

# Legislative Assembly

Wednesday, 2nd November, 1955.

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

## ASSENT TO BILLS.

Message from the Governor received and read notifying assent to the following Bills:—

- 1, Police Benefit Fund Abolition Act Amendment.
- 2, Cemeteries Act Amendment.
- 3, Inspection of Scaffolding Act Amendment.
- 4, Mining Act Amendment.
- 5, Parks and Reserves Act Amendment.
- 6, Medical Act Amendment (No. 2).
- 7, Honey Pool.
- 8, Swan Lands Revestment.
- 9, Rents and Tenancies Emergency Provisions Act Amendment.

## QUESTIONS.

### NOXIOUS WEED.

*Mesquite in North-West Areas.*

Hon. Sir ROSS McLARTY asked the Minister for Agriculture:

(1) Has the mesquite tree been declared a noxious weed in any of the North-West areas of the State?

(2) If it has been declared a noxious weed, what steps are being taken to eradicate it?

(3) Is it considered that the spread of mesquite could seriously affect pastoral production?

(4) To what extent has mesquite spread during the past three years in the North-West areas of the State?

The MINISTER replied:

(1) Yes, in the area north of the 26th. deg. latitude.

(2) Steps have already been taken to destroy mesquite in some towns and on some pastoral properties. The Agriculture Protection Board is at present organising a co-ordinated control programme on all infested areas and assisting with the work at the main centre of infestation.

(3) Yes.

(4) The spread during the last three years has been limited, mainly due to the active control measures taken.

## SAVINGS BANKS.

*Proposal of Bank of New South Wales.*

Mr. JOHNSON asked the Treasurer:

(1) Is there any benefit to the finances of Western Australia in increased amounts deposited with the Commonwealth Savings Bank in this State?

(2) Would a similar benefit be available from a proposed new savings bank to be established by a private bank?

(3) If not, can the proposal be regarded as in the public interest of Western Australia?

(4) Has he, as Treasurer, been consulted by the Federal Treasurer in this matter? If not, why not?

The TREASURER replied:

(1) Yes.

(2) No information is available as to any benefit which might accrue to the State in the event of the establishment of a new savings bank.

(3) Answered by No. 2.

(4) No. It has been assumed that as any charter granted for the establishment of a new savings bank would be Australia-wide in its operation, the application is being dealt with as a matter of central government and banking policy.

## EDUCATION.

*Colombo Plan Students, Leederville Technical School.*

Mr. JOHNSON asked the Minister for Education:

(1) How many students under the Colombo Plan are studying at the Leederville Technical High School?

(2) How much is payable to the State of Western Australia, and by whom, for the services rendered as above?

The MINISTER replied:

- (1) Eight.
- (2) (a) £25 4s. each student per annum.  
(b) Commonwealth Office of Education.

#### DRAINAGE.

##### *Flooding in Welshpool Area.*

Mr. JAMIESON asked the Minister for Works:

In view of the extensive flooding which has been apparent over the past two months in the vicinity of Welshpool, would he give consideration to the construction of a main drain to link with the Mill-st. drain to protect property and industry in this area from future flooding?

The MINISTER replied:

Consideration will be given to providing a scheme of main drainage for the area. Many other localities in the metropolitan area also require main drainage. Therefore, priorities will need to be determined for apportionment of whatever funds are made available from time to time.

#### AGRICULTURE.

##### *Bulk Facilities for Oats and Barley, Lakes District.*

Mr. PERKINS asked the Minister for Agriculture:

(1) Is he aware that a considerable quantity of oats and barley will be harvested for sale in the Lakes district this year?

(2) Do the wheat bins in the Lakes district belong to the Government or to Co-operative Bulk Handling Ltd.?

(3) Have growers in the area requested that the Government provide suitable facilities for receiving oats and barley in bulk similar to facilities available in other districts?

(4) Will the Government agree to such a request?

(5) If not, why not?

The MINISTER replied:

(1) Yes.

(2) The bins were erected by C.B.H. for the State Government. The Government is in the process of refunding to C.B.H. the capital outlay on the bins.

(3) Yes.

(4) Inquiries are already in hand.

(5) Answered by No. (4).

