BILL—FREMANTLE HARBOUR TRUST ACT AMENDMENT.

Second Reading.

THE MINISTER FOR TRANSPORT (Hon. C. H. Simpson—Midland) [7.53] in moving the second reading said: The purpose of this small Bill is to amend Section 65 of the Fremantle Harbour Trust Act, this being the section giving the comissioners of the Trust authority to promulgate regulations for the proper administration of the harbour. The Bill seeks to permit regulations to be made for the purpose of limiting or exempting the Commissioners from liability for damage or loss suffered by any person in consequence of—

(1) an act of God;

(2) an act of war;

(3) an act of public enemies;

(4) strikes, lockouts or stoppage or restraint of labour from whatever cause, whether partial or general;

(5) Riots and civil commotions;

(6) the use for purposes of war or defence or training or preparation for war or defence of any of the property vested in the commissioners.

A glance at the marginal note of Clause 3 will indicate to members that the matters I have just referred to are similar to those contained in a British Act, the title of which is the Carriage of Goods by Sea Act, 1924. This Act was passed to give effect to rules relating to bills of lading, these rules having been agreed to unanimously by delegates to the International Conference on Maritime Law held at Brussels in October, 1922, and amended the following year by a committee appointed by the conference.

The necessity for the regulations proposed in the Bill became apparent in 1946, following two stoppages of work in that year by employees of the trust. The first strike, one by pilots, was settled speedily and satisfactorily, but it involved the trust in a small claim for compensation by shipboard employers. The other stoppage affected electricians and fitters required to attend to the bulk handling machinery and delayed the loading of a bulk wheat vessel for two days. All other industrial disputes on the waterfront have involved both the trust and the shipboard employers, and on these occasions the trust has not been faced with the responsibility of meeting any losses occurring to the shipowners. The solicitors to the trust and the Solicitor General agree that, at present, there is nothing in the Act to protect the trust against liability for any losses occasioned by the causes mentioned in the Bill.

I would like to point out that the Railways Department is protected under its regulations against liability for any loss to goods occurring as a result of industrial disturbances at the wharves under their control. Although there has only been one stoppage of work by its employees involving the trust in a claim for compensation, which, fortunately, was small, it is possible that another strike or one of the other reasons enumerated in the Bill might face the trust with a substantial claim for damages. It is for this reason that I hope the House will agree to the Bill the object of which is to limit or exempt the trust from liability in the event of such an occurrence. I move—

That the Bill be now read a second time.

On the motion by Hon. G. Fraser, debate adjourned.

House adjourned at 7.57 p.m.

Legislative Assembly.

Wednesday, 20th September, 1950.

CONTENTS.

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

QUESTIONS.

CHANDLER ALUNITE WORKS.

As to Estimated Price of Plaster.

Mr. KELLY asked the Minister for Industrial Development:

(1) Is he aware that plaster is costing more than £10 per ton at Merredin?

(2) On the basis of estimates already made, at what price could the Government works at Chandler have supplied plaster—

(a) at works;
(b) at Merredin;
(c) at Perth?

The MINISTER replied:

(1) No.

(2) Estimates were only made for supply of plaster on a bulk basis with minimum deliveries of 250 tons per week. No estimates of the costs of supplying small lots to the trade were made. It was estimated that if tonnages between 250 and 500 tons per week could have been supplied, the cost ex works would be approximately £3 5s. a ton, plus cost of bags which would vary depending on the type of bag used from about £1 16s. 3d. a ton to £2 10s. a ton. Judging by other estimates made for the anticipated profitable supply of products from certain governmental industries, it is doubtful if these estimates could have been realised, especially as costs have risen considerably since estimates were made.

TOMATO DISEASE.

As to Establishment of Research Garden.

Mr. SEWELL asked the Minister for Lands:

In view of the serious position that has arisen in regard to black spot and other diseases in the tomato gardens in the Geraldton district, will he give immediate effect to a promise made to the growers at Bluff Point some two years ago—consideration for the establishment of a research garden in the district to undertake all experiments for the betterment of the industry?

The MINISTER replied:

No promise was made by any Minister that a research station would be established at Geraldton. A promise was made that Messrs. Cass-Smith and Jenkins would be made available for research and assistance to the tomato industry when required. This promise has been honoured.

EDUCATION.

As to Increase of Pupils.

Mr. SEWELL asked the Minister for Education:

Further to the statement made by him in reply to remarks by the member for Melville on Tuesday, the 12th instant, regarding the increase in the numbers of the teaching staff from 1946 will he give the percentage increase in the number of pupils for the same period?

The MINISTER replied:

9.31 per cent.

HARBOUR DREDGING.

As to Grab-hopper and Rock-breaker.

Hon. J. T. TONKIN asked the Minister for Works:

(1) Is the grab-hopper dredge on order at Mort's Dock, Sydney, the construction of which cannot be expected for another 18 months at least, to be used for the purpose of removing clay covering the basalt on the floor of the Bunbury harbour?

(2) Is the rock-breaker "Lobnitz" to be laid up until the clay has been removed by the dredge?

The MINISTER replied:

(1) The programme prepared for the operation of the grab-hopper dredge does not include its use at Bunbury for the purpose of removing clay covering the basalt on the floor of the Bunbury harbour.

(2) Answered by (1).

COAL.

As to Deep Boring at Collie.

Mr. MAY asked the Minister representing the Minister for Mines:

(1) Is it a fact that the deep boring plant at Collie is to cease work immediately?

(2) If the reply is in the affirmative, will he give the reason why deep boring is to be discontinued at Collie?

The HONORARY MINISTER FOR MINES replied:

(1) Drilling is being temporarily suspended at completion of the third hole.

(2) The present contracting firm, Australian Drillers Pty. Ltd. have advised that they are unable to meet the basic condition of the contract entered into in the first instance, which was to enable the department to negotiate for the balance of the drilling on a satisfactory financial and technical basis.

The department has now approached another contractor with a view to completion of all arranged drilling at Collie.

TRANSPORT.

As to Conveyance of Guide Dogs for the Blind.

Mr. GRAHAM asked the Minister representing the Minister for Transport:

(1) Has any consideration been given to arrangements being made for the conveyance of guide dogs with blind persons on public transport?

(2) If not, will he have the matter investigated?

The MINISTER FOR EDUCATION replied:

(1) No.

(2) Yes. The carriage of animals in an omnibus is contrary to the provisions of Regulation 277 (d) of the Traffic Act which states that the owner or driver of an omnibus is not permitted to carry an animal in the bus.

HOUSING.

(a) As to Application of J. A. Breen.

Mr. HUTCHINSON asked the Honorary Minister for Housing:

(1) Is he aware that Mr. J. A. Breen, of 81 Marmion Street, Mosman Park, having a six-unit family, has had an application before the Housing Commission for a Commonwealth-State rental home for over five years?

(2) How many applications over five years' waiting time for rental homes are still outstanding?

(3) Will he see that action is taken immediately to ensure that Mr. Breen is granted a rental home in the Claremont area?

The HONORARY MINISTER replied:

(1) Yes, but inspection made in 1945 did not warrant listing for priority at that date. Subsequent inspections revealed that conditions had deteriorated and accordingly applicant was admitted for consideration in allocations.

(2) Sixty-one cases where hardship has been established.

(3) As a result of check inspection made in July, applicant should be included in next allocation.

(b) As to Cut in Bank Loans.

Mr. GRAHAM (without notice) asked the Premier:

In view of the apparent absurdity of the Commonwealth Bank reducing the amount of loans on houses—of all things—will he consider making representations to the Federal Government with a view to there being a reversal of the decision?

The PREMIER replied:

In my opinion no good purpose would be served by my making such representations and I do not intend to do so.

BILL—PUBLIC TRUSTEE ACT AMENDMENT.

Read a third time and transmitted to the Council.

MOTION—WHOLEMILK INDUSTRY.

To Inquire by Royal Commission.

MR. HOAR (Warren) [4.38]: I move—

> That in the opinion of this House, the Government should immediately set up a Royal Commission to make a complete inquiry into all phases of the wholemilk industry.

I have for a considerable time been of the opinion that, with conditions in the wholemilk industry becoming chaotic, particularly from the producers' point of view, and bearing in mind that there is no overall State plan to ensure a sufficient supply of wholemilk for our rapidly increasing population, nothing short of a comprehensive inquiry, competent in every way to deal with the subject and independent of the interests concerned, is necessary to resolve this matter once and for all on behalf of the people of the State.

The contribution of the wholemilk industry to the welfare of the State is getting somewhat out of perspective in relation to other activities in the dairying industry. Although I have said that an inquiry such as I have suggested could be performed by a Royal Commission, I am not particularly wedded to that idea so long as the inquiry is an independent one and is held in a competent manner that would help the Government considerably, because it must, more or less, be concerned with the serious state of affairs which has arisen from time to time in the wholemilk industry and it must, therefore, be anxious to rectify some of the anomalies. As far as we can, we ought to see to what extent the wholemilk industry should be permitted to expand its activities further in the South-West, embracing as it does the butterfat and cheese production of the dairying industry proper.

To my way of thinking, some disorganisation has been created in areas which previously did nothing but produce wholemilk, with the result that over the past 12 months or so there has been a tendency for the Milk Board to make further encroachment in a southerly direction which, in the course of time, cannot assist, and, in fact, will have a harmful effect on the dairying industry as a whole. We ought also to ascertain if the wholemilk industry could not be concentrated, to greater advantage, in areas more adjacent to the metropolitan area, thereby reducing considerably the high transport costs that apply today. Such an inquiry could, if properly constituted and instructed, determine whether the producer is obtaining a fair return for his labour and product.

The Premier: Is not that the function of the Milk Board now?

Mr. HOAR: The functions of the board may cover that, but there has been so much dissatisfaction emanating from wholemilk producers that I imagine that the activities of the Milk Board, in this as well as in other avenues, have not been properly attended to. I want this inquiry to discover not only that, but also to find out why so many producers are leaving the industry, a fact that is already acknowledged. Far too many today are

leaving the industry, and there must be some reason for it. Although one may, when speaking on a subject such as this, present it in terms of generalities, nevertheless it must be considered and finally determined from the point of view of specific instances, and the Premier himself has already mentioned one with which I hope to deal later.

Such an inquiry should give full consideration to the question of whether the consumer in the metropolitan area is not paying too much for his milk today, bearing in mind the virtual drift towards a monopoly with treatment plants. It should also investigate the activities of the Milk Board itself and by a comparison with boards in other States, determine whether the duties of the board in this State are being economically and efficiently administered, constituted as it is with no form of producer representation whatsoever.

Another important angle that must be exercising the minds of members of the Government today is the likely effects on the industry generally of the proposal to distribute free milk to school children. For instance, the query arises as to whether this supply can be maintained in the long dry summer months when the demand is at its peak and when production is at its lowest ebb. In broadly sketching the outlines of this suggested inquiry, it is essential, in my opinion, that all of these matters should, at the earliest possible moment, receive the closest scrutiny of a competent authority independent of the Milk Board and the Government alike.

In addition, I would suggest that if and when this inquiry is held and the report of its chairman made, the Government would be well advised to set up a convention comprising representatives of all interested parties in the production, treatment and distribution of milk in order that some overall State plan could be evolved, which might better facilitate the distribution of milk at the cheapest possible rates. I suggest that the members of this convention should represent the Agricultural Department, the Health Department, wholemilk producers, consumers, proprietors of treatment plants and retailers.

In support of these contentions, I would first of all point out that the problem, as is well known, is not to find markets for our milk, but to produce sufficient of it to cater for the existing and ever-increasing demand. When we look at this problem of wholemilk production and distribution in order to assess its importance to the State, we can do no other, I suggest, than use the population figures as our base in order to watch the trend of population in the State; the effect of immigration; the density of population in the metropolitan area, and so on. If we commence with the 1947 census we find that the State in that year had a population of 502,480. The estimated population at the end of 1947 was 508,801 and out of this number no less than 272,528—which represents 54 per cent.—resided in the metropolitan area. In 1948, the State's population had jumped to 522,330; in 1949, it had risen to 544,815 and for the first quarter of this year, to 552,030.

So it can be seen that over the last three years there has been an increase in the total State population of over 43,000 people, all of whom must be supplied with milk and the metropolitan population increased over the same period by 22,474—that number is included in the total increase—bringing the population of the metropolitan area today to 295,000. This is far more than half the population of the State and, of course, constitutes the main factor which directs the activities of the Milk Board. Such a density of population can do no other than create a tremendous problem, especially when there will be an ever increasing number of immigrants coming to the State and, on the other hand, unless an overall plan can be devised, a diminution of the milk supply.

I contend that our rapidly expanding population is going to impose an increasing strain on the whole of the milk industry, and that there will be an increased demand, not only for milk but also for all milk components such as icecream, powdered milk, condensed milk and concentrated milk. What I think the Government ought to find out is whether the industry today is geared to meet this problem and satisfactorily solve it. Personally, I do not think it is; in fact, I have very good grounds for believing that it is not in a position to keep pace with the present demand, much less the demand that must accrue as a result of the large expansion of immigration to this country.

Such a position is unsatisfactory. The expansion of the industry and the increase in production should match the population increase and consumer demands, but that is not being done. It would be bad enough if the wholemilk industry remained static while an increase in population occurred, but the reverse is really the case. While, on the one hand, we have a large increase of population, we have, on the other hand, less and less wholemilk being produced.

Many scores of wholemilk producers are going out of the industry and converting their farms to the raising of other primary products. I know that, in the Byford-Mundijong district alone over the last 12 months, no fewer than 19 wholemilk producers have, for various reasons, gone out of the industry. Some of those farms are idle; others are being used for other kinds of primary activity. For some reason not known to me and apparently not known to the Government, those men have decided that the wholemilk industry is the last industry in the world to be associated with, and so they have got out of it.

The Minister for Lands: What are their reasons for getting out of the industry?

Mr. HOAR: I have said that the reason is not known to me.

The Minister for Lands: Is it because the price of wholemilk is too low?

Mr. HOAR: I have said that I do not know the reason, but those farms have become inactive in the production of wholemilk. The Premier, a few minutes ago, indicated that this was the business of the Milk Board, but I point out that, even if that is so, it has not prevented this thing from happening and that it is a serious menace to the production and distribution of wholemilk. That is an indication of how serious the position is. This state of affairs does not apply to one area only. There are plenty of places in the South-West where it could be duplicated many times over. For some reason or other, which is not known to me but which could be elicited by an inquiry, those people consider that their operations in the industry either are not profitable or are not acceptable.

The Premier: Are they not turning over in quite a number of cases to the production of beef and wool?

Mr. HOAR: Possibly that is so. If it is, the position demands very serious consideration and apparently the Milk Board, constituted as it is without any producer-representation, is incapable of assessing the dangerous position into which we have drifted and therefore is incapable of effecting any reasonable improvement.

I wish to deal to some extent with the attitude of the board. I should say that the three members of the board are extremely worried men because of large producers refusing to continue the operation of producing wholemilk. They must be very worried men indeed, and I should think that, if they themselves cannot explain why this drift is occurring, they would welcome an inquiry such as I have suggested.

All sorts of reasons could be given for this alarming trend. I have no doubt at all—in fact, I am informed on good authority—that some producers could bear witness that the industry today is controlled by a dictatorship which in turn is dominated by its chairman, and that producers have suffered so many pinpricks over the last couple of years and can get so little sympathetic consideration from the board in matters vitally affecting their work that they have decided to abandon for ever the production of wholemilk and have gone into other avenues of primary production, rather than continue to buck against this alleged unco-operative attitude of the board.

