribution to the State and for the most part they are not wealthy; indeed most of them rely on their old age pension for survival. I hope the Government will have a look at this question to see whether it cannot increase the \$1 a day it provides by way of subsidy for this purpose.

The next matter to which I wish to refer is the activity of the Joint Coal Board in the Federal and Eastern States spheres, and the inactivity of such a board in this State. Members will know that the Joint Coal Board is constituted to inquire into and safeguard the coalmining industry in the Eastern States. Each year the board puts out a comprehensive report. Apart from this it investigates the marketing trends and generally acts as caretaker—what a wonderful word that is—of the coalmining industry in the Eastern States of Australia.

There is, however, no similar body in this State. There could, however, be such a body appointed under the provisions of the Mining Act, because a reference to section 329 of that Act will show that the Minister has authority to appoint a committee with powers similar to those of the Joint Coal Board which could carry out the duties carried out by the Joint Coal Board in the Eastern States.

I wonder why this committee has never been appointed! I may be wrong—and if I am I stand corrected—but to my mind such a committee has never functioned here. A provision to this end was, however, included in the Mining Act as a means of looking after the handling and distribution of coal and other matters associated with the coalmining industry in order that it might be an economic proposition and that the survival of the industry could be guaranteed.

It would be an excellent idea if a board were constituted to protect the interests of the coalmining industry on the same basis as the Joint Coal Board is appointed to meet these requirements in the Eastern States.

My final point, and the one on which I will conclude, deals with a matter which I have raised since I entered Parliament, when I first appealed to the Government to

take some action in connection with the plight of the deserted wives and widows who were sent to Collie.

The Minister for Housing is well aware of the problem because he knows these people were sent to Collie because of the number of empty houses in the district. I appealed to the Minister to have a full-time officer appointed to deal with the problems associated with these unfortunate people. After raising the matter here on several occasions, and after a great deal of letter writing, a female named Miss Val Hodson was appointed to the position.

Miss Hodson's appointment has eased the situation considerably and it has been possible to give these unfortunate people some guidance in connection with their problems. Some of the people in question are quite young with a number of children. Unfortunately, however, Miss Hodson was only employed on a part-time basis.

The local organisation and welfare council appealed to the Minister in connection with this matter and sent me a copy of a letter dated the 21st May which asked that consideration be given to Miss Hodson being appointed on a full-time basis. I support this very strongly. The council has appealed to the Government to appoint her on a full-time basis to help alleviate the distress and hardship which these people are suffering.

Mr. O'Neil: When was the request made?

Mr. JONES: On the 21st May.

Mr. O'Neil: To whom?

Mr. JONES: To the Minister for Child Welfare. I hope some notice will be taken of the matters I have raised. I support the motion.

Debate adjourned, on motion by Mr. Williams.

House adjourned at 9.09 p.m.

Legislative Council

Thursday, the 20th August, 1970

The PRESIDENT (The Hon. L. C. Diver) took the Chair at 2.30 p.m., and read prayers.

QUESTIONS (7): ON NOTICE

1.

NATIVES

Allegations of Persecution

The Hon. CLIVE GRIFFITHS, to the Minister for Justice:

- (1) Is the Minister aware of the article which appeared in the city edition of the *Sunday Times* on the 16th August, 1970, relating to the treatment of Aborigines and the

request by Mr. Bruce McGuinness, co-director of the Aborigines Advancement League, for an immediate inquiry into certain allegations of bashing by police and the Native Welfare Department; illegal arrests; heavy fines and prison sentences; and other forms of persecution?

- (2) If so, and in view of the fact that Western Australia is accused of participating, will the Minister please advise whether the Government of Western Australia has been approached in regard to the allegations, and what action is contemplated by the appropriate authorities?

The Hon. A. F. GRIFFITH replied:

- (1) and (2) With reference to the article referred to, I am informed that on the 16th August, 1970, Mr. McGuinness wired the Commissioner of Native Welfare to the effect that he held signed statements making these allegations. The Commissioner has invited him to discuss the matter with him during a visit which Mr. McGuinness intends to make to Perth later this month.

2. *This question was postponed.*

3. MILK BOARD

Price of Bottled Milk

The Hon. CLIVE GRIFFITHS, to the Minister for Mines:

In view of the statement made by the then Chairman of the Milk Board of Western Australia on page 13 of his report for the year ended the 30th June, 1966, in which he explained the increase in price to consumers to ten cents per pint for bottled milk, would the Minister advise—

- (a) what sections of the industry—
 (i) were asked to make submissions; and
 (ii) made submissions; and
 (b) to whom were these figures submitted?

The Hon. A. F. GRIFFITH replied:

- (a) (i) Dairymen.
 Treatment License Holders.
 Milkmen.
 Milk Shops.
 Milk Carters.
 (ii) The Farmers Union of W.A. (Inc.) Whole Milk Section on behalf of dairymen.

Treatment License Holders—individually.

Retail Dairymen's Industrial Union of Employers—on behalf of milkmen.

Retail Grocers and Storekeepers Association—on behalf of milk shops.

Milk Carters—individually.

(b) The Board.

4. KARRATHA TOWNSHIP

Lots

The Hon. F. J. S. WISE (for the Hon. H.C. Strickland), to the Minister for Mines:

- (1) On what terms did Hamersley Iron Ltd. or Comalco Ltd. acquire townsite lots at Karratha?
 (2) At what price are the lots available to the general public?

The Hon. A. F. GRIFFITH replied:

- (1) All blocks being used by Hamersley Iron Limited will be paid for at a price of \$50, plus a premium of \$2,950 for services.
 Comalco Ltd. has not applied for any lots at Karratha. If it does apply, the price of land will be the same as to the general public.
 (2) \$50, plus a premium of \$2,950 for services.

5. DAIRYING

Defined Districts

The Hon. F. R. WHITE (for the Hon. J. M. Thomson), to the Minister for Mines:

Further to replies to my questions on the 13th August, 1970, relating to supply of whole milk to the metropolitan area, and in view of the geographical situation within the South West Coastal dairy area of Capel and Busselton—

- (a) will the whole milk producers from these districts have access to consumers in the metropolitan area;
 (b) what is, or will be, the total number of whole milk licensed dairies in—
 (i) Capel;
 (ii) Busselton; and
 (c) what will be the respective quota granted to each licensed producer in these districts?