#### WATER SUPPLIES.

##### *Finance for Kalamunda Reticulation.*

Mr. OWEN asked the Minister for Water Supplies:

(1) Is it proposed to continue work on the reticulation of water supply at Kalamunda?

(2) If so, what finance will be provided for the work during this financial year?

The MINISTER replied:

(1) Yes.

(2) £9,000.

#### MINE WORKERS' RELIEF ACT.

##### *Amending Legislation.*

Mr. MOIR asked the Minister for Mines:

(1) Is it the intention of the Government to introduce legislation during the current session to amend the Mine Workers' Relief Act?

(2) If the answer is in the affirmative, has due regard been given to suggestions made to the Government by the Mine Workers' Relief Board and others concerned?

The MINISTER replied:

(1) Yes.

(2) After consultation with the Mine Workers' Relief Board and the union concerned, certain amendments to the Mine Workers' Relief Act have been decided upon and will be introduced.

#### HOUSING.

##### *(a) Assistance to Home Builders.*

Mr. WILD asked the Minister for Housing:

Of the £20,678 approved by the State Housing Commission by way of assistance to home builders under the scheme of supplementary financial aid, how much has already been loaned by second mortgage or guarantee?

The MINISTER replied:

Under the supplementary financial aid scheme the commission makes funds available to approved applicants only when their own moneys, which represent deposits, are exhausted. As the scheme has only been in operation since the 1st September, 1955, the commission has not as yet been called upon to meet any commitments under second mortgage.

##### *(b) Finance for Homes under Construction.*

Mr. WILD asked the Minister for Housing:

What amount would be required to complete the payment this financial year—

(a) under the Commonwealth-State housing agreement, of the 804 houses in the metropolitan area and 92 in the country under construction as at the 1st October, 1955;

(b) under the Workers Homes Act of the 214 under construction in the metropolitan area and 58 in the country as at the 1st October, 1955?

The MINISTER replied:

- (a) Estimated at £855,000.
- (b) Estimated at £220,000.

### TRANSPORT.

#### *Provision of Bus Shelters.*

Mr. ANDREW asked the Minister for Railways:

(1) Some time ago he announced that the Government was prepared to meet half the cost of bus shelters if the local authorities would also meet half the cost. What is the attitude of the local authorities concerned?

(2) If the local authorities are not prepared to agree to the Government's proposals, is he prepared to give consideration to the Tramways Department building bus shelters at the very bleak stops at the eastern end of the Causeway?

The MINISTER replied:

(1) All local authorities throughout the metropolitan area have been communicated with offering the payment by the Government of half the cost of approved bus shelters. Two local authorities have already decided to accept this offer and are proceeding with the erection of shelters. Others are considering the offer, while some authorities have in the interim decided to adopt an alternative system whereby the cost of providing and maintaining shelters will be provided by revenue from advertising.

(2) It would not be consistent with the offer made, for the Government to meet the full cost of bus shelters at the Causeway, thus singling out one local authority for special treatment.

### BILLS (4)—FIRST READING.

- 1, Acts Amendment (Public Service).
- 2, Judges' Salaries and Pensions Act Amendment.
- 3, Acts Amendment (Allowances and Salaries Adjustment).
- 4, Constitution Acts Amendment (No. 3).  
Introduced by the Premier.

### MOTION—CHAMBERLAIN INDUSTRIES PTY. LTD.

*To Inquire by Select Committee.*

HON. A. F. WATTS (Stirling) [4.43]:  
I move—

That a select committee be appointed to inquire into and report upon the affairs of Chamberlain Industries Pty. Ltd.

In doing so, I would say that I hope, within a reasonable time, to elaborate the reasons which prompt me to move this motion. Members will recall that for some considerable time, dating from early in the 1954 session, I have from time to time

asked questions concerning the position of Chamberlain Industries Pty. Ltd., and in the course of those questions have sought to ascertain to what extent the liability of the concern to the Government, either directly or per medium of guarantees through the Rural & Industries Bank, has altered since the end of the year 1952.