Mr. Nalder: Do you say that is a reason for men going out of the industry?

Mr. HOAR: I am definitely doing so. When one is discussing a matter of this sort, one could deal with generalities only. Generalities get us nowhere, but there are specific instances. I know of a man who in 1948 was accused by one of the metropolitan depots of supplying under-standard milk. There was an Act of Parliament as well as regulations to govern such a situation, but instead of those people taking the proper course, they paid this man only butterfat rates for his milk, and told him they would not increase the price until such time as he improved his standard. That was all right, but the supplier saw with his own eyes this alleged under-standard milk being tipped into the vat with all the other milk, the depot thereby gaining a profit at the expense of the producer.

Hon. F. J. S. Wise: Do you think there is much standardisation of milk by the depot keepers?

Mr. HOAR: I do not know, but under the present system, at certain periods of the year, excess milk can be bought at butterfat rates and disposed of at wholemilk rates, thereby enabling the depots to make excessive profits—profits far greater than they are intended to make—to the detriment of the producer. The Milk Board has regulations governing its activities, but it did not take action in this case. Two months or more elapsed, and only after the producer had threatened legal proceedings did the board decide to take action. The ultimate result was that the producer was paid in full back to the first day on which his milk was said to be under-standard. It was afterwards discovered by tests that the milk supplied by this man was not under-standard; on the other hand, it was slightly over-standard.

As a result of the unco-operative and unsympathetic attention given by the board to this man's complaint, which was thoroughly justified, the man today is out of the wholemilk industry. That is why I say we should come to specific instances when discussing this matter. Where we find one man complaining in this way, there are certainly many more such cases. If we are going to lose from the wholemilk industry men accustomed to the trade, as this man was, and not give sympathetic consideration in a case of trickery on the part of people who govern the industry, producers will rightly refuse to have any further association with it. As I say, the man I have referred to and no doubt a good many others, too, for the same reason, are now out of the business altogether.

One of the regulations controlling the board's activities deals with the standards of dairies, and I quite approve of it, but that regulation has been unsympathetically administered. The board insists on cer-

tain standards in dairies, whether or not materials are available and regardless of today's costs. As a result, a good many small dairy farmers find they are unable to spend the amount of money required, in order to obtain the conditions necessary under the regulation. Because of lack of money or materials, many dairy farms have not been brought up to standard and, as a consequence, the board has wiped them off and refused them permission to continue in the production of milk; and in many cases the producers themselves have refused to attempt to produce it under those conditions.

Mr. J. Hegney: That is responsible for a great number going out of the industry.

Mr. HOAR: Yes. The situation that develops is that the past producers of wholemilk no longer produce that commodity but are still consumers of it. In order to cover that situation, the board, which previously received milk from those areas, must look further afield, and it is going further south into the butterfat country proper. That is where it will finish before much longer. Heavy costs are involved in the transport of the milk to the metropolitan area. When the depots have got the milk, they will have to send it out again to provide for these isolated people who should be producing wholemilk for themselves and sending their surplus to the metropolitan area.

That is how the operations of these regulations have caused, to a considerable extent, the disorganisation which I know to exist in the wholemilk industry; and it is not wholesome for the industry to be in that situation. A problem is created which, in my opinion, can be satisfactorily determined or solved only by a competent board of inquiry. I want to make some further references to the question of a producers' representative on the board. The original board was established in 1933, and in 1948, when the Act was amended by the present Government, its composition of five included two producer-representatives. In 1948 those two representatives were dispensed with, and since then it can be truthfully said there has been a steady deterioration in the industry from the producers' point of view. From the moment the producers had no further say in the operations of the board, the board became a form of dictatorship.

The Premier: That is not the opinion of all producers.

Mr. HOAR: It is the opinion of a great many, and I say that this State cannot afford to lose one producer. When it is losing hundreds, surely the Government must give some consideration to the matter instead of just drifting on as it is.

The Premier: Do you think producer-representation on the board would help to overcome that?

Mr. HOAR: To a great extent, yes. I will give an instance showing why I am convinced that producer-representation on the board is essential.

Hon. J. T. Tonkin: You told the Government that last year.

Mr. HOAR: Yes.

Hon. F. J. S. Wise: Is not the Government going to make it a producer-controlled board now.

The Premier: Not producer-controlled. You have misread it.

Hon. F. J. S. Wise: We have not seen the Bill yet. We are just anticipating.

Mr. SPEAKER: Order!

Mr. HOAR: We know that in 1948 the alleged reason for the amendment of the Act, which had the result of denying to producers the representation they had previously enjoyed, was because of a milk strike which occurred when the vendors insisted on certain increases. This trouble was used subsequently by the Government as an excuse, not only to strengthen the hands of the board in any future similar occurrences, but to dispense with any form of representation by the producers who, incidentally, had nothing whatever to do with the strike. When that occurred I became very suspicious of the Government's bona fides because, why should the Government remove producer-representation from the board as a result of the milk strike?

The Minister for Lands: Because it was not producer-representation but retailer representation.

Mr. HOAR: It was producer-representation elected by ballot, by the producers, as the Minister knows.

Hon. F. J. S. Wise: He would not know.

The Minister for Lands: It was engineered underground.

Mr. HOAR: I think the Minister means that the two producers' representatives on the board did not suit him.

Mr. Manning: They did not suit anyone.

The Minister for Lands: Not even members on the other side of the House.

Mr. HOAR: If the two gentlemen who were the producers' representatives on the board did not suit anyone, is that any reason why we should destroy the ballot system? Cannot we find someone by elective methods in a democratic country?

The Premier: We will find a better method of election. That is a good point.

Mr. HOAR: These two gentlemen were elected by ballot, by the producers.

Mr. Manning: The producers were disappointed in their selection, if that is the case.

Mr. HOAR: The producers, being democratic people, could have waited until the next election and then elected someone else. They should never have permitted this Government, and least of all the hon. member's association, or any country party affiliated with this composite Government, to take away from them their right to have a say on the Milk Board.

The Minister for Works: Do you think they would battle for an increase in price if they got there?

Mr. HOAR: To put the matter from another angle and to show what some people think of the Milk Board, it has been said by one who should know, that Mr. Stannard, who is the chairman of the Milk Board, was mainly responsible for the removal of producer-representation. As a result, a virtual dictatorship has been created which is proving, as I said before, not at all wholesome to the industry.

Hon. F. J. S. Wise: After having had nine years administering that Act, I share that view.

Mr. HOAR: I felt in 1948, when the amendment was brought before the House, that some influence must have been at work behind the scenes to induce the Minister to take this action. That was my reaction to it. Since then I have had every reason to believe I was right. There are such things as wheels within wheels. We know full well—it is true now, at any rate—that even the Farmers' Union wanted the producers' representatives removed from the board. That is almost unbelievable, but it is nevertheless true. The reason, of course, is that the wholemilk industry is really governed, in an organisational sense, by its own organisation known as the Wholemilk Producers' Association. That body controls nearly all the producers of wholemilk.

Mr. Manning: Are you sure of that?

Mr. HOAR: Yes, I made it my business to be sure. A few wholemilk producers are also members of the Farmers' Union. There came a ballot for positions, and the Farmers' Union was ambitious to have one of its own members placed on the board. It sought its opportunity through the usual election channels, but was badly defeated. So much dissatisfaction and hurt was felt as a result that that body became one of the principal movers in seeking to have the producers' representatives eliminated.

That is not hearsay, but a question of fact which can definitely be proved. It should be borne in mind, too—I cannot point out too strongly to the Government the importance of this, and why we should have producer-representation on the board—that the president of the Farmers' Union is a Mr. Noakes, and he strongly advocated the elimination of producer-representatives. It should be remembered, also, that Mr. Noakes is not only president of the Farmers' Union, but chairman of directors of the South-West Dairy Farmers Co-op. Ltd. as well.

Hon. J. T. Tonkin: And a member of the Fremantle Harbour Trust.

Mr. Manning: He is a very able man, if that is the case.

Mr. HOAR: Yes, indeed, for the simple reason that this company, the South-West Dairy Farmers, was for a period definitely underpaying the farmers for their milk.

The Premier: I thought it was a co-operative company.

Mr. HOAR: That may be so.

The Premier: Do not all profits go back to the shareholders?

Mr. HOAR: Some would be going back to the shareholders, but the farmers were being robbed because the milk supplied was being paid for at butterfat rates, and the company, in turn, resold that milk to other depots, including metropolitan depots, at wholemilk rates.

Mr. Manning: Are you sure of that?

Mr. HOAR: Yes. I know where I stand on this. I will give the hon. member all this information later, if he so wishes. I have nothing to hide.

Hon. A. H. Panton: Give it to him now and get it in "Hansard."

Hon. F. J. S. Wise: If the points can be questioned, there is reason for an inquiry.

Mr. HOAR: The position is that if the South-West Dairy Farmers Co-op., of which Mr. Noakes is chairman of directors, was operating as I say—and that gentleman is also president of the Farmers' Union—members can see how important it is from the point of view of the concern that there should not be producer-representation on the board because such representation would quickly find out what was happening to the wholemilk supplies and what were the prices paid to the producers. But without that representation on the board such happenings could remain under the lap—which, in fact, they did.

Consequently if the Premier has any doubts at all as to the necessity for reversing the opinion of the Government and this House, which was held in 1948 with respect to the representation of producers, I suggest he look at the matter from the angles I have just mentioned. A board can be constituted in such a way that full representation is not given to all interests. In such a case, activities can be indulged in that are to the detriment of one section which never finds out anything about them. No-one can say that is a democratic procedure.

The Premier: Would you say that the producers' representatives should be producers?

Mr. HOAR: Certainly I would.

The Minister for Works: Producers only?

Mr. HOAR: I am referring to producers of wholemilk when I am talking of producers' representatives on the board. I believe the trouble here starts with the man on the land, because he is not getting a fair go. He has no representation on the board, and he should have. Many of the things that have occurred since 1948 would not, in my opinion, have happened had the wholemilk producers been adequately represented on the board.

The Premier: Could it not be said that you would be restricting the choice of the producers if you stipulated that only producers should be on the board?

Hon. F. J. S. Wise: I have heard you argue differently in connection with other industries.

Mr. HOAR: As a matter of fact, some years ago the Premier argued differently in connection with this subject. In 1946, when the then Labour Government introduced the Milk Act, the present Premier was not satisfied with the producer-representation provided for in that measure. He wanted to increase it so that there would be a producer-majority on the board. How the Premier can change in a short space of time!

The Premier: I tried to see that the producers were represented on the board by producers.

Mr. HOAR: I agree with the Premier that that should be so. The way to ensure that is to say that none but producers shall be members of the association, and they should be elected by ballot.

Mr. Manning: So long as they are producers only and have no other connections with the industry.

Mr. HOAR: There is no argument between us on that point.

Mr. Manning: But not producers who are also retailers.

Hon. J. T. Tonkin: You have the Government on the horns of a dilemma.

Mr. HOAR: Another thing that the board should do is to issue financial statements, which it does not.

The Premier: I think I know to whom you have been talking.

Mr. HOAR: Statements are presented to the House, but nobody knows anything about them.

Mr. Manning: Are you sure of that?

Mr. HOAR: I am not too sure about it. They are supposed to lie on the Table of the House.

The Premier: The financial statements are laid on the Table of the House.

Mr. HOAR: I have never actually seen one.

Hon. F. J. S. Wise: That is covered by the Act.

Hon. J. T. Tonkin: They are placed there. I have read them each year.

Mr. HOAR: One thing of which I am sure is that the production of these statements is very important to the industry. In the other States of the Commonwealth, they are not only printed but also every wholemilk producer receives a copy. But we do not find anything of the kind here. Not even the Wholemilk Producers' Association receives a copy unless it is specially supplied to it, as a privilege. In other States, every producer receives a copy, because there is nothing to hide in those States. The milk boards operating in the Eastern States are glad that producers generally should know exactly the financial set-up. That is never done here and is an indication that the board is controlled by a dictator. There is one other point with which I wish to deal.

Mr. Manning: Before you leave that point: You agree that the chairman of the Milk Board must be a very strong man.

Hon. J. T. Tonkin: The chairman of any board should be a strong man.

The Minister for Lands: Particularly in connection with milk.

Mr. HOAR: I agree; but I do not think he should take unto himself, or suggest to the Government, that he be given powers to permit him to become a complete dictator. Many difficulties can occur to any section which receives from him the right to operate. No organisation should be controlled by a dictatorship.

Mr. Manning: Because there is a strong man in this position does not mean to say that he is a dictator.

Mr. HOAR: I would remind members that when the Labour Government was in office, it consistently advocated marketing boards for all sorts of primary products. Even during the few years that I have been here, Labour Governments have been responsible for quite a number of boards which have adequate producer-representation on them.

The Minister for Lands: But now you want to get rid of boards.

Mr. HOAR: They are strong boards but, because of their representation, nobody would suggest that they are in any way associated with dictatorships. It is possible to give them strength without their becoming dictators. In most of the boards in this State, we have that strength, and that adequate representation. Those boards are doing very useful work for the industries concerned, but this wholemilk industry which I am discussing is controlled by nothing more or less than a form of dictatorship.

The Premier: If we agree to give producer-representation on the board, do you think the Royal Commission, for which you are asking, will still be necessary?

Mr. HOAR: Of course I do. That is not going to solve the problem. That is only one of the weaknesses of the board. There are plenty of others, and I will remind the Premier of them.

The Attorney General: They are guaranteed a reasonable profit by the Commonwealth Government.

Mr. HOAR: Yes, but that is not the point.

Mr. Manning: Do you not think the present Milk Board is aware of all the problems you have outlined?

Mr. HOAR: If the Milk Board is aware of all the problems I am bringing forward, then it is doing nothing about them. That is why I suggest an inquiry by a Royal Commission is absolutely essential. The hon. member is a farmer himself, and he must know the condition in which the industry finds itself.

Mr. Manning: Of course I do.

Mr. HOAR: The hon. member must know the condition of the industry today, and he must know that what I am saying is true.

The Attorney General: They are guaranteed a profit, so they cannot be losing.

Mr. HOAR: The industry is in a sorry state.

The Attorney General: They are guaranteed a profit by the Commonwealth Government.

Mr. HOAR: I want to deal with one aspect that will show members what can happen in the treatment and distribution of milk. The board has power under the Act to eliminate the smaller metropolitan depots, and to concentrate the treatment and distribution of milk in a few hands. This is what can occur when there is a form of dictatorship. This concentration into a few hands of the treatment and distribution of milk is actually the board's policy. Up till now it has resulted in greatly increased costs, which have had to be transferred to the consumers. That is one thing that can happen when we have a dictatorship. The board has caused large sums of money to be spent on depots, particularly throughout the metropolitan area. It has been estimated that upwards of £250,000 has been spent in that manner over the last two or three years. That policy has resulted in tremendous increases in the margins allowed to the different treatment depots.

Does the member for Harvey know that the metropolitan depots now receive an average of 5½d. per gallon for brine-cooling and handling milk, while exactly the same service is being carried out by country depots for 2½d. per gallon? Does the hon. member know that, and does he think that sort of thing would be allowed to go on if there were proper representation on the board?

Mr. J. Hegney: He is not too sure.

Mr. HOAR: Does the member for Harvey know the depot margins in the other States of the Commonwealth? In order to show him what is occurring in Western Australia, I will tell members that the depot margins in the other States are as follows:—

New South Wales—4d. per gallon.
Victoria—1½d. per gallon.
Queensland—3¾d. per gallon.
Tasmania—3d. per gallon.

