

do here; we would not even need holiday pay, which some of the members opposite have asked for recently.

I have tried to talk about what I see as an important problem in my area. It is part of the general metropolitan problem in regard to wetlands. Privately owned wetlands are disappearing. I know there are some problems in my electorate where people have filled in the edges of some of the swamps. I am told by experts that subsequently they will never be able to build on this land because of the peat which is beneath it. This is one reason that the City of Stirling has spent such a large sum of money developing the scheme at Balcatta. Apparently the peat has been extracted and replaced with dirt and compensating basins have been put in and we shall finish up with some beautiful lakes.

I am told that land there is selling for very high prices; and the seat of Balcatta may become less secure if the price of those house lots continues to rise. We need to concern ourselves not only with the protection of those lakes, but also we need to look very carefully at the development of the Indian Ocean shoreline, not only in my electorate but also generally in the metropolitan area. I believed once that it would be desirable for us to have a combined authority, such as the one which is working so successfully on the Swan River; but I am not so sure now. Perhaps individual local authorities with the assistance of the State Government will work more independently and act more promptly. Certainly I would not be interested in seeing a metropolitan coastal authority decide that Trigg Island should become a highly developed beach.

I remember resisting very strongly a former town clerk of the City of Stirling who believed a multi-storey international hotel should be built at Trigg Island. He thought that it was one of the most magnificent places where one could build such a hotel. I remember arguing very strongly that it would be a tremendous tragedy if that happened.

At Scarborough there is a major problem concerning the need to redevelop the area. Not so long ago somebody wanted to build a casino in the area. I tossed up whether I would speak tonight about the Royal Commission on Gambling—

Mr Jamieson: That main block at Scarborough is a disaster area. Nobody could describe it in any other way.

Mr CLARKO: I would have to agree with the honourable member. There is a conflict in that area because some people see it as an international hotel area similar to beaches in America and Hawaii where marvellous hotels have been built at great expense to enable one to step out onto the beach. I do not think that sort of thing is appropriate in Western Australia. I believe, as tonight's *Daily News* says, it

is essential for us to ensure that man has maximum access to the shorelines of lakes, rivers or oceans. We must ensure this is done. People have talked, and quite correctly about the need to develop a magnificent distribution of national parks throughout Western Australia; but it is equally important that we protect the edges of the stretches of natural waters.

I conclude by saying that if Karrinyup, which is a showpiece of the metropolitan area, is to continue as a showpiece, as a beautiful place in which to live, and as an attractive area for people to visit, it is essential that we protect these water regions.

Debate adjourned, on motion by Mr T. D. Evans.

*House adjourned at 5.51 p.m.*

## Legislative Council

Tuesday, the 13th April, 1976

The PRESIDENT (the Hon. A. F. Griffith) took the Chair at 4.30 p.m., and read prayers.

### ANZAC DAY ACT AMENDMENT BILL

*Assent*

Message from the Governor received and read notifying assent to the Bill.

### QUESTION WITHOUT NOTICE

*Point of Order*

The Hon. CLIVE GRIFFITHS: I wish to raise a point of order, Mr President.

The PRESIDENT: What is your point of order?

The Hon. CLIVE GRIFFITHS: You called for notices of motion but you did not call for questions without notice. As I have a question without notice I am now precluded from asking it. I would ask for your reconsideration of procedure so that I may ask my question.

The PRESIDENT: In such circumstances, neither the Hon. Clive Griffiths nor anybody else should be precluded from asking questions without notice. I will take questions without notice at the conclusion of questions on notice.

### QUESTIONS (5): ON NOTICE

#### 1. POLICE

##### *Aboriginal Girl: Alleged Rape*

The Hon. LYLA ELLIOTT, to the Minister for Health representing the Minister for Police:

- (1) With reference to my letter of the 2nd March concerning the police handling of an alleged rape and assault upon an Aboriginal

girl outside the Kia Ora Wine Saloon on the 19th February, 1976, will the Minister advise what action has been taken to investigate this case?

- (2) If none, when will he take such action?

The Hon. N. E. BAXTER replied:

- (1) The Minister for Police has studied a full report provided for his information by the Commissioner of Police and his officers and now feels that the media coverage was not strictly accurate and the Police acted in a proper and reasonable manner.
- (2) The Minister does not consider any further action is necessary.

## 2. POLICE

### *Aboriginal Girl: Alleged Rape*

The Hon. LYLA ELLIOTT, to the Minister for Health representing the Minister for Police:

- (1) With reference to my letter of the 2nd March concerning the handling by the Rape Referral Centre on Friday, the 20th February, 1976, of an alleged rape case involving an Aboriginal girl, will the Minister advise whether he is yet in a position to provide the information I requested?
- (2) If not, when am I likely to receive it?

The Hon. N. E. BAXTER replied:

- (1) and (2) A letter setting out the information requested has been forwarded by the Minister for Police.

## 3. POLICE

### *Stables: Relocation*

The Hon. S. J. Dellar for the Hon. R. F. CLAUGHTON, to the Minister for Health representing the Minister for Police:

- (1) When will the police stables in Pearson Street, Churchlands, be vacated?
- (2) Who will be responsible for the demolition of the buildings?
- (3) What compensation will be paid by the City of Stirling for the land to be resumed for road purposes?

The Hon. N. E. BAXTER replied:

- (1) The premises were vacated on April 5, 1976.
- (2) Whoever acquires the buildings.
- (3) Nil. The land is crown land and as a road will remain crown land.

4.

## HEALTH

### *Rest Homes: Food and Charges*

The Hon. LYLA ELLIOTT, to the Minister for Health:

- (1) Is the Minister aware of the sub-standard conditions existing at some privately run rest homes receiving a Government subsidy to accommodate ex mental health patients, and of the ill-treatment of residents as shown by the following examples—
- (a) that at one particular home the residents never receive any fresh milk, eggs, cheese or fruit at all;
- (b) that the food they are given is of poor quality and insufficient to sustain them as evidenced by—
- (i) the fact that when they are weighed at the occupational therapy centre once a week they have been shown to be losing weight;
- (ii) a teenage worker was attacked by one of the residents purely because he was hungry and was trying to get food;
- (c) that residents are given the evening meal between 4 and 5 p.m. and are not permitted anything else, including a cup of tea, until breakfast;
- (d) that the meat bill for a week for 36 people ranged from only \$17 to \$20 for the whole week;
- (e) that a 16 year old untrained girl is the only person employed at night to supervise 36 people who require administration of a variety of drugs;
- (f) that proceeds from cheques sent to residents by the Public Trustee and meant for "comforts" for them, such as cigarettes, etc., are not being used for that purpose; and
- (g) allegations of physical violence against residents?
- (2) In view of the foregoing, will the Minister—
- (a) introduce without further delay the proposed legislation controlling the standards and functioning of these homes;
- (b) in the meantime order an immediate and urgent inquiry into these homes and regular unannounced inspections, for the purpose of preventing any further suffering of the residents, which is an affront to human dignity?

The Hon. N. E. BAXTER replied:

- (1) The Minister is aware that while the majority of private hostels are providing a satisfactory service there is room for improvement in some of the private establishments in receipt of a Government subsidy for accommodating and caring for patients discharged from hospital following treatment for psychiatric illness. Every effort is made by the Community Psychiatric Division of Mental Health Services to bring their hostels up to the recommended desired standards.
  - (a) If the name of the hostel is supplied, the complaint will be investigated, as is done routinely on receipt of specific complaints.
  - (b) (i) This complaint will be investigated on production of specific details.
  - (ii) Mental Health Services is not aware of any attack of this nature, and has not received any complaints in this regard.
  - (c) to (f) The situation differs at each hostel most of which adequately cater for the needs of the residents. Any specific complaint received will be investigated by Mental Health Services.
  - (g) One alleged case has recently been reported in the press, and appropriate action is being taken by Mental Health Services to avoid a recurrence. The Department is not aware of any other complaints.
- (2) (a) As mentioned by the Governor in his address at the opening of the present Parliament, the Government proposes to introduce legislation for the registration and control of private hostels providing care and accommodation for persons in their care.
- (b) The Community Psychiatric Division of Mental Health Services is constantly carrying out inspections of the establishments referred to. In addition the Division provides a variety of services and activities for the benefit of the residents. These facilities include occupational, vocational, social and recreational activities. Arrangements are also made to cover the medical and psychiatric needs of the residents. It is hoped that the proposed new legislation will enable the Department to effect a considerable improvement in

those hostels or areas which have not yet attained the desired standard. The absence of the authority derived from appropriate legislation has restricted the powers of the Department.

#### 5. TRANSPORT COMMISSION FEES *Allocation to Local Authorities*

The Hon. H. W. GAYFER, to the Minister for Health representing the Minister for Transport:

Further to the reply to my question 4 on Wednesday, the 31st March, 1976, concerning Transport Commission fees, what is the reason for the down-turn in funds available for distribution to shires under Section 62 of the Transport Commission Act?

The Hon. N. E. BAXTER replied:

Increased administrative costs which have not been matched by corresponding increases in revenue is the reason for the downturn in funds available for distribution to Shires under Section 62 of the Transport Commission Act.

Other than minor adjustments relating to metric conversion, licence fees on which the Commission depends for its revenue have only been increased once since the 13th February, 1973.

#### QUESTION WITHOUT NOTICE

##### BELMAY SCHOOL

##### *Adult Education and Community Activities*

The PRESIDENT: I apologise for my oversight in not calling for questions without notice.

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

Would the Minister give consideration to allowing the Belmont Shire Council, through its recreation officer, to use the eight empty Bristol buildings at Belmay Primary School for adult education in crafts, for teacher training, and other community activities?

The Hon. G. C. MacKINNON replied: The honorable member's idea will receive sympathetic consideration. Indeed, the idea implicit in the question is a good one as it follows an assessment of what is being done in the way of community involvement in schools and with schools. To further the suggestion put forward by the Hon. Clive Griffiths, the district superintendent and the local recreation officer will confer with the principal of the Belmay

school in order to determine the extent to which the Belmont Shire Council's wishes can be met.

#### ADDRESS-IN-REPLY: EIGHTH DAY

##### *Motion*

Debate resumed from the 8th April, on the following motion by the Hon. M. McAleer—

That the following address be presented to His Excellency—

May it please Your Excellency:

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

**THE HON. D. J. WORDSWORTH** (South) [4.49 p.m.]: First of all, I would like to congratulate the Governor on the Speech with which he opened Parliament and to wish Sir Wallace and Lady Kyle a very happy relationship with this Parliament and with the people of Western Australia. We are very fortunate that these two people have given up their retirement in the peaceful surrounds of England to return to an exacting and dutiful task in this the country of his birth. It takes a lot of guts and loyalty, to both Queen and country, to make a sacrifice such as that. I know that both Sir Wallace and Lady Kyle have a lot to offer us and doubtless they will set a fine example which certainly will fortify some of the beliefs of our older people, and which will set a pattern for the youth of this day and age.

Sir Wallace and Lady Kyle have already visited part of my electorate, at Esperance, and they proved to be a very popular couple indeed. They have a very informal manner to which nobody could take exception.

I disagree with the Hon. D. W. Cooley in his criticism of the garden party. I feel such functions are not intended to be very exciting affairs, but rather to give an opportunity to people from all areas of Western Australia and from all types of organisations to welcome the Queen's representative. I feel that cannot be done in the Terrace. Obviously the Governor cannot visit every area and every organisation immediately on arriving in Western Australia, but he can meet many representatives of these areas and organisations in a short time at a garden party, and then he can visit different places over the remainder of the year. It has been rather amazing that he has covered so much ground in the short time he has been here. I have heard that he has watched the Western Australian rowing crew working out at 5.30 a.m., and everyone

knows of the numerous evening functions he has attended as well as the programme he has undertaken to visit country areas. I would like to congratulate also the Hon. M. McAleer on her reply to the Governor's Address.

We have heard a great deal about indexation, and while we must admit that indexation of wages has become an accepted system, a small amount of disagreement is evident as to how the indexation should be calculated. I do not wish to enter this controversy. I think we all accept that principle generally.

The Hon. D. K. Dans: We do here in any case.

The Hon. D. J. WORDSWORTH: Mr Fraser promised to index taxation, and very few people will disagree with that principle. However, when the time comes, we may disagree with the manner in which it is calculated.

Today I wish to bring up another matter which I feel should be subject to indexation also, and that is the pricing of the goods we export. The people or businesses which export from our country bring in all our overseas earnings, and without our exporters, the country could not survive. And yet, because of their lack of militancy and voting power, I feel they have been forgotten, or their difficulties have been pushed into the sidelines or into the "too hard" basket. I wonder for how long this problem can remain unattended before these export businesses disintegrate through lack of Government policy and guidelines, which would enable them to have some hope of living with inflation in Australia.

I would like members to consider the eight big export earners for Western Australia. In giving the statistics, I will quote from the *Year Book Western Australia 1973*, as this appears to be the latest accurate record. In terms of our total export income, we find the following figures—

	Per cent
Iron Ore	32
Wool	17
Cereals	10
Meat	7
Iron and Steel	3
Fish	2
Transport Equipment	2
Gold	1

I must admit I have trouble understanding the figures given in the *Year Book*, because neither nickel nor alumina is mentioned. It may be that these materials are included in a general summary which I could not find. Nevertheless, from the point of view of percentages those commodities would not be of any great consequence to my argument.

I have listed the eight major export commodities to show how diversified they are. Some 60 other products account for

another quarter of our exports. The figures show us that some exports are mined, some grown, and some are actually manufactured in Western Australia; some are capital intensive and some are labour intensive.

I would like to mention the destination of these exports. Of course, the iron ore goes to Japan; the wool to Japan, France, Russia, and Germany; the cereals to Japan, Egypt, the United Kingdom, Russia, and Singapore; meat to the United States, Japan, and the United Kingdom; iron and steel—the finished product—to Japan and Italy; fish to the United States; transport equipment to Singapore; and gold to the United Kingdom, Germany, and the Netherlands.

I prepared this list because I feel it illustrates the complexity of our export business, especially when one realises that iron ore, gold, wool, and some of the other products must be processed in the importing country before being re-exported somewhere else. I would like to ask: How are these exports priced? Like the majority of Australia's manufactured goods, are they able to be priced according to the cost of production; is there an arbitration court with a skilled judiciary able to estimate a fair and just reward; or is there a prices tribunal to see fair play?