It will, of course, be remembered also that until the beginning of the year 1953, and for a period of something like 5½ years prior to that time, the affairs of Chamberlain Industries Pty. Ltd., so far as they are related to the Government, had been the concern of the Department of Industrial Development of which, for that period, I was the ministerial head. I was aware that at the end of that time, in particular, the affairs of Chamberlain Industries Pty. Ltd., in so far as they related to Government finance and indebtedness, had been causing the Government of the day considerable concern; so much so, that it was thought fit in the middle of 1952 to seek the assistance of Sir Edwin Nixon, a well-known and highly qualified chartered accountant of Melbourne, to report upon the company and its activities and to advise the Government of his opinion as to what should be done.

In that year, Sir Edwin Nixon made two reports to the Government and I did not, of course, when leaving the Department of Industrial Development in 1953, bring away therefrom any copies of the reports in question. I did have some minor memoranda which had been among private papers of my own and which referred to one or two points that had been mentioned by Sir Edwin Nixon, but I was of the opinion that in all the circumstances, which I hope to outline shortly, it was desirable that Parliament should be made aware not only of the contents of the reports of Sir Edwin Nixon but also of what had transpired in the period subsequent to those reports being made and up to the 30th June, 1954, because it was at that time, or shortly thereafter, that the questions to which I refer were placed upon the notice paper.

One of those questions asked for the amount of the indebtedness of the company to the Government, but I was informed by the Minister for Industrial Development at that time to the effect that the company in question was a private one and that at that stage it was not considered advisable that the information I asked for should be made public, but that if I would care to inquire at the Department of Industrial Development the information would be made available to me. A similar reply was made in connection with my request that the reports of Sir Edwin Nixon should be laid upon the Table of the House. I was informed in almost identical terms that it was not desirable that they should be laid upon the Table of the House but that if I wished to see them I could do so.

I did not take the opportunity of examining those reports in the manner suggested because I felt that the ethics of the case in those circumstances would place me in the position that I should have refreshed my memory completely as to what was in them but that I should be unable to use the information for the benefit of other members of this House and that they would not be able, if they wished to do so, to peruse those reports, and so I preferred at that stage to leave the situation as it was. In addition, of course, it will be apparent, as it was to the Minister in making his reply to the other question, that as I would have some idea of what the obligations of the company to the Government were, at or about the time when a change of Government took place, my request that I should be informed as to the amount by which the indebtedness of the company to the Government had increased, would doubtless enable me to make some reasonably accurate estimate, at all events, of what the total obligation was.

There again I felt that the answer given me by the Minister was most unsatisfactory for it should be made clear to everyone here that this concern is a private one in name only. In a few minutes I propose to demonstrate why I say that. Recently an effort was made in another place to have the papers laid on the Table of the House there, but so far the motion has not been put to the vote. However, I was informed yesterday that the reports in question are now within the precincts of Parliament House although not laid upon the Table of the House and that I was at liberty to examine them. They were made available for such purpose by a Minister in another place.

Again I felt myself somewhat restricted if I followed that procedure and I considered that unless a resolution had been carried and the papers laid upon the Table—as in my opinion, they should have been—it was only practicable for me to check such memoranda I had on the question so that I would not—to that extent, anyway—inform the House incorrectly, and that is all I have been able to do. Members will recall that Chamberlain Industries Pty. Ltd. was founded—if that is the right word to use—prior to 1947 and during the term of office of the present Premier as Minister for Industrial Development. He and the Government of the day entered into certain obligations with the company which, of course, were not completed when the Government of which he was a member went out of office in 1947.

However, pursuing the principle which I think every Government of repute has pursued in Western Australia and probably elsewhere, the Government that took office in 1947 proceeded to ensure that those obligations were carried out. They

were carried out in a period of greatly rising costs and in the face of—in some instances, if my memory serves me right—considerable difficulty in obtaining materials. So much so that, firstly, the expenditure that was to be undertaken or guaranteed by the Government was considerably in excess of the original estimate and, secondly, there was a measure of delay in bringing the operations of the company into being; in fact, so much so that it was quite impossible for it to start any formal production until comparatively late in 1949.

In the intervening period, of course, considerable money has been expended and either made available to the company in cash by the Government or per medium of guarantee through the Rural & Industries Bank and also per medium of an arrangement with the Commonwealth Government for the transfer of a great number of tools and machines which had either been used or obtained and not used by the Commonwealth Government for munitions and such work during the last war. A great many of these tools and machines were brought to Western Australia and placed at the works of Chamberlain Industries at Welshpool and also, in some cases, there was some additional machinery acquired which did not come under that heading.