The figures for Tasmania include pasteurising and chilling. So it can be seen that the costs in this State are very much greater than in any other State of the Commonwealth.

The Minister for Lands: Who is running these depots in Perth?

Mr. HOAR: They are run with the approval of the Milk Board, and the Minister knows that.

The Minister for Lands: I know that, but who controls them?

Hon. F. J. S. Wise: Do you not know? As Minister, you should know.

The Minister for Lands: It is not a monopoly, is it?

Hon. J. T. Tonkin: It is pretty close to it.

Hon. F. J. S. Wise: Are you not the Minister for Agriculture and Lands?

The Minister for Lands: I represent the Minister for Agriculture.

Mr. HOAR: In my opinion, the reason why depots in the metropolitan area receive 2½d. per gallon more than country depots is because of the extraordinary capital expenditure involved in the case of one depot, namely, Browne's. All other depots receive the same margin as Browne's, for a lower capital expenditure. These depots are sitting back laughing at the situation today. It is nothing but a ramp. Browne's is the idol and the baby of Mr. Stannard, who is the chairman of the Milk Board. He thinks the sun shines out of Browne's, and as a result of his intention to create a sort of super-treatment plant, involving the expenditure of tremendous sums of money, he has forced up the cost of milk to metropolitan consumers.

Because the basis of margins throughout all depots in the metropolitan area must be based on the one which has the greatest capital expenditure, increased costs are being passed on to the consumers. As a result of the capital expenditure involved in Browne's, it has been necessary to create a margin which is no less than 5½d per gallon. All other depots are receiving this sum, and are glad to do so, because they are making handsome profits. Metropolitan consumers are forced to pay these high costs as a result

of the Government's activity—the Government is responsible for the activity of the board—in trying to create a monopoly in the wholemilk business.

Hon. F. J. S. Wise: Are not Masters Pty., Pascoml and, to a degree, Falkirk's, interested in the same thing?

Mr. HOAR: The chairman of the board interested me on this particular point, because he stated that when the smaller depots were eliminated—which was the policy of the board—the cost of handling milk would be substantially reduced. From the facts we can see that the reverse is the position and, instead of depot margins being reduced, they have been increased by over 150 per cent. as a result of the actions of the Milk Board, constituted as it is.

The Attorney General: Has not the product been greatly improved?

Mr. HOAR: The board has nothing to feel proud about.

The Attorney General: But the product has been greatly improved.

Mr. HOAR: Does the Attorney General know that there is a big division of opinion about what is required in treatment plants, from a health point of view?

The Attorney General: There is no division among the experts.

Mr. HOAR: There is a division there too.

Mr. Fox: Even lawyers differ.

Mr. HOAR: Many competent people today hold the opinion that more efficiency can be obtained, and, from a hygienic point of view, better results can be achieved by smaller depots as against large plants. This means less cost to the consumers because, in the case of smaller depots, they have a machine which, both internally and externally, brushes the bottle with a chloride solution. Owing to the smallness of the plant, every bottle is under the direct scrutiny of the proprietor, which cannot be done in large undertakings such as Browne's. There is less cost to the consumers because the smaller concerns are not over-capitalised.

Mr. Oliver: Is the hon. member aware that we can obtain milk in Kalgoorlie from South Australia for 2s. 4d. a gallon and it costs us 3s. 6d. a gallon from Perth?

Mr. HOAR: I am not aware of that. Nothing would surprise me as far as this industry is concerned.

The Attorney General: The Minister has no control of that.

Hon. F. J. S. Wise: No control over prices!

Mr. SPEAKER: Order!

Mr. HOAR: The industry is getting into a chaotic state, and some inquiry should be made into it. I know of no way of doing this in a satisfactory manner other than by means of a Royal Commission. If the Government does approve of this inquiry, then I suggest another important aspect of the investigation should be the cost of administration in this State. By comparison, we are out of all proportion with the cost of adminstration in the other States of the Commonwealth, except New South Wales. New South Wales has a system of vesting which does not apply in the other States. I will quote the cost of administration in the Eastern States to indicate just how high ours is. The details are as follows:—

	Production. Gallons.	Cost of Administration. £
New South Wales	60,000,000	73,266
Victoria	46,000,000	14,000
Queensland	12,000,000	12,504
South Australia	12,500,000	13,226
Western Australia	8,000,000	15,588

In 1947, our administration costs—before the amendment to the Act which I mentioned—were only £9,728. In Tasmania, on a production of 4,500,000 gallons, the cost of administration is £2,572. It can be seen, therefore, that with the exception of New South Wales, which, as I said before, has a system of vesting, Western Australia has a higher cost of administration than any other State in the Commonwealth—the next highest being Victoria with £14,000 as against Western Australia's £15,588. That is a phase that should be investigated.

If we are to inquire into this problem, the question of vesting should also be taken into account. In the not-too-distant past it was thought that vesting might be agreed to eventually in Western Australia. The Government has not yet exercised its power under the Act, but it may do so at any time. If it does consider doing so, the high cost of vesting in New South Wales should be borne in mind—£73,266 on a total production of 60,000,000 gallons of milk. There is no doubt at all that if we compare that cost of administration with other States we must see that with vesting comes additional costs, which have to be borne by somebody. Extra staff will be required: there will be such items as stamp duty on cheques and postages, all of which mount up. Without doubt, therefore, if this State were to have milk vested in the board, which it might do, it would be confronted with a tremendous bill every year.

The Premier: You do not think vesting is desirable?

Mr. HOAR: I am only pointing out something of which the House should be fully aware before it contemplates going in for vesting.

Hon. F. J. S. Wise: The Premier used to support vesting.

Mr. HOAR: Apart from vesting, the administrative cost of the board in this State is tremendously high—£15,588 on a total production of 8,000,000 gallons of milk. It

is out of all proportion in comparison with other States of the Commonwealth, and that is a phase that ought to be looked into. Whether we regard this question from the point of view of the man on the land, seeking to get a living out of wholemilk, or whether we look at it from that of people who are hoping to buy wholemilk at a reasonable price, we find there is bad management somewhere. I know there have been complaints and that people are leaving the industry.

When we realise that consumers are required to pay for milk a price far in excess of that which they should, due to the attitude of the Milk Board and its policy of complete monopoly, then we know that somewhere between the producer on the land and the consumer, bad management does exist. That bad management must come about as the result of the work of the Milk Board—it can come from nowhere else because the board has full powers to act at all times on all matters affecting the production of wholemilk. I think, therefore, that I am justified in moving the motion standing in my name.

On motion by the Minister for Lands, debate adjourned.

MOTION—WORKERS' COMPENSATION ACT.

As to Monopoly for State Government Insurance Office.

MR. OLIVER (Boulder) [5.34]: I move—

> That in the opinion of this House, the State Government Insurance Office should have a monopoly of industrial insurance under the Workers' Compensation Act.

I believe there are advantages to be gained by employers who pay premiums in connection with workers' compensation and by the recipients of the benefits of workers' compensation when the whole of the business is concentrated in one body. I have had this matter in mind for some years and when giving evidence before the Royal Commission on Workers' Compensation I quoted some figures and made this statement:—

> These figures indicate that the cost of administration of the Companies Group is far in excess of the State Insurance Office. When consideration is given to the fact that Companies Group do not necessarily accept all types of industrial insurance, the case for State insurance is given added weight.
>
> The concentration of industrial insurance in one office would greatly reduce administration costs. The benefits to injured workers could be increased with a reduced premium cost to the employer.

That is what I believe. It will be necessary for me to trace briefly the history of the State Insurance Office.

Compensation to disabled workers caused by broken bones or industrial disease has always been the concern of people who take an interest in the welfare of employees. It may surprise some members to know that prior to 1925 a worker was not compensated for industrial disease. If he had the misfortune to suffer incapacity from such a cause he received no compensation whatsoever. To rectify that position the Government of the day included in the Third Schedule to the Workers' Compensation Act a provision whereby the worker would be compensated if he contracted silicosis or other forms of industrial disease. Having provided legislation to meet the situation, it naturally thought the protection of the worker had been accomplished. It was not, however, quite as simple as the legislators of that time thought, because they found that the companies handling industrial insurance at that time just would not quote.

The companies apparently thought that the business was too risky or perhaps they were of the opinion that there was not sufficient profit in it. The fact remains they would not quote for the business, so the Government was faced with the necessity to do something as a result of this attitude of the insurance companies. In consequence of this impasse the birth of the State Insurance Office took place. The Government decided to establish an insurance office of its own and to handle the business itself. Even that did not meet with the approval of everyone concerned in the insurance business. Although the Government of the day introduced legislation to enable it to embark upon the business of State insurance, it could not secure the approval of another place. Therefore, while the State Insurance Office did, in fact, come into being in 1925, it was not until 1938 that it was legalised by statute. That is the story briefly.

Prior to 1925 the workers had to try to protect themselves and in this State what was known as the Mine Workers' Relief Fund was created. This was a purely voluntary fund and while it did a lot of good it provided only partially for incapacitated miners and their dependants. When finally the fund was incorporated in the Mine Workers' Relief Act, it owed many thousands of pounds. While the Miners Phthisis Act provided for tubercular miners, it did nothing for those suffering from silicosis. It will be seen, therefore, how necessary it was to provide some compensation for people who were incapacitated through silicosis or other industrial diseases.

I would like to emphasise that the State Insurance Office handles the more risky type of insurance. I do not suppose there is a more risky type of insurance than that applying to the mine worker. The State Insurance Office handles exclusively the disease side of the business as well as other types of insurance. To some extent that, of course, places an added burden on

the State office. Notwithstanding all this, it has proved to be increasingly successful. There can be no doubt about that at all.

Some tables I have prepared may convince the House that this motion is worthy of its approval. I shall make a comparison between the companies group and the operations of the State Insurance Office by taking the years 1943-44 to 1947-48, inclusive, as an example. Over that five-year period the premium income received by the companies group and the expenditure on claims was as follows:—

	Premium Income. £	Expenditure on Claims. £
1943-44	268,254	127,777
1944-45	280,582	125,051
1945-46	298,753	152,580
1946-47 ..	352,472	179,075
1947-48	397,163	208,676
Total	£1,597,224	£793,159

It will be found that in those five years the companies group had an excess of income over expenditure on claims of £804,000, which represented 50 per cent. of the total premium income. That is what they apparently require to administer this business. Here are the figures of the State Insurance Office—

Year.	Premium income £	Expenditure on claims. £
1944	162,804	122,791
1945	188,185	146,856
1946	243,217	185,463
1947	272,215	277,421
1948	299,465	269,348
Total ..	£1,165,886	£1,001,879

The excess of income over expenditure on claims was £164,007 or 14 per cent. of the total premium income. If we analyse those figures, we find that the total premium income in respect of employers' liability and workers' compensation was as follows:—

State insurance	£1,165,886
Companies group	£1,597,224
Total	£2,763,110

Had both been operating on the basis of 14 per cent. of the total premium income being disbursed in administration costs, we would have had these figures—

State Insurance	£163,224
Companies group	£223,611
Total	£386,835

The present cost of administration is—

State insurance	£164,007 = 14%
Companies group	£804,065 = 50%
Total	£968,072

If we deduct £386,835 from that total as the amount that could be saved, with the administration cost at 14 per cent., the saving effected in five years would be £581,237. Let us see what added benefits would accrue to the workers. The total expenditure on claims would be £1,795,038, added to which would be the amount saved of £581,237, giving a total of £2,376,275. If we average that over the amount expended on claims, we find that we would be able to give the worker another 5s. on every pound he receives, without its costing the employer another penny.

The Attorney General: Should not the State office be able to reduce its charges in that case?

Mr. OLIVER: No. It indicates that the companies group is getting an excessive amount in premiums.

The Attorney General: The State office is charging the same rate. Should not that office be able to reduce it?

Mr. OLIVER: For the benefit of the Attorney General, let me go back over the figures I have quoted. I pointed out that the excess of income over expenditure on claims of the companies group was approximately £804,000, equal to 50 per cent. of the total income. The excess of income over expenditure in the State office was £164,000, or 14 per cent. of the total premium income. So my answer to the Attorney General is that the people who should reduce costs are those in the companies group. We have one group which expends 50 per cent. of the total premium income in administration and another group which expends 14 per cent.

The Attorney General: In other words, the State office is very inefficient.

Mr. OLIVER: No.

The Attorney General: It must be, on those figures. You cannot have it both ways.

Mr. OLIVER: The State office expends most of its premium income on benefits for the injured workers and gives the employers that service at a lower cost. On these figures, the employers would be saved £500,000 in five years in premium income, or the injured workers would receive bigger benefits. That is what is indicated to me by those figures. To carry the story further, with a State Government monopoly of industrial insurance, the total cost of administration would be reduced to approximately £386,835.

The Attorney General: Why? You are making a bare statement!

Mr. OLIVER: I think it is very plain to anyone who gives the matter any thought. In one case, of the total premium income, one-half is expended in running the show. In the other case the service is rendered for 14 per cent. of the premium income. Who is getting the bigger cut?

The Attorney General: They charge exactly the same premium rate.

Mr. OLIVER: Let me take the Attorney General back to the figures relating to the State office.

Hon. F. J. S. Wise: They would not have charged the same at the inception of the Government insurance scheme.

The Attorney General: That is quite correct.

Mr. OLIVER: The total income for the five years was £1,165,000, and the expenditure on claims was £1,001,000. That is the service that the State office has given. The excess of income over expenditure on claims was £164,000, equal to 14 per cent. of the total income. The companies group is operating on 50 per cent. Who is giving the better service? There can be only one answer to that. Nobody could possibly advocate a case in favour of profits being made out of injuries sustained by workers. Obviously these companies are not undertaking industrial insurance because they like it, but because there is a profit in it. On the figures I have quoted, huge profits must be made out of exploiting injuries to workers. I do not think anyone in this House will attempt to justify that and I hope these figures will be incorporated in "Hansard" and will be given the study they deserve.

Everyone must agree that it would benefit the industrial workers if the State Insurance Office had the whole of the industrial insurance business. At page 24 of the report of the Royal Commission on Workers' Compensation, under the heading of "Monopoly" we find the following:—

> Whilst we recognise that insurers generally have endeavoured to carry out the main insurance provisions of the Act, there is cause for dissatisfaction in the methods adopted by some of them in its administration. That in our opinion is due largely to the lack of any provisions in the Act for administrative control.
>
> Having in view the above comments, we do not consider that a monopoly is necessary, provided the other recommendations we have made are given effect to. Should it be decided not to proceed with the establishment of an Administrative Board as recommended, we are of the opinion that a monopoly is the only alternative.

I know there is provision in the Act for what is known as a premium rates committee. Whether that measures up to the administrative board recommended by the Royal Commission, I do not know; but obviously the premiums committee is not functioning very satisfactorily, when the story of its operation is taken into consideration. When we note the ratio of risk and relate it to £100, we find that every £1 spent in claims out of that £100 must be regarded as a loss ratio. It would be fair to assume that about 70 per cent. loss ratio would allow the other £30 to cover the administration of this type of insurance; but we find that is not so. The loss ratio over the past year was not 70 per cent; it was 45 per cent.

So these people operating industrial insurance have 55 per cent, with which to administer the business and provide profits. That obviously indicates a very drastic reduction in premiums or a large increase in benefits. The position warrants a searching inquiry, because there is no question that at present workers' compensation is being exploited not for the benefit of the worker, but to his detriment. I hope members will give this matter the consideration it deserves. I fail to see how any case can be submitted against the proposition I have advanced.

On the motion by the Attorney General, debate adjourned.

PAPERS—INDUSTRIAL DEVELOPMENT DIRECTOR.