Every member in this House appreciates that none of those safeguards works in regard to the exporter. His variants obviously are those of private enterprise and world trade. In the eyes of the exporters, private enterprise has double standards in Australia. An exporter must be able to compete on a world market, and generally he must compete against tariffs and quotas imposed by foreign Governments. If one produces for the Australian market, one has a reasonable chance that tariffs will come to one's aid in the event of competition from overseas. This state of affairs is rather regrettable for our exporters because although they like to see a rising standard of living in Australia, new industries developing, and Australia becoming more and more self-sufficient, regrettably these things make it more difficult for our exporters to compete overseas. I would like to give an example of this, if I may.

If our living standards in Australia rise at a faster rate than those of South America, then the Australian farmer, whether he produces wool or meat, has to keep his prices competitive, despite the greater costs incurred either through the higher living standard or by the added taxation so often inflicted, direct or indirect. If the protection offered to the truck manufacturing industry amounts to raising the cost to something like \$2 000 per vehicle, then costs to the farmers are lifted accordingly. As a consequence of the situation, we find a conflict of interests between those who export and those who manufacture goods in Australia.

Generally speaking the increases through tariff protection and the increase in our standard of living have been gradual and those exporting have also enjoyed the rising living standards too. At worst there has been an occasional argument as to whether we should be increasing our tariffs or promoting more immigration. Unfortunately, with the changing profitability of rural industries, this conflict of interests has widened. Indeed, Mr Whitlam seemed to play upon it, and he delighted in baiting the farmers in Forrest Place. Just recently—Monday a week ago—we saw on television a debate about tariffs. The people involved in the debate, either as investors or workers, were at odds with the farmers who they considered were endeavouring to put them out of business by lowering tariffs. I do not believe this is the farmer's outlook; all he is seeking is equality—equality of protection by "the great Australian system" so that he too may have the chance to make a profit.

At one stage, that equality was represented by the superphosphate bounty and the so-called taxation deductions. However, when the Whitlam Government came into power and agriculture appeared to be prospering, the Government removed both these aids and also reduced tariffs across the board by 25 per cent. Although this was a very brave and venturesome move, I feel it was an off-the-cuff decision with little more than the Coombs report to recommend it and, regrettably, it was a significant failure.

However, now we have Mr Fraser leading the Federal Liberal Government with a new policy. He has reinstated the superphosphate bounty—

The Hon. D. W. Cooley: At the expense of the pensioners.

The Hon. D. J. WORDSWORTH: I will go on with that in a minute. Mr Fraser also has reintroduced some of the tax deductibility benefits. Obviously, however, this is not appeasing very many primary producers, for it is quite obvious that even with these changes, farmers still are not making a profit.

The reason for this is twofold. Firstly, with the world recession, the prices of many of Australia's exports have fallen; secondly, the burden of Australia's inflation has become intolerable.

I should like to give the House some examples relating to these two points, and refer firstly to the beef producer. His main market was the United States. The price of Australian meat on the US market dropped considerably during 1974-75 as, indeed, did the price of US home-grown meat for their domestic market. But today the prices we are receiving are not far short of those obtaining three years ago.

To support my contention, I refer members to the marketing notes relating to the livestock industry for the month of March,

produced by the Australian Meat Board. The last sales of cow beef were at US 168.4c, whereas three years ago the price received was US174.8c, which is not a very great difference.

The great disparity in this case, of course, has been created by inflation within Australia. The US dollar has depreciated because of inflation by 5 per cent a year, at the most. But during those three years, the Australian dollar has depreciated by up to 20 per cent a year. One would expect these differences would be reflected in the exchange rate of the two currencies.

However, I refer members to the National Bank Monthly Summary for March, 1975. April, 1971, is taken as the base year, and given a value of 100. By January, 1972—the first beef price quoted—the figure was 99.6, whereas in February, 1976, it was 107.6. This indicates how the Australian dollar has increased in value against the US dollar, in spite of the very large inflation that has taken place in this country over that period.

If we consider the beef farmer who exports to Great Britain, we see a far more frightening situation. According to the index supplied by the Bank of England, sterling has effectively devalued against 10 major currencies since 1971 to the extent of 33.4 per cent. This does not include the considerable slides suffered by sterling over the last few weeks. In fact, I believe that last Sunday, sterling's devaluation against 10 major currencies was of the order of 35.8 per cent. Even if there had not been a fall in the price of meat on the Smithfield market, the Australian price due to the currency change would have been down by one-third.

The Hon. D. K. Dans: Do you think we should devalue?

The Hon. D. J. WORDSWORTH: I will get onto that problem shortly. As it happened, the price of meat on the Smithfield market did fall by nearly one-third. Thus we find the Australian beef producer is receiving two-thirds less in UK pence than before, and those pence are worth only two-thirds as much as previously. In other words, he is receiving two-thirds of two-thirds which, of course, is less than half the figure he received previously. It is little wonder the beef producer is in such difficulties, and that only 68 tons of Western Australian beef were exported to the UK during the eight months to December, 1975.

Not only is the farmer affected by these currency variations but also during this time, his cost of production has risen dramatically. Certainly, it must have risen by at least 45 per cent during that time. In the IAC report relating to the superphosphate bounty, it is stated that farm

costs, other than superphosphate, rose by 20 per cent in just nine months, from June, 1974, to March, 1975.

But during that same nine-month period, superphosphate charges rose by 250 per cent, and livestock killing charges rose by 80 per cent. So, to simplify matters, we could say that the farmer's income is down by half and his costs have increased by half. It is little wonder the primary producer is in such economic difficulties.

There should be some way by which the price an exporter receives is indexed according to the difference between the rates of inflation in Australia and the US. I mention the US because undoubtedly it is now the major currency. I do not believe we can expect other countries to pay for Australia's unthrifty inflation, but if we in Australia are to have a higher inflation rate than the US, the exporters should be compensated. If Australia does not wish to adjust its exchange rate, a direct payment should be made to the exporter to compensate him for this difference.

I have read out the comprehensive list of exports merely to show how difficult it is to deal piecemeal with individual industries. I have referred to the 60 different products which make up one-quarter of the products exported from Western Australia. I admit that as a Government we have endeavoured to help one or two individual industries but this has proved to be most unsatisfactory to the export industry as whole.

The Hon. G. C. MacKinnon: You did not tell us the value of the exports in that year.

The Hon. D. J. WORDSWORTH: I do not think I have photocopied that figure.

The Hon. G. C. MacKinnon: Can you recall it roughly?

The Hon. D. J. WORDSWORTH: I recall that last year, Western Australian exports of minerals exceeded the \$1 000 million mark.

The Hon. G. C. MacKinnon: That is 32 per cent; the figure would rule out any subsidy, because it is too large.

The Hon. D. J. WORDSWORTH: This is probably one reason that the Government, or the country as a whole, has not been doing the fair thing by the export industries, because if we start to consider subsidies the problem becomes massive.

As it is at present, those who provide their labour or their goods to the Australian market can learn to live with Australia's rate of inflation. Indeed, those who import materials from a country which has less inflation than Australia can obtain a cheap component; individuals who buy goods from a country with less inflation receive a better buy in

comparison with their Australian counterpart. This is one reason that some imported cars appear to be better buys than those produced in Australia, and that so many Australian industries are looking for more tariff protection.

The most sensible solution would be to index our exchange rate so that it devalues to the same extent as the difference in the inflation rates Australia and the United States.

I have already quoted the situation in the beef industry. I should like now to refer members to one of our more prosperous primary industries, the wheat industry. An article in the *Western Farmer and Grazier* of the 5th April, 1976, states as follows—

#### CURRENCY MOVES HIT WHEAT

The chairman of the Australian Wheat Board, Jack Cass, has given notice that wheatgrowers could soon be uncompetitive on world markets.

Mr Cass said this week that the competitive position of wheatgrowers was being eroded by world currency changes and by crippling cost increases.

Mr Cass said that wheat sold to a foreign country in 1965 was now worth only about 54 cents to an Australian farmer, but to a US farmer a dollar's worth of wheat was worth around 72 cents—due to currency changes plus cost increases.

Using the five-year period 1965-66 to 1969-70 as a base period (=100), prices paid by Australian farmers had reached 184, by farmers in the United States 72, and farmers in Canada 144, (the latter based on CPI figures).

Mr Cass stressed that the US set the world market price for wheat and from these figures it could afford to sell at a price which could force Australian farmers out of business.

He said the pending uncompetitiveness of the Australian wheatgrowing industry was being camouflaged by the higher prices now offering.

So, we are finding the same difficulties arising in what is generally considered to be a prosperous sector of our rural industries. It does seem to be rather an injustice that had Australia stayed on sterling and not gone over to the US dollar, probably there would be very little depression in the rural industries today.

I have presently raised the issue of devaluation although I appreciate that to some people in the Labor Party and elsewhere "devaluation" is a dirty word. If I recall correctly, during the great Australian tariff debate on the last "Monday Conference", Mick Young, the Labor representative for Port Adelaide, who was debating on behalf of the motor industry, used the expression "over my dead body".

A letter to *The West Australian* of the 7th April by a private individual gave numerous reasons why he felt Australia was in difficulties because of unions, etc. He finally said—

I believe that devaluation is an easy way out at the time but possibly the worst economic weapon a nation can use because it destroys all confidence in a nation.

It may seem a little old fashioned but one's currency should be defended in peace time as one would defend the flag in war.

That seems to be one sentiment, but whether the whole of the exporting industry should have to suffer because of that sentiment is another matter.

The fact is that devaluation is being talked about considerably. An article on the subject appeared as recently as the 6th April in *The Australian Financial Review*. The wool prices of Australia have jumped considerably and, as expected, one of the reasons given is the expected devaluation of the Australian currency.

An article on the subject appeared in the business section of *The West Australian* last Saturday, the 10th April, headed, "Devaluation not needed—broker". Perhaps it would not be out of place for me to read that article as the writer is actually speaking against devaluation. Of course, he happens to be a stockbroker by the name of Mr A. C. Goode, of Melbourne, who was lecturing overseas investors. He said to them—

There is no economic or balance of payments justification for any devaluation of the Australian dollar other than that which has occurred through the application of the basket of currencies to the Australian dollar relationship to the U.S. dollar.

I have just dealt with that one. He goes on to say—

Investors in securities should be well rewarded.

Of course, he is trying to talk investors into buying Australian bonds. When he states that devaluation is not needed, it indicates quite obviously that he is a stockbroker and not a livestock broker.

It is interesting to note that at the same seminar was the Chairman of Western Mining Corporation (Mr A. H. Parbo). An article states—

The chairman of Western Mining Corporation Ltd, Mr A. H. Parbo, called for an adjustment of the currency parity "at the appropriate time."

Mr Parbo told the seminar that reduction of Australia's inflation rate would not eliminate the accumulated backlog in lost competitiveness from previous inflation.

This demanded a realistic policy on future currency parities, not only for the sake of the minerals industry, but all export and import-competing industries.

Those are the opinions given by the two sides of industry.

I realise that the subject of devaluation is a rather delicate one and I understand that devaluation is carried out usually when there is to be a holiday around Australia and in the exchanges. Of course the next holiday they will have is Easter, which is not far off. I would like to make it clear that I have no forward information. However, I was surprised that the article in *The Australian Financial Review* I quoted earlier recommended that all the exporters and importers should take out forward cover for their commitments in foreign exchange receipts as otherwise they would be taking unnecessary risks.

The National Bank, in its last monthly review, pointed out that Australia needs a big capital inflow. A summary of the report is given in *The West Australian* of Saturday, the 3rd April, and portion of that summary reads—

Australia needed a big inflow of overseas capital to balance its external position, the National Bank said in its monthly economic summary yesterday . . .

Australia seemed certain to face a substantial balance of payments deficit, possibly as high as \$1 000 million, this year.

Holdings of international liquidity had declined from a record \$4 704 million in January 1973 to \$2 663 million in February this year . . .

This situation was comfortable, representing almost four months of imports at current levels, but Australia no longer possessed the scope for manoeuvre that existed in previous years.

The expected deficit came after deficits of only \$400 million in the previous two years.

One of the problems is the cost of such things as insurance, freight, and so on. It is rather frightening to note that these are now expected this year to constitute \$2 300 million or 25 per cent of our expected gross exports. This alone illustrates the difficulty with which Australia is confronted.

I wish to quote one other portion from the report, as follows—

"In these circumstances, the ability of exporters and import-competing industries to compete successfully assumes more importance than ever," the bank said.

"There is no doubt that these industries have suffered a relative competitive disadvantage recently."

All sections of the community are indicating what is happening to the exporter today and obviously there are two ways to overcome the country's balance of payments difficulties. One of these is to encourage more money into Australia by way of overseas capital, and the other is to lift the earnings from our exports.

Obviously devaluation does more than raise the value of those exports. When the Whitlam Government devalued in 1974 by 12½ per cent the effect was considerable. The return from agricultural products increased by \$300 million. Obviously devaluation does raise the amount of money which the exporter derives and, naturally, \$300 million would be of great benefit to the rural industries today.

Unfortunately it appears that in the past we have always endeavoured to keep the value of our dollar very high and to be prepared to lose the benefits which the primary industries and other exporters would derive from a higher income. Instead more overseas investments have been encouraged. These of course bring their knowhow and, often, access to foreign markets.

However, it might pay us to consider what occurred when Australia devalued on the last occasion. I think it is fairly well accepted that unemployment would ease with devaluation and certainly Dr Cairns stated, when his Government devalued, that unemployment would ease.

Of course it would give more employment because it would give more protection to secondary industries and more income to primary industries.

Some disadvantages would have to be overcome and obviously one of the greatest would be that of inflation. I have illustrated by what I have said that I would be the last to forget about inflation. It is rather interesting, though, that when the last devaluation occurred, Mr Crean said that he did not have any fears that devaluation would increase inflation; and at the time many commentators agreed with him and indicated that wage settlements were a more important factor.

Obviously one of the other disadvantages is that devaluation would make Australia less attractive for overseas capital. This would be mainly because of the less favourable exchange rate applying on the money being brought into the country. Indeed, when devaluation occurred last, Mr Whitlam gave as one of his major reasons for the move that he wished to control the inflow of overseas capital. We can recognise that we would have difficulties in encouraging overseas capital into the country if the dollar were devalued.