To show the net result I shall in a few minutes give the figures as they stood at the 30th June, 1951. Those figures, I might say, have been obtained by me solely from Section "A" or the Auditor General's report for the years 1952, 1953 and 1954. It has been impossible to obtain similar information on the situation as at the 30th June, 1955, because Section "A" of the Auditor General's report is not yet available for that year. A reference to "Hansard" of this session would disclose that, some few weeks ago, I asked when Section "A" of the Auditor General's report would be likely to be tabled in this House and the reply was, I understand, that it should be available by the end of October.

However, inquiry yesterday evidenced that it is not yet to hand. Therefore I am unable to inform the House as to what the respective obligations are, or were, as at the 30th June, 1955, and I am obliged to confine myself to the period ended the 30th June, 1954, in the absence of other authentic information. It is on record, anyway, that the company was incorporated under the Western Australian Companies Act, 1946, with a nominal capital of £500,000 in £1 shares. Its subscribed capital was £50,005 in £1 shares. The consideration for those shares was goodwill, £47,250, and patents, £1,750, leaving a balance of £1,005 which, so far as I can gather, was paid in cash and represents the only actual capital provided by the subscribers in cash.

So it will be clearly seen that except for some collateral security over certain limited assets in Victoria given by the persons responsible for the negotiations with the Government and some collateral guarantee by the Commonwealth Government to cover any losses that might be made by the State, not exceeding, in all, the sum of £40,000—neither of which up to the present time has actually produced any money—the whole of the foundation of this organisation has been the responsibility of the Government and of the Treasury through the Rural & Industries Bank, to the extent that that bank is involved in the matter.

In consequence, I would say, without fear of successful contradiction, that it is hardly reasonable to regard this organisation as a private company. Surely it is one in which Parliament must take considerable interest—especially in this House—where the responsibility for the finance of the State primarily lies!

I want to contrast the evident reluctance of the Minister to supply me with any information at all as to the position of this company, except on the basis of personal perusal of the papers at his office, which, in my opinion, is tantamount to binding me to secrecy, with the situation which prevailed so far as the Treasurer was concerned in regard to another organisation which has been financially assisted by the Government, but the circumstances respecting which in regard to the amount of money that its promoters have put into it, are very substantially different from the case I have just referred to, namely, Chamberlain Industries Pty. Ltd.

On the 29th September, when introducing the Budget in this Chamber the Treasurer referred to the obligations of the Government in respect of financial assistance to Cockburn Cement Pty. Ltd. and gave some details regarding the £1,100,000 that had been provided in various ways by the Government, and intimated that under the agreement made with the firm other funds might have to be advanced. He made no bones about supplying those figures to this Chamber for the information of members, and to that I take not the slightest exception, because I think it was the right thing to do not only in that case, but also in the case with which I am now dealing.

So far as the latter company is concerned there was no information provided to me except, as I said before, on a secret basis in connection with the financial obligation of the company to the Government of the State, substantial as they are and as I shall show in a few minutes. So, later on after the Treasurer had introduced his Budget, anxious to demonstrate to the House when the right time came as to what were the essential differences between the £1,005 of the subscribed capital in cash of Chamberlain Industries Pty. Ltd., and what

I believe were the very considerable cash subscriptions of those connected with Cockburn Cement Pty. Ltd., I asked the Treasurer some questions.

I was informed that the subscribed capital of Cockburn Cement Pty. Ltd. was not less than a sum of £450,000, and that had been put up in cash either by local shareholders or by Rugby Portland Cement Co. Ltd., and in addition to which that company had provided by other means substantial contributions to the capital of Cockburn Cement Pty. Ltd. So it was quite obvious that a very substantial amount, running into many hundreds of thousands of pounds, had been contributed by the various shareholders of Cockburn Cement Pty. Ltd. But that was a private concern! That tremendous contribution to the working capital did not, in the Treasurer's mind apparently, justify him refraining from informing the House as to the obligations that had been incurred by the Government in respect of that particular company. In those circumstances, it was impossible for me to justify in my mind the reluctance of the Minister in giving the information relative to Chamberlain Industries Pty. Ltd., when the obligations of the Government in comparison with the subscribed capital by the persons engaged in bringing the company to fruition, were very much greater.