The Hon. A. F. GRIFFITH replied:

- (a) Yes.
 (b) (i) At present there are 4 licensed dairymen in the Shire of Capel.
 (ii) Nil in the Shire of Busselton.

It is not possible to assess the number of future licensed dairymen for a particular Shire. All applications from prospective dairymen in the Board's contract supply areas are considered on their merits, and licenses are issued in accordance with the Board's estimates of requirements for the particular market to be supplied.

- (c) At present new dairymen commence on a contract quantity of 62 gallons daily.

6. MILK BOARD

Licensed Vendors

The Hon. CLIVE GRIFFITHS, to the Minister for Mines:

- (1) For the purpose of milk deliveries, in which License District are the following premises located—
- (a) Woolworths, 80 Cranford Avenue, Brentwood;
 - (b) Brentwood Delicatessen, 70 Cranford Avenue, Brentwood; and
 - (c) Charlie Carters, corner Canning Highway and Kintail Road, Applecross?
- (2) Who are the milk vendors licensed to deliver milk in these districts?
- (3) Who is delivering milk to each of these premises?

The Hon. A. F. GRIFFITH replied:

- (1) (a) and (b) Melville District No. 103.
- (c) Melville District No. 88.
- (2) Melville District No. 103:
- R. & M. G. Smith, 5 Farrin Street, Attadale.
- J. E. & A. Gardiner, 82 Stoneham Road, Attadale.
- Sunny West Co-operative Dairies Ltd., 118 Solomon Street, Fremantle.
- D. & R. Lewis, 76 Clydesdale Street, Manning.
- T. D. & J. L. Baskerville, 39 Holman Street, Melville.
- Melville District No. 88:
- R. & M. G. Smith, 5 Farrin Street, Attadale.
- J. E. & A. Gardiner, 82 Stoneham Road, Attadale.
- G. E. & M. J. Moody, 158 Corinthian Road, Riverton.
- (3) Masters Dairy Ltd. deliver to all three businesses.
- Sunny West Co-operative Dairies Ltd. deliver to Charlie Carters, corner Canning Highway and Kintail Road, Applecross.

Prior to subdivision of Melville District, Masters Dairy Ltd. and Sunny West Co-operative Dairies Ltd. held milkman's licenses for that district. After subdivision of Melville District, permission was given by the Board to cover specific shop trade served by Masters Dairy Ltd. and Sunny West Co-operative Dairies Ltd. in Melville Districts No. 88 and No. 103, pending recent legislation passed to enable the Board to issue special milkman's licenses for specific trade and excluding competition for household trade. The required steps are being taken to implement the amended legislation and issue special milkman's licenses.

7.

LAND

Taxation Valuations

The Hon. F. R. WHITE, to the Minister for Mines:

Does the reply to question No. 11, asked by me on the 19th August, 1970, indicate that the interpretation of unimproved capital value of land, as outlined by the Colonial Secretary as recorded in *Hansard* p.1434 on the 12th September, 1907, is not used at the present time to assess unimproved capital values?

The Hon. A. F. GRIFFITH replied:

No. This method can be used, where appropriate, to assist in determining values.

ADDRESS-IN-REPLY: SEVENTH DAY

Motion

Debate resumed, from the 19th August, on the following motion by The Hon. S. T. J. Thompson:—

That the following Address be presented to His Excellency:—

May it please Your Excellency: We, the Members of the Legislative Council of the Parliament of Western Australia in Parliament assembled, beg to express our loyalty to our Most Gracious Sovereign and to thank Your Excellency for the Speech you have been pleased to deliver to Parliament.

THE HON. E. C. HOUSE (South) [2.45 p.m.]: First of all I would like to congratulate Mr. Syd Thompson on the speech he made in reply to the Governor's Speech on the opening day of Parliament. It is not an easy matter, in a limited time, to be able to cover the ground one would desire to cover. It seems a pity that a more extensive debate could not take place on opening day for the benefit of the people who congregate here. I am also pleased

to see that Mr. Strickland is back with us after his serious illness, and to know that he will be taking part in the debates in this Chamber.

One of the most pressing problems which confront us at the moment, in the agricultural areas of the State, is the declining price of wool. Coupled with this matter is the general recession in the farming areas. The recession affects almost all our agricultural products. It has also brought about the necessity to impose wheat quotas.

Mr. Heitman spoke about the quota system and said he favoured the three out of five-year average rather than the present five out of seven-year average. I do not agree with Mr. Heitman, for many reasons. One is that one of the most important factors which has not been taken into account in the allocation of wheat quotas is the variation in climatic conditions throughout the State.

If the average is restricted to only five years then, of course, the problems of those who have been subjected to a run of wet seasons are intensified. In other words, the period of five years is too short to assess the average on which the farmers' quotas are based.

I am not happy with the five out of seven-year average, either. I feel that this period pinpoints the average into too narrow a field when it affects farms which, in many cases, have been producing wheat since 1900 until the present day. We hope the farms will go on producing for many years to come, but if we retain the present system of allocating wheat quotas we will pin point the ability of farmers to grow wheat to this narrow history.

The latter years of the State's wheat-growing history have been years of great expansion. Multiple cropping has done a great deal to bring about the steep increase in the amount of wheat produced. By using nitrogenous fertilisers many farmers have carried out multiple cropping to such an extent that the farms were being turned, virtually, into wheat-producing machines. Such methods were not considered to be good farming practice. I refer to lack of diversification and allowing the land a period of rest.

There are many anomalies in the present wheat quota system. By adopting the method of taking an average over a certain number of years we seem to be getting into an even bigger mess than ever. I feel we should have taken the opportunity to try, at least, to use the quota system as a means of helping the farming community generally. In other words, it should have been a relief measure designed to give a better economic return to a larger number of growers.

There are many who have quotas of more than 30,000 bushels. This situation was brought about by using the average of

five years out of seven. It is plain to me that, with such a lucrative return over this period, those farmers should have been so well established and should have had their farms at such a pitch of efficiency with water, shearing sheds, fences, and so on, that they would be the last people who really needed this large quota.