I have already quoted portion of what was said by Mr A. C. Goode and what the Chairman of Western Mining Corporation said at a conference of Melbourne stockbrokers. It is rather interesting that also



at that conference was an overseas investor, Mr Anton Bunker, who is the Managing Director of the giant Dutch investment trust Robeco NV. That company is an investment company only, and has invested some \$82 million in Australia in the last three years.

I think he has good reason to look critically at us and comment on what sort of country Australia is in respect of investing. His speech to the seminar was particularly interesting because after going through the customary process of extolling our virtues he turned to the negative points, and strange to say, most of the audience was on his side. He pointed out the obvious when he said—

"Unlike many other countries, cheap labour is not available in Australia."

"The workers are organised in more than 130 trade unions and in recent years seem to have inherited from Britain the wrong sort of trade union structure.

"There are too many different unions, each of which is out for its own self-interest.

That was the point Mr Tozer was making in his speech. To continue—

"Inflation is currently 14 per cent and much too high . . .

"In the United States, inflation is running at a rate of 6 to 7 per cent a year and still coming down.

"This leaves Australia with a gap of 8 per cent compared with the USA—this is probably increasing.

"In Germany inflation is 4 per cent—leaving Australia a gap of 10 per cent. . . .

"Inflation seems to me grossly underestimated in Australia, compared with the attitude in the US, Japan, and even Europe.

The Hon. D. K. Dans: What he did not say was that in the United States and West Germany inflation was going down, but unemployment was going up.

The Hon. D. J. WORDSWORTH: I think he could probably have made the same comparison in Australia, too; so perhaps he did not make it for that reason. To continue—

And if inflation is a reflection of human attitudes, this would be reason not to put one penny in Australia.

After all, seeing how rich the country is, there ought not to be any inflation at all here but the fact remains that Australia, self supporting for almost all raw materials and food, at present has the heaviest inflation of all developed nations.

This is due to the attitude of the people themselves . . .

From an international viewpoint, investors would rather pay a premium for work spirit and intelligence, rather than solely for riches.

They are rather interesting comments on Australia's economy and where it is going.

I think it is obvious that Australia's fiscal policy is completely different from that of Great Britain. It appears Great Britain is quite happy to devalue in order to help her ailing export industries and reduce imports. We will find this is so when we look at the last United Kingdom Budget. It is reported in the business pages of *The West Australian* of Saturday, the 3rd April, that the Bank of England apparently made little effort the previous day to halt the slide.

The Hon. D. K. Dans: It was engineered.

The Hon. D. J. WORDSWORTH: It could have been engineered but the point I am making is, here is a country which at least appreciates its exports cannot survive unless its currency moves in accordance with its inflation. While perhaps I have little respect for the British shop stewards who are being exported to this country, I do have an appreciation of Britain's financial brains and I think Australia could follow its example. While Britain might be failing industrially, it is undoubtedly still the financial centre of Europe, indeed even of the world.

Just to close on the matter of devaluation, I would like to say that varying the exchange rate of a country's currency is really nothing other than a fiscal matter, just as one would vary tariff protection, import quotas, income taxation, and tax accountancy, or introduce wage restrictions. I have to admit that varying the exchange rate often indicates a country has lost control of its economy but that does not necessarily apply in every case. Not to vary the exchange rate in times of difficulty does not in any way cure the problem, nor does it make it disappear; on the contrary, it aggravates it.

It could well be argued that organisations are set up in Australia to overcome the difficulties I have been expounding; and Mr MacKinnon raised the matter of subsidies. I have been speaking mainly from the point of view of the farmer, and, to give him his due, I think he has been very appreciative that Government reports were influencing his whole future to a far greater extent than ever before. I suppose the first time he realised this was with the Coombs report, which was a very small document recommending the removal of the superphosphate subsidy and tax accountancy benefits. The farmer did not really believe that would ever take place but when it did take place it was remarkable how quick farmers and their organisations were to appreciate the changes.

Shortly after the Coombs report we saw green papers on the subject of agriculture. Many of them seemed to be completely ill-founded and written from the point of view of the academic rather than the practical man. Nevertheless the Government put into operation some of the recommendations in those green papers and the farmer quickly found there was something in the letters "IAC"; that is, the Industries Assistance Commission. The farmer had long been talking about tariffs and the Tariff Board and he suddenly realised the game had changed—that the Tariff Board had gone and something else had taken its place. It might be an idea to have a quick look at the IAC and some of its reports on agriculture to see whether it has appreciated the difficulties of the rural industries and to see what moves it has made to overcome them.

The IAC came into existence on the 1st January, 1974, as a result of a Bill before the Federal Parliament which was supported by both the major parties. I suppose that was an unusual occurrence in itself. The commission was to replace the Tariff Board which, as a statutory authority, had advised successive Governments since 1921 on the assistance required for industry. Most tariff industries were in the manufacturing sector, and recommendations were made as to the amount of tariff protection which a particular industry required.

While continuing to carry out this duty, the IAC has been given the additional duties of holding inquiries and reporting on any matter referred to it by the Government, through the Minister, relating to the granting, continuance, or withdrawal of assistance to any industry, either primary or secondary. The commission was also asked to report on the reduction of duties for the purposes of international trade agreements, and the Minister was required to refer certain matters to the commission before the Government could take any action. Those matters included proposed variations in long-term assistance to both the secondary and primary sectors—and by "long-term assistance" is meant tariffs or restrictions on imports and financial assistance which extends over a period of two years. The commission is also expected to report annually on the effect of any assistance on an industry, the economic performance of the industry, and the general effect of that assistance on the Australian economy. While the Government does not have to abide by the recommendations of the IAC, the IAC allows public scrutiny by an independent, impartial body; so it is a statutory organisation which is meant to be free of political pressures.

Members will appreciate that in the last couple of days the Minister responsible for the IAC has changed those guidelines slightly, and I gather industry is much

more satisfied because the change has removed some of the fears of manufacturing industry that recommendations would be implemented suddenly rather than over a period of time during which industry could become accustomed to the changes. Previously, the IAC was able to make recommendations only along the guidelines given to it by the Government, but there are now wider guidelines and the commission is also expected to have a look at the social consequences of the changes.

During the last few minutes I have outlined the duties of the IAC. It is amazing how suddenly Mr Whitlam has come in and attacked Mr Fraser and his Cabinet for implementing one of the recommendations of the IAC; that is, the reinstatement of the superphosphate subsidy. I might add that Mr Whitlam himself instigated the IAC report, and I must admit—and I hope he did, too—that he only stacked it away in a corner with many other IAC reports of equal importance which were dug out only when Mr Fraser came to power.

The major objective of the IAC must be that of improving the efficiency with which the community's production resources are used. That probably gives a good idea of the overall objective of the IAC. The second objective is to encourage economic activities which improve these efficiencies, and the third is to facilitate adjustment to such changes. If we can put our resources to better use, obviously we can improve the standard of living and the environment in Australia, and we should have better services such as education, health, social security, and defence. To achieve these benefits we must recognise Australia's particular endowments in the way of environment and resources, and harness them. Roughly, the resources come under four headings; namely, labour, capital, land, and materials. Efficiency in the use of resources must lead to the maximum contribution to the well-being of the population.

It is rather frightening that over the last decade Australians have not enjoyed an expansion of the economy in line with that of other OECD countries, despite our relatively high capital involvement. This judgment is based on the increase in gross production per head in the 23 OECD countries, only three of which had figures equal to or lower than that of Australia.

It is also sad to recall that Britain is one of the countries at the bottom of the list. If this had been based on a per worker basis rather than a *per capita* basis then, of course, Australia would have fared even worse because in our community we have a very high percentage of people in the work force because of our immigration policy. We do not have the same proportion of old folk in our community as do the countries with which the comparison was made. Perhaps members may see some

similarity between Australia and Great Britain, and they may see reasons for the two countries having watched the rest of the world catch up and pass them.

The report of OECD has been rather kind to us in suggesting that lack of scale and industry has been one of the major reasons that Australia has fallen behind. We find that Australia, together with New Zealand, has the highest tariff protection of any country in the world. This level of protection obviously tends to isolate our industry from world trade, and the rapid growth the world trade has enjoyed. We in Australia have aimed at self-sufficiency rather than gross trade. I think this policy has been very unfortunate for those Australians who export.

Tariffs in Australia are over double the world average and three times that of the EEC, and yet we in Australia have the nerve to complain about the EEC attitude to imports, and the policy it has adopted in respect of our rural exports.

When we look at the tariff protection that some individual Australian manufacturing industries enjoy, a rather interesting situation emerges. In this respect I would like to quote the AWGC economist, David Trebeck, in some notes he issued in March, 1976. He said—and this has not been questioned in any place—that the tariff protection afforded to our motor vehicle industry is the equivalent of \$4 000 per employee per year in the industry. That is a rather frightening amount which this country must pay simply to support the motor vehicle industry.

Perhaps one could understand more about that when one realises that even if all car bodies made in Australia were pressed in the one factory it still would not be an economic plant; yet we see four or five factories pressing bodies in Australia. So perhaps the sentiment of being self-sufficient is not necessarily the wrong one; perhaps the error is in the manner in which we carry out the policy. Nevertheless, the fact is that it costs us \$4 000 per employee per year to maintain our present motor vehicle manufacturing industry.

The Hon. D. K. Dans: It costs \$15 000 a year to keep each Tasmanian apple grower in operation.

The Hon. D. J. WORDSWORTH: I think Mr Dans should say it used to cost that much.

The Hon. D. K. Dans: It still does—at least, three weeks ago it did.

The Hon. D. J. WORDSWORTH: Looking now at the clothing industry, it is interesting to note that in 1968-69 the tariff protection offered to that industry amounted to \$2 046 per head, yet the average earnings within that industry were \$1 860 per head. In other words, the tariff protection afforded to that industry was greater than the amount the workers received.

It is also suggested in the paper to which I am referring that the tariff protection afforded is the equivalent of a subsidy of over \$3 000 million a year. I have been studying the annual report of the IAC, and I recommend it to members; it is a rather extensive document, but one of the most interesting reports produced in Australia. It does not go into detail concerning what the tariff protection amounts to, it says it is impossible to calculate. It is interesting that the figure of \$3 000 million has not been questioned.

It is also interesting to note that the IAC report is quick to point out what the rural industries are costing Australia. I am sure Mr Dans will be interested in this.

The Hon. D. K. Dans: I am not disagreeing with your figures.

The Hon. D. J. WORDSWORTH: I hope not. I am referring to the 1974-75 annual report of the IAC, which says that the total value of these direct grants and subsidies in 1974-75 was \$72 million, or about half the value of such grants and subsidies in 1973-74. The report also states that the Budget allocation for such assistance in 1975-76 is \$27 million, or one-third of what it was previously.

One of the things we have to remember is that most of the assistance given to the rural sector is not given as a grant, but is given as a repayable loan. However, when tariff protection is instigated there is no way in which that is recoverable. So there is a vast difference between the list of aids to agriculture and the list of aids to secondary industry.

For the sake of Mr Dans I will read out the subsidies given to the rural industry, and bear in mind this list comes direct from an independent authority. It states—

2.6 Reasons for the recent and expected decreases in direct grants and subsidies include:

A decrease in the phosphate fertilizers bounty, from \$67 million in 1973-74 to \$30 million in 1974-75, and an estimated \$7 million in 1975-76. The Phosphate Fertilizers Bounty Act expired on 31 December 1974 and was not renewed.

A decrease in butter and cheese bounties, from \$18 million in 1973-74 to \$9 million in 1974-75 and an estimated \$1.3 million in 1975-76. These bounties are being gradually phased out.

A decrease in the subsidy for certain petroleum products, from \$22 million in 1973-74 to \$2 million in 1974-75 and an estimated \$0.1 million in 1975-76. The petroleum products prices stabilisation scheme was discontinued from 1 August 1974. This scheme was designed to keep the wholesale

prices of certain petroleum products in rural areas within five cents of capital city prices.

A decrease in payments under the wheat industry stabilisation scheme.

Those are listed as the major ones; there are others. As Mr Dans said, there is the apple industry, and any decrease in respect of that industry will affect both Western Australia and Tasmania.

The Hon. D. K. Dans: The thing is this: What do we do about it? Every time someone tries to reduce tariffs there is an outcry.

The Hon. N. McNeill: Mainly only on an across-the-board basis.

The Hon. D. K. Dans: That is true enough, but then there are the industries that Mr Wordsworth has mentioned. Motor vehicles and textiles are glaring examples.

The Hon. D. J. WORDSWORTH: A recent work by Dr C. T. Edwards of the Australian National University suggests that a 10 per cent devaluation might be compensated for by a tariff reduction of between 25 and 30 per cent. I feel this might be the way to overcome the problem. If we devalue by 10 per cent and reduce tariffs by between 25 and 30 per cent, the tariff-protected industries will not be any worse off than they are at present. Perhaps that might be the answer.

The Hon. D. K. Dans: Well, those people who want tariffs reduced have already convinced Mr Lynch that he should not devalue.

The Hon. D. J. WORDSWORTH: I have already outlined the four general areas of resources in Australia of which we can make maximum use. They are labour, capital, land, and materials. These are the resources Australia has to utilise efficiently. I would like to make a few remarks about labour.

The Hon. Clive Griffiths: They didn't do too well in the Federal election.

The Hon. D. J. WORDSWORTH: I am not referring to that sort of "Labor". I do not feel that the labour resource of Australia when viewed as an asset is greatly different from that of anywhere else in the world. In reply to an interjection asking why jobs in rural areas had not been filled, Mr Dans said that unfortunately labour is not able to take advantage of the opportunities offering in agriculture.

I was very interested to read the reference to labour in the IAC annual report, because it indicates that labour in Australia is indeed very mobile. It is stated that 25 per cent of persons employed in Australia—which amounts to about 1.3 million persons—have been at their current jobs for less than one year.

The Hon. D. K. Dans: I cannot see how that makes them a mobile labour force. They may move from Footscray to Melbourne and then back to Footscray. As Mr Perry said, you can't get people to pick apples in the south-west.

The Hon. D. J. WORDSWORTH: That is correct, and it is the point I was about to make. While I have stated that 25 per cent of all employees move from job to job, the report states that 44 per cent of employees under 25 years of age also move from job to job. Surely people in that age group should be able to pick apples at Mt. Barker; they should not have many commitments at that age.

The Hon. N. McNeill: Do you mean they change their jobs?

The Hon. D. J. WORDSWORTH: Yes.

The Hon. D. K. Dans: Yes, but not to Mt. Barker.