It seemed to me that it was necessary that all the circumstances should be brought before the Legislature in order that it might determine what would be the position of the Government in regard to this concern in the future, because I had at the back of my mind the knowledge that the report of Sir Edwin Nixon had not been particularly complimentary, and did not appear to me, from my recollection of it, to justify considerable further advances to the company after the report had been made. I recollect, and I had a memorandum of the statement made by Sir Edwin Nixon that he could not recommend the Government to continue financing the operations of the company.

I had already taken the opportunity to check the statement to see if it had been made by him, and I found that it had. It will be remembered that the planned capacity of the works was eight tractors per day, which was about 2,000 a year, reduced to a year of working days. I am aware that that capacity has never been approached and I am unable to indicate whether it was not approached because there was an insufficient market, or whether the concern was not sufficiently efficient to enable the capacity to be approached. Suffice it to say that it has not been reached.

The business of Chamberlain Industries Pty. Ltd. in consequence—and it will be quite obvious from the figures shown in the Auditor General's report which I shall

read in a few minutes—suffered very heavy losses indeed over the period of years. Such losses, if they have not been borne by the State, have at least been added to the obligations undertaken by the State through the Rural & Industries Bank. I submit, and I hope to prove in a few minutes, that those losses have had a most detrimental effect upon the Rural & Industries Bank. I think that is a matter of the greatest importance when one reviews the relationship between that bank and the general community of Western Australia, and the problems that are facing the Rural & Industries Bank and those who would be its borrowers at the present time, were the bank in a better position to increase its business, as I have no doubt from many aspects it desires to do.

However, here are the figures as disclosed in the Auditor General's reports. On the 30th June, 1952, they show a liability on the foundry building of £55,487. I might say that that foundry building liability, if my memory again serves me correctly, was to be repaid to the Government by 76 half-yearly instalments, plus interest at 4 per cent. Now there is clear evidence in the Auditor General's figures, which I shall quote shortly, to indicate that it has not been decreased at all from 1952 to 1954.

The next item of the liability was machinery under hire purchase agreement. I have already referred to where that machinery came from. It was, of course, acquired by the State from the Commonwealth and subsequently, by agreement with the company, supplied to it under certain terms. It was valued for that purpose at the 30th June, 1952, at £279,005, and there were other machinery items not under the agreement amounting to £4,848. There were rent and sales outstanding amounting to £4,266, together with rent and instalments on machinery outstanding of £12,809, making a total of £356,415 on those several counts.

The Rural & Industries Bank liability on Government guarantee at the 30th June, 1952, was £1,756,193, so that the total obligations on all those counts as at the 30th June, 1952, according to the Auditor General's report, amounted to £2,112,608. Now we turn to the 30th June, 1953, and we find that the liability on the foundry building was unchanged at £55,487; the liability on machinery was also unchanged at £283,853; rent and instalments outstanding had increased by £8,643, to a sum of £24,918; making a total of £375,133.

Instalments due and unpaid had reached a total figure of £79,275, which was an increase of about £40,000 from the previous year, and the account at the Rural & Industries Bank as at the 30th June, 1953, had only increased by £44,000 to a total of £1,800,000. That increase of £44,000

would be something less than the interest which would have been charged on that account at the then ruling bank rate of interest, on the preceding year's debt of £1,756,000. So it was quite obvious that from the 1st July, 1952, to the 30th June, 1953, there had been no considerable increase in the Rural & Industries Bank liability and there had only been a failure to pay the current instalments on machinery and the like to which I have referred during that period.