I still think we have many problems in the wheat industry on this score, and we have so many growers who have been financially embarrassed to a point where it is very difficult for them to carry on because their quotas have been so small. It seems there could have been a greater degree of elasticity, to give them sufficient to help them until something occurred in the field of marketing to bring about an improvement.

In answer to Mr. Heitman's suggestion that quotas should be established on three out of five years, I can only say that this would mean a far greater percentage cut because, on the figures that were available, three out of five years resulted in the production of more wheat than we had quotas for.

The Hon. N. McNeill: Would it not give a better base quota?

The Hon. E. C. HOUSE: This depends on where one happens to live. I am not really trying to give the answer because I can see the point—that those who had it wanted to retain it. That is human nature. The northern half of the State, which has enjoyed a relatively good run of seasons, had a big return over those years. In the south we had a series of wet years which had the reverse effect. It could happen that the northern section has a run of droughts and will not produce this wheat, which could have a serious effect on the financial position of the State. We must ensure that we take full advantage of our quota and the advance that goes with it.

If we restrict people to growing only the exact amount of wheat that the quota stipulates, then owing to the known variations in climatic conditions throughout the State there will be very few years in which there is not some section of the State that is badly hit and we may have trouble fulfilling the quota we have. Many people might say that is not a bad idea because it gets rid of the surplus, but from the point of view of the State's finances I do not think it is a very good idea. I feel sure the wheat problem will come up again so I will not say any more about it at the moment.

As far as wool is concerned, it was rather interesting to note that when the price averaging plan was introduced at the beginning of the new wool season, a few weeks ago, that was the first change that had been made in the wool auction system for 150 years. Personally, I do not think that any industry can go for 150 years without needing a change of some sort to bring it up to date with modern

trends. It is rather a grim statement, that for 150 years we have just tracked along in the same old rut without endeavouring to improve the system generally. I think it was far too long.

I consider that the auction system as it stands at present is outdated, mainly because I do not believe it is an auction system in the true sense. In the first place, we have lacked the competitors we used to have. We have Japan buying the largest proportion of the wool, and there is not a sufficient number of countries participating to give a really good competitive auction over the whole of the Australian clip. We know also that a great proportion of the wool is sold forward. It was predicted before this season started that wool prices would fall again because the wool had been sold some months before at 8 per cent. less than the ruling price at that time. How we can have an auction system when the wool has already been sold is beyond me. This is part of what is happening in a subtle sort of way.

I therefore advocate a single marketing authority. I think it is high time we had it, and I do not see how we can get the improvements that are needed in wool marketing unless we have an acquisition scheme.

I was very disturbed to hear Mr. Irwin, M.H.R., say that there would be a great deal of opposition politically in Canberra to the single marketing authority. I think to most woolgrowers it was a shattering statement. After there had been at long last almost unanimous agreement among all the wool organisations that they would have a single marketing authority, we now find that there could be opposition once again, with the delaying tactics of referendums and holding the matter over until it has been reconsidered, and so on.

The Hon. N. McNeill: Mr. Wright's statement was shattering, too.

The Hon. E. C. HOUSE: I was about to quote Mr. Wright, who is, I think, President of the Wool Growers' and Grazers' Council and a member of the Wool Board's advisory committee. Mr. Wright, having returned from a trip to Europe, said a single marketing authority would bring chaos and ruin to the wool industry—a sweeping statement, I thought—and that overseas textile manufacturers did not want this change.

The Hon. C. R. Abbey: Those are only two individual opinions though, are they not?

The Hon. E. C. HOUSE: Yes, they are two individual opinions, but do not let us lose sight of the political implications. In other words, it must finally be a political decision as to whether we have it or not. Mr. Irwin was obviously trying to gain support or foster doubt in people's minds. I do not say he will get a lot of support—I hope he does not—but it is worrying

that this has occurred. I do not think many of Mr. Irwin's colleagues will go along with him. I am given to understand that Mr. Irwin is a banker; he is therefore, in fact, representing interests other than those of woolgrowers. He is probably a colleague of Macarthur-Onslow, who did so much to prevent the success of the last referendum which was designed to bring about an improved marketing scheme.

At lunchtime today I heard over the air Mr. Anthony's statement that the matter was not yet finalised and that perhaps there would be another look at it. It does make one worry as to how much pressure is being brought to bear to try to stop the single marketing authority. I do not think anyone who understands the industry will go along with Mr. Wright's statement that it will bring chaos and ruin to the industry. What have we got now?

The industry is absolutely bankrupt—there is no other word for it—and the returns, with present costs, do not allow for any profit. Therefore, it is vital and urgent that some measure be introduced as quickly as possible to try to help the situation. I think some people try to draw a red herring across the trail, or throw cold water over the whole scheme when they talk about chaos and ruin, and about the textile industry getting upset over the scheme. Apparently the manufacturers think that the woolgrowers intend to have a reserve price which is beyond their ability to pay. Not for one minute do I think the advisory council of the Wool Board or the Federal Government would be so foolish as to do that. If that were done we would be left with a huge stockpile of wool for which eventually the Government or the taxpayers would be largely responsible.

I do not look at the position in that way at all. We know quite well that the costs involved in getting the wool from the farms to the manufacturers could be reduced to such an extent that it would allow for a greater profit for woolgrowers. The costs to which I have just referred could be one of the reasons for the textile manufacturers saying that their costs today are getting out of hand. Also, the manufacturers are faced with the payment of interest in having to store wool for six to eight months as a reserve for their mills. In my view all these problems could be looked at and possibly the Commonwealth Government could help to overcome some of them.

The Hon. C. R. Abbey: What do they pay? About 10 per cent.?

The Hon. E. C. HOUSE: I think it goes as high as 17 per cent. on a short-term loan. That was the latest figure I heard and it is a rather crippling cost.

One other point in favour of a single marketing authority is the stabilisation of the price of the product. I do not see how any manufacturer could buy and confidently process from the raw article when he does not know from day to day what the

price of that raw article will be. Fluctuations of 4c or 5c a pound could, in many cases, mean hundreds of thousands of dollars to a manufacturer who is buying in a big way. That sort of thing must affect the borrowing and financing in the case of mills. Also I do not believe that the price of the raw product is of prime importance provided the price is stable and not way above the price of other competitive fibres.