The Hon. D. J. WORDSWORTH: It is very pleasing to find that only 16 per cent of those employed in rural industries changed their jobs during the 12 months.

The Hon. D. K. Dans: They can't save enough money for the fare.

The Hon. D. J. WORDSWORTH: That might be the answer. They might get very good terms and conditions. I think that might be nearer the answer. I thought Mr Dans would have been quick to tell me that they are only switching from one rural job to another and they would not be able to master all the difficulties in another industry.

The Hon. D. K. Dans: I do not think that is the case.

The Hon. D. J. WORDSWORTH: That is not the case; that is quite right. Of those who switch their jobs more than half are going to completely different industries.

The Hon. D. K. Dans: Seeking job satisfaction.

The Hon. J. Heitman: They think a change is as good as a spell.

The Hon. D. J. WORDSWORTH: It might be that; but some members may remind us of all the people who lost their jobs. Statistics indicate that of those people who change their jobs most would have had a job before they left or were taking a voluntary holiday, as Mr Heitman said. So we see that we have a mobile work force in Australia and that people can change their industries.

One section of the work force which I should like to compliment is those people employed in the rural sector. Undoubtedly the Australian farmer and his employees can feed more people per head than any other workers in the world. I think that is a great achievement. I must admit that it might have been helped by another resource which I have not mentioned to

date, which is the resource of land; but we have that side of labour which is very satisfactory.

Before moving on from the subject of labour I should like to compare the competitiveness of employing labour in Australia and in the United States. Once again I am thinking in terms of the Australian exporter who has to compete with people overseas. I shall cite some figures now from page 2 of *The Australian Financial Review* of the 12th December, 1975. The sources are the Australian Bureau of Statistics and a survey of current business by the United States Department of Commerce. These figures show that over a period from June, 1971, to September, 1975, average weekly earnings in Australia rose by 80 per cent. During the same period in the United States they rose by 33 per cent.

As I mentioned earlier, the Australian dollar had appreciated in value during that time by 12½ per cent. Therefore, we find that United States wages have gone up, in terms of Australian dollars, by only 18 per cent or less than a quarter of their US counterpart. So someone who has been manufacturing in Australia during the last four years has had to pay a fourfold increase in labour costs compared with his American counterpart. I think that goes to show what a difficult position the Australian exporter is in. To overcome that wage difficulty an Australian would have to devalue by 33 per cent to be on the same footing as he was with his American counterpart four years ago.

The next resource at which the IAC is looking is capital. Of course, capital is our internal wealth as indicated in the banking system; our balance of payments overseas as well as any funds which overseas investors are willing to invest in Australia or to lend to businesses in this country. Our resources can be varied and affected by various Government actions such as devaluation or revaluation; inflation, both internally and as compared with other countries; import duties and export embargoes; tariffs; and, finally, taxation.

I think the latter might be mentioned to the extent that taxation conditions on depreciation have a very major effect on the flow of money into this country. I feel that we have been well and truly behind the rest of the world when it comes to allowing reasonable rates of depreciation on such things as buildings and mineral equipment, development work and even agricultural plant. I am very happy to see the Federal Government do what it has done with its investment allowances.

*Sitting suspended from 6.07 to 7.30 p.m.*

The Hon. D. J. WORDSWORTH: Before the tea suspension I was referring to the effect of taxation. I described how the depreciation rate for plant and machinery affected the capital inflow into the country. There is another effect of taxation, which is not readily appreciated.

The fact that Australia has such a high rate of income tax, death duties, and associated taxes discourages people from being thrifty, and from continuing to make investments.

I was somewhat surprised to find that in the OECD countries the average amount collected from income tax and personal taxes totalled only 34.2 per cent, as compared with 53.5 per cent in Australia. For this reason it must be fairly obvious that the high rate of taxation in Australia discourages people from being thrifty and from continuing to make investments.

I think I have said enough about Australia's monetary and fiscal systems. I should add that when we had a 25 per cent reduction in the tariff rate and revaluations of the currency, it was considered that the appreciation in the exchange rate in the 1972 to 1974 period had a far greater effect than the general reduction in tariffs of 25 per cent.

This is so, because a change in the exchange rate affects all our imports as well as exports; whereas a change in the tariffs affects only about half of our imports. This must illustrate that it would be of far greater consequence and of far greater benefit to Australia if we brought about an effective move in the exchange rate, rather than a reduction in tariffs.

Other resources which the Industries Assistance Commission was asked to investigate covered land and materials. Members will appreciate the length of the report when they see the size of the volume that I have in my hand.

The Hon. D. K. Dans: I hope you will not read it all.

The Hon. D. J. WORDSWORTH: I do not intend to read from it. The report refers to the ultimate use of labour and capital, but it fails to discuss the aspects of land and materials. Perhaps the IAC intends to cover those aspects in its next report. To me, land and materials are without doubt Australia's greatest resources.

The Hon. D. K. Dans: They are the bases of all economic theories.

The Hon. D. J. WORDSWORTH: I do not know about that. Turning to minerals, gold proved to be one of the major minerals in the development of Australia in the early days, but nowadays iron ore and nickel have taken the place of gold. Nevertheless, minerals continue to play a very important part in the development of this country. I believe that our economy should be geared to the export not only of minerals, but also of our primary produce.

Undoubtedly, Australia developed through the exploitation of minerals and the development of agriculture. From that basis we were able to build up a very fine secondary industry sector.

The Hon. D. K. Dans: No matter how expensive it was to build.

The Hon. D. J. WORDSWORTH: No matter how expensive it was. I hope we will bear in mind the exports of minerals as well as primary produce, for without such exports we would not be able to maintain in the future our very expensive secondary industries.

In my view Australia has fine agricultural development. We have harnessed the land; we have the skills and the labour to use that land; we have the necessary plant—tractors for example; and we have livestock on our pastures. Rather than allow these assets to fall by the wayside, as they seem to be doing at the present time, we should give deep consideration to retaining their use.

In another place the member for Roe (Mr Grewar) dealt with some reports relating to new land farmers, rural reconstruction, and income fluctuations. There are three reports made by the IAC on the rural industries, and they are very important ones.

I would like to mention certain reports which the member for Roe was not able to cover. Firstly, I should point out that it is very difficult to obtain copies of such reports, despite the fact that they are of major consequence to the primary producers. As ridiculous as it may seem, the Parliamentary Library does not have copies of all the IAC reports.

The Hon. D. K. Dans: They are also of great significance to the community in general.

The Hon. D. J. WORDSWORTH: I would agree with that. Perhaps they are of greater significance to the primary producers. Such reports enable the primary producers to learn how the Government is looking at the primary industries. I think that the IAC reports and similar reports should be compulsory reading for members of Parliament.

The Hon. D. K. Dans: And also in the high schools.

The Hon. D. J. WORDSWORTH: It is unfortunate that some of these reports are not in our library. I would now like to go through some of the reports dealing with superphosphate; I refer in particular to the IAC reports. Perhaps members will bear with me when I explain the significance of superphosphate in the development of the primary industries.

One of the first lessons which one could learn about soil fertility is to draw a comparison between soil fertility and a wooden barrel turned on its end. If the staves of the barrel are of unequal length then fertility does not rise above the height of the shortest stave.

Let us imagine that these staves also represent the different minerals. We can only build up the fertility of the soil to the amount of mineral represented in the

shortest stave. This might give us an understanding of the complaints by farmers about the lack of understanding in the use of superphosphate on the land. One cannot just apply large quantities of superphosphate, and think that such application will cure the potash problem, or any other deficiency other than phosphoric acid and sulphur, which are contained in that superphosphate.

I should point out that the superphosphate bounty is made available to city and country users—to the market gardeners, as well as to the primary producers in the country. So, everyone in the community receives a fair share of this bounty.

One notices that the cover of the IAC report bears the inscription "Superphosphate". This is rather amazing, because that committee was not required to inquire into superphosphate at all. It was charged with inquiring into whether the Australian Government should provide assistance for phosphatic fertilisers.

Turning to the analogy with the fertility barrel again, the staves represent phosphoric acid, calcium, nitrogen, potash, and lime. These are the major components contributing to soil fertility, together with the trace elements.

However, we find that superphosphate has become the accepted way of filling phosphoric acid needs, mainly because of the steps taken by various Parliaments of this country in the last 45 years. This is revealed when we look at the history of the introduction of phosphate bounties in Australia.

A Bill was introduced in the Commonwealth Parliament in 1932, dealing with what was known as the manure subsidy. This seems to be an odd name, for that when mixed with straw is what comes out of the rear portion of cattle. There is a vast difference between manure and a fertiliser. When the parliamentarians introduced the Bill in 1932 obviously they could not see the difference.

The purpose of that Bill was to assist the primary producers, other than the wheat-growers, in the purchase of any type of artificial fertiliser. It is rather interesting that that legislation did not cover the wheat-growers; the reason was that there were other schemes to assist the wheat-growers. The idea of that legislation was to encourage the development of permanent pastures.

Phosphate was first used late last century when deposits were found in various oceanic islands, and plant breeders found that by the application of phosphate they could increase the fertility of the soil and thereby double or triple the production from their pastures. Australian Governments encouraged the use of superphosphate and the development of pasture by introducing the new subsidy in 1932.

The Hon. D. K. Dans: The person who recommended the superphosphate bounty was the member who sat in this seat.

The Hon. D. J. WORDSWORTH: He must have been a very wise man.

The Hon. D. K. Dans: He was Mr Frank Wise.

The Hon. D. J. WORDSWORTH: The Leader of the Opposition has not told us which party was in office at the time. That bounty continued to 1939. It was discontinued when the war started, and continued again in 1941. At that stage the Government had turned from encouraging the use of all artificial fertilisers to the use of a fixed artificial fertiliser; that is, superphosphate.

The superphosphate bounty was introduced as a result of a rise in the price of rock phosphate from Nauru and the Ocean Islands. That is exactly what has happened in the last two or three years. Whilst in 1941 a Bill was introduced to cushion the effect of the price rise, we see today some 30 years later the same thing occurring again.

The point I wish to make is that that particular bounty was for superphosphate only. The scheme was terminated in 1950 when superphosphate was in short supply.

The Hon. D. K. Dans: Which Government stopped it?

The Hon. D. J. WORDSWORTH: Wool prices were very high and wheat farming and the dairying industry had guaranteed prices so the Government felt there was no need to continue encouraging the use of superphosphate.

In 1963, 13 years later, a phosphatic fertiliser bounty was introduced as a stimulus to earn more overseas funds by further extension of pasture improvement. It was desired to restore the balance between primary and secondary industries.

It is rather interesting that the Minister, in his second reading speech, referred to the Bill as the Superphosphate Bounty Bill whereas it was actually named the Phosphate Fertiliser Bounty Bill. There was reference to the encouragement of the use of other fertilisers. We have seen developed in Australia concentrated forms of fertilisers such as ammonium phosphates and phosphorous phosphatics, under various trade names such as Agras and Agran.

The interesting point is that the bounty was not payable on imports and so, once again, we found that the subsidy was confined to the products which were made in Australia. We did not see the import of other phosphatic fertilisers because they were not subsidised. We did not see the general usage in Australia of other forms of phosphate because there was no encouragement to use them.

Overseas countries were using ground rock phosphate in certain instances but there was absolutely no encouragement

in Australia because, obviously, no subsidy was payable on it. We found that Australian farmers were actually forced into using a certain phosphate fertiliser and then suddenly the price of the product went up when the Government removed the bounty. As a result of that the farmers were left without any knowledge of alternative phosphates.

I must commend the Western Australian Government for at least carrying out some research into the use of ground rock phosphate in Western Australia. That research was carried out shortly after the war. I am especially interested because it was carried out at Esperance. At that time we were trying to have a superphosphate works constructed at Esperance but the companies were disinclined to build those works.

The farmers, and the department concerned, then realised that as Esperance had a port it would be possible to bring in raw phosphate. For that reason trials were carried out at Esperance with some amazing results. Then, of course, we did get a superphosphate works and the trials were discontinued.

Unfortunately, we have very little evidence of the use of rock superphosphate under today's agricultural conditions. We do not have any idea of how to use the deposits on Christmas Island which cannot be made into superphosphate. Those deposits are considerable indeed, and they are just sitting there as a waste product. They contain aluminium and iron, but the present method of manufacturing superphosphate is such that the deposits cannot be utilised.

It is regrettable that the research at Esperance was discontinued and has not been renewed. Both the member for Roe (Mr Geoff Grewar) and I appeared before the IAC to explain the deficiencies in the present method of manufacture. The IAC, in its interim report, recommended that the previous bounty should continue as it was previously. That, of course, once again stopped the importation of rock phosphate or any other form of phosphate fertilisers. Alternatives for superphosphate have again been stopped, and that is very unfortunate.

We have to find a cheaper way to produce fertiliser in Australia because we cannot continue to pay the price of the product which is sold to us today. Interesting deposits have been found in Queensland—the Duchess deposit—which will have the same impurities to a lesser degree as the unusable product on Christmas Island. If research had been carried out into the use of the unusable product on Christmas Island, the results would have been of some benefit to the Queensland deposits.

For the benefit of those members who do not realise the position, Christmas Island, Nauru, and Ocean Island in the Pacific Ocean are controlled by the British

Phosphate Commission. The commission was set up by the British, the Australian, and the New Zealand Governments in order to develop the deposits for use by their countries. Britain has since dropped out, but the commission retains its former name even though it is servicing only Australia and New Zealand.

Prior to 1973, 36 per cent of our rock phosphate came from Christmas Island, 52 per cent from Nauru, and 12 per cent came from Ocean Island. At the end of 1973 the price of rock phosphate rose rapidly in Morocco, which is a major world producer. As a result, Nauru and Ocean Island were able to charge higher prices, which led to the great escalation in rock phosphate prices in common with the increase in oil prices.

To illustrate the drastic increase, in December, 1973, rock phosphate cost \$17.30 per ton. In January, 1974, it was \$47.23 per ton; in July, 1974, it was \$71 per ton; and in January, 1975, it was \$76.50 per ton. I think members would agree that is a rapid escalation. Fortunately, there are no inhabitants on Christmas Island, and the deposits were owned entirely by the British Phosphate Commission, so the price of phosphate from that deposit did not increase so rapidly. I think most members realise that the citizens of Nauru and Ocean Island have become amongst the richest people in the world. It has been possible to increase the percentage of rock phosphate taken from Christmas Island, and so reduce the quantities obtained from Nauru and Ocean Island. Fortunately, that has been of some advantage to the Australian superphosphate user and amounts to a subsidy of \$10 per ton. In spite of that, the price of superphosphate rose by 250 per cent.