Broadly speaking, the position of the company had changed little if any from the 12 months before. In the intervening period the report of Sir Edwin Nixon was made in which he set out certain recommendations to the Government of the day which, if I remember rightly again, had resulted in the constitution of a committee consisting of the chairman of commissioners of the Rural & Industries Bank; the then Under Treasurer, Mr. A. J. Reid; and the Director of Industrial Development, Mr. Temby. They were to supervise for the period recommended by Sir Edwin Nixon the affairs of this company with a view, at the end of the limited period which he recommended and which, from memory, was about nine months, to recommending that, if it had not been able to keep within a budget during that time steps would be taken to relieve, as quickly as possible, the liability of the Government, and make the best arrangements that could be made for the carrying on of the company by some other means. That nine months' period had not expired when the Government prior to the present one went out of office; and I have not the slightest information, nor have I sought it, as to what recommendations or actions have been made or taken in the meantime, except in so far as they are disclosed by subsequent reports of the Auditor General.

But I want to stress at this stage that there was undoubtedly considerable substance in the recommendations of Sir Edwin Nixon; and I think that if members go through his reports and read them, they will realise the very cogent reasons why that distinguished gentleman—now, unfortunately, passed away—gave the advice he did on the lines he did. But it is quite obvious from subsequent behaviour that nothing like that advice has been carried out, and the obligations of the State have been allowed very substantially to increase, and that is where any criticism or disputation I have to make commences.

I am compelled to refer now to the Auditor General's report for the 30th June, 1954, and I find from that the liability on the foundry building is still unchanged at £55,487. The machinery accounts—hire purchase and other—are virtually unchanged at £283,603; and rent and instalments outstanding have increased by over £16,000 and reached the figure of £36,285. So the

total debt at that date on those accounts is £392,448, but the indebtedness guaranteed through the Rural & Industries Bank had in that period of one year increased from £1,800,000 to £2,335,393, a total of £535,000 for the 12 months.

Naturally, I could wish that I had the figures for the year ended the 30th June, 1955. I do not know whether they would disclose any better position or any worse one. The fact remains that I have not got them and cannot obtain them at this stage. Therefore, so far as I am concerned, the latest information I have is that the total obligation to the Government by the company was approximately £2,730,000 as at the 30th June, 1954. That, in anyone's language, is a very considerable sum of money; and I venture to express the opinion that it would require the most careful and fortunate realisation, supposing a realisation were to be attempted, to produce that sum from the total assets or securities of the company.

One would have thought that in those circumstances there would be some attempt to regulate to some greater extent the operations of this concern. But what do we find? I do not object to its turning out another form of tractor; but the vehicle that has been turned out—a high-speed, many-speed tractor produced in recent months—was, in my opinion, not justified and will not find a ready market; and it is of such a nature that, in view of the past experience of the organisation, the company would have been well advised to keep it off the production line.

There are other aspects of the matter. A question was asked in this House as to whether there had been any increase in the capital of the Rural & Industries Bank from loan funds between the 31st March, 1953, and the 30th June, 1954, and the answer was, £1,350,000. Advances to the Rural & Industries Bank for increased capital out of loan funds are a usual and an appropriate method, and to the advance to the bank out of loan funds as such I take not the slightest exception because, in my opinion, it is desirable that the bank, which was constituted for the development and maintenance of industry in Western Australia, is entitled from time to time to an increase of capital from the Government in order that it may increase its business and cope with the requirements of those already its customers and desire to extend their activities.

We have already heard from the member for Roe—and I could quote a number of cases that have come to my own knowledge—that the Rural & Industries Bank in recent times has apparently faced considerable difficulty in providing funds for those engaged in rural development in this State to such an extent that, according to the points raised by the member for Roe—both in deputations and as reported in the Press and this House—deserving persons have

been hamstrung by the apparent inability of the organisation in question to assist them, presumably because of its limited resources.

But out of £1,350,000, which was provided from loan funds during that 15 months period, no less a sum than £535,000—or approximately 43 per cent.—was devoted to the increase of the obligations of Chamberlain Industries Pty. Ltd. immediately subsequent to a time when an eminent accountant engaged specifically for the purpose of advising the Government as to what should be done in regard to a somewhat difficult proposition, had recommended that great care should be exercised in making any further advances, or—I think—that it would be unwise to make any further advances at all.