Therefore, I would think that textile manufacturers in other countries would welcome the introduction of a single marketing authority provided they had full knowledge of it and they knew that it was designed to try to help them as much as it is to help the woolgrowers.

The Hon. R. Thompson: Do you want it to be on the same basis as the scheme adopted during the war years?

The Hon. E. C. HOUSE: Yes.

The Hon. R. Thompson: The appraisal system?

The Hon. E. C. HOUSE: Yes. The honourable member has brought up a good point. When we had the appraisal scheme, during the war years, woolgrowers were paid for quality, but I am doubtful today whether they are paid for quality. We do not see a great variation between the price of what we call our good wools and some of the other wools which are of very low grade. With a single marketing authority we could phase out a great deal of the undesirable types of wool and, let us face it, we have many of them within the wool industry.

The Hon. G. W. Berry: Where do the undesirable types of wool come from? Throughout the State?

The Hon. R. Thompson: Carnarvon.

The Hon. E. C. HOUSE: The undesirable types of wool would come from areas throughout the State. It would not be possible to pick out any one particular area.

The Hon. G. W. Berry: This is general? The quality has deteriorated?

The Hon. E. C. HOUSE: It does not come from one particular clip.

The Hon. G. W. Berry: But generally throughout the State, the quality of the wool has deteriorated?

The Hon. E. C. HOUSE: No; I did not say that. I said we had a good deal of undesirable wool in the wool industry, and a great deal of this has been brought about through the drought in South Australia. A large number of sheep were brought here from South Australia and they should never have entered this State.

The Hon. R. Thompson: A lot of the wool from the Murchison has fallen behind.

The Hon. E. C. HOUSE: I do not know anything about wool from the Murchison except that it is full of dust and sticks.

The Hon. V. J. Ferry: What about the kangaroos?

The Hon. E. C. HOUSE: When a single marketing authority was introduced in South Africa it was able to phase out many of the bad types of wool and if that were done here it would be good for the wool industry as a whole. One of the most disturbing features to a woolgrower is the violent fluctuation that can take place even over two days of a sale. One can sell one's wool on a certain day and the next day receive, perhaps, 2c or 3c more for the same sort of wool; and the reverse can happen, too.

That is not good business and, in my opinion, it is not a true auction system. Also, if we had a single marketing authority it would be able to work out just how much profit the textile industry is making. From what I can see, woollen articles in the stores have not fallen in price since the price of wool has dropped which, to me, indicates that the price of the raw product is not of such great importance in the overall picture, provided that the price is a sensible one.

The establishment of a single marketing authority would allow us to present the whole clip in a more acceptable manner. I know a few years ago private buyers would make up 1,500 bales of one type to attract better competition. This, of course, in turn brought about a better price. Another important factor is core testing and this could be introduced with a single authority. I believe this would be acceptable to the woolgrowers and we could do away with the costly auction system where wool has to be displayed on the floor in bale lots for examination and handling. Costs are involved, too, in restacking and storing. However, if we still want to retain the auction system and use core testing all we have to do is to auction the samples at a central place and this, too, would cut costs enormously.

The textile manufacturers of necessity have to store their wool and buy six to eight months ahead and I am sure they would be pleased to know that the price would be relatively the same over a long period of time.

Combined with wool, of course, is the sale of sheep and mutton and there is a need for a farmer to get the best possible return for his mutton as well as for his wool clip. In the meat market, too, there are violent fluctuations. One week a farmer gets a relatively high price and the next week the price is down to an unprofitable figure. To a large degree this is brought about by antiquated abattoir facilities and in this regard I do not think we could blame the farmers or the Farmers' Union. Really, I do not know who is responsible but it should be possible to plan ahead. Surely it must have been realised that

when the State expanded and sheep numbers were built up there would be a greater need for better killing facilities. In the north there are abattoirs that kill over a season—a short period of time. These abattoirs are well run and well managed, and present no problems at all. The same sort of facilities should be provided for the meat industry in the southern part of the State.

The drought has accentuated the problem because sheep have been brought onto the market in greater numbers than probably would have been the case had there not been a drought.

It is ridiculous to suggest that the farmer should, during the year, gradually dribble his sheep onto the market to suit the abattoirs. Surely the abattoirs are there to suit the needs of the farmer; surely it is not for the farmer to regulate his sheep to suit the killing facilities. It is vital that something be done to assist the farmer and to ensure that his stock is disposed of and sold at the best possible price.

I think this is the Government's responsibility, and it is a situation where markets must be made continuously available. I think these markets are available, but we must go out and find them.

The price of mutton in shops does not fall and fluctuate violently. The information we received today indicates that one farmer got \$300 for 1,000 sheep and had to pay 90c a head by way of transport costs. It is quite ridiculous to stress the fact that the farmer should become more efficient if there is to be no efficiency beyond the farm itself, particularly as this relates to transport, and the marketing and sales organisation. The farmer is carrying out his job, but he is being let down on the other side. It is high time something drastic was done to alter the situation.

The Hon. R. Thompson: You had better change the Government.

The Hon. E. C. HOUSE: It is not for me to advocate that. One does not need to change anything; one only needs to smarten up the people who are responsible at the moment. It is not always the fault of the Minister but the fault of heads of departments, and so on.

The Hon. R. Thompson: You should get some efficient Ministers so that this can be done.

The Hon. E. C. HOUSE: Does the honourable member suggest that his party has such Ministers? He would certainly have to prove this first before we accepted any suggestion to that effect.

I would now like to refer to the question of drought relief and the drought situation generally. Unfortunately we are facing another period of drought and this is evident in a large section of the southern area of the State from Wellstead to Boxwood Hills and from the Gairdner River

to Jerramungup, Fitzgerald, and Hope-town. Other areas which are feeling the strain are Condingup, Grass Patch, and most other places north of Esperance. A serious drought is also likely to be faced by areas like Pingrup, Nyamup, and Lake Grace if rain does not fall soon.

If we have a second drought as severe as the previous one the whole position will be far more serious, financially and in every other way, than it was before. Last year the dams in the areas in question contained a certain amount of water but today they are completely empty and it certainly does not look as though we will have a sufficient volume of rain to cover the entire area.