The increase in price has had a drastic effect on the use of phosphate in Western Australia. The effect has not been so great in New Zealand because a high bounty is paid there by the Government. In fact, I understand that the use of superphosphate in New Zealand is now the highest in its history.

I have endeavoured to collect some figures related to the use of superphosphate in Western Australia this year, but the only figure I have been able to obtain is the overall quantity for the whole of the State, rather than supplies from individual superphosphate works. I found that consumption has dropped to about one-third of former use. However, that drop to about one-third probably does not indicate the seriousness of the situation, because the one-third which has been bought has probably been used on crops or in cropping areas. The drop does not reflect the effect in areas such as Esperance and the true pasture areas.

It is rather unfortunate that we have a co-operative superphosphate company in Western Australia that refuses to

supply figures to us. I was rather surprised to read in a report that the IAC also feels that our local Western Australian company has not been co-operative in helping with investigations and in supplying figures with regard to Western Australia. There are other people, besides myself, who are endeavouring to prepare a case for Western Australia, and the company is not doing its shareholders justice by being so secretive.

The Hon. H. W. Gayfer: What do you call a co-operative company?

The Hon. D. J. WORDSWORTH: Would it not be a co-operative?

The Hon. H. W. Gayfer: No.

The Hon. D. J. WORDSWORTH: Well, it has a co-operative element.

The Hon. H. W. Gayfer: Only one-third.

The Hon. D. J. WORDSWORTH: It is a pity the shareholders do not have more control.

I have been able to obtain from the Commonwealth Bureau of Statistics information on the area of developed pasture in Western Australia. I find that in my electorate of South Province I have the two largest areas of developed pastures. For the record, Esperance has 451 000 hectares under pasture, and Gnowangerup has 410 000 hectares under pasture. They are the only two in that category. The next highest happens to be Lake Grace with 249 000 hectares, and that is also in my electorate. The next highest happens to be Plantagenet with 210 000, and that is also in my electorate, and the next is Kent, with 195 000 hectares. That also happens to be in my electorate. It is quite obvious that I seem to be the unfortunate person who represents the major portion of the area affected.

The Hon. D. K. Dans: That is Kent, in Western Australia?

The Hon. D. J. WORDSWORTH: Yes.

The Hon. R. Thompson: You do not happen to have an electorate; you have a province.

The Hon. D. J. WORDSWORTH: All right, if you like to be technical. I might add that the other shires in my province are also very big users, but it can be seen that the reduction in use affects my province greatly. I am fearful of the consequences of the lack of use of superphosphate, or any phosphatic fertiliser.

I know in the new land areas production will fall dramatically where pasture has been sown during the last three or four years. Much of that area will revert to bush and will be of very little use at all. We have seen examples of this in the past where farmers have got into financial difficulties, and have been unable to continue superphosphate usage. Those examples illustrate the seriousness of the situation.



Where the pasture has been growing for longer than five years, there will be continued production but it will fall probably by 10 per cent a year. Undoubtedly this will have a very great effect on the cropping capabilities of our country.

Phosphatic fertilisers encourage the use of clover, which fixes nitrogen in the soil, and nitrogen is one of our major elements. Once we stop using superphosphate or phosphatic fertilisers the clover will not be encouraged to the same extent, soil fertility will fall, and cropping yields will fall also.

I would like to give an example from my own property to show the great benefit we receive from the use of clover in our cropping. I do not have to use nitrogen at all in a pasture paddock with plenty of clover, but if I wish to crop that paddock a second time or crop a paddock with no clover in it, the nitrogen needed will cost \$6 per acre.

The Hon. G. C. MacKinnon: Per what?

The Hon. D. J. WORDSWORTH: Fifteen dollars per hectare. This indicates the benefits we derive from phosphate which also supplies nitrogen via the clover plant. Our founding fathers were very sensible in their encouragement of the use of phosphatic fertilisers. I can think of no better way to encourage growth of primary produce.

Under the present system we will see a fall off in our overseas earnings, and then it will be necessary to reintroduce a higher superphosphate bounty. I am sure that within the next five years some boffin will come up with a great idea to increase overseas earnings by encouraging primary producers to use more superphosphate and we will then go around the old cycle again. Such matters were raised in the superphosphate report of the IAC but I must add it is an interim report only. The commission is expected to bring down a full report by the end of the year.

Once again I would like to point out that the report recommended the reinstatement of the superphosphate bounty, and the Federal Government reinstated the bounty because of this recommendation.

The Hon. D. K. Dans: It was not a unanimous report though, was it?

The Hon. D. J. WORDSWORTH: No, it was not a unanimous report. The main reason that the report was not unanimous is that Mr Robinson—one of the three commissioners—for various reasons felt that the money might be better spent in other areas. In other words, he believed the seriousness of the agricultural situation was such that the money should go direct to the farmers rather than via the superphosphate bounty.

The Hon. D. K. Dans: I am aware of it, and I support his view.

The Hon. D. J. WORDSWORTH: I could go into more detail as to why Mr Robinson did not agree fully with the majority decision, but I feel this is not necessary.

I draw the attention of the House to the fact that this was not a political decision; it was a decision made by the Federal Government on the recommendation of the IAC. The two major parties agreed with the principle of establishing the IAC to bring down these reports; and I feel that the parties ought now to be agreeable to abiding by the decisions of the committee.

The Hon. D. K. Dans: Do you think the present Government will abide by the recommendation of the IAC investigations of the motorcar industry?

The Hon. D. J. WORDSWORTH: That report will be interesting perhaps.

I would like to raise briefly the IAC report on the beef industry, as I believe it contains one or two points which will be of interest to the House. Members may be interested to know that beef accounts for 16 per cent of the total of Australia's agricultural production, as against 19 per cent for wool and a slightly lower percentage for wheat. Beef is therefore one of our major exports.

The cattle industry grew reasonably quickly until 1970. Cattle numbers increased by about half a million a year. However, between 1970 and 1975, cattle numbers increased by two million a year. Eighty per cent of the cattle is in New South Wales, Victoria, and Queensland. Cattle are not produced in just one zone of Australia, and it is interesting that 31 per cent of our cattle is produced in the pastoral areas, 23 per cent in the wheat and sheep zone, and 43 per cent in the high rainfall areas.

Sixty per cent of Australia's total cattle production was exported in 1974-75. In spite of record slaughtering in that year, cattle numbers still increased. A certain amount of contention is evident in the opinions as to whether this growth will continue. The Bureau of Agricultural Economics estimates that our herd numbers will increase by one million a year, but the Department of Agriculture in New South Wales says that we will see beef numbers reduce in accordance with the usual cycle which occurs not only in Australia but all around the world—we appear to have the familiar seven-year cycle in beef numbers also. I wonder whether we will see a reduction in beef numbers because I heard on the ABC yesterday, that 14 million head of cattle are available for killing in Australia today, but that there is killing space for eight million only. We have lost killing space for 1.5 million through strikes in the industry; so we have this great backlog of beef yet to be killed.

The situation regarding beef is odd in that only 8 per cent of world production ever enters the international trade, and 80 per cent of this amount goes to the United States, Canada, Japan or the EEC. These countries have a high home production, and they desire to import only the short-fall. Japan wishes to follow the policy of being 80 per cent self-sufficient, and the United States exports 8 per cent only of her total consumption. However, because of quantities involved, America is a major exporter of beef around the world, particularly high-grade beef. Of course, the EEC endeavours to follow the policy of self-sufficiency.

We see from these facts that the international beef market is potentially very unstable. The American market pays by far the highest price in the world, for beef, and everyone wishes to export there. Needless to say, America had to instigate quotas, and we cannot argue against that policy. Australia has a reasonable share of the market—over 50 per cent. We had hoped that with the change of Government in Australia, the American Government might be more conducive to increasing our quotas for that reason if no other, but so far we have not been able to negotiate any higher entitlement than our present 53 per cent.

The American market is of great consequence to us, as is any fluctuation in demand on it. If the demand in America rises or falls by 2 per cent, it has a vast reflection on our sales. A 2 per cent change in the demand in America obviously means a 25 per cent change in the demand for Australian meat. So members will see we are very dependent on that market, as well as other overseas markets.

Unfortunately, in its summary, the IAC says that it can see very little future for beef before 1977 so the commission made its report in such a way as to endeavour to tide the beef producer over until that time. The situation has been aggravated because of the very good seasons we have had in Australia. We have been able literally to store up production on our pastures, rather than slaughter the cattle. However, there have then been fewer cattle for sale which has reduced the income to the farmers, not only because of the reduced price per animal, but also because the farmers have fewer animals to sell. In fact, many farmers in the pastoral zone have not been able to sell much of their stock because of the transport and—

The Hon. D. K. Dans: Would it not make it worse if more cattle were coming forward?

The Hon. D. J. WORDSWORTH: I think so. Fortunately we have had good seasons, but if Australia returns to the drought pattern, large numbers of cattle will die on outback properties.

In discussing the income of farmers, the IAC has set out categories. It found that the greater percentage of specialist meat producers had negative incomes in 1974-75; in other words they did not have an income at all—they made a loss. Of the producers in each zone, 54 per cent of those in the pastoral zone, and 87 per cent of those in the wheat and sheep zone, and 46 per cent of those in the high rainfall area made a loss. Of course, since the report was issued, inflation has increased and many more farmers will have negative incomes this year. One wonders how many of these people have succeeded in staying on their properties. The IAC discovered that many producers had off-farm financial reserves. Obviously in good times these farmers had invested in shares and other securities. It is regrettable that the report did not set out the amounts of these investments; all we are given is a rough estimate of the number of producers who had money coming in from such sources. However, unless we know the income from these investments, the figures are of little assistance.

It is interesting to see that the commission considered 50 per cent of these meat producers had other investments, but I feel the statement is a bit of a red herring when we do not know the size of the investments. Other farmers had on-farm diversifications, and we know that many of them were able to go cropping to get out of trouble. In the pastoral areas the farmers cannot crop, and so they were not so fortunate. When producers such as those in Denmark could not find on-farm diversification, they had to seek occupations in timber and other associated industries.

Obviously, many farmers have survived by extensive borrowings, both on overdraft and from the stock firms. But one of the difficulties, of course, is that the farmer's assets have depreciated; he no longer has a very valuable asset on which he can borrow, and this has put many farmers in a difficult position. Not only can he not borrow but also he cannot service his debts. We must give serious consideration to what is going to happen to those who now have extensive borrowings, often at interest rates in excess of 20 per cent. I will refer to that matter in more detail later during my speech.

It is marvellous how farmers are succeeding in their endeavour to stay on the land. Obviously, they have been slashing their costs considerably, particularly in the areas of labour and superphosphate. In addition, many farmers owe a considerable amount in tax the payment of which I believe they are being allowed to postpone. Of course, the payment of this tax must be postponed because there is no way the Taxation Department can get blood out of a stone.

The Hon. D. K. Dans: It can try.

**The Hon. D. J. WORDSWORTH:** A number of farmers have been forced to sell but the unfortunate thing is that on today's market nobody wants to buy a cattle property or indeed the cattle on it.

We have heard a lot about what the Government is trying to do financially, in relation to providing loans to farmers. The previous Federal Government provided \$20 million to be loaned at current rates of interest through the CDB to beef producers.

At that stage, the "current rate of interest" was 11 per cent, and it was argued that the Australian Cattlemen's Federation was quite happy with that rate. However, not very much of that money was utilised. Unfortunately, the conditions laid down for the lending of that money were such that it was nigh impossible for the farmers to comply.

One of the conditions was that a farmer had to remain viable. This is difficult in itself when one sees the level to which cattle prices have fallen. The only way a farmer could be viable would be to have no debts to service, and if he had no debts to service the CDB would not lend him any money, because he would not need it. He would have to borrow it somewhere else.

**The Hon. D. K. Dans:** A normal commercial transaction.

**The Hon. D. J. WORDSWORTH:** That is correct, but it certainly made it almost impossible for the farmer to fall within those confines. In addition, he found that preparing the submissions to the various Government departments or banks was a very expensive undertaking. He would prepare balance sheets relating to one month, but by the time his loan application had been rejected and he had resubmitted his application to another lending institution perhaps three months later, his balance sheets were not acceptable and he was forced to return to his accountant to have them reprepared. Finally, it reached a stage where the farmer threw in the sponge and decided the Government was really not trying to lend him any money at all.

The Federal Government made available for beef producers finance at a lower rate of interest on a matching basis. However, a limit of \$10 000 was placed on each loan, and \$10 000 does not go very far in running a farm. These loans did not prove to be very successful.

The rural reconstruction scheme has helped some beef farmers but once again the confines within which the authority could lend money meant that many beef producers did not qualify for the loan. One of the unfortunate revelations was that 25 per cent of those applying for rural reconstruction were rejected because they were considered nonviable. No consideration has been given to what will happen to those 25 per cent. It is regrettable and

unfortunate to see so many farmers declared nonviable and ineligible for loan money. The farmer is placed in the position of not being able to operate and not being able to sell his farm; he just sits there.

**The Hon. D. K. Dans:** Has the present Federal Government changed that?

**The Hon. D. J. WORDSWORTH:** That remains to be seen, and that is one of the reasons I am on my feet now. I am endeavouring to point out the plight in which these people find themselves, and I hope we will see changes in this direction.

The IAC made several recommendations, and the Federal Government is carrying out some of them; I will refer to them in a moment. The IAC came to the conclusion that of the 35 000 specialist beef producers, about half would be of doubtful viability even if beef prices returned to a level of three times the price obtaining today.

**The Hon. D. K. Dans:** Would you lend them money?

**The Hon. D. J. WORDSWORTH:** That is a very good question to ask. According to the BAE, of the 17 000 to which I have just referred, about 3 000 to 4 000 are considered to be completely nonviable.

**The Hon. D. K. Dans:** How many of those would be in Western Australia—about 800?

**The Hon. D. J. WORDSWORTH:** Unfortunately, this is one of the difficulties; not enough research has been done on where these people are located. I believe that we in Western Australia are in a different position from the rest of Australia because most of our good cattle are consumed locally, while most of our poorer cattle and manufacturing meat are grown in the north of the State; we have two separate areas and have more hope of overcoming the present difficulties facing the industry than other States. It is fortunate that we are beginning to see live exports from our northern parts. One of the things the IAC found when it investigated the beef industry was the very high capital cost per head of people employed within the cattle industry. The figure probably is way in excess of what one would find in the motor industry or in other areas. One finds the investment is about \$170 000 per employee in the wheat-sheep area, running up to an investment of \$500 000 per person employed in the pastoral zone. This makes it all the more difficult to support these industries and for this reason the IAC recommended that loans rather than grants should be made to the beef industry.