So it is quite apparent to me that it would have been far better for Western Australia if the £353,000 to which I have referred had been available to the Rural & Industries Bank for what might be called its ordinary business activities rather than channelled by Government guarantee along the line I have just mentioned. Or, alternatively, if you like it better, Mr. Speaker, it could have been more advantageously used by the State Government itself, as loan money, in developing some other Government activities in Western Australia or relieving some of the terrific outstanding enterprises which we have been told have been suffering for lack of money. I refer, for instance, to the 337 classrooms required by the Education Department before the third month of next year commences. It would have been a much better proposition, in my view, if a tight rein had been kept, as Sir Edwin Nixon proposed, and as appeared from the year's transactions to be warranted, upon the financial resources of the organisation we are now discussing; and that the money in question, if it had gone to the Rural & Industries Bank at all, had been used for other and more desirable purposes associated with the development of Western Australia. At least, that is how it appears to me.

It should be remembered that not only does the company, in the sale of its tractors, receive whatever the sale price is, but also a sum of approximately £240 for every such tractor by way of bounty from the Commonwealth Government. In 1951-52, according to answers to questions given to me by the Minister for Industrial Development on the 20th October last year, the amount of bounty paid on tractors by the Commonwealth was £52,128. For 1952-53, the amount was £53,376; and for 1953-54, it was £86,144. I think it was in that year that the bounty was raised to £240, it having been a much lower figure previously. I remember when the bounty was first granted, because the application of the company was supported, as we were anxious to do the best that could be done

for this concern at the time, by the Department of Industrial Development, when I was at that department.

This concern has, it is also true, in the intervening years, made some very useful agricultural machinery. But there is no evidence, in my opinion, that it has been providing that machinery—other than tractors, which have been covered by the bounty—at any less a price as compared with the comparable machines provided by its competitors. Yet it still continued to make losses. Remembering the remarks of the Premier a few weeks ago on some of these questions, I think I am quite justified in concluding quite clearly that these other concerns have made pretty substantial profits from the sale of the machines. Yet, in another place, when questions were asked a few weeks ago as to the difference in price between the products of Chamberlain Industries and the comparable products of other concerns, we found that there was little or no difference between the price of the articles manufactured in this State and that of those manufactured elsewhere and brought here; and, therefore, so far as the individual purchaser was concerned, there was little or no benefit to be derived from the purchases.

There was a short period, I admit, when this State was finding it very difficult to obtain agricultural machinery. It was during that time I suggested to Mr. Chamberlain that he might consider the manufacture of one item of agricultural machinery that was in very short supply—which he did. But that position has considerably changed in recent times. Competition is extremely fierce. Nothing has been indicated by answers to questions which shows that persons who buy products manufactured by this company are obtaining a considerable saving in price. Yet the company is apparently continuing to make a substantial loss, which, up to date, so far as my information goes, the State is glibly paying for, to the detriment of the Rural & Industries Bank, or public works, or some other branch of the State's activities.

This is a brief summary of the situation as I see it in regard to Chamberlain Industries Pty. Ltd. I have made no reference to any obligation of the company other than that to the Government. I remember that at one time it had fairly considerable obligations outside, and that may be the position today also, but I do not know. I think that when £2,750,000, or thereabouts, of the State's money is involved in a concern of this nature, and when little or no information is provided on request to members, it is time we began to interest ourselves in finding out just what the position is and what the future of this organisation might be.

Time taken by the forelock might result in this organisation being put into the position where it could continue to make

a considerable contribution to the industry of the State, but if it is going to continue as, apparently, it has during the last 2½ financial years, then its contribution to the finances of the State will result only in a substantial writing off. In our history we have had an appreciable number of experiences of this sort, and we can readily dispense with another, if it is at all possible to dispense with it.

If by a reorganisation of the activities of the company it can be put on a basis—perhaps by a writing off—where it will be able to carry on successfully, with the prospect of expansion, I would be the last person to refuse the opportunity for that to be done. I have no desire to prevent it from carrying on in that way if there is any reasonable prospect that it is likely to do so. On the facts as they appear to me, however—I have not been able to get any other facts up to this juncture—there does not appear to be a great prospect of that happening. But I may misinterpret the facts I have.