As to Resignation of Mr. Fernie.

HON. A. R. G. HAWKE (Northam) [6.0]: I move—

> That all papers concerning the resignation of Mr. N. Fernie from the positions of Director of Industrial Development and chairman of the State Alunite Board of Management be laid upon the Table of the House.

In view of what has happened, Mr. Speaker, I naturally do not propose to speak at length. All I desire to say is that my having placed this motion on the notice paper has been proven worthwhile. In the first place it caused the Government to take an action that it had previously refused to take and it has enabled the public already to learn of some of the amazing actions—

Point of Order.

The Minister for Industrial Development: Is the hon. member entitled to debate this motion, Mr. Speaker, when the papers concerned are already on the Table of the House?

Mr. Speaker: In the event of the full request of the hon. member having been granted already there is no need for debate.

Hon. A. R. G. Hawke: If that is necessarily the point at issue, I could claim strongly that all the papers concerning Mr. Fernie's resignation have not been placed on the Table of the House.

The Minister for Industrial Development: I can assure the hon. member that there are no others.

Hon. A. R. G. Hawke: There are. For instance, there is the file dealing with the Chandler Alunite Works and there is the file dealing with an application by the Atlas Engineering Co. for an advance

of £10,000. Those files are both very much concerned with Mr. Fernie's resignation. If the Minister for Industrial Development will read the motion standing on the notice paper in my name he will find that it is so worded as to make clear, beyond any shadow of doubt, that any Government papers in any way concerned with Mr. Fernie's resignation should be laid upon the Table of the House. Does the Minister suggest that the file or papers covering the dealings of the Government with the Atlas Engineering Company are not associated with Mr. Fernie's resignation?

The Minister for Industrial Development: There is nothing on those papers that concerns Mr. Fernie's resignation as such.

Hon. A. R. G. Hawke: There is much upon those papers that, in my opinion, was responsible for Mr. Fernie making up his mind to resign and they are therefore undoubtedly concerned directly with his resignation, yet the Minister for Industrial Development has made no attempt to lay those papers on the Table. I could understand his not tabling the papers in connection with the alunite works at Chandler, because we have already debated that matter in this House and your ruling, Sir, in regard to that matter was upheld by a majority of the members of this Chamber.

The Minister for Industrial Development: If the hon. member wants the papers dealing with the Atlas Engineering Company they will be made available to him. I did not understand from his motion that he desired them to be included among the papers laid on the Table.

Hon. A. R. G. Hawke: Does the Minister now undertake to lay on the Table the papers dealing with the Atlas Engineering Company?

The Minister for Industrial Development: I will make them available to the hon. member, personally, at any time.

Hon. A. R. G. Hawke: That is not the same thing. However, I accept the offer of the Minister to make those papers available to me for my perusal.

The Minister for Industrial Development: Very well.

Debate Resumed.

Hon. A. R. G. HAWKE: What I mainly desire to say, before asking leave to withdraw this motion—not that I am concerned whether it is withdrawn or further debated—is that my having placed it on the notice paper and having moved it this afternoon, have been responsible for the public being shown the amazing extent to which the directors of private companies in this State are dictating the affairs of the Government. Mr. Fernie resigned his position mainly, or partly, because the director of a private company prevailed upon a highly placed public servant in this State to agree to advance to the company £10,000, despite the fact that Mr. Fernie, in his capacity of Director of Industrial Development, had previously strongly recommended against the advance being made. That sort of thing could not happen in any other country of the world or in any other State of Australia and I think it could happen in this State only under a Government such as the existing one.

I do not care whether the Government makes its explanation of this matter to the House and the public during the debate on this motion or at some later stage when it is likely that the Government will be challenged in regard to this particular happening. It is most disturbing to me—and I think to all other members apart from those in the Ministry—to know that a private company director can prevail upon and influence a highly placed Government officer to make large sums of money available to the company when all the indications are that the company concerned is an extremely bad risk financially.

Personally, I shall give further consideration to the offer of the Minister to make available for my perusal the Government file dealing with the financial backing given by the Government to the Atlas Engineering Company. It is practically certain that I will accept the offer of the Minister. After I have studied the file carefully it may be necessary for me to move that the file be laid upon the Table of the House. If it is in order and if it meets with the approval of the House, I am prepared to withdraw the motion.

Mr. SPEAKER: The motion cannot be withdrawn at this stage. It must be either debated further or put to the vote.

On motion by the Minister for Industrial Development, debate adjourned.

MOTION—STATE ELECTRICITY ACT.

To Disallow Emergency Regulations.

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

> That the regulations restricting the use of electricity in an emergency, made under the State Electricity Commission Act, 1945, published in the "Government Gazette" of the 30th December, 1949, and laid upon the Table of the House on the 1st August, 1950, be and are hereby disallowed.

THE MINISTER FOR WORKS (Hon. D. Brand—Greenough) [6.10]: I must say at the outset that I appreciate the attitude of the member for Murchison towards what he has been pleased to term the principle of the onus of proof in regard to these regulations, but, on the other hand, I cannot see in this set of regulations danger

of any individual being called upon to prove his innocence as the result of any certificate given by anyone.

In outlining the list of regulations and the restrictions that would be introduced thereby the hon. member did say that he fully appreciated that whilst conditions continue as they are at the East Perth power house it will be necessary to maintain certain restrictions in order to ensure a steady output of electricity. He agreed that in order to enforce the regulations it would be necessary from time to time to prosecute anyone who violated the law by committing a breach of the regulations. In prosecuting anyone who did break the law in that way the Electricity Commission would have to go to court and prove its case.

It has been pointed out that, owing to the conditions existing at the East Perth power house, the Electricity Commission must be in a position to introduce restrictions at very short notice and must have the full backing of the law and be assured that it is on the right track. To that end the Commission requested the Crown Law Department to draft a regulation to enable it to impose immediate restrictions in the case of a breakdown of plant or inability of the station to carry an excessive winter load because of lack of plant or any other factor suddenly limiting production. Where the chairman of the Commission must issue a certificate stating that an emergency exists, surely that is sufficient proof that a breakdown does exist, until the contrary has been proved. I am informed that that is absolutely necessary and therefore I must oppose the motion.

Until such time as these regulations are proved unnecessary or until we have in this State sufficient generating plant to meet all requirements, I feel sure the House will agree that the Electricity Commission, as the controlling body, must have power to take immediate action in regard to restrictions without being challenged in any way. As the Crown Law Department has pointed out, where a judge or magistrate might require proof, in the case of a prosecution, that an emergency existed, it would be convenient and expeditious that the certificate of the chairman should be all that was required.

Sitting suspended from 6.15 to 7.30 p.m.

The MINISTER FOR WORKS: As I was pointing out before the suspension, that if it is not sufficient for the chairman of the Commission to issue a certificate stating that an emergency does exist, then we must ask ourselves: What is the alternative? The court, according to the Crown Law Department, must have proof that a breakdown had occurred and, therefore, it would be necessary to have the chairman or his representative at court to prove that fact. It would then be a matter of taking that individual's word that some mishap had occurred; that there was a shortage of coal, or that there was some technical breakdown. Therefore, I regard it as only reasonable, in the interests of expedition, and in the interests of carrying out the regulation to its full intention, that the mere issue of a certificate is all that is necessary.

Where a consumer commits a breach of the regulations, it is the policy of the Commission not to charge him immediately, but instead, he is warned in writing, with a copy of the regulations attached. I believe that that is reasonable and, also, that one warning should suffice. As for saying that this regulation constitutes a travesty of British justice, I consider that that statement is far from the truth because, as I pointed out in the beginning, the Commission must prove its case and the part to which the hon. member is opposed is one that is necessary only for the expedition of the prosecution and the satisfactory carrying out of the law.

MR. MARSHALL (Murchison—in reply) [7.34]: Having entered my protest against this vicious principle, I cannot do much more, but I want to sharply disagree with the Minister's contention because the portion of the regulations to which I take exception is placing the onus of proof on the accused. It does not ask the Commission to prove its case, but provides only for a mere statement in a certificate to prevail until the contrary is proved.

The Minister for Works: If an emergency existed, do you think the chairman of the State Electricity Commission or his representative would state that an emergency existed if, in fact, it did not?

Mr. MARSHALL: When an emergency arises, the public, by virtue of this regulation, is notified and warned that it cannot use electricity in a certain way and during certain hours. The Commission makes this notification through the Press, but the regulation does not say that the chairman of the Commission or his representative shall go into the court and prove that they gave notice of warning to the public; that a breakdown or shortage of coal or some other factor had prevented the Commission from giving a full supply of electricity. It merely states that it is sufficient for the chairman to produce a certificate of proof and the onus of proving to the contrary is thrown on the accused.

This self-same principle was opposed in the Commonwealth Parliament only recently and is still the subject of argument. In contradistinction to the Minister's utterances, where, in past ages, do we find this particular provision applying when there has been a shortage of electricity? In the past the public has been warned on more than one occasion that it could not

consume electricity under certain conditions during certain hours, and if any member of the public were found committing an offence after that warning had been given he would be prosecuted, and the Commission, in those days, would have had to prove its case.

But now there is a change of attitude! The Government wants to make the regulation easy and simple for a set of bureaucrats, without any inconvenience to themselves, but to a great deal of inconvenience to the other party. That is the position. Is it any wonder that there is growing up around us a multitude of bureaucrats when we have a Minister defending a principle of this sort, merely on the assurance from an officer of the State Electricity Commission that it is necessary? He says there is nothing wrong with it. Of course, there is definitely nothing wrong with it from the Commission's viewpoint! So I will not be surprised, when the time arrives for this Government to leave office, that it will take its successor a very long time to break down the autocratic attitude and viewpoint of these individuals, but, unfortunately, the public will suffer in the meantime.

Does not the Government realise that we have the people to defend in these matters? It seems to me that the Government is quite satisfied now to permit the Minister allowing bureaucrats of this sort to get away with such actions to the detriment of the whole of the people. That is the attitude it has adopted. I venture to say that if one of the Minister's electors were found committing an offence against these regulations and were prosecuted by virtue of this particular principle, he would be up in arms defending him, and that would be his responsibility and obligation.

Every other member would adopt the same attitude if he were defending the people, rather than give away to these autocrats who feel that it is particularly pleasing to so easily convict an individual. As far as they are concerned, it is simplicity itself, but to the unfortunate electors it makes all the difference. They have no champions in this House now; we have to forgo any defence of them! The attitude now is this: "Let the electors paddle their own canoe, but we will stick as closely as possible to departmental officers and make it easy for them to obtain prosecution on a simple certificate from a chairman of some organisation or other."

During a period of a year or more we have had dozens and dozens of restrictions imposed upon the people of the metropolitan area, not only by the State Electricity Commission but also by the Water Supply Department, especially with regard to the use of water. By virtue of an emergency we also have a multiplicity of restrictions imposed upon them in many other directions, but does this particular principle appear anywhere in the regulations governing those restrictions? Of course it does not! In those instances, the respective departments take the responsibility of proving their case on every occasion, which is only right and just. They follow the principle that the accuser must prove his case and notwithstanding all the water and electricity restrictions we have suffered over a period of years, which I admit are extremely necessary, never have we found this particular principle being followed.

The Minister for Lands: Have you looked?

Mr. MARSHALL: May I ask the Minister: Is there not one of the 300 or 400 individuals employed by the State Electricity Commission able to find time to attend the court to be cross-examined and prove the case on behalf of the Commission? I say that there is a number of them that could do so, because they are falling over themselves for want of something to do. Their employment is costing the public thousands of pounds a year and yet they want to say, simply, "That is what has happened. Now you prove to the contrary." I am surprised!

But I am not surprised that the ordinary elector is constantly suffering impositions by departmental officers who are encouraged to provide such restrictions by regulations similar to the one with which we are now dealing. We, as members, do not defend our community against these departmental officers, and they are encouraged to continue such impositions and will further continue them while they have Ministers to approve of their actions and lend a kindly ear to their suggestions. I would probably do the same myself because they say that the line of least resistance is the one which an individual cherishes most. Ministers, by defending the actions of their officers in this regard, are simply imposing punishment on the public.

The Premier: It is a question of trying to protect the public; not to prosecute them.

Mr. MARSHALL: Is it protecting the public to say to a person, "That certificate states that you did something contrary to the regulation. Now, prove you did not"?

The Attorney General: That is not the position at all.

Mr. MARSHALL: Here comes some wisdom from the ministerial bench.

The Attorney General: It is quite clear if you will only read the Act.

Mr. MARSHALL: We are not discussing an Act; we are discussing a regulation.

The Attorney General: Well, the regulation. Do not mislead me.

Mr. MARSHALL: The effect of the principle is: "Here is a certificate stating that a certain thing happened. Now prove that it did not." That is protection, is it? Is that the Minister's idea of protecting the public?

The Attorney General: Who would know, except the engineer in charge, whether a breakdown had occurred or not? Now, who would? Be reasonable!

Hon. A. H. Panton: You are being optimistic.

Mr. MARSHALL: The Attorney General is really hopeless!

The Minister for Education: I am afraid it is you, this time.

Mr. MARSHALL: The Attorney General would be well advised not to interject. I have taken no exception whatever to the regulations themselves. I think they are very necessary to protect the public so that we may take action to ensure that no breakdown happens as a result of overloading the power station. I say that quite advisedly and, in fact, said so when I introduced the motion, but I strongly maintain that when a person is charged with having committed an offence, the prosecution should be required to prove its case.

The Attorney General: It has to do so in this instance.

Mr. MARSHALL: Nothing of the sort! Nor would the prosecutor appear in court. The regulation distinctly states that when a certificate is issued by the chairman of the State Electricity Commission, it shall be regarded as proof until the contrary is proved. This means that a person charged with an offence would have to prove that the prosecution's case did not exist.

The Minister for Works: Can you imagine the Commission's taking action against anyone if an emergency did not exist?

Mr. MARSHALL: We have had restrictions over many years and on each occasion, after the public has been warned, the department has had to prove its case. That has been done in relation to water restrictions and, heretofore, in relation to electricity restrictions also.

Mr. Styants: The onus of proof is not involved.

Mr. MARSHALL: The regulation distinctly states that the certificate of the chairman shall be sufficient evidence that something was wrong, and the accused would have to prove that it had not happened.

Mr. Styants: It does not say that the accused was guilty of an offence by using the electricity. That is the point you are missing.

Mr. MARSHALL: If a person is prosecuted for having committed an offence by using electricity—

Mr. Styants: The department has to prove its case.

Mr. MARSHALL: It has not to prove anything about a technical breakdown; all it has to do is to produce the chairman's certificate, and that is to be regarded as sufficient evidence until the contrary is proved.

The Minister for Works: What satisfaction would that be?

Mr. MARSHALL: Why is the department not prepared to prove its case? It does not want its representative to go into the witness box; no, that is the last thing it wants. I know, from my ministerial experience, what happens in such cases. The easy way out is the one that is preferred. I was careful never to put a rubber stamp on anything until I had examined it closely. Wherever I find an attempt being made to introduce this principle, I shall oppose it.

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

Ayes	15
Noes	32
Majority against	17

Ayes.

Mr. Brady	Mr. May
Mr. Coverley	Mr. Needham
Mr. Fox	Mr. Nulsen
Mr. Guthrie	Mr. Oliver
Mr. J. Hegney	Mr. Sewell
Mr. Hoar	Mr. Sleeman
Mr. Mann	Mr. Kelly
Mr. Marshall	

(Teller.)

Noes.