**The Hon. G. C. MacKinnon:** Could you elaborate on that? Did you say the investment is \$500 000 per employee?

**The Hon. D. J. WORDSWORTH:** That is right, invested in the pastoral industry.

The Hon. G. C. MacKinnon: Does that include the price of land and all the rest of it?

The Hon. D. J. WORDSWORTH: Yes, it includes fences, cattle, plant and the lot.

The Hon. H. W. Gayfer: How much for wheat and sheep?

The Hon. D. J. WORDSWORTH: It is about \$170 000.

The Hon. H. W. Gayfer: I find that hard to believe.

The Hon. D. J. WORDSWORTH: Perhaps some of the land area was allocated to wheat. One of the interesting things to me is that the IAC claims the injection of funds into this industry could be considered to be inflationary. That is a remarkable statement. We should not give this money because it would be inflationary! It is claimed that if we gave a subsidy of 20 per cent of the value of the product it would put \$200 million into the economy which would make conditions difficult for people managing the nation's economy.

The Hon. D. K. Dans: But that is true, is it not?

The Hon. D. J. WORDSWORTH: I wonder how much inflation there would be if the farmers received the full amount.

The Hon. D. K. Dans: We turned on the printing presses the other day and got \$300 million.

The Hon. D. J. WORDSWORTH: It was a pity they could not have found some for the primary producer. I believe the primary producer should be aware of the arguments which are put forward relating to his industry.

The IAC also points out that if a number of farmers or beef producers are kept in business, it would aggravate future markets and create false expectations within the industry. Its solution was to suspend the meat export charges applying to beef, then running at 1.6c a pound. While perhaps I would agree with the IAC, I hardly think that 1.6c a pound would make the world of difference to the beef producer.

As it happens, the Fraser Government has removed this charge, but it has indicated that later in the year it will initiate a charge of \$1 per animal. In other words, where previously the charge was an export tax, in the future it will apply on a per head basis to both export and local animals.

One of the complaints of the IAC was that its terms of reference laid down by the Australian Government permitted it to investigate only the matter of short-term assistance to the industry. It is unfortunate that the IAC was not able to consider the problems of the industry as a whole to see whether it was worth saving.

I discussed earlier Australia's resources and how the IAC was endeavouring to look to the long-term future so that we would be able to utilise our resources to the best advantage. But the IAC was not given that option in this inquiry and it made a very short-term recommendation. However, it did mention that beef production is normally amongst Australia's lowest costs and most efficient forms of economic activity, so it gave itself away there; obviously, it considers the beef industry to be one of Australia's most important industries.

The IAC disagreed with the idea of a slaughter compensation. Many farmers had suggested that the older animals in the herd should be slaughtered on sight because they were not profitable to get to market and were only cluttering up the properties. The IAC put forward a rather amazing argument against such a proposition; it said that it could not make a recommendation because it did not know how many old cattle and how many young cattle were in Australia.

The Hon. D. K. Dans: That would be quite an exercise in itself.

The Hon. D. J. WORDSWORTH: I do not think it would have been very hard to locate that information.

The Hon. H. W. Gayfer: I am sure agricultural statistics would provide it.

The Hon. D. J. WORDSWORTH: That is correct. The IAC also said it was not warranted on environmental grounds, and that we had pastoral inspectors who could go around and, if they saw properties that were overstocked with cattle, they could order certain animals to be shot. So, that ended that idea. We could not even win on environmental grounds; most people in Australia now are willing to give that a go.

The IAC then referred to the union ban, to which Mr Tozer adverted. I quote from the report—

One matter raised at the inquiry was more straight forward. This is the partial union ban on the export of live cattle. This barrier to trade has a harmful effect on the demand for the farmer's product and its removal should be sought to permit the exploitation of some promising export opportunities.

I believe that is fairly explicit. It is unfortunate to see the part being played by the Australian Meat Industry Employees Union. I was rather surprised to read the minutes of a recent meeting held in Perth concerning the export of live cattle from the Kimberley.

I am grateful to Mr Tozer for these minutes. I might add that the meeting was called by Mr Burns, the Secretary of the AMIEU, who explained to the meeting,

chaired by the Director of Agriculture (Mr Fitzpatrick), his union's attitude to such exports. He stated that—

... at a meeting in Sydney, the AMIEU executive had authorised State Branches of the AMIEU to participate in regional discussions provided they abided by the guidelines laid down by the Federal Executive.

In spite of the fact that farmers and producers themselves up there wish to export cattle! A Mr Horne, who is a live cattle exporter from New South Wales indicated—

... that markets for live cattle exports from the Kimberleys existed in South East Asia. Hong Kong was the main market from the Kimberleys and would take up to 2 000/month with a maximum of 25 000 a year. Until recently Hong Kong had not imported live cattle from Western Australia since 1956. The export of live cattle was a market developer. Hong Kong imports about 5 000 tonnes of frozen beef. The main source of live cattle was China, Indonesia and other countries contributed a small number.

There is a market in that region and farmers are wishing to develop it. The same minutes state—

The Australian Meat Board's policy has been not to permit any live cattle exports; however, recently the Chairman had advised of a change in policy and mentioned a figure of 20 000 from Western Australia. More recently the WA Meat Exporters had mentioned 2 per cent of last year's Kimberley kill.

It is rather remarkable that the AMB also seems to be considerably against the export of live cattle. Not only are the unions prohibiting this export, it is also being done by Governments. The following can be found in *The West Australian* of the 28th August, 1975—when a previous Government was in office—

Live beef export bar eased

CANBERRA: The Federal Government has eased the controls on the export of live cattle from Australia for this year to help hard-hit beef producers.

Normally beef cattle must be slaughtered and processed in Australia before export, but the Minister for Agriculture Senator Wriedt, said yesterday that he had decided to waive the rule in part this year because of export market problems.

Here we find even the Government—

The Hon. D. K. Dans: Why did the AMB try to stop the export of live animals?

The Hon. D. J. WORDSWORTH: That is what I am asking.

The Hon. D. K. Dans: I cannot follow it.

The Hon. D. J. WORDSWORTH: To me it is quite remarkable, particularly when I understand these animals from the north are bringing about \$70 which, on today's market, is quite a good price. The producers at Esperance particularly are very keen to develop an export market in live cattle. The rest of the world has quite a large export of cattle, but Australia does not participate in it.

The Middle East countries are definitely looking for cattle and they get them from, of all places, France in the EEC. In Australia today we have an unlimited supply and it is ridiculous that we should not try to develop the markets. I agree that the attention of the Government should be drawn to the fact, and I hope it will do something in this direction. Obviously it is an industrial situation. The unions today decide how many cattle we will export. In the past they were supported by the Government when it was a Labor Government. I, too, am very interested to see what the incoming Government's policy will be in this direction.

The IAC also makes a few points concerning the eradication of TB and brucellosis. At present there is an 0.6c a pound levy on all exports which goes to a fund to assist in the eradication of the disease which is a major one and which many countries of the world—particularly the importing countries—are overcoming.

I note that some of the countries of the EEC have already eradicated these diseases. Germany, Denmark, Luxemburg, and Holland have been declared free. Belgium and Northern Ireland are believed to be free, but are yet to satisfy the criteria. However, it appears that their only difficulty is that some of the animals have been vaccinated with anti-brucellosis serum which makes them appear to be reactors. As soon as these countries do become free from the diseases they will obviously stop the importation of Australian meat.

Here we have a major industry which is crucially situated not only from the point of view of foot-and-mouth disease, but also from the point of view of TB and brucellosis.

The United States is very close to eradicating the disease. Recently Texas was shown to be not very keen to carry out the modifications required, and the United States Department of Agriculture put Texas straight into quarantine and refused to allow it to export cattle to other States. We can realise how seriously America views the matter.

Information received indicates that America will be free of brucellosis by 1980 and if Australia has not been able to achieve the same objective, it will not be able to export to that country.

Surely, when we have so many surplus cattle in Australia, this is the time we should be eradicating this disease as quickly as possible. The usual form of eradication involves a test and slaughter. We were slaughtering fairly hard when the animals were worth \$200 a head, but now they are worth only about \$40 a head we appear to have slowed down on this campaign. This is most regrettable, and more money should be put aside for this purpose.

Recently I went onto a property at Esperance intending to buy cattle. Before I called there the farmer had informed me that his property had been tested. However, I ascertained that the department had tested his animals for TB, but not for brucellosis. To me, that is so ridiculous it does not matter. I do not know whether the department is trying to make more work for itself, but it could have done both jobs at the same time and had yet another herd cleared up. I hope the Government will make greater effort to eradicate these diseases.

Two IAC recommendations concern finance and the lending of money. Its recommendations were that the 9 000 farmers who were considered to have some hope of becoming viable should be lent \$8 000 each, and the 3 000 to 4 000 who were considered to be completely non-viable should be given unemployment benefits amounting to \$2 500. According to the IAC it would cost the Government \$77.5 million to carry out these two fiscal measures.

I think that members of this House, as well as members of the farming community, will be rather amazed at these recommendations, because what is a farmer to do when he has a property full of cattle and he is declared nonviable and is told he will receive unemployment benefits? Does he stay there and use the unemployment benefits to feed his wife and family? Does he just watch the cattle run out of water and slowly die of thirst? Does he allow them out the gates and onto the roads and thus let them go?

I believe these recommendations perhaps could be applicable to an industry such as the car industry, because the plants can be closed down and the people can go home and live on unemployment benefits; but I do not believe for one moment they can be applied to rural industries because farmers cannot sit on their farms and watch their animals die. On the other hand I do not consider that farmers who are thought to have a hope of becoming viable can survive on \$8 000 a year.

What about the farmer who has four or five employees and is told he must run his farm on \$8 000? Obviously he must sack all his men, but just as obviously he cannot do all the work previously done by those four or five employees.

So, while I have a great deal of respect for the IAC, I find it very difficult to accept some of its recommendations. I hope the new guidelines the Federal Government has given the commission will allow it to study these matters at greater depth.

Too much strain is placed on the few commissioners involved. Given more commissioners, more time, and a bit more research, I am sure the IAC could submit better recommendations.

I disagree with the method adopted by the IAC to carry out its work. It relies mainly on the taking of evidence which it must then sort through. Quite frankly, I consider that producers and farmer organisations have been asked to present cases to too many IAC studies. I have a half a dozen at present. These farmer organisations just cannot keep up this kind of work. Apart from the expense involved they do not have the staff and, consequently, I do not believe the IAC is receiving the correct evidence.

The Hon. H. W. Gayfer: The same applies to shire councils.

The Hon. D. J. WORDSWORTH: That is so. Shire councils are driven mad in this regard because they cannot keep up with all the inquiries. In closing, I would like to make one final quotation.

The Hon. D. K. Dans: You said that 1½ hours ago.

The Hon. D. J. WORDSWORTH: Did I? I am sorry I am still on my feet after four hours.

I refer to *The West Australian* of the 2nd February, and once again I intend to quote from the business section which refers to a company from Geneva which was asked to make a study of the world meat trade, particularly beef, to gain some idea of its future. I believe that that company, with 31 researchers in 11 countries, was able to make a better study than either the IAC or the BAE which dealt with only one country. The article states—

The EEC will probably be forced to open its gates to imports in 1976 . . . It also states that the EEC cannot continue with its present policy of self-sufficiency.

Will our beef producers get through the economic times of the next 12 months? I feel that beef prices will go through the present cycle and reach more prosperous times. I only hope that not only the Federal Government, but also the State Government, will do something more definite than they are doing now.

The Premier indicated six months ago that he would look to a freight subsidy on cattle in isolated areas. Esperance happens to be one of those areas and Halls Creek another. They are the only two beef areas in Western Australia which are not within 120 kilometres of an abattoir. It is imperative that these areas receive some kind of freight subsidy.

We have seen a rise in cartage fees of 25 per cent this month, which will make yet another group of farmers nonviable and unable to move their animals off the property. Already in these two areas the freight on certain classes of cattle amounts to over half the value of the animal on the market. When the farmers first went to the areas the freight represented only about 10 per cent at the most, so it is of no use asking why they went there. When they went there freight was not a matter of consequence but it is now a matter of great magnitude. We have also seen a rise in killing charges of 80 per cent which relates back to the inflation problem I mentioned earlier.

I am sorry I have kept the House so long but I hope the State Government will take note of the points I have made and that through the State Government more recommendations will be made to help the primary industries in this State.

**THE HON. G. E. MASTERS** (West) [8.47 p.m.]: I would like, first of all, to express my appreciation to our new Governor, Sir Wallace Kyle, for the manner in which he carried out the opening of this session of the twenty-eighth Parliament of this State. I am sure the people of Western Australia must be very proud indeed to have a Governor of his standing—a man with a distinguished record and one who was born in Western Australia. Those two factors would make him very dear to the people of this State. The majority of the people in this State and throughout Australia recognise the great importance of having a representative of Her Majesty The Queen in Canberra and in the States—a representative who is above politics and who gives stability and justice to a great country. I say in all sincerity that I hope this will long continue.

The Hon. Margaret McAleer must be very proud of her effort on the opening day of this session and I add my congratulations to the many which have already been expressed to her.

I also congratulate the Hon. Des Dans, who has been elevated to the position of Leader of the Opposition in this House, and the Hon. Roy Cloughton who has been appointed Whip. The Hon. Ron Thompson in my two years in this House has given very effective service to his party and this House as Leader of the Opposition. I commend him on his decision to stand down in favour of younger men to give them an opportunity to be blooded. I hope his enthusiasm will not be as strong as that of the Hon. Grace Vaughan, who was sometimes carried away a little when she was sitting behind me. I trust the Hon. Ron Thompson will be more restrained.

I am curious about the reaction or lack of reaction from the Opposition to the Governor's Speech. The Hon. Des Dans, normally one of the most effective speakers

in this House, was almost lost for words. He said he considered it to be merely a resume containing little on which to comment and nothing of great promise. We, as the Government, regard the document as a record of two years of very effective government and a promise of consolidation.