So I have come to the House this evening to ask it to support me in an effort to put some responsible members of this Chamber on an inquiry as to what should be done in regard to this company; to find out the good aspects—I have no doubt there are a number—and the bad aspects, where they may exist; and to call in expert advice if necessary to determine what can be done in order to put the company, if this is possible, on a basis where it can carry on successfully. I am not prepared, without more knowledge and better assurances, to allow any increase in the liability by guarantee, or any other means, of this organisation to the Government of the State—it is too large already—unless there are some particularly cogent reasons, which no one has attempted to explain, why an increase should be made.

In the meantime I cannot but stress this point, that 42½ per cent. or 43 per cent. of the capital advanced out of the depleted loan funds that were made available to the Rural & Industries Bank in the year ended the 30th June, 1954, have been passed over to this organisation without the slightest reason or justification being afforded to Parliament. This leaves me with the impression that other and more deserving sections of the State's activities have been deprived of moneys which should have been available to them. I want the answer to that question, too. For these reasons, I move the motion standing in my name.

On motion by the Premier, debate adjourned.

#### **BILL—HEALTH ACT AMENDMENT.**

Returned from the Council without amendment.



**ORDERS OF THE DAY.***Postponement of Items.*

**Mr. OLDFIELD:** I move—

That Orders of the Day Nos. 1 to 6 inclusive be postponed until after the consideration of Order of the Day No. 7.

**Mr. COURT:** I realise that the hon. member wants Order of the Day No. 7 brought forward because, apparently, there was some misunderstanding regarding the method by which the item was postponed last Wednesday evening. Would it be out of order for me to ascertain at this stage whether the Minister proposes to speak on the measure? I notice he is not present in the House. The Bill is a vital one and a matter of policy is involved. I think the House is entitled to hear from the Minister, or from some other Minister, an expression of opinion as to the Government's view.

If the Government proposes to seek an adjournment of the debate on this Bill so that the Minister can express the Government's view at a later date, I personally would not oppose bringing the item forward on the notice paper. I point out that there are two private members' Bills in my name on the notice paper. By virtue of the fact that they had to go to select committees to comply with the procedure, I have been waiting for some time to have them dealt with.

If this motion is carried, it will further delay the introduction of those Bills, at the second reading stage; and doubtless the Government would seek an adjournment of the measures in question, which would cause a still further delay. I would like to know whether the Government proposes to express its views on Item No. 7, either tonight or on some subsequent occasion during the course of the second reading debate.

**The PREMIER:** Order of the Day No. 7 is the Retailing of Motor Spirits Bill. I point out that the members of the Government are allowing this to be a free question among the Ministers. There is no Government determination on the question of whether the Bill is good, bad or indifferent, but I think it will be shown as the debate proceeds and as votes are taken, if any are taken, that most, if not all, of the Ministers will support the Bill.

**Hon. A. F. WATTS:** As the private member who is probably most affected by the motion of the member for Maylands, I would like to say that I support the hon. member. It has not been usual to interfere with the rotation of private members' business, but last week, apparently by some misunderstanding, the Minister moved that this item be postponed and then immediately moved the adjournment of the House. Had he moved the adjournment of the House first, the hon. member's Bill would have been ahead of mine

on the notice paper, which is where it ought to be in rotation. That is why I offer no objection to the motion.

Question put and passed.

**BILL—RETAILING OF MOTOR SPIRITS.***Second Reading.*

Debate resumed from the 12th October

**MR. LAPHAM** (North Perth) [5.40]: I support the second reading of the Bill which, I feel, has considerable merit. It seeks to establish the independent retailing of motor spirits. On the face of the measure, I think it seeks to achieve something which is ideal, and something to which we should aspire. In effect, the Bill seeks to re-establish the prewar arrangements in relation to the reselling of motor spirits because it endeavours to establish the competition that then existed. If it is agreed to it will bring about a return to the time when the motorist could stipulate the brand of petrol or oil he desired to buy from one reseller.

Personally I have made a practice over the years of using Shell petrol and Mobil-oil, but under the present system I am debarred from purchasing the oil and petrol from the one reseller, much as I desire to do so. As a motorist I feel I should not be pushed around by any oil company, and I imagine that other motorists are in a similar position. They do not appreciate being dictated to; they do not like to be the butt of any dubious practices for the purpose of being compelled to take a particular brand of petrol or oil. This is something which I consider is not right. This take-it-or-leave-it attitude does not, to my mind, fit in with