Mr. Abbott	Mr. Nalder
Mr. Ackland	Mr. Nimmo
Mr. Brand	Mr. Owen
Mrs. Cardell-Oliver	Mr. Panton
Mr. Doney	Mr. Perkins
Mr. Graham	Mr. Read
Mr. Grayden	Mr. Rodoreda
Mr. Griffith	Mr. Shearn
Mr. Hawke	Mr. Styants
Mr. Hearman	Mr. Thorn
Mr. W. Hegney	Mr. Tonkin
Mr. Hill	Mr. Totterdell
Mr. Hutchinson	Mr. Watts
Mr. Manning	Mr. Wild
Mr. McCulloch	Mr. Wise
Mr. McLarty	Mr. Bovell

(Teller.)

Question thus negatived; the motion defeated.

MOTION—HOUSING.

As to Commonwealth-State Homes, Maximum Rentals.

Debate resumed from the 13th September on the following motion by Hon. A. R. G. Hawke:—

> That in the opinion of this House, the Government should take all necessary steps, including an approach to the Commonwealth and other State Governments, to provide that rentals for Commonwealth-State rental homes shall not exceed 7s. per room per week, with total weekly rentals not exceeding 35s. for a five-roomed house, 28s. for a four-roomed house and 21s. for a three-roomed house.

THE HONORARY MINISTER FOR HOUSING (Hon. G. P. Wild—Dale) [7.55]: The effect of the motion would be to give a special concession to people occupying Commonwealth-State rental homes. The Deputy Leader of the Opposition, in moving his motion, urged that some plan be prepared to give the occupants of rental homes a concession over the many thousands of other people occupying houses at rentals operating prior to the State taking over under the Commonwealth provision. The tenants of Commonwealth-State rental homes have the right, which I suggest they exercise, to examine their wages in relation to the rent of the home they are occupying, and whether they be above or below the basic wage level, they are able to claim a proportionate rebate of the rent they are paying.

In my view, this matter is not as easy as it looks, and I suggest that, if we gave a concession to the tenants of Commonwealth-State rental homes, it would open the door for other sections of the community to request a similar concession. For instance, a man occupying a home which he has rented subsequent to the pegging of rentals might be paying a similar rent to that being charged for a Commonwealth-State rental home, 30s., 35s. and, as the Deputy Leader of the Opposition said, up to £2 a week, and that man could rightly say that he too wanted a rent concession. Not only would he be paying more, but he could justly claim that if the occupants of Commonwealth-State rental homes were receiving a concession, he as a taxpayer must be bearing some small portion of that concession. Then consider the man who decides to build his own home, which at today's prices would cost him between £1,500 and £2,000. That man might well ask himself whether he was justified in determining to own his own home as he would not only have to pay for it but, in addition, must bear some portion of the concession being granted to occupants of Commonwealth-State rental homes.

It is well known that the rents for private homes made available for letting subsequent to the introduction of the National Security Regulations are higher than the pegged rents. Furthermore, it is repeatedly stated in various quarters that, while the pegged rents continue to operate, it does not pay to own a home, because the rental received is little more than sufficient to pay the cost of maintenance. This question should be tackled on a much broader plane, and I think it would be well to examine the basis on which the Arbitration Court determines the rental as being £1 0s. 6d. I am advised that this rent was determined in 1933. It was taken from figures given to the court at that time by the Government Statistician who had collated information from many hundreds of tenants. As a result, a certain figure was set in that year, and it has subsequently been adjusted according to the variations given to the court by the statistician. Those variations are obtained from information provided by a large number of estate agents throughout the country. It follows that the 1950 figure must cover a number of houses that were rented after the pegging of rents; that is, they have been rented at a time subsequent to the regulations first being introduced in 1939. Therefore the rent figure quoted to the Commonwealth Arbitration Court should be a good cross-section of the rentals being paid throughout the State.

The Commonwealth-State agreement was entered into between the Commonwealth and the States to provide homes for those in the lesser income group. I suggest, however, that as regards slightly over 3,000 such homes that have been built in Western Australia, one could not say that they are all occupied by people in the lower income group. On the contrary, whilst not a large percentage are occupied by people who are in the higher income group many are occupied by people in the group between £500 and £750 a year. The whole agreement is based on some rent concession to those not earning the basic wage. A man on the basic wage is not required to pay more than one-fifth of his total income. Therefore I have no doubt that any man not earning the basic wage today is taking advantage of that regulation by paying a correspondingly lower figure.

Hon. F. J. S. Wise: Are many of them doing that?

The HONORARY MINISTER FOR HOUSING: I could not say how many, but I have no doubt there must be some. I feel the time is fast approaching when the Commonwealth will have to face up to making some concession to those occupying Commonwealth-State rental homes in far outback places. Quite recently the State Housing Commission received an application for a review of the conditions of those occupying homes at Wittenoom Gorge. Their case was sent on to the Commonwealth authorities, but they refused to concede the submissions placed before the State Housing Commission by the member for that district. Whichever way I look at it, I can see difficulties. It may be—and this is my own view—that the matter is one entirely for the Arbitration Court. It is a question of doing the correct thing for the majority of the people in Western Australia, and not for one small section.

When I speak of one small section, I have ascertained that on the 30th June, 1947, there were 47,853 rented homes in Western Australia. At that time we had no Commonwealth-State rental homes, whereas today we have slightly over 3,000 of them. Therefore we would be endeavouring to legislate for no more than six per cent. of the community renting homes in

Western Australia. In my view, this goes back to the quantum of rent allowed as a factor by the Commonwealth Arbitration Court which, I have no doubt, is well aware of the significance of the statistician's figures and his method of collecting the information.

On motion by Mr. Graham, debate adjourned.

ELECTORAL ACT AMENDMENT.

Second Reading.

Debate resumed from the 13th September.

THE ATTORNEY GENERAL (Hon. A. V. R. Abbott—Mt. Lawley) [8.6]: The Bill seeks to make a number of amendments to the Electoral Act, and it will be necessary for me to deal with the proposals section by section. Section 17 is the first one, and it deals with the people who are qualified to become electors for the Legislative Assembly. It provides that any person not under the age of 21 years who—

> (a) is a natural born or naturalised subject of His Majesty; and
>
> (b) has lived in Western Australia for six months continuously; and
>
> (c) has lived in the district or, when a district, is divided into subdistricts, in the sub-district for which he claims to be enrolled for a continuous period of one month immediately preceding the date of this claim, shall be entitled, subject to the provisions of this Act, to be enrolled as an elector.

Prior to 1948 the period for which an elector had to reside in a district before he could claim to be placed on the roll for that district was one month. That was found to present many disadvantages, and in 1948 this House, by an amending Bill, altered the period from one to three months. I have no hesitation in saying that the amendment has been of considerable advantage in the administration of the Electoral Act.

Mr. Graham: It has been a disadvantage to the electors.

The ATTORNEY GENERAL: No, it has been a very great advantage, as I propose to show. First of all, it has led to stability. There has not been a constant alteration of rolls as a result of the submitting of fresh claim cards by people who change their residential address from month to month. The main essence of keeping a roll is stability. In England it is permissable to change one's electoral address only twice a year and the Mother Country is the essence of electoral democracy. It is from her experience and from the systems founded by her that the whole of the electoral set-up of the British speaking peoples has been derived.

What is essential in regard to this residential qualification is that a man should be entitled to representation in Parliament by one who represents the district in which he lives. The place in which a man has his home, where he permanently resides, is the place in which he should be represented. If a man has an occupation that takes him away from a district in the course of his work, he is not interested in that particular district to which he goes. The place where a man's wife and family are domiciled is the place in which his interest is centred, and I think a residential qualification of three months is only reasonable. It is certainly followed in New Zealand and in Great Britain.

Mr. Graham: It conflicts with the Federal provision.

The ATTORNEY GENERAL: Yes, it does.

Mr. Graham: And it causes confusion.

The ATTORNEY GENERAL: I do not know whether it causes confusion. It may or it may not do so. Let the Federal system be changed, if necessary. It has been alleged that it is easy to transfer a large body of men to a particular district for a period of one month, and in some electorates that transfer might be sufficient to affect the result of an election. That might be done by any political party.

Mr. Graham: You would be speaking with authority now!

Mr. Fox: If it could be done for one month, it could be done for three.

The ATTORNEY GENERAL: The hon. member must admit it would be three times as hard. This amendment has no advantages. It is only putting back the law, and it has many disadvantages. I think the member for Pilbara has misunderstood the situation. He did not speak about three months but about six months. There is no requirement that an elector must reside in a place for six months before claiming enrolment.

Mr. Fox: Of course there is!

The ATTORNEY GENERAL: No.

Mr. Fox: Yes there is, if he comes from the Eastern States.

The ATTORNEY GENERAL: Yes, the hon. member is right. But that is not what the member for Pilbara was talking about. He suggested that the residential qualification under existing circumstances was six months. It is only three.

Mr. Rodoreda: I said that that was the effect.

The ATTORNEY GENERAL: It is not.

Mr. Rodoreda: On that point we disagree.

The ATTORNEY GENERAL: It has not that effect. I think the hon. member will admit that an individual can claim to be placed on the roll for a particular district after having been there for three months. I fancy he has misunderstood the position. The next provision dealt with in the Bill is Section 45. Subsection (1) requires that every person who is entitled to have his name placed on the roll for any district, and whose name is not on such roll, shall within 21 days after becoming so entitled, fill in and sign a claim in the prescribed form and deliver it to the registrar of the district. This is essential on account of the principle of compulsory voting. If we have compulsory voting we must necessarily have compulsory enrolment, and Section 45 provides for that.

It further sets out that a person failing to apply to be enrolled within 21 days after becoming entitled to do so may be subject to a penalty. I cannot see how there can be any other system where compulsory voting is required. There must be compulsory enrolment, and therefore people must be compelled to be enrolled within a specific period. The Bill proposes to add a proviso that the name of any person whose occupation is of a nomadic character and whose address on the roll is outside the boundaries of a municipality or townsite, shall not be removed from the roll solely on the ground that he has changed his place of residence within the same district. I do not think that that accomplishes anything. The electoral registrar cannot remove a name for that reason now. Such a proviso would mean nothing.

Mr. Rodoreda: He cannot, but it is being done all the time.

The ATTORNEY GENERAL: It does not matter. This proviso would accomplish nothing. It does not mean anything at all.

Mr. Kelly: How do you account for so many people being struck off the roll?

The ATTORNEY GENERAL: They are struck off because they do not comply with the provisions of Subsection (2) of Section 45, which requires that any person who is enrolled for any district, and who changes his place of residence from one part of that district to another, shall deliver to the registrar a new claim card within 21 days of changing his residence.

Hon. F. J. S. Wise: Are you not aware that in some districts people change their address from five to seven times a year, according to their occupation? There are hundreds of such people.

The ATTORNEY GENERAL: I am aware of that. To overcome that difficulty on an administrative basis, a person has only to write in and state his permanent address and that he may be absent because his work takes him from place to place. That would give him full protection.

Hon. F. J. S. Wise: It does not give him any protection.

The ATTORNEY GENERAL: I suggest that that is wrong. The hon. member would know that is so because the same system operated during his own term of office as exists today, and nobody can tell me that the hon. member did not see that the electors in his district were protected.

Hon. F. J. S. Wise: I am telling you that this provision gives them no protection at all.

The ATTORNEY GENERAL: I apologise. I am entirely wrong. I do not think it does give any protection. I think the proviso will be redundant. It gives no protection and would not be of assistance. Nobody wants to disfranchise an elector but the only possible means a registrar has of keeping his roll up to date is to correspond with people at their registered address. If they are not there, he cannot get in touch with them or find out where they have gone. If electors will not comply with the provisions of the Act and notify the registrar where they are living, they have no ground for complaint.

Mr. Kelly: What about people who are struck off the roll though they have not changed their addresses for 30 years?

The ATTORNEY GENERAL: Mistakes are bound to occur in any large concern such as the Electoral Office.

Mr. Kelly: They are made far too often.

The ATTORNEY GENERAL: I do not think so. People have complained to me and, on inquiring, I have discovered that they have never been on the roll.

Mr. J. Hegney: If a man does not find out, before election day, that he has been struck off the roll, he is not allowed to vote.

The ATTORNEY GENERAL: If such an elector claims that he should be on the roll he may be permitted to vote.

Mr. J. Hegney: I know of a man at Belmont who had been on the roll for 40 years, yet his name was suddenly struck off.

The ATTORNEY GENERAL: He would be entitled to vote.

Mr. J. Hegney: He was allowed to vote only because I went to a lot of trouble.

The ATTORNEY GENERAL: If he had been struck off the roll in error, he would be permitted to vote.

Mr. Marshall: He would have to sign a declaration.

Hon. F. J. S. Wise: Very few such votes are ever allowed.

The ATTORNEY GENERAL: I know that some people get on the roll by mistake. The electoral officers are not infallible but they do an excellent job under difficult circumstances. The public as a whole takes very little interest in its electoral duties under the Act. Just before election day we find people racing around asking why they are not on the roll.

Mr. Rodoreda: Would not this amendment improve the position?

The ATTORNEY GENERAL: No, because I do not think it means anything or that it would be of any advantage. The registrar will not strike anyone off the roll for this reason alone—

Mr. Rodoreda: Of course he does.

Hon. F. J. S. Wise: The fact that you say that does not make it so. All we are asking is that you analyse the clause.

The ATTORNEY GENERAL: I have done so. All it says is that the electoral registrar shall not strike anyone off the roll simply because he has removed from one address to another. The registrar would not do it on those grounds alone.

Mr. Rodoreda: He is doing it at the present time.

The ATTORNEY GENERAL: The hon. member is mistaken. It does happen, when mistakes are made on occasion.

Mr. Rodoreda: It is not done by mistake. It is deliberate.

The ATTORNEY GENERAL: That is a rash statement. Section 70 contains a provision, with regard to the North-West, that there shall be at least 35 days between the closing date for nominations being received and the poll. The proposed amendment would make a distinction between Legislative Council and Legislative Assembly elections.

Mr. Graham: There is a lot of difference now.

The ATTORNEY GENERAL: It is proposed to make a further difference. This provision is in the Act to enable absentee voters to register their votes. The distinction exists because there are usually more absentee voters in a Legislative Council election than in a Legislative Assembly election. I think it would be unwise to make the proposed distinction.

Mr. Graham: You had built up my hopes, but now you have let me down.

Hon. A. H. Panton: You have spoilt a good speech.

The ATTORNEY GENERAL: Section 78 deals with the nomination form which has to be sent in by the candidate. He must sign it, state his place of residence and occupation and address it to the returning officer. The proposed amendment is that the candidate shall also state the political party to which he belongs. It is also proposed that the party to which the candidate claims to belong should be stated on the ballot paper. That would be impossible from an administrative point of view because if a candidate claimed to belong to a certain party the Electoral Office would have no right to investigate his claim. It would deceive the public if a man, who had never belonged to a certain party, was stated on the ballot paper to be a member of it.

Mr. Graham: What if he were a bank manager and claimed to be a member of the Labour Party?

The ATTORNEY GENERAL: I do not think that would deceive anyone.

Hon. A. H. Panton: If his occupation were shown as banker and he claimed to be a member of the Labour Party people would not believe him.

The ATTORNEY GENERAL: Perhaps not. I think this proposed amendment is ill-advised. Surely, before an elector votes, he should know something about the candidate and the party to which the candidate belongs. I believe most Australians know something about the candidate for whom they intend to vote. Each candidate should be elected on the merits of his own personality.

Hon. A. H. Panton: Some of them do not know their own views.

The ATTORNEY GENERAL: It should be on the merits of the man himself and not merely because of the party, if it is shown on the ballot paper.