I think the Opposition failed to recognise or refused to acknowledge that the State Government under Sir Charles Court has been under tremendous pressure over the last two or three years. We, as a State Government, have been threatened with literally being wiped out. Every possible pressure was brought to bear upon us by the Federal Government under Mr Whitlam, with endeavours to destroy State Governments and the Senate and institute a central Government which dictated to the entire nation.

The Hon. Lyla Elliott: You got more money.

The Hon. G. E. MASTERS: The way it was handed out was by ignoring State Governments. Obviously, Western Australia has done better than most States, and this is very easily explained. We have a little booklet entitled "Put things right", which has served us extremely well over the last three years and has been cherished by the Labor Party. I think almost every member has a copy of it and at times makes remarks about it. We appreciate that. We realise that most members of the Opposition have had reason to refer to it one way or another.

The people of Australia know full well we have extremely difficult times ahead. The people have put into office a responsible Government and they realise they will have to accept the challenge and tighten their belts a little.

The Hon. D. K. Dans: They put in another \$400 million on the printing press the other day.

The Hon. G. E. MASTERS: We know from the figures in this State at the last Federal election that the people fully support a responsible Government and have put one in office.

The Hon. D. K. Dans: That was an irresponsible action. Consumer demand is going down and you have to boost it up again.

The Hon. G. E. MASTERS: Mention has been made on a number of occasions of the poor showing we made as the Liberal Party, even though we won the election. The State figures at the last Federal election indicate that the Liberal Party in this State polled 53 per cent of the votes, the Country Party 5.05 per cent, the ALP 40.13 per cent, and other parties something over 1 per cent. If Mr Cooley suggests this is not a majority vote—

The Hon. D. W. Cooley: Was it not a Federal election?

The Hon. G. E. MASTERS: I am talking about the State figures. Let us go further and look at the total figures. The Liberal Party gained 42 per cent of the votes and the Country Party 11.04 per cent. That gives the anti-socialists 53 per cent of the vote. Surely Mr Cooley is not suggesting the Labor Party did better when it polled 43.85 per cent of the votes.

The Hon. D. W. Cooley: We said the Labor Party did better than the Liberal Party did.

The Hon. G. E. MASTERS: We are the anti-socialists and the people put us in as a responsible Government.

The Hon. D. K. Dans: The people in the goldfields were applauding the way you were going to open the mines.

The Hon. G. E. MASTERS: There is no shadow of a doubt that the people of this State are firmly convinced a Liberal Government is right for them both State-wise and federally. There is no doubt that the next State election in three, six, or 12 months' time will give the same answer.

The Hon. D. K. Dans: Have it just after the Federal Budget is announced.

The Hon. H. W. Gayfer: The Country Party did not contest all seats.

The Hon. G. E. MASTERS: We do not have to convince ourselves.

The Hon. D. W. Cooley: The Country Party will say something nice about you.

The Hon. G. E. MASTERS: Sir Charles Court is recognised in Western Australia, Australia, and possibly many parts of the world as a tremendous administrator and one of the best Treasurers in Australia.

The Hon. D. K. Dans: It is strange that in the Gallup polls he is the second most unpopular Premier in Australia.

The Hon. G. E. MASTERS: He has more ability in his little finger than any member of the Labor Party has in his whole body, and everyone in this State recognises that.

The Hon. D. K. Dans: That is a broad statement.

The Hon. D. W. Cooley: A very strange statement.

The Hon. G. E. MASTERS: Whether people like him or not they have great respect for him.

The Hon. D. K. Dans: I have respect for most people and I have respect for him but I cannot see where he has put the State on the move again.

The Hon. G. E. MASTERS: When Sir Charles was a Minister in the Brand Government some years ago he was largely responsible for the tremendous drive in this State. He, together with a very experienced Premier and Cabinet, put this State on the map. He brought before the people of the world the incredible

wealth of this State which was previously hardly recognised. He brought in massive foreign investment. He built new towns, roads, railways, and ports. The Labor Party cannot argue against that.

The Hon. D. K. Dans: The companies built those.

The Hon. G. E. MASTERS: The people of this State made their decision at the last election. They realised they had gone backwards for three years, whereas under the Brand-Court Government there were unlimited jobs.

The Hon. H. W. Gayfer: What is this Brand-Court Government?

The Hon. G. E. MASTERS: When I say "the Brand-Court Government"—

The Hon. G. C. MacKinnon: Brand-Nalder Government.

The PRESIDENT: Will the honourable member please address the Chair.

The Hon. G. E. MASTERS: Being in this position in the House—

The PRESIDENT: Will the honourable member face the Chair and not turn around.

The Hon. G. E. MASTERS: Certainly, Mr President. Without a shadow of a doubt, the Brand Government got this State on the move some years ago. Sir Charles Court, who was a Minister at that time, was largely responsible for that progress. We know it; the people of Australia know it; and the world knows it.

The Hon. Clive Griffiths: The Labor Party knows it.

The Hon. G. E. MASTERS: Of course it does. There were unlimited jobs and the build-up in population was immense during that period. People were coming in to share in the wealth and prosperity of this State.

The Hon. D. K. Dans: Farmers started to grow more beef and now they cannot sell it.

The Hon. G. E. MASTERS: The minute the Tonkin Government got into power the increase in population collapsed.

The Hon. D. W. Cooley: The increase?

The Hon. G. E. MASTERS: The influx.

The Hon. G. C. MacKinnon: Have you ever noticed they make a good Opposition and a terrible Government?

The Hon. G. E. MASTERS: I shall ignore the interjections and quote from the *Quarterly Statistical Abstract*, No. 437 of December, 1975.

The Hon. Grace Vaughan: Have you thought of all the other variables like the reduction in the price of contraceptives?

The Hon. G. E. MASTERS: I do not use them. In table 2 on page 5 of the report the population increase by migration alone is shown as 23 357 in 1970, 18 412 in 1971, 2 130 in 1972 under the



Tonkin Government, 5 971 in 1973, and 21 522 in 1974 when confidence was regained under a progressive Government.

The Hon. D. K. Dans: Look at this year's figures.

The Hon. G. E. MASTERS: The figures are not available.

The PRESIDENT: Order! I must remind the Hon. Mr Dans that he has already made his speech standing up.

The Hon. G. E. MASTERS: The Governor's Speech was described as being simply a resume.

The Hon. S. J. Dellar: There was nothing in it.

The Hon. G. E. MASTERS: There is nothing in it which the Opposition could criticise. Let us turn to page 4 of the Speech.

In respect of education, we know the progress made over the past two years has been guided by an extremely efficient and hard-working Minister who has adopted a realistic approach to the education of children in this State.

The Hon. D. K. Dans: Would you care to read the debate in another place in respect of education?

The Hon. G. E. MASTERS: He has done this by recognising the tremendous wastage of money occurring throughout the State and by recognising there is a need to take careful stock of the cost of the building of schools. For this reason he is holding an investigation, and we hope he will be able to build more schools and more classrooms as a result of better management. We hope his conscientiousness in respect of the public purse will be rewarded, and I am sure it will. I mention also the pre-school education programme of the State Government.

The Hon. G. C. MacKinnon: I am glad you picked the opportunity to mention that when Mr Claughton is not present.

The Hon. G. E. MASTERS: I am not particularly concerned about what Mr Claughton may say because there is no doubt that our policy is to give free pre-school education to all children in the State regardless of who they are or where they live. I do not know how the Labor Party could possibly criticise this programme. The only possible excuse its members would have is that they did not think of the idea themselves; that is the only possible reason they have to criticise it. I would suggest that if—and it is not very likely—in many years' time members of the Labor Party gain power and perhaps spend a short, three-year period as the Government of the State—

The Hon. G. C. MacKinnon: Don't frighten us.

The Hon. G. E. MASTERS: —I doubt very much they would reverse our policy.

The Hon. D. K. Dans: I would hazard a guess that in three years' time children will be starting school at a lower age than they do now.

The Hon. G. E. MASTERS: I think our education policy is most progressive and very effective.

I turn now to housing, and briefly mention this again.

The Hon. D. K. Dans: It would have to be very brief.

The Hon. G. E. MASTERS: We have a progressive, responsible Minister for Housing—a Minister who, although criticised by the Labor Party when he took office, because members said he lacked experience—

The Hon. D. W. Cooley: Who is the Minister?

The Hon. G. E. MASTERS: It is Mr P. V. Jones, who is a Country Party member.

The Hon. D. W. Cooley: He is still the Minister, is he?

The Hon. G. E. MASTERS: I do not think there would be many members on either side of the House who would not recognise that he is an extremely effective Minister.

The Hon. D. K. Dans: Effective?

The Hon. G. E. MASTERS: He has improved the efficiency of the State Housing Commission and has gained the respect of everyone. I should imagine the policy of the Government to encourage home ownership is a little offensive to members of the Labor Party. Of course, they prefer rental homes; it is against their philosophy to encourage ownership of homes or anything else.

Mr President, our policy is that home ownership is to be encouraged, and the Minister is to be commended for furthering this goal.

The Hon. D. K. Dans: You are helping them to save by taking away \$60 a year for the management fee.

The Hon. G. E. MASTERS: I am glad members of the Opposition are in the House tonight because I am really enjoying this.

I would like to speak briefly on health and hospitals. Again, I do not think one needs to say much because the public, at least, know that our programme is very efficient and progressive.

The Hon. S. J. Dellar: That is why you reduced the status of the Mt. Magnet Hospital to that of a nursing post.

The Hon. D. K. Dans: That is why it costs so much to have a prescription filled.

Several members interjected.

The PRESIDENT: Order! I called for order three times while the Leader of the Opposition was speaking, but he was not heeding the Chair.

The Hon. D. K. Dans: I am sorry, Sir, I did not hear you.

The PRESIDENT: That is probably the weakest excuse I have heard for a long time. The Honourable Gordon Masters may continue.

The Hon. G. E. MASTERS: Thank you, Mr President. Referring to hospitals and health, community health services now cover most of the State, and mobile medical and nursing teams are practising community preventive medicine. Indeed, we have new hospitals being built and extensions being made to existing hospitals; and we have the promise that the first stage of a proposed hospital for Wanneroo will be commenced in the near future. The State Government is to be commended for the steps it intends to take in this respect.

The Hon. S. J. Dellar: What about Mt. Magnet?

The Hon. G. E. MASTERS: On page 7 of the Governor's Speech reference is made to transport and traffic.

The Hon. D. K. Dans: Tell us about the new pharmaceutical benefits.

The Hon. G. E. MASTERS: I am extremely pleased to hear that members of the Labor Party have so much to say in respect of the Governor's Speech at this stage, because up to this point they have been singularly lacking in such comment. I shall ignore their interjections because I am making my own speech and I wish to address my remarks to you, Sir.

In respect of transport and traffic, here we have a Minister who has earned the respect of both the Police Force and the public.

The Hon. S. J. Dellar: Who are you talking about now?

The Hon. D. K. Dans: What about the respect of the Road Traffic Authority?

The Hon. G. E. MASTERS: The Minister for Transport has already earned the respect of both the Police Force and the public. He has had tremendous success in the establishment of the Road Traffic Authority. Despite what members opposite may say, he has produced remarkable results. He has done as well as any Government in Australia has done; probably, on a population basis, we have been as successful as any overseas country. He has reduced the road toll and is now undertaking a campaign to control the crime rate. I am quite sure if he has as much success in controlling the rate of crime in this State as he has had in controlling the number of road deaths, he will do particularly well.

I mention these comments in the Governor's Speech because I realise the Opposition needs a little guidance. Members opposite have had a difficult job to pick out any faults, so I merely point out some of the good things. Obviously I could continue all night in this respect.

The Hon. G. C. MacKinnon: Of course, it was hard to take over after three years of Labor mismanagement.

The Hon. G. E. MASTERS: In other words, the speech we heard on Opening Day in this Parliament indicated the smooth operation of a very responsible Government. The lack of comment from members of the Labor Party at that time and up to this moment gives one the feeling that there is really nothing wrong and they are grasping at straws in any comments they make.

In regard to some of the speeches made on this motion, we have had the Hon. Grace Vaughan giving her usual "school marm" talk in this House. I do not really think many of her comments could be taken seriously, and certainly not those made in the first hour of her speech. The Hon. Grace Vaughan would really have a job to convince even primary school children that members representing outback areas require helicopters or racing cars for transport. Does Miss Vaughan honestly believe that? I do not think she does. She is nodding and indicating that she is serious; I consider that if she is serious about this suggestion she has a very great lack of understanding of the problems of country electors and country members.

The Hon. Grace Vaughan: I suppose you know all about it?

The Hon. G. E. MASTERS: She has no regard for the public purse, because the use of helicopters is very costly. Of course, it is typical of members of the Labor Party that they literally throw away public money and do not consider the steps they take.

It is interesting, while on this aspect, to note that the Hon. Don Cooley in a speech the other night introduced a trivial matter so far as finance is concerned. He suggested it was a big waste of money to spend \$4 700 on the garden party given by the Governor.

The Hon. D. W. Cooley: I didn't mention that at all.

The Hon. G. E. MASTERS: If Mr Cooley did not mention it, then I would suggest that he correct the article written in the Press. On Friday, the 9th April a heading, "No excuse' for garden party—MLC" appeared in *The West Australian* and the article went on to explain Mr Cooley's comments on the situation and his reply to a particular comment made in this House.

The Hon. Clive Griffiths: Obviously he was not invited.

The Hon. D. W. Cooley: I was.

The Hon. G. E. MASTERS: This is absolutely typical of Mr Cooley's attitude. Perhaps we should consider his comment regarding the expenditure of \$4 700 as

being a tremendous waste, in the light of the wastage in this State and throughout Australia caused by strikes and industrial disputes.

The Hon. D. W. Cooley: Here we go again.

The Hon. S. J. Dellar: That's right. Union bash.

The Hon. G. E. MASTERS: We have not once heard Mr Cooley comment on this point. I have the figures in front of me in the *Quarterly Statistical Abstract* No. 437, December, 1975, of the Australian Bureau of Statistics. The figures contained in it refer to 1974. The number of workers involved in industrial disputes in 1974 was 188 100, and the working time lost in 1974 amounted to 256 900 man days. Does not Mr Cooley realise the cost to the public of all this?

The Hon. D. K. Dans: Tell us how much it costs in terms of the gross national product.

The Hon. G. C. MacKinnon: Incidentally, at the top of page 402 of the current *Hansard* you will find where Mr Cooley said the garden party cost \$4 700.