It is necessary for us to start organising our boring programme now in an endeavour to find the necessary water. We all know that reference is made in the Bible to seven years of drought and seven years of plenty. We have always had our dry years and unless we are able to find the necessary water these dry years will cause stock losses over future years.

It might be said that we have experienced drought conditions before, and the question might be asked as to why we did not come up against similar problems on those occasions. The answer, of course, is that for the most part we did not have the stock numbers that we do now. It is necessary for farmers to overstock in order that they might meet their commitments. When the recent drought came upon us we just did not have the reserves of water that were necessary.

As members know, the drought relief finance is to be terminated at the end of this month and I am rather pleased to see that this is so, because immediately it is phased out it might be possible to improve the terms and conditions of the relief in respect of areas which were previously affected by drought and now require reintroducing.

All we have had in the matter of drought relief is a duplicate of what has happened in the Eastern States. I think I have said before that a completely different set of circumstances and conditions applies in this State and we should be able to devise our own rules and regulations and stand on our own feet.

One of the problems with which we have been faced is that all avenues of borrowing must be used before drought relief finance becomes available. In this matter of borrowing I refer to the stock agents. To my mind stock agents are not banking institutions; they should not be the main avenues from which we borrow, because in most cases the security is not there; and yet these agents could, if they wished, take the entire wool clip or the stock.

Farmers have had to borrow from stock agents to the very limit, and sometimes beyond, before they became eligible for

drought relief finance and now they find that their wool clips and sheep are at a low price and are being taken over by the stock agents to meet the debt. As a result they have nothing to carry on with.

This is a completely foolish system. It has been found that when one borrows money from a stock agent one generally does so at an interest rate of between 20 per cent. and 24 per cent. No Government should ask farmers in the position in which they find themselves today to borrow money on those terms. Actual interest is 8½ per cent. but because they are then forced to deal exclusively with the stock agents the extra charges on items purchased through not being able to shop around and the extra cost on wool through the auction system gives an overall rate close to 20 per cent. to 24 per cent. I can give figures to prove that this is so.

This is one of the factors we should try to avoid in the coming months; we should not force farmers to go to the stock agents before being able to obtain drought relief finance. It places them in a crippling position. Although there have been about 280 applications approved for drought relief finance, it will be found that most of the applicants are in such a bad position that they will find it very difficult to recover.

A further aspect concerning drought relief about which I am not happy is the return of agisted stock and the transport charges. It was announced initially that return transport would be paid by the Government, but we find the amount paid is equivalent to that charged for the rail freight, which works out at 42c a mile. The actual road transport costs have been between 60c and 70c a mile, which means that the farmer has virtually had to pay all the outward transport and is only getting back two-thirds of the amount he paid for the homeward transport.

The argument used against this aspect is, of course, that our terms are far better because in the Eastern States the farmer is obliged to pay for the first 50 miles. However, I do not think this has any relationship to Western Australia where we are virtually dependent on road transport because many areas do not have railway facilities. It is generally conceded that transporting stock by rail is not acceptable today and road transport should be used.

Of the three points I wish to raise on that matter, the last one concerns the first mortgage priority. In the main, there has not been a great deal of trouble with this except with the Commonwealth Development Bank, and it seems rather surprising that two Government banks should be reluctant to give way on a first mortgage priority. The Commonwealth says it is the responsibility of the State,

and the State says it is not going to give way and it is up to the Commonwealth. It should be possible in all cases for agreement to be reached that the first mortgage be not insisted on and, particularly when Government banks are involved, the agreement should be waived.

I know it is a bone of contention with most of the applicants for drought relief that a first mortgage priority is insisted upon by the State bank. I think that this should not be an arbitrary matter. Some elasticity should be allowed and, if necessary, the first mortgage priority should not be insisted on.

The Hon. C. R. Abbey: How about a deed of charge? Wouldn't that do?

The Hon. E. C. HOUSE: I would think so. Actually there should be many ways of giving protection. Obviously enough, protection exists in most contracts, but if not, so what? After all, most of the farmers applying for relief have paid heavy taxation over the years when the seasons were good, and I think the Government probably owes them more than the other way around. Therefore, I do not believe that this should be a difficult problem to overcome.

Another matter to which I desire to make reference is transport. Mr. Knox who was appointed the Director-General of Transport has done a very good job, but too much time is elapsing before many of his schemes are implemented. Once again, I believe there is a definite urgency for a quick alteration to the transport system of Western Australia. The other day when in the country I was told that the residents were delighted to hear that the Government was going to bury the railway and they hoped it would be buried mighty deep to make a good job of it.

The Hon. G. C. MacKinnon: You should have been here when we were trying to bury it a few years ago.

The Hon. E. C. HOUSE: One of the problems facing the farming community today is the high cost of transport and I hope that very shortly some of the recommendations made by Mr. Knox will be implemented. However, the most important change required is to allow farmers a free choice of transport instead of their being forced to use the railways in those areas where rail transport is available. South Australia has adopted this policy and, in fact, did so in 1964 when the person transporting goods was allowed to decide whether he used the railways or road transport.

The Hon. F. R. H. Lavery: That was a good Government that one.

The Hon. E. C. HOUSE: The Railways Department deficit in South Australia in 1964 was \$6,385,000, but by 1969, because the farmers had been given their choice

of transport, the deficit had risen to \$12,300,000. In other words, the increase in the deficit was \$6,000,000 because of the action taken by the Government. However, that State did not do what Mr. Knox is advocating; that is, to rationalise the whole of the railway system so that it is used to transport only those goods most suitable for it, and unprofitable freight is not transported. Also, trains should not be run just for the sake of running them on certain days of the week.

I believe that in certain areas, anyway, we would do well to allow the people free choice of transport. This action would do a great deal to build up the Albany wool sales and it would help to a large extent in decentralisation in the southern section. I do not believe that in comparison the loss to the Government is as important as the gain to the farmer. For instance, if the line between Boyup Brook and Katanning were closed, the Government would lose \$3,000, but the farming community in the area would gain \$85,000. This just illustrates the need to allow the farming community to use road transport if that is the cheapest.

If we were to adopt this policy I am absolutely convinced that the amount of wool sold through the Albany wool sales would double. This is most necessary to cut the costs to the woolgrower and to build up the southern port. The Albany wool sales are already earning a great deal of prestige and I know that what I have suggested would considerably help the farmers.