Mr. Graham: You do not mind using the Liberal Party and not your own personality.

The ATTORNEY GENERAL: I do not mind declaring myself to be a member of the L.C.L. I am proud of that fact, but I do not want to have it put on the ballot paper. I think this sort of thing would lead to hopeless confusion. We would have a lot of imposters and no remedy against them. I do not think it would carry out the intentions of the Bill and, in any case, it is not desirable.

Mr. Graham: You are in a very negative frame of mind this evening.

Hon. F. J. S. Wise: Simply objecting to the Niagara Falls does not stop them from flowing. That is your attitude on this Bill.

The ATTORNEY GENERAL: Not at all. I am merely pointing out the difficulties of administration if the Bill becomes an Act.

Mr. Rodoreda: Never mind about the administration. Let us worry about the electors.

The ATTORNEY GENERAL: I want to see that they are not deceived. The electors should at least know something about the men for whom they are voting and the electors should take the trouble to inquire and not merely vote for a brand, as this would be—brand of Labour, irrespective of the merits or anything else.

Hon. F. J. S. Wise: Brand for Greenough.

Mr. J. Hegney: The Attorney General has branded him now.

The ATTORNEY GENERAL: The next amendment proposed by the Bill—and to my way of thinking it affects probably the most important section of the Act—is to repeal Section 193.

Hon. J. B. Sleeman: Is there any good in the Bill at all?

The ATTORNEY GENERAL: I have not found it yet, but I will.

Hon. A. H. Panton: I doubt it.

The ATTORNEY GENERAL: Section 193 is an important section because it deals with the basic principle of the Act—that is, the registration of the elector—and the deciding of who is, and who is not, entitled to be an elector. An elector is registered by claiming to be entitled to be eligible. He does that by signing a claim card in which he certifies to the necessary facts which entitle him to be enrolled. This particular section provides that the person witnessing the claim must do so after he has some knowledge of the qualifications of the claimant, or has taken the trouble to inquire from the claimant as to whether he is entitled or not to enrolment. The actual words of the section are—

> The person witnessing any claim, or application to change the qualification of an elector under this Act shall, if he is not personally acquainted with the facts, satisfy himself by inquiry from the claimant or applicant, that the statements contained in the claim or application are true.

The electoral registrar relies almost entirely on the claim cards. He must do so because in 99 cases out of 100 he has no other means of information. Someone claims to be entitled to be enrolled. He does it on a written document and that, in nearly every case, is the only information available to the electoral registrar. So, some steps should be taken at least to impress upon persons signing those cards that they are important documents.

Not one member in this House would dare suggest for a moment that a claim card it not an important document. It is the basis of our electoral system—the entitlement to vote. So the Act provides that it shall be witnessed and that the witness shall know that the claimant is qualified or that the witness shall at least take the trouble to ask him if he is. The Bill proposes to repeal that section and I am really surprised at the suggestion. Wills have to be carefully executed, declarations have to be sworn and properly attested and many hundreds of documents are in the same category. Here is a most important document and it is suggested it is not necessary to have it attested in the ordinary and proper fashion. I cannot understand it.

Hon. F. J. S. Wise: That is not the point. The point is that you are making the person witnessing the signature responsible for all that is in the document.

The ATTORNEY GENERAL: No, that is not so.

Hon. F. J. S. Wise: Yes, it is. You have not read the proper section of the Act.

The ATTORNEY GENERAL: Yes, I have. All he has to do is to inquire.

Hon. A. H. Panton: Read it aloud.

The ATTORNEY GENERAL: It states—

> The person witnessing any claim, or application to change the qualification of an elector under this Act shall—

Hon. F. J. S. Wise: That is not the section.

The ATTORNEY GENERAL:

> —if he is not personally acquainted with the facts, satisfy himself by inquiry from the claimant or applicant that the statements contained in the claim or application are true.

All he has to do is say, "Are the facts on this card correct?" If the man says "Yes," the responsibility of the witness is at an end. That is the section which is sought to be repealed by this Bill.

Hon. A. H. Panton: If it is found that the statements are not correct, who is prosecuted?

The ATTORNEY GENERAL: If they are found to be incorrect, the attesting witness is not in any way responsible so long as he has asked that question.

Hon. F. J. S. Wise: What section is that?

The ATTORNEY GENERAL: That is Section 193. This is a most important section and covers a most important document. Therefore, it is not requesting too much, or imposing too onerous a burden on attesting witnesses, to say that they shall perform the ordinary duties of attesting witnesses and at least ask the persons signing the cards, "Are these facts true?" If witnesses do that, their responsibility ceases.

Mr. Graham: When you sign a will, you do not testify regarding its contents.

The ATTORNEY GENERAL: No. If the witness to the signature on the claim card knows the facts are incorrect, then, of course, it is a different matter. If the witness permits a man to sign a claim card, which contains statements that the witness knows to be false, he is party to a fraud. This Bill seeks to repeal that section.

Mr. Graham: But another signature on the form does not necessarily make it correct.

The ATTORNEY GENERAL: Of course it does not, but it does help to ensure that the claimant appreciates what he is signing; that he is making a statement which will enable him to become an elector. It is a check, even though a small one. We do not want to loosen up on these things, but rather to tighten up to see that only those qualified to vote, become electors.

There is another provision on which I wish to comment. The Bill proposes to prevent publication in a newspaper, issued on polling day, of any electoral advertising commenting on or soliciting votes for any candidate at the election; commenting on or advocating support of any political party to which any candidate at the election belongs; or commenting upon, stating or indicating any of the issues being submitted to the electors at the election or any part of the policy of any candidate at the election, or of the political party to which he belongs. The Bill does not deal with any pamphlet. A pamphlet could be issued and that would be within the law. If a candidates wishes to address his electors on election day, if this Bill is passed, it will be outside the law. I know it was suggested that candidates are not permitted to broadcast, but I do not approve of that either. I see no reason why a broadcast statement on election day should not be given by a candidate. In New South Wales, this was tried out by a Labour Government, which subsequently found it was not a wise provision.

Hon. J. B. Sleeman: That is not what it tried; it was three days.

The ATTORNEY GENERAL: Yes, it was three days.

Hon. J. B. Sleeman: And the Government brought it back to one day.

The ATTORNEY GENERAL: I did not know that, but I know it repealed the three days' provision. I suggest that we should not impinge upon the liberty of the candidates. Surely we do not want to impose more restrictions on them than we already have.

Hon. F. J. S. Wise: You are protecting the electors.

The ATTORNEY GENERAL: I think one might protect the electors by allowing a candidate to have an advertisement published on that day; I am all for protecting the electors. However, I do not think this proviso does so and I believe a candidate should be able to express his views to the electors, even if it is done on election day. I now come to the amendment to Section 99A, which has my full approval. That provision deals with absentee voting and is applicable at present only to general elections; it cannot apply to a by-election.

Hon. F. J. S. Wise: Is this the one which you requested the hon. member to insert in the Bill?

The ATTORNEY GENERAL: I did not request him. I said that I proposed to put in such a clause myself.

Hon. F. J. S. Wise: But you did agree with him?

The ATTORNEY GENERAL: Yes, I agreed with the provision because, when the original Bill was introduced, a mistake was made in that the particular clause was intended to apply to all elections, but the word "general" slipped in and, as the section now stands, it applies only to general elections. I had intended to introduce an amendment similar to this one at some time convenient to myself. This measure as a whole is of such doubtful value that I cannot recommend it to the House. As members will have realised, I have given little commendation to it, and in fact, have spoken to the contrary.

Mr. W. HEGNEY (Mt. Hawthorn): [8.43]: I propose to make a few brief comments on this Bill, with particular reference to the proposed amendment to Section 45. In his remarks, the Minister said that an electoral registrar would not strike any elector off the roll if he were satisfied that he was living in a particular district. I would like to point out the position, for the Minister's appreciation, existing in centres far removed from the metropolis. What the member for Pilbara seeks to provide is as follows:—

> Provided that the name of any person whose occupation is of a nomadic character and whose address on the roll is outside the boundaries of a municipality or townsite shall not be removed from the roll solely on the ground that he has changed his place of residence within the same district.

That is, the same electoral district. Apparently the Minister has in mind closely settled districts where electors would receive a notification from the electoral registrar within a few days, at the most. However, in the isolated parts of the State, and I refer particularly to the North-West portion, taking the Pilbara district as an example, the electoral registrar could, as he has done, issue notices of objection to electors, which are then placed in the post office for the electors to collect when they come in from the outback portion of the district, but, because they fail to do so, they are struck off the roll.

Hon. A. A. M. Coverley: And have been.

Mr. W. HEGNEY: Yes, as the member for Kimberley states, they have been. I have had personal experience of that myself. What the member for Pilbara is attempting to do is to protect men and women in isolated districts from being struck off the roll by some prejudiced electoral registrar.

The Attorney General: This Bill will not affect that.

Mr. W. HEGNEY: It will, inasmuch as I know men who, by virtue of their occupation, are in Port Hedland for a few weeks, then in Marble Bar for a few weeks, and are then at the Oakover River for the remainder of the year, and all the registrar has to do is to issue a notice of objection stating, "J. Jones, you do not appear to reside in this district." That may be posted in the post office at Marble Bar, but the elector may be out at the Oakover River prospecting, or in some other place, and does not become aware of the notice for probably three months, although he is in the district all the time. On election day he finds that he has been struck off the roll! I have had this experience when, during the Pilbara election on one occasion, an over-enthusiastic registrar tried to strike the names of 60 men off the roll by merely posting his objection to their enrolment outside his office door, and putting the formal notice into the Marble Bar post office. Many electors did not receive these objection notices within the time prescribed in the Electoral Act.

The only thing that prevented those people being struck off the roll was that the electoral registrar objected to the electors' claims under Section 47, although some of them had been on the roll for 20 years, and the Act states that the registrar must lodge his objection within 14 days. Instead of objecting to their claims, he should have opposed their enrolment; therefore the objection was not upheld, because subsequently the names of these men remained on the roll. That is not romancing; it is what has actually happened.

Hon. A. A. M. Coverley: And it is not an isolated case.

Mr. W. HEGNEY: Yes, that is so. All the member for Pilbara is trying to do is to protect those men who, by virtue of their occupations, are not working in settled districts, and who only receive their mail once in three months, according to circumstances. Therefore they should not be struck off the roll by an electoral registrar when he finds that they are not in the Marble Bar Hotel or in the Conglomerate Hotel at Nullagine. That is the position, and I hope the Minister will approve of that amendment.

Another clause in the Bill seeks a reversion to the qualifying period for enrolment that obtained prior to the 1948 amendment. The Minister pointed out that the place where a person actually resides is his place of abode and is therefore where his interests lie. If that be the case, using the Minister's own argument, if a man and his wife lived in Bicton for ten years and shifted, say, to West Guildford or Bassendean, after being there a month their interests would be in Bassendean and not in Bicton. What is the use of making a person wait three months before he is eligible to be enrolled for the district in which he intends to reside permanently? All that the Minister could put up as an argument was that it would be inconvenient for the administration if the officers of the Electoral Department kept a check of the electoral claim cards in the event of the provision of one month being reverted to.

As far as I know the Commonwealth Parliament has had, ever since the inception of federation, the one month provision, and if an elector resided in a particular place for one month he or she was entitled to become enrolled for the new district. That had been the practice in this State for many years up to 1948. The member for Pilbara is endeavouring to have provision for one month inserted in lieu of three months, and I agree with him.

As far as the designation of the political candidate being placed opposite his name is concerned, I think that might be given a trial. The Minister has declared himself as being very proud to belong to the L.C.L. and we also on this side of the House declare ourselves to be more proud to belong to the Labour Party. Incidentally we have always been adherents of the Australian Labour Party. We have not changed our name with the seasons. A man who was proud of the Liberal Party a couple of years ago is now proud of the Liberal and Country League—a different name altogether.

Mr. Manning: We advance with the times.

Mr. W. HEGNEY: Had the member for Harvey been here earlier he would have been known as a member of the Country Party. Today, however, that party has changed its name and is now known as the Country and Democratic League.

Mr. Manning: I apologise.

Mr. W. HEGNEY: I accept the apology! The Minister pointed out that in regard to the political designation of the candidate, voting should be on a personal basis and the elector should know the candidate personally. Sometimes I think it is a good thing for the candidate that a number of the electors do not know him personally. I think everyone will admit that the Independents constitute a party.

Hon. A. H. Panton: A party to what?

Mr. W. HEGNEY: If I remember correctly the other evening when the member for Maylands endeavoured to explain something he did not use the first person singular. He used the plural and said, "We want to explain." He was referring to the other member of his party.

Hon. F. J. S. Wise: There is nothing singular about that!

Mr. W. HEGNEY: The point I am trying to make is that these are days not of individualists—99 per cent. of the members of this House belong to definite political parties.

Hon. A. H. Panton: The member for Moore is the only individualist.

Mr. W. HEGNEY: In Federal elections candidates are grouped as belonging to various parties, and I see no objection to a trial being given to the proposal made by the member for Pilbara by which the political designation of a candidate will be shown to the elector. While some electors take a keen interest in political affairs and elections and may know the different individuals who seek election, nevertheless many of them have not the opportunity to meet the candidates personally. If the proposal of the member for Pilbara were agreed to, it would provide an indication to the electors as to whom they should vote for—Labour, Liberal or any other party.

The Attorney General: You would be annoyed if anyone else claimed to belong to the Labour Party.

Mr. W. HEGNEY: I would if the hon. member claimed to belong to that party. However, if he served his time and was thought to be a fit and proper person, the Labour Party might let him in.

The Attorney General: You do not belong to the Labour Party. You belong to the Australian Labour Party.

Mr. W. HEGNEY: The Minister is splitting hairs.

The Attorney General: I am not.

Mr. W. HEGNEY: If the hon. member's party called itself the Australian Liberal Party the initials would be the same—A.L.P. In our own interests we would want to be designated as the Australian Labour Party.

Mr. Hearman: What would the hon. member do if a communist opposed him as a Labourite?

Hon. A. H. Panton: They do not associate with us.

Mr. W. HEGNEY: When I was opposed by a communist the Liberal Party gave him their No. 2 preference votes. They did not give them to me.

Mr. Hearman: That is labouring the point. If a communist called himself a Labourite on the ballot paper, what then?

Mr. W. HEGNEY: He would call himself a communist.

Hon. A. H. Panton: He could call himself a Liberal, too.

Mr. W. HEGNEY: I am inclined to agree with that remark. I think that the publicity organs of the different parties have ample opportunity of putting up their cases for a long period before the actual election day arrives. On the day of the elections I think people have more or less made up their minds, and I think the newspapers should be free of full page advertisements extolling the virtues of the candidates of a particular political party. Taking it all round, I think the amendment might be written into the statute book with advantage.

The only other comment I wish to make is in connection with the witnessing of claim cards. The Minister appears to insist that the witness should satisfy himself of the truth of the contents of the claim cards, and that there would be no risk attached to his witnessing the signature if he made reasonable inquiries. I am open to correction, but I believe that recently there was an irregularity in this connection and the claimant or the witness was charged.

The Attorney General: Both were charged.

Mr. W. HEGNEY: It will be seen, therefore, that the witness was taking some risk. As I see the point, the claimant must be, in the first place, a mature man or woman over the age of 21 years, and all the witness—who must be an elector or a person qualified to be an elector—should be required to do is to witness the signature.

The Attorney General: What is the need of witnessing the signature?

Mr. W. HEGNEY: Reference was made to a will a little while ago. People who witness wills do not necessarily see them.