The Hon. G. E. MASTERS: I will keep to the point, because this is one set of figures that perhaps members of the Opposition would prefer I did not mention. However, this certainly concerns the workers because they lose pay. The estimated loss of wages in 1974 as a result of workers involved in industrial disputes—most of them reluctantly, of course—was \$5 827 700. That is an incredible sum of money, and yet Mr Cooley amongst others has the audacity to talk about \$4 700 as being a tremendous waste of money.

The Hon. G. C. MacKinnon: Didn't he deny saying that a minute ago?

The Hon. G. E. MASTERS: Whether or not he denied it, it is recorded in *Hansard*, and it is also recorded in the Press.

The Hon. G. C. MacKinnon: It is at the top of page 402 of *Hansard*.

The Hon. D. W. Cooley: Why don't you let Mr MacKinnon make your speech for you?

The PRESIDENT: Order!

The Hon. G. E. MASTERS: To proceed further with the subject of wasting money, let us go back 15 months when Mr Whitlam was the Prime Minister; when he decided he would go on a little tour around the world accompanied by his family and some of his lackeys.

That cost the public something like \$1 million. He trotted around like some Arab sheikh spending public money. Obviously he was after Iraqi money, but he did not get it. However, in respect of that we heard not one word of criticism from members opposite.

I will go further in my comments on the speech of the Hon. Grace Vaughan. The amendment she moved in this House was an attempt to rehash all the debate we had last year in respect of electoral boundaries.

The Hon. S. J. Dellar: What's wrong with that?

The Hon. G. E. MASTERS: Some very good speeches were made by members of the Liberal and Country Parties on this subject, and I would imagine those speeches would have convinced even members of the Labor Party.

The Hon. D. K. Dans: I have the impression that you are really biased.

The Hon. G. E. MASTERS: In her comments the Hon. Grace Vaughan brought in the old sayings in respect of the conservative elite. That is a favourite word members opposite use—elite. It rather intrigues me, because to my mind it applies to a special, selected body, and I think the Hon. Grace Vaughan would agree with me there. It refers to a group which in these times is in a situation of power; that is what we are talking about when we refer to the "elite" today. If we are discussing the elite, then let us look at the elite of the Australian Labor Party—members who are sitting here in this Chamber. They sit here smugly and talk about the elite, and yet in the main they are people who are here because for services rendered—possibly to Trades Hall—they have been given safe seats in this House.

The Hon. S. J. Dellar: You will have to qualify that.

The Hon. G. E. MASTERS: I agree possibly there may be one or two fewer after the next election, but in the main they are fairly safe seats. Look at the numbers now; these are clearly the only seats members opposite can win.

The Hon. S. J. Dellar: What!

The Hon. G. E. MASTERS: Some members opposite have been given safe seats for services rendered, or it may even be the golden handshake.

The Hon. S. J. Dellar: You wouldn't know what you are talking about.

The Hon. R. Thompson: How did you get endorsement?

The Hon. G. E. MASTERS: I am a little upset at the way this House is denigrated by members of the Opposition, by comments reported in the Press and, of course, by the amendment moved a few days ago by the Hon. Grace Vaughan. The amendment said this House is held in disrepute. I believe that the abuse of privilege by some members of this House is implicit in their threat to boycott this place and not to represent their electors here. That is what the Labor Party has suggested, and I am very pleased that members opposite

have chosen not to boycott this Chamber at the moment. However, if there is any suggestion of it I hope the public realise their true feelings in this matter.

If they boycott this House they are not representing those people who elected them and they are not representing their districts. Perhaps they fail to understand that they do not represent only those people who elected them; they also represent those who opposed them. They are supposed to be representing the whole of their districts.

The Hon. D. K. Dans: That would be a very good idea for every member of this Chamber to remember—

The Hon. G. C. MacKinnon: We are constantly saying it.

The Hon. D. K. Dans: —particularly when a long service leave Bill comes up.

The Hon. Clive Griffiths: I should like to see the day when one of your people crosses the floor. It has never been known.

The Hon. G. E. MASTERS: At different times in this House there have even been attempts by members of the Opposition to intimidate members of the Government.

The Hon. Grace Vaughan: Nine against 1?

The Hon. Clive Griffiths: Gerry Dolan crossed the floor one day but Trades Hall got him over there that quick he nearly caught pneumonia, but he got back here and changed his mind.

The Hon. G. E. MASTERS: If I may be permitted to continue, I should like to say that intimidation could cover many aspects. All the members of Government parties received a letter from the Honourable Don Cooley in which he indicated that he had sent a letter to unions affiliated with the Trades and Labor Council. That letter is dated the 9th May, 1975, and I am quite happy to table it. I shall quote some of this letter. Obviously it was made public. It commences—

Dear Comrade,

That is an interesting remark, for a start.

The Hon. S. J. Dellar: What do you want—Charlie Darling?

The Hon. G. E. MASTERS: Part of the letter reads—

Any doubt that the Liberal/Country Party Government policy discriminates in favour of employers has been dispelled by its action in this matter. It highlights the need for unionists to conduct a more active campaign to ensure that sufficient Labor candidates are returned to the Legislative Council—

That is a hope. To continue—

—in order that the party's policy in respect to this Chamber is put into effect.

This is the interesting part—

The members who voted against my amendments are listed in the documents attached. I have drawn attention to these members' names hoping that your organisation will register the strongest protest possible to them whenever practicable.

In the *Swan Express* of the 30th October, 1975, there is a heading of "Unions Alerted". It reads—

Trade unions have been alerted to take industrial action over the defeat of a private Bill which was introduced into the Legislative Council by Don Cooley, M.L.C.

Mr Cooley, who is also president of the Trades and Labor Council, has given the unions the names of parliamentarians who voted against his Bill to amend the Long Service Leave Act.

I do not know whether he thinks that is intimidating us or is in any way frightening the members of the Government party.

The Hon. G. C. MacKinnon: Intimidatory tactics—typical Labor stuff.

The Hon. G. E. MASTERS: He cannot possibly think that he can intimidate members of this party. We do not have to cow-tow to him or anybody else. We keep our own jobs by our own actions. We are not reluctant members of any union. This sort of thing makes us firmer in our resolve to protect the public of Western Australia. I have cited figures and percentages of the votes cast at the last Federal election on the 13th December, 1975. Many of the people who voted for us had to be unionists or we would not be in power now. Mr Cooley actually describes them as "poor suckers". I hope the people in this State and throughout Australia will appreciate and understand that they have been called poor suckers simply because they did not toe a party line and because they have the audacity to oppose what Mr Cooley thinks is the only way.

Several members interjected.

The PRESIDENT: Order!

The Hon. G. E. MASTERS: Perhaps I should say that the comment concerning poor suckers is a clear indication of the attitude of some members of the Opposition and of some leaders of the trade union movement in this State today.

I shall quote from an article by Paul Johnson in *The New Statesman*. It has already been mentioned in this place today.

The Hon. Grace Vaughan: Oh no!

The Hon. G. E. MASTERS: Members of the Opposition say "Oh no!" but I will do it anyway. The article appeared on

the 16th May, 1975, and is headed, "A Brotherhood of National Misery". It says of the unions—

But the movement as a whole is dominated at all levels by the complacent, the conservative, the unimaginative, the lazy-minded, men soaked in old prejudices and habits of mind. Bourbons to the core, forgetting nothing, learning nothing, negative, obstructive, slow, dull, long-winded, unadventurous, immensely pleased with themselves and quite determined to resist planned change of any kind.

These are the sorts of comments which members of the Opposition cannot accept and yet a member of the Opposition called the majority of people in Australia poor suckers. What an expression to use!

The Hon. D. K. DAns: Paul Johnson wrote that article about England and he denigrated the British workers, millions of whom have never been on strike.

The PRESIDENT: Order! I must ask the Leader of the Opposition to make fewer interjections. He has almost reached the stage where he is making a second reading speech sitting down.

The Hon. G. E. MASTERS: I draw the attention of the House to this point because I believe in this State today, as in Australia, there is a very grave threat to the liberty of the individual and to his personal freedom. Even in this State each day we see more and more intrusion on personal freedom. We have seen people at the airport blocked from getting their luggage. We have seen people with small businesses having the entrances to their properties blocked so that they are put out of business. These are actions which we cannot tolerate much longer. The public has a right to be protected. If ordinary members of the public were to do such things without the protection of the union movement they would be arrested and put in gaol.

Mr Dans has mentioned that the use of certain words by the Premier was inflammatory. Sir Charles Court has used the words "militant" and "nazi tactics". I agree with him. This is exactly what is happening.

#### Point of Order

The Hon. D. K. DAns: Mr President, I object to those words. I am a returned serviceman and I fought against that kind of ideology.

The PRESIDENT: What is the Leader of the Opposition's point?

The Hon. D. K. DAns: My point of order is that I object to the use of the word "nazi" in this place. Such terms should not be permitted in the manner in which Mr Masters is using them.

The Hon. J. Heitman: He did not accuse you of being one, did he?

The PRESIDENT: In what sense did the honourable member use the word "nazi"?

The Hon. G. E. MASTERS: I was merely quoting Mr Dans who said the word was inflammatory. I was suggesting that it is not.

The PRESIDENT: I do not think there is any point of order.

The Hon. D. K. DAns: I still think the word is inflammatory.

The PRESIDENT: It is the right of the honourable member to disagree with my ruling if he wishes, but I rule that I do not see that there is any point of order in the use of the word as it was used by the member on his feet.

#### Debate Resumed

The Hon. G. E. MASTERS: I am suggesting that the public is not blind to the facts and the situation existing in this State today.

I should like to draw the attention of the House to one company and the problems it is suffering. The company is in Midland and is called the Western Oil and Refining Company. It employs 31 people. Those people in the company who are handling fuels and oils are all members of the Transport Workers' Union. The same company owns a number of service stations. It has an oil refining plant. It refines old oil; it reclaims old oil, so environmentally this company is doing a wonderful job in this State. It receives Government orders, and co-operates with the Western Australian Government Railways.

This company has its own tanker operated by a Transport Workers' Union driver. The Transport Workers' Union—I would imagine those members who are tanker drivers—have refused to allow the company to have fuel. The jobs of the people employed by this company are threatened. In fact the existence of the company is being threatened; and the union makes no secret about its intentions in this respect.

On Friday I was a witness when this company took its tanker to the fuel depot in Kewdale and was confronted by a trade union organiser and the President of the TWU.

The PRESIDENT: I must ask the honourable member about the subject matter of which he is speaking. Do I understand correctly that there is a writ in the Supreme Court?

The Hon. G. E. MASTERS: If there is, I have no knowledge of it. There certainly was not this morning.

The PRESIDENT: If there is I think the subject is *sub judice*.

The Hon. G. E. MASTERS: If that is the case I certainly will not continue with that point.

The Hon. D. K. Dans: Mr President, may I ask for your direction on that matter? Is there a *sub judice* rule in our Standing Orders?

The PRESIDENT: To the best of my knowledge there is no *sub judice* rule in our Standing Orders, but again to the best of my knowledge it has always been the practice to observe the *sub judice* rule if it is known by the presiding officer or the member concerned that there is an action in the court.

The Hon. D. K. Dans: I accept that. I did not want to stop the member from speaking.

The Hon. G. E. MASTERS: As far as I am aware legal action had not been taken this morning, but it may well have been taken today. So I shall not proceed with the subject.

I am trying to bring before this House the general standard of tactics of a minority group in this State who threaten the livelihood of employers, employees, and small businesses which are trying to operate against great odds.

The Hon. D. K. Dans: What is the dispute about really?

The Hon. G. E. MASTERS: I have said that I will not continue with that subject, and I will not. I make this point: I have been accused of suggesting that unions should be bashed, which is totally incorrect. I believe the union movement is an essential and very important part of our life today. I believe it gives dignity, respect, and a great deal of protection to the working man. Many years ago when men, women, and children were working in impossible conditions and virtually gave their blood to survive, the union movement did a great job and rescued them from that situation. But the pendulum has swung. Now in many cases these same employees, members of the union movement, are being exploited by their own leaders. So the pendulum has swung right across.

The Hon. Lyla Elliott: That is not true.

The Hon. G. E. MASTERS: These people are being exploited for political gain. I believe a small number of union leaders do not have any regard for the working man; all they are trying to do is to disrupt the economy and to bring this Government or any Government to its knees.

I am concerned that this Government may not take some action to overcome this problem. I hope it will do so. I hope the time will come when there will be secret ballots and voluntary membership of unions; I hope there will be free movement of the public and access to public areas without obstruction or intimidation. I believe the public should have this protection and should not be blocked and threatened as they are on occasions.

The Hon. D. K. Dans: I would not belong to a union that I had to belong to.

The Hon. G. E. MASTERS: I am very pleased to hear that. We have seen a proud people and a great country—the United Kingdom—brought to its knees by the activities of some unscrupulous leaders and by the completely reckless activities of part of the union movement.

On the 13th December, 1975, the public indicated that they wanted a responsible government and that they were prepared to work, given the opportunity. The State Government must make sure that they have the opportunity to work, regardless of the threats that are held over them.

The Hon. Lyla Elliott: They will be sorry.

The Hon. G. E. MASTERS: Someone said, "They will be sorry". I am making the point that we should be giving protection to those men and women who wish to work, who do not wish to be members of a union, and who wish to have freedom of access with the rights of the individual that we accept in this country. I hope this State carries out its duties and does just that. The public made a decision on the 13th December. They said that they wanted responsibility, not revolution. Mr President, I support the motion.

Debate adjourned, on motion by the Hon. Lyla Elliott.

## ADJOURNMENT OF THE HOUSE: SPECIAL

**THE HON. N. McNEILL** (Lower West—Minister for Justice) [9.29 p.m.]: I move—

That the House at its rising adjourn until 2.30 p.m. tomorrow (Wednesday).  
Question put and passed.

*House adjourned at 9.30 p.m.*

# Legislative Assembly

Tuesday, the 13th April, 1976

The SPEAKER (Mr Hutchinson) took the Chair at 4.30 p.m., and read prayers.

## ANZAC DAY ACT AMENDMENT BILL *Assent*

Message from the Governor received and read notifying assent to the Bill.

## QUESTIONS (22): ON NOTICE TRANSPORT

1.

### *Ring System Bus Service*

Mr T. H. JONES, to the Minister for Agriculture:

When is it intended to implement a ring system of mini buses to complement the clipper service.