I have some interesting figures concerning the costs of road and rail transport. From Gnowangerup to Albany by rail involves 112 miles and by road 97 miles. The cost of transporting superphosphate by rail is \$5.85 to the actual siding, with a calculated terminal cost of \$7.50; that is, to the farm itself. We must allow for cartage from the railhead. The cost by road, involving 97 miles, is \$3.61. With wool, the cost by rail is \$11.50 with a terminal cost of \$13.15, while by road the cost is \$9.10. For wheat the cost of transport by rail is \$5.72, while by road the cost is \$4.76 at the railhead. Other figures I have are very similar although there is not much difference between rail and road costs in the Lake Grace area, mainly because of the telescopic rail freights which bring down the costs of rail; but there is still a gain using road instead of rail transport.

If we are going to do anything about farmers' costs, this is the first thing that should be available to the farmer. It would help considerably to alleviate some of the problems of the cost complex.

It is also very necessary to build up the wool sales at Albany. This is probably one of the few wool villages in the Commonwealth and it has a great potential.

The Hon. S. T. J. Thompson: How will containerisation affect the Albany wool sales?

The Hon. E. C. HOUSE: Containerisation is an interesting subject. The latest figures available prove that containerisation is a very costly exercise and it is not practicable for all goods. On container ships, losses can be between \$250,000 to \$1,000,000 on round trips. It is doubtful whether this kind of cost could be stood for very long. Once again, Mr. Knox has done an extremely interesting study of containerisation of Albany wool shipped ex Fremantle or shipped out of the Port of Albany itself. His figures prove that it is much cheaper for roll-on-roll-off ships to call at Albany to load wool for overseas countries than to transport the wool to Fremantle for loading into containers and then onto a containerised ship. It is interesting to comment that the distance from Albany to Fremantle is quite small when compared with the transport of wool from Queensland to Sydney and from South Australia to Victoria respectively for the purpose of containerisation. What would be the costs to the wool industry in those circumstances? They would be absolutely astronomical and, doubtless, something will have to be done about them.

I have a copy of the report prepared by Mr. Knox. I have not read all of it, but he has two pages on this subject. He has proved quite conclusively that it is much cheaper to ship wool through Albany on roll-on-roll-off ships than it is to ship it from Fremantle by container ships.

Recently a request was made by the shipping lines for a 4 per cent. rise in shipping freights. I think this is a cheek. On the one hand the farming industry is asked to become efficient and, on the other hand, such a request is made. Recently I heard a statement over the air to the effect that overseas wool freights are considered to be \$5 to \$7 a ton overpriced in comparison with what they could be if the wool was handled better. This was one argument used against a 4 per cent. rise in shipping freights.

I do not think that Mr. Syd Thompson need have any fears about containerisation. Due to the high costs involved, I doubt whether there is any fear of its taking over the entire wool clip of Australia.

Road maintenance tax is another factor which causes farmers a great deal of worry. Curiously enough, road maintenance tax does not have a great deal of impact for distances up to 150 miles. However, for distances greater than 150 miles it does become a burden through the increased costs of transport. A great deal of pressure is being applied in an effort to gain some relief in this direction.

I would like to make reference to the Fitzgerald Reserve. I realise I am treading on dangerous ground, in view of the fact

that a full-page advertisement, signed by many prominent people, appeared in *The West Australian*. They objected to the reserve being thrown open for mining. In addition, the headlines, "Hands off the Fitzgerald Reserve" appeared in the *Gnowangerup Star*. Petitions galore are circulating with a view to preventing mining in this area.

If it were just another nickel or copper project, I would say that possibly there was good cause to have second thoughts. However, montan wax is of such immense value not only to the State and to the Commonwealth but also to the area that a great deal of thought must be given to this question. Further, it must be given before pressure builds up to such an extent that it is virtually impossible for the project to go ahead. I believe that the export figure for montan wax last year was \$16,000,000.

The Hon. G. C. MacKinnon: You mean the import figure?

The Hon. E. C. HOUSE: Yes, the import figure was \$16,000,000. There are only three other known deposits in the world of the quality which is believed to exist in this area and two of them are in Czechoslovakia, behind the Iron Curtain.

As the Fitzgerald Reserve is in my electorate, I think I have every right to take a sensible view. Surveys have already been conducted by the company from the point of view of conservation. There are no botanical plants or animals of great significance in the area where the wax is known to be. In other words, it could be mined without causing any damage. Incidentally, it has been mined before, so mining there is not new.

The Hon. F. R. H. Lavery: But not on the scale which is proposed in this set-up.

The Hon. E. C. HOUSE: That might be so. However, we should not lose sight of the modern methods which are available today. The area containing coal is only about 6,000 acres out of a total area of 600,000 acres.

I do not want my remarks to be misinterpreted, because I am completely in favour of conserving rare plants and animals.

The Hon. F. R. H. Lavery: When the honourable member said that mining had taken place previously, I suggested that the scale was very small; perhaps on half an acre or, at most, 24 acres.

The Hon. E. C. HOUSE: There has been a deal of activity in the past and, in addition, sheep were once grazed there. I believe that the value of the wax in question could be in the vicinity of \$1,000,000,000. This is big time! I do not think we can possibly prevent some sensible mining from taking place. As I have said, there are practically no rare plants or

animals in the area of the coalfield. I am certain that it could be mined without any desecration of the reserve as a whole.

The coal could be processed at Jerramungup. It has been suggested that a minimum of 50 families would come to the area. This would have a good impact on the farming industry there.

The wax will be an exportable product and it is proposed to use Albany as the port. The great southern residents are very interested in building up the Port of Albany and this will further enhance its value.

The company is prepared to put in scenic roads which would attract many tourists. People would travel to see the rare plants and animal life in the reserve. It is an excellent suggestion. Without this, it is doubtful whether access to the area would come about in our lifetime. I believe there is a great deal to be gained from allowing proper and sensible mining rather than preventing the mineral lease being granted.

The Hon. F. J. S. Wise: I think that is very realistic.