The Attorney General: Yes, they do.

Mr. W. HEGNEY: I have witnessed wills without seeing them.

The Attorney General: You must have seen the will and known that it was the testator's will.

Mr. W. HEGNEY: I have not pried into the man's business.

The Attorney General: You must have known it was his will.

Mr. W. HEGNEY: I knew it was the testator's signature, but I did not know the contents.

The Attorney General: Then you knew what you were signing.

Mr. W. HEGNEY: Under the proposed amendment, a claim card would still be witnessed, but the witness could assume that the person making the claim had stated facts on the claim card. I commend the member for Pilbara for having introduced these amendments and hope the House will approve of the Bill.

On motion by Mr. J. Hegney, debate adjourned.

BILL—WOOD DISTILLATION AND CHARCOAL IRON AND STEEL INDUSTRY ACT AMENDMENT.

Second Reading.

Debate resumed from the 13th September.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT (Hon. A. F. Watts—Stirling) [9.2]: To what may be termed the general principle contained in this measure, I have no strong objection, but in Committee it is my intention to move an amendment which I trust members will accept because, if it is not accepted, the measure, in my opinion, would be unworkable, so much so as to render its rejection at a subsequent stage desirable.

I point out to the sponsor of the Bill that, under the wording, the situation would be that, without the consent of Parliament, none of the plant could be disposed of, no matter how small an item it might be or whether it was something that had been superseded by more modern machinery. I am sure that the hon. member did not contemplate the possibility of some small item, such as a disused generator or a machine for which there was no further use, being submitted to Parliament before it could be disposed of, particularly as the Act permits, in connection with the land which may have been dedicated for the purposes of the Act, that the Governor may, by notice, cancel the dedication and thereafter, subject to the approval of the Minister, the land may be sold or otherwise disposed of. If we were to undedicate—if I may use the term—the land that had been dedicated for the purposes of the Act and upon that land had put a building, quite obviously the power contained in the existing section would permit of the whole concern being disposed of. In the present phraseology, the amendment would cover every item of the plant, and that would be quite unreasonable.

On the notice paper will be found an amendment I propose to move at the appropriate stage that will give effect to the general principle the hon. member seeks to establish, namely, that these industries shall not be disposed of in one piece, and that will not prevent the minor transactions I have mentioned. So, in respect to the actual phraseology of the Bill, those are the sentiments that govern my view. While I am prepared to accept the second reading, I hope the House will agree to amend the Bill in Committee to the extent to which I have indicated.

The hon. member, in moving the second reading, mentioned the service that the industry is performing for Western Australia at present. It is true that the industry is making a considerable contribution to the supplies of pig-iron required in this State. Nevertheless, that contribution is being achieved only at pretty considerable expense to the State. It may be as well, in order that members may be perfectly clear on the point of expenditure involved in the industry and the results achieved, that I should occupy a few minutes briefly to review the situation. The following tabl shows the quantity of pig-iron importe into the State during recent years:—

1946-47	...	....	4,300 tons
1947-48	...	....	5,800 tons
1948-49	....	....	630 tons
1949-50	...	....	150 tons

The reason for the very substantial diminu tion of imports was not, as has been sug gested in some quarters, that we woul have been unable to obtain our quota o pig-iron from the Broken Hill Pty. Ltd. I was because there emanated from the Gov ernment a suggestion to the B.H.P. im mediately after the Wundowie industry ha started production, that it would be un necessary to supply any considerable quan tity to this State while the local industr could maintain a sufficient output. Conse quently, imports from the Eastern State diminished greatly; in fact, by compariso with those of previous years, they ma be said to have almost ceased. In mor recent days, however, the output from th ironmasters' foundries in Western Austra lia has, by virtue of the expanded demand become so very much greater that im ports have had to be sought again.

As a matter of fact, in recent days 27 tons of iron ore were landed from th steamer "Mundalla," which are goin mainly to the larger users such as Metter Ltd., Tomlinsons, Hoskins and the Stat Engineering Works. On the 8th Septem ber another 137 tons of iron ore were e route from Newcastle and a further 30 tons are anticipated in the very near future Another 300 tons of pig-iron from tha source have been asked for because at pre sent the requirements in Western Aus tralia come to very nearly 200 tons pe week; whereas so far as this industry i concerned, the output is not more tha approximately 140 tons. Therefore, un less the production at Wundowie can b stepped up considerably—and to that ther are undoubtedly limits—the importation o pig-iron to cope with the increasing de mand at the foundries will to some exten have to be renewed.

Hon. A. H. Panton: What is the pros pect of its being stepped up reasonably?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The management is o the opinion that it could be stepped up t 160 tons or thereabouts, which is abou 8,000 or 9,000 tons per annum. That wil necessitate more electric power, for whic additional generating plant has been ap proved and is now in course of installation This will provide more blowing for th blast furnace and also enable more char coal to be burned. The works were esti mated to have a maximum capacity o about 10,000 tons per annum. The limo nitic ores situated in the immediat vicinity are of such a nature that it ha been found more satisfactory of late an more likely to produce a greater quantity

of the right type of pig-iron to intermingle them with a proportion of iron-ore from Koolyanobbing, and that is being done at present.

Some production was lost, I understand, through an experimental effort in the way of using coal mixed with charcoal in the interests, it was thought of furthering the uses to which Collie coal could be put. That was not very successful and resulted in some loss of production. There was at one time a surplus, partly because in the early stages there was some stockpile owing to the fact that production exceeded demand; and partly because there were certain grades originally produced which were not suitable for local manufacturers who required more substantial quantities. In consequence, when there was industrial trouble in the Eastern States, so that supplies there were practically non-existent, the management saw fit to dispose of this surplus by way of export to the Eastern States.

Up to a point, therefore, it is quite clear that this industry has served a useful purpose insofar as the production of pig-iron is concerned. It has also served a very useful purpose—though I do not think this can be said to have been contemplated as part of the job in the earliest plans—in providing considerable quantities of timber which have been found valuable in housing and building programmes. There is a well set up sawmill there, and Mr. Harris is an experienced forester. I think that had it not been for the timber section of the industry, the financial results would have been worse than they are. I propose to demonstrate in a few minutes that they have by no means fulfilled the expectations which were given of them when the matter was first introduced in this House in 1943.

I have here the "Hansard" of 1943 in which are contained the remarks of the then Minister for Industrial Development, the member for Northam, in connection with the proposals to constitute this industry. He quoted an extract from a report which had been presented to him by a committee consisting of Messrs. Fernie, Reid, the Under-Treasurer, Wilson the then State Mining Engineer and Bowley, as follows:—

> Investigations into the proposal to erect a charcoal iron blast furnace have now reached a stage where it is possible to advance estimates of costs of erection and operation in support of a recommendation that the Government proceed with the installation of this project. In brief, it is proposed to erect a small blast furnace to produce up to 10,000 tons of pig-iron per year, by smelting iron ore with charcoal made from our hardwoods. In the preliminary discussions leading up to the design of a plant, the Broken Hill Proprietary Co. were very helpful in suggesting types of plant, layout and methods of operation.
>
> Charcoal for fuel will be produced by the destructive distillation of wood in externally heated retorts. Experiments carried out under the supervision of the Government Analyst have yielded the information on which the design of the retorts has been based. In the design of this section, consideration given to the value of the volatile products driven off from the wood during distillation confirmed the opinion that a refinery to handle these products would operate ideally in conjunction with a blast furnace. To illustrate this interdependence, wood tar from the refinery may be burnt to raise steam in the main power house; after generating power, the steam exhausted from the engines may be taken back to the refinery to carry on the distillation processes. This report will, therefore, include a recommendation that a refinery be included to operate in conjunction with the blast furnace.
>
> Products and Markets.—The main products of such an installation will be pig-iron, acetic acid and wood naphtha, in approximately the following quantities:—
>
> Pig-iron—10,000 tons per year.
> Acetic acid—480 tons per year.
> Wood naphtha—112,000 gallons per year.
>
> It is considered that there would be no difficulty in disposing of these quantities of the various products. Consumption of pig-iron in Western Australia is now about 5,000 tons per year, so that about half the pig-iron would be available for export.

With regard to the last remark, I have already indicated the position. The hon. member went on to say—

> Iron ore.—Deposits at Wundowie and Coates' Siding have been sampled by shaft sinking and a sufficient quantity of ore of satisfactory quality has been located to indicate ensured furnace operation for a period of at least 15 years.

As I have said, it has been found necessary by the management, in order to bring the production up to a figure approximating that which was anticipated, to use a quantity of ore from as far distant as Koolyanobbing which, as everyone knows, is near Southern Cross. The hon. gentleman dealt further with the report at page 432 of "Hansard" of that year, as follows:—

> Estimated capital cost.—Working drawings of the layout of works and details of the blast furnace, accessories and charcoal retorts are sufficiently advanced to enable construction to be commenced at once. From these drawings the cost of the blast furnace and accessories, including charcoal retorts, condensers and storage tanks, is esti-

mated at £95,000. In addition to this, a refinery to purify the products of wood distillation is estimated to cost £30,000 making in all a total of £125,000. The cost of £35,000 has not been taken out in detail, but it is estimated from the costs of modern American refineries. Details of such plants were not available when this report was drawn up, but they have since come to hand.

Economics.—In the study of the economics of the project it has been thought desirable to compare cost of production with normal market prices in pre-war years bearing in mind that early establishment would give an initial advantage of prices which are greatly inflated by war demands. In the case of cast iron, however, it is thought that the present price will be maintained for many years, and this has been accepted as the ruling price. The estimated annual income is £101,230, made up as follows:—

	£
Pig-iron, 10,000 tons at £6 17s. 6d. per ton	88,750
Acetic acid, 480 tons at £56 per ton	26,880
Wood naphtha, 112,000 gallons at 1s. per gallon	5,600

The hon. member then went on to say—

> Therefore, although we estimate our income from the sale of charcoal pig-iron on the basis of the existing average price of iron produced in other States, we still have that margin of upwards of £1 a ton which pig-iron will be capable of commanding and which, indeed, much of it will command.

Later the hon. gentleman said—

> The report goes on to state that the estimated annual expenditure is £76,360, so that the anticipated gross profit is £24,870, or approximately 24.5 per cent.

At page 433 of "Hansard" of that year the hon. member again quoted from the committee's report as follows:—

> Recommendations: The committee feels that the foregoing report presents a faithful and conservative view of the prospects of the proposed new industry. At the same time it is realised that war conditions may upset the most conservative of estimates and that the establishment of the industry at the present time will be attended with a certain amount of risk.

The estimates provided for a total capital expenditure of £125,000, and an annual profit of approximately £24,000 out of a gross income of about £101,000. That was said to be as the result of a tremendous amount of investigation which had first of all been carried out by a panel, and later by a committee constituted from that panel; and the gentlemen that I have mentioned, Messrs Fernie, Reid, Bowley and one other, served in both instances.

In the course of the negotiations a note of warning was struck from time to time by one or two people who thought that some of these estimates were over-optimistic. There is, for example, a communication dated the 13th February, 1943, from Mr. J. R. Young of the Broken Hill Pty. Ltd. who had given advice to the panel and the committee. He said—

> I do think you will have the greatest difficulty in producing suitable charcoal for a blast furnace at £2 a ton, and as indicated to you, I kept sounding a warning note of undue optimism on charcoal production. If I were you I would be quite sure of my figures before I took the low figure of £2 per ton, much less £1.

It did not appear, however, that in making up these estimates, much notice was taken of such communications as that. Well, so far as the present Government is concerned, I can say without reservation that no request for finance to enable the board of management to complete or carry on these works has been refused, provided it could be shown that there was some reason for it. Therefore, so far as we are concerned, and following on the report of Mr. Gibson on the practical side of the job, we have given the industry every encouragement.

Instead of the sum of £125,000 that it was expected would be involved, the expenditure up to the 30th June, 1949, was £668,451, or approximately £543,000 more than was contemplated in the estimates, and instead of there being an annual profit of £24,000, or indeed any profit at all, there has been a considerable loss. The deficit for the year ended the 30th June, 1949, was £98,270. The cost of production of pig-iron—and, of course, we cannot expect the iron masters to pay more for it than the price at which they can obtain it for from other sources; and this has been agreed to by the board of management as well as by myself—is averaging twice what we get for it. It is true, of course, that tremendous changes have taken place in production costs in all industries, and therefore I do not strongly criticise that aspect. But I do say that it is an extraordinary thing that an estimate of £125,000 was given for the construction of the establishment, and a period of 18 months mentioned as the time in which it would be done, whereas it took nearer 4½ years, and cost approximately six times the amount estimated.

Mr. Perkins: Does the loss include interest on the capital invested?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I think interest has been charged up. A moment ago I gave the figures for expenditure to the 30th June, 1949. To the 30th June, 1950, the Loan funds involved total £830,000, and interest outstanding is shown at £87,191, giving a total of over £900,000 involved in all. The approximate revenue for the year ended the 30th June, 1950—the figures are actual only for 11 months, one month being estimated—are as follows:—Pig-iron, £80,706; timber, charcoal, acid, etc., £56,100; sundry revenues, £1,924; stocks on hand or in process, £32,000, and the loss for the year, including interest, is £90,505.

The Minister for Lands: A good show!

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The cost of production, operating costs and plant maintenance are shown at £165,965. General expenditure is £28,400, depreciation £25,000, interest £29,000, and stocks on hand at the beginning of the year £12,367, so on each side there is the total of £261,235.

Mr. Perkins: I think that originally a lot of revenue was to come from acetic acid and wood naphtha.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The situation for the year ended the 30th June, 1950, was as follows:—Production of pig-iron, 6,500 tons and sales 6,623 tons; sawn timber, 3,130 loads and sales 2,905 loads; acetic acid production 40,000 gallons and sales 27,640 gallons; methanol production 48,000 gallons and sales 1,685 gallons. After I have made that brief review of the position, it will perhaps be clearer why I am prepared to subscribe to the principle contained in this measure. It will readily be realised by everyone that the enterprise is certainly not a success financially, and is unlikely ever to be so, but it has made and is making—particularly with regard to pig-iron and timber—a contribution that warrants its existence.

I have no hesitation in saying that the estimates of those who put the proposal forward in the first place and advised the Minister in the first instance were far too optimistic, and have certainly not been justified by events. They have placed a considerable burden on the State and upon the taxpayers—a burden that Parliament never expected they would have to bear when the matter was first brought forward. I can consequently arrive at no conclusion other than that those original estimates were over-optimistic and yet, for the reasons I have given, the industry has to be carried on and every effort made to increase its sales, particularly in the case of those by-products for which there is not a ready market at present, in order to minimise the loss. Had Parliament had any idea that the cost of the work would be as high as has been the case and that the return from it would be so low, I am certain there would have been on the part of the Minister considerable hesitation about putting the project forward as strongly as he did, and considerable hesitation on the part of Parliament about accepting the whole proposition.

Be it said for those who put the proposition forward and for the Minister, who, of course, in good faith accepted their estimates—as many of us have done since—that it has made a contribution in the directions that I have mentioned. As far as the practical set-up is concerned, it is already 100 per cent., but the financial results and the future financial prospects cannot be viewed other than with considerable concern, because Western Australia is already known as one of the claimant States and it must be remembered that to the extent that this industry is completely or partially unreproductive, the interest and sinking fund payments will have to be borne by the citizens of this community for 58 years, which is the time it will take to amortise the debt under the Commonwealth-State financial arrangement, and under the Loan Council.

It is therefore our duty in future at all times to examine a great deal more closely such propositions and view with greater care and examine by means of our own arithmetic estimates put forward in such matters, in order that we may have better prospects of seeing them financially sound than has been the case in this instance. I support the second reading.

HON. A. R. G. HAWKE (Northam—in reply) [9.37]: We have heard what was in some respects a rather extraordinary speech by the Minister for Industrial Development. I have my own ideas about some of the reasons that caused him to prepare and deliver the speech.

The Minister for Lands: Do you not think the public should be informed in regard to this project?

Hon. A. R. G. HAWKE: It is time they were informed on a good many of these undertakings.

Hon. A. H. Panton: Particularly with regard to group settlement, and so on.

Hon. J. T. Tonkin: And the establishment of the bulk wheat bins.

Mr. Marshall: And the Waroona-Clifton railway.

Hon. A. R. G. HAWKE: On one of these occasions the Minister for Lands will amaze himself and the House by making an interjection that has some point and some intelligence mixed up in it.

The Minister for Lands: I would like to have a go at a lot of your undertakings and their success. They have cost the State millions.

Hon. A. R. G. HAWKE: I would be delighted for the Minister for Lands to have a go, as he calls it. As far as I know,

there is nothing to prevent him having a go. Why did he not have a go this afternoon during this debate?

Mr. Marshall: He leaves it to his deputy leader to have a go.

Hon. A. R. G. HAWKE: It is extraordinary—if the Minister for Lands is straining at the leash—that he did not have a go, as he so classically describes it, during this debate.

The Minister for Lands: Well, you have your go.

Hon. A. R. G. HAWKE: Would I be far out in suggesting that the Minister for Lands knows little or nothing about this matter and therefore did not have a go because he knew that if he did have a go he would make a sorry exhibition of himself.

The Minister for Lands: That is your idea of it. You are pulling your own leg.

Hon. A. R. G. HAWKE: I notice that the Minister for Lands has been walking round with a severe limp for many years. That, no doubt, is due to the fact that for years he has been pulling his own leg.

The Minister for Lands: You have never run any risk of limping.

Hon. A. R. G. HAWKE: Having successfully disposed of the Minister for Lands, to his very great embarrassment—

The Minister for Lands: In your own mind.

Hon. A. R. G. HAWKE: —I propose to give consideration to the subject matter before the House. It is not to be marvelled at that estimates of costs, prepared early in 1943, should have been substantially exceeded in the construction of a plant when the completion of it took place less than a year ago. I am sorry that the Minister for Industrial Development did not tell the whole story when he went so far as to tell so much of it. If my observations have been correct I think the wood distillation section of the industry at Wundowie was completed not more than a year ago.

The Minister for Industrial Development: About fifteen months.

Hon. A. R. G. HAWKE: Therefore it will be appreciated that the construction costs for that section of the industry were costs based upon a level so much higher than the level of costs which were operating at the end of 1942 or early in 1943—

The Minister for Industrial Development: I think I gave you that in.

Hon. A. R. G. HAWKE: —when the committee, to which the Minister referred prepared the original estimates. It must be remembered, too, that even the work carried out to establish the first section of the industry—the charcoal iron section—in the years 1944 and 1945 particularly was carried out under extremely difficult and costly conditions. I do not know whether the Minister for Industrial Development has taken the trouble to ascertain exactly just how difficult those conditions were.

The Minister for Industrial Development: That is why I thought there should have been more allowance made because it seemed to me to be pretty obvious at the time.

Hon. A. R. G. HAWKE: The fact is that it was impossible to obtain manpower because at that time all manpower was under Commonwealth direction. The only manpower which could be obtained to commence the establishment of the industry, in an extremely limited way, was manpower which was too old for any Commonwealth purpose or which was below par physically. We were able to obtain, in the early stages, only about a dozen men from those classes. So, it is easy to come to the conclusion, and to know, that the task of trying to establish the industry in the first two or three years was not only an extremely slow business but also a very expensive one.

We determined to press on with the establishment of the industry, during the war years of 1944 and 1945, to the fullest extent because we were convinced that the industry might never be established in Western Australia unless its establishment was pushed forward as far as possible during the war years of 1944 and 1945. I am strongly inclined to think that if the establishment of this industry, or these industries, had not been commenced in those years, or very soon after the conclusion of the war, these particular industries would not have been established today and might not have been established in this State for many years to come. We were able to make the move to establish them and to carry out the work because at that time we had a certain amount of protection from the Commonwealth Government which would not be available to the Government of this State in normal peace times.

As a Government, Ministers did not accept completely, at that time, the estimates of the committee. We were not so optimistic as to believe that the estimates of the committee could be met. The Government of that day believed that the estimates of the committee would be exceeded in some directions but we did not imagine for a moment that costs would increase, as they did increase, especially after December, 1947. Nevertheless, we believed that the establishment of these industries would not only be of great benefit to Western Australia in providing our foundries and engineering workshops with adequate supplies of high class charcoal iron, but we also believed—and this was an extremely impelling phase in regard to our decisions—that the establishment of the charcoal iron industry at Wundowie

would provide the foundation in Western Australia for the establishment, at some later date, of a large-scale fully integrated iron and steel industry. We believed that unless the industry proposed to be established at Wundowie in 1933, was established and operated for the purpose of testing out the practicability of the industry in this State and also for the purpose of testing out the economics of the industry, no Government in the future would be justified in taking the step which would be necessary to establish a large-scale iron and steel industry in this State.

I do not know what measurement stick the Ministers of the present Government apply to a matter of this kind. I was extremely disappointed to hear the concluding remarks of the Minister for Industrial Development for they indicated very clearly that his measurement stick is one of pounds, shillings and pence and that a profit, or something approaching a profit, would be the measurement stick which he would apply to his consideration of any proposal in the future to establish an industry of this kind within the State. There would have been no Western Australia today, except a very poverty stricken one, if such a measurement stick had been applied to our mining industries and their development, to the development of our pastoral and agricultural industries and even to the development of our manufacturing industries.

Mr. Marshall: What about our dairying industry?

The Minister for Industrial Development: It is a question of relativity I think.

Hon. A. R. G. HAWKE: When we talk about it being a question of relativity, we talk in gloriously general terms.

The Minister for Industrial Development: You must relate the loss to the benefits.

Hon. A. R. G. HAWKE: It does not allow either the Minister or myself to really get down to tintacks and does not allow either one of us to get our teeth into any meat because there is no meat available when we indulge in gloriously general terms of that kind. If we were to have an investigation made, by financial experts, into the primary industries of Western Australia we would find that from the direct Government point of view Governments of the past have suffered very heavy financial losses which the taxpayers of the State, or some other persons or instrumentalities, here had to meet.

Hon. J. T. Tonkin: You ought to read what the Transport Board had to say about the super. subsidy.

Hon. A. R. G. HAWKE: However, no-one would say that there should be no further development of primary industries in Western Australia simply because Governments of the past in this State have incurred tremendously heavy financial losses in developing the farming industries of the State.

Hon. A. H. Panton: And it has all been worth while.

Hon. A. R. G. HAWKE: If there is one thing more than another which Western Australia needs, and needs urgently, it is a balanced productive system. We have no such system today. We have primary industries on a large scale; we have mining industries on a substantially large scale and we have secondary industries on only a small scale. I think it is generally recognised that primary industries do not provide, in any great volume, direct employment. Therefore, they are not good or substantial providers of employment, except indirectly. Such industries in this State provide a great volume of indirect employment, but unfortunately for the people of Western Australia that employment is made available to people in Eastern Australia and not in this State.

It is in the Eastern States of Australia that most of the goods required by our farming industries are made. I would not be concerned if the industry at Wundowie had to be carried on at a loss of £100,000 a year during all the years of the future. I admit the loss is fairly substantial, but nevertheless if the indirect benefits, financial or otherwise, which are conferred upon the State are placed in the other scale, I think that even our cautious Treasurer would agree that the industries and their operations would be well worthwhile.

The Premier: What am I—cautious or carefree? There is a difference of opinion over on that side.

Hon. A. R. G. HAWKE: Take, for instance, the experience of our local foundries and workshops during the last twelve months. Is the Minister for Industrial Development fully aware as to what the position of those establishments would have been if no charcoal-iron industry had been in existence in Western Australia?

The Minister for Industrial Development: Yes, I am fully aware.

Hon. A. R. G. HAWKE: Well, then, the Minister knows that those foundries and workshops, if they had been compelled to depend upon supplies of iron from Newcastle, would have been closed down for most of the twelve months.

The Minister for Industrial Development: No, nothing as bad as that.

Hon. A. R. G. HAWKE: Well, something approaching it, anyway.

The Minister for Industrial Development: A few months, perhaps.

Hon. A. R. G. HAWKE: I will accept the statement of the Minister that it would be a few months and a few months out of twelve months would be substantial.

The Minister for Industrial Development: That is why I am prepared to agree to the second reading of your Bill.

Hon. A. R. G. HAWKE: So the financial benefits to the State through the keeping in continuous production of our foundries and workshops can be regarded as major.

The Minister for Industrial Development: They have had considerable difficulty in maintaining increased production even with it, because the demands are ever-increasing.

Hon. A. R. G. HAWKE: That only goes to prove that the charcoal-iron industry at Wundowie has made a magnificent contribution to maintaining the continuous production of the manufacturing industries of this State. It has not only enabled those industries to continue manufacturing goods which they usually manufacture, but also has enabled them to keep tens of thousands of skilled and semi-skilled men in employment. The value to the State, from that phase of the situation alone, would be at least £100,000 over the last twelve months; probably £300,000 or £500,000. In addition, there would be upwards of 300 men employed at Wundowie.

I am not suggesting that the State should set out to establish industries and run them simply for the purposes of providing employment irrespective of the financial loss which would be incurred, but I do suggest that when we are seeking to discuss and consider the value of these industries to the State, we have to take into consideration the volume of employment which they provide at and around Wundowie. Of course, it is very easy to be wise after the event. I think, if the Minister for Industrial Development cares to have a wide scale investigation of the estimates presented to the Government from time to time and, subsequently, compares those original estimates with the final costs of doing what was actually proposed, he will find that the original estimates have, on nearly every occasion, been greatly exceeded.

The Minister for Industrial Development: Except in everyday things. You can just about multiply them by two, in my opinion.

Hon. A. R. G. HAWKE: I think even if he went back to a period which was not affected by war conditions, or war-caused conditions, he would find that estimates originally put up for some Government undertaking or other have been greatly exceeded after the actual cost has been ascertained. For instance, if the Minister were to investigate the original estimate of cost for the Royal Perth Hospital, and the actual cost of the various stages of that building, I think he would find that costs were very greatly exceeded. I rather imagine that private enterprise meets the same situation on many occasions. I am sure that private enterprise came up against a similar situation during the period 1943 to 1950. It would stand to reason that estimates made up in 1943 by Government or private enterprise would be greatly exceeded if the actual work in connection with which the estimates were drawn, was not completed until, say, 1947 or 1948.

Hon. J. T. Tonkin: We would probably find the same thing with regard to the South Fremantle power station.

Hon. A. R. G. HAWKE: We know how wages have greatly increased over the last few years; we know how capital construction costs have increased, and we also know how prices of plant, equipment and machinery of every kind have sky-rocketed —especially plant, equipment or machinery which has had to be imported from other countries of the world, as much of the plant, equipment and machinery at Wundowie was. If we had a detailed comparison of the original estimates for the wood distillation section of the industry at Wundowie, and compared the detailed investigation of the original estimates with the actual costs, we would find, I think, that the difference between the original estimates and the actual costs would be explained in the increases which had occurred between the end of 1942 and, say, 1947, in the actual cost of buying plant and equipment which it was necessary to purchase.

In addition, of course, there would be the great increase in construction costs as between the estimates of 1943 and the actual costs of, say, 1947. I sincerely hope the final remarks of the Minister for Industrial Development were not an indication to the House and to the public that nothing more is likely to be attempted by the present Government in the way of establishing, or assisting to establish, substantial secondary industries in Western Australia.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Perkins in the Chair; Hon. A. R. G. Hawke in charge of the Bill.

Clause 1—agreed to.

Clause 2—New section inserted in principal Act:

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I move an amendment—

> That after the word "Act," in line 4 of the proposed new section the following words be inserted:—"except machinery, tools, apparatus, equipment, appliances, fittings and materials which in the opinion of the Governor are not required for the efficient production of charcoal and other products by means of a process of wood distillation and of charcoal iron and steel."

The amendment is designed to ensure that only those things which are not required for the continued efficient production of the products mentioned can be disposed of without the application of the terms of this Bill. I am advised, and I think it is apparent, that otherwise none of the plant, even if it was unwanted, could be sold without the approval of Parliament, and I think that is obviously undesirable. I have gone as far as one can reasonably go in this matter to ensure that the hon. member obtains his desires, except to the degree that I am asking the Committee to agree to this amendment and the principle which has prompted me to bring it forward.

Hon. A. R. G. HAWKE: This amendment proposes to give to the Governor in Council the right to allow the Government to sell what is considered no longer required for the efficient production of charcoal, and so on. Taking the somewhat exaggerated view of the amendment I think it might be said that everything at Wundowie could be sold by the Government without Parliament being consulted in any way. I think, however, we should be prepared to accept the Government's intentions in this matter as being absolutely bona fide. During this Government's term of office, the Governor-in-Council has been made to do one or two terrible things, but I can hardly believe that the Government would cause him to take such steps as would permit of selling everything at Wundowie on the pretence that nothing was longer required for efficient production.

There is no reference in the amendment to machinery, tools, etc., used at Wundowie for the production of sawn timber. I realise that the Act does not provide for the establishment of a timber mill there. Presumably the Government established the mill under some other Act, or perhaps without legislative authority, as being a necessary adjunct to the industry.

The Minister for Industrial Development: I think it was the instrumentality that created the wood charcoal.

Hon. A. R. G. HAWKE: The point I am concerned about is whether some reference to the timber mill should not be made in the amendment.

The Minister for Industrial Development: Let us report progress and you and I will discuss the matter with the Parliamentary Draftsman. I have not considered that aspect at all.

Hon. A. R. G. HAWKE: The second portion of the amendment refers to appliances and materials "not required for the efficient production of charcoal and other products by means of a process of wood distillation and of charcoal iron and steel." I can clearly understand the first part up to and including the word "distillation," but I cannot understand the remaining part and I doubt whether the Minister could explain what is a process of charcoal iron and steel. I do not know of any such process and I doubt whether anybody else does.

The Minister for Industrial Development: I think that could be remedied by making it read, "and in the production of charcoal iron and steel."

Hon. A. R. G. HAWKE: That would make sense.

The Minister for Industrial Development: It was taken from the phraseology of an earlier section of the Act.

Hon. A. R. G. HAWKE: That may be so, but to me it seems senseless.

The Minister for Industrial Development: Surely not as bad as that!

Hon. A. R. G. HAWKE: I do not know of a process of charcoal iron and steel.

The Minister for Industrial Development: You have to relate it back to the word "production."

Hon. A. R. G. HAWKE: I hope the Minister will agree to have that part of the amendment, as well as the previous part, discussed with an officer of the Crown Law Department. In view of the Minister's undertaking, I suggest that progress be reported.

Progress reported.

House adjourned at 10.15 p.m.

Legislative Council.

Thursday, 21st September, 1950.

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

ADDRESS-IN-REPLY.

Presentation.

The PRESIDENT: In company with several members, I waited on His Excellency the Governor and presented to him the Address-in-reply to His Excellency's Speech agreed to by this House, and His Excellency has been pleased to make the following reply:—

> Mr. President and hon. members of the Legislative Council—I thank you for your expressions of loyalty to His