The Hon. E. C. HOUSE: For a long time residents have known the merits of the area but very few from outside have been able to see them, because of the rugged country. The company is prepared to expend on scenic roads moneys gained from mining the mineral and, consequently, thousands of people in the State would see something which they would not otherwise have the opportunity to see if the area remains unchanged. I know the Minister for Fisheries and Fauna would ensure that no excess damage occurred. It disturbs me to see this buildup of pressure in opposition to the project, when the people concerned have not even looked at it.

The Hon. F. R. H. Lavery: That is not a correct statement. They are opposing it for the time being until someone goes in and has a look.

The Hon. A. F. Griffith: What did you say?

The PRESIDENT: Order!

The Hon. E. C. HOUSE: I cannot agree with Mr. Lavery on that point. The fact still remains that a full page advertisement signed by some important people appeared in *The West Australian*. I leave it at that, and I hope common sense will prevail.

I am most disturbed at the state of native reserves in country towns I know of in the great southern. A definite deterioration has occurred in the standard of the health and hygiene of the natives on these reserves. One must realise that the policy of the Government is to get rid of the reserves; but I ask members: Can the Government do that? I cannot see it being possible to do away with the reserves and shifting the large number of families congregated on them for many a day,

simply because of the economic situation. Those natives cannot be placed in expensive houses because at the moment they are virtually idle. There is no employment for them and they cannot afford to rent houses, so they are stuck on the reserves in large numbers.

The Hon. F. J. S. Wise: One of the troubles is that they are trying to make the transitional period 10 years instead of 100 years.

The Hon. E. C. HOUSE: That is a good point and I might add to it by saying that it is departmental policy to accuse whites of discrimination. In other words, the Department of Native Welfare expects whites to uplift the native people without any contribution at all from the department. That is just passing the buck. There is no colour bar; I say that quite definitely, and I stand by the statement. However, there is a hygiene bar because of the filthy state of the reserves and the conditions under which the natives have to live, neglected and unwanted. It is a pretty grim situation because the children have to go to school when they are suffering from scabies and mechanised dandruff and other complaints which abound on the reserves.

If wood was made available the natives could boil up the donkey or the copper and have a hot shower; but there is no wood, and no likelihood of any being supplied to them. So the natives have no showers. The policy of the department is to place water taps 50 yards from the houses so that the natives have to carry their water. It was stated that this would make them appreciate water. What utter nonsense! I have never heard anything so stupid; and this is the policy that is being carried out.

Two washing machines were donated to a native reserve by the Lotteries Commission, but the department would not install them because it said the natives would be more comfortable and would want to continue living on the reserves. However, they have no option but to do just that, and if those washing machines had been put in, at least it would have made washing their clothes a little easier.

I have a lot of time for natives. I have lived near them and known some of them for all my life, and I am shocked at the deterioration which has taken place over a number of years, due mostly to bad administration. I think the Government must change its policy in regard to native reserves.

We need to be fairly severe in many cases. The natives receive money from the Social Services Department—enough to allow them to bet and drink and spend nothing on food for their children. Serious malnutrition is occurring and some native children are so hungry that they break into stores. I know for a fact that they steal only what they need to eat—a tin of food

here and there, or a packet of biscuits—to stop the gnawing hunger caused by their elders spending their money for wrong purposes. I maintain that we must place trained men or women on the reserves to assist, educate, and train the natives, and also to see that they spend their money on food and clothing for the children.

Those people could train the natives and supervise them to ensure that they keep themselves clean and the families are in a happy state. This is not the case at the moment, and I think much of it is caused by a definite departmental policy to make the reserves as miserable as possible so that the natives do not want to live there. There is more discrimination in the department in what it will not allow concerning reserves than there is amongst white people in the areas concerned. As I said, the amount of stealing occurring is increasing, and it is only out of necessity.

An answer was given in another place yesterday to the effect that a certain farm school cost approximately \$200,000. I hope that before the position gets much worse the department will make a quick change of policy and use the money being spent on farm schools and hostels to place trained people on the reserves to help the natives. A large proportion could be helped in this way. At the moment an almost astronomical amount is being spent on farm schools and hostels. I do not believe in boasting about how much has been spent on education, native welfare, or any other thing. It is what is done with the money that counts, and in this case I would suggest that it is not being spent wisely.

There is one other matter which I really cannot understand, and that is the fact that natives are barred from National Service. I can see nothing but advantage accruing to them if their number comes up in the ballot, or they are encouraged to join the Army. They would receive good training which would be to their advantage. I realise that natives are barred from National Service because the authorities are afraid that one of them might be killed in Vietnam. However, they need not be sent there; the mere fact that they would receive local training under the National Service scheme would do a great deal to help them and to improve their ideas on living conditions. It seems peculiar to me that we are accused of discrimination on the one hand; and yet on the other hand natives are not allowed to do National Service training.

I do not want to go back over the rather desperate plight in which the farming community finds itself, and the subsequent financial strain. However, I wonder whether the powers that be fully appreciate just how serious the position is. I am pleased to see the mineral expansion in the north, but I feel it will not be of great assistance unless some of the great

wealth is distributed evenly so that benefit is gained by rural towns as well as mineral towns.

In my mind there is no doubt that the rapid expansion of mineral development has contributed greatly towards a general rise in costs; it is only natural that it would. In the main the mining companies operating in this State at the moment are extremely financial. They have the capital and the ability to expand to such a degree it is only natural that a rise in costs must occur. It is necessary, therefore, that some of the royalties that are obtained from these large companies be channelled into the field of agriculture, and I hope this will be done.

The Hon. A. F. Griffith: Don't you think that is being done now?

The Hon. E. C. HOUSE: I do not know how much the farmers are receiving, but it is not very much.

The Hon. A. F. Griffith: The whole community is benefiting.

The Hon. E. C. HOUSE: That is not the point I am getting at. I sound a note of warning to the whole community and point out that one can blow up a balloon to a certain point and then it bursts, and this is what happens with inflation. We have no real knowledge of how long this wave of prosperity will continue, or whether, if the industry suffers some setback, it will be able to stand on its own feet. The mining industry does not have the balanced backing, as does the rural industry, to enable full employment to be maintained if it suffers a recession. History has proved that many of these mining booms burst because there is nothing on which to fall back.

The Hon. A. F. Griffith: Where do you think we would be today if it were not for the fact that we are producing so much from minerals?

The Hon. E. C. HOUSE: I am not denying that. I hope the Minister did not think I was offering up criticism along those lines; he was not listening if he thought I did, because I did not. I think the expansion in mineral development is to be welcomed, but the Minister can give no assurance as to how long the boom will last, any more than he can say how long a boom in wool would last. Down through history it has been proved conclusively that such booms do not last forever.

The Hon. A. F. Griffith: I would rather see the steady income we are receiving as a result of the establishment of these mining projects than boom conditions in any commodity. It is no good to any community to receive \$2 a lb. for wool.

The Hon. E. C. HOUSE: I agree, and I think every member will admit that in the past farmers have received prices for wool as low as they are today, but it did not

concern them so much in those days because the cost of production was not so high. The high costs that are ruling today have been brought about by the inflationary spiral. For instance, the Broken Hill Proprietary Company Limited recently increased its price for steel by just over 3 per cent. Nothing was said about that, but when the workers went on strike for more money there was a great outcry. Surely it is the responsibility of large companies such as Broken Hill to try to keep costs down. When a company makes a profit of \$60,000,000 in one year it is only natural that the workers are anxious to obtain a rise in their wages.

This is the trend we are experiencing right throughout the whole of the Commonwealth and I think steps should be taken to prevent it. In the United States of America the large steel companies were prevented from increasing the price of their product by the President of the United States. This is only common sense. After Broken Hill increased the price of its steel, every small item in the retail stores—plus vehicles and machinery—was subjected to an increase in price. Such price increases are, of course, felt by those engaged in agriculture, but because the price for their product is governed by overseas markets any increase in the cost of production suffered by them cannot be passed on in the same way as it is done by those in the field of commerce.

It is a waste of time appealing to the farming community to economise if people in the rest of the State are not following suit. The Government itself will have to do something to economise. For example, the road maintenance tax could be waived, and if the efficiency of the Main Roads Department was increased we would still be able to maintain our roads in good condition.

The Hon. A. F. Griffith: In making that statement I am sure you have done your homework.

The Hon. E. C. HOUSE: I have seen what goes on. I know that large expensive machines are purchased purely for the purpose of expending the money that is in hand and to avoid carrying it over until the next financial year. This Council should have standing committees appointed to examine matters such as this, in fact, this should be one of its main duties. Such committees are appointed in the Senate by the Federal Parliament, and in my opinion this State should follow its example. It would not do any harm to keep Government departments on the ball. After all, we, as members of Parliament, represent the farming community and we have a duty to perform on their behalf. We know their problems and, as members, we are doing only what we think is right by bringing such matters forward.

We cannot expect efficiency to be exercised in one section of the community only, merely because the people in that particular section are passing through adverse times as a result of increased costs of production. I believe that in many cases the profits being made by large companies today are far too high; far beyond what they need be. I could quote some examples, but I had better not. It is useless to criticise those engaged in the wool industry because they are seeking a single marketing authority. We know that if a single marketing authority were constituted it would bring about efficiency, despite the fact that it has been suggested by Mr. Irwin that to do this would be a socialistic move. Such a move is necessary even though it may be socialistically based.

The Hon. R. F. Hutchison: They do not understand what it means.

The Hon. E. C. HOUSE: Medicine is socialised, and doctors welcome it, because they would have many more bad debts as a result of people not paying their fees if it were not for the hospital benefit funds. Therefore, one cannot deny that they are enjoying the socialisation of medicine. There is no other name for it. I realise I am getting onto dangerous ground, so I had better desist.

There is another aspect relating to the question of efficiency on which I wish to speak. One of the greatest heads of expenditure in the recent Federal Budget was that of defence. Anyone who has had any experience of any of the armed forces knows full well that there is much inefficiency. I think that, with national training, a great deal more efficiency would be obtained. I understand that \$1,300,000,000 was the estimate for expenditure on defence. I think I read in the Press the other day that \$400,000,000 was the cost of running the Air Force.

In all of these Government departments I think there is room for more efficiency. The recent Budget has also shown that there is to be a rise of 3c in the price of fuel. There is sufficient evidence available at the present time to show that this increase of 3c could have been absorbed by the oil companies without the price of fuel being increased. Once again, I consider that this is as a result of inefficiency, and whilst the oil companies are allowed to continue increasing the price of fuel nothing will be done to achieve greater efficiency, because there is no incentive for them to bring this about. In my opinion I think they should be forced to achieve this objective.

The Hon. Clive Griffiths: You would not say that the Broken Hill Proprietary Company Limited was an inefficient organisation, would you?

The Hon. E. C. HOUSE: I did not say anything of the kind.

The Hon. Clive Griffiths: You said that B.H.P. had increased its price for steel by 3 per cent.

The Hon. E. C. HOUSE: I said that I did not agree that Broken Hill should increase the price for steel by 3 per cent., when it is already making ample profit. In my opinion \$60,000,000 profit in one year is a tremendous return for any company to make. The honourable member, of course, is a shareholder in that company and he holds a different view. When considering such matters it all depends on which side of the fence one is.

I think B.H.P. is probably one of the most efficient concerns there is in the country, and we are certainly very lucky to have it established in Australia. At a time when we are worried about inflationary trends, however, it is only reasonable that we should try to play our part to keep costs well in hand. I support the motion.

Debate adjourned, on motion by The Hon. F. R. H. Lavery.

House adjourned at 4.01 p.m.

Legislative Assembly

Thursday, the 20th August, 1970

The SPEAKER (Mr. Guthrie) took the Chair at 2.15 p.m., and read prayers.

QUESTIONS (52): ON NOTICE

1. *This question was postponed for one week.*

2. **GOLD**

Commonwealth Subsidy

Mr. T. D. EVANS, to the Premier:

What steps has he taken or does he intend to take to request the Commonwealth Government to review its goldmining subsidy decision?

Sir DAVID BRAND replied:

I have written to the Prime Minister asking him to receive a deputation consisting of the Minister for Mines, the Leader of the Opposition, and Mr. Brodie-Hall, President of the Chamber of Mines of Western Australia.

3. **HOSPITAL BENEFIT FUND**

Payment of Doctors' Accounts

Mr. BATEMAN, to the Minister representing the Minister for Health:

In view of the hardship experienced by people on the lower income bracket to find the necessary money to pay their doctors' accounts in full before being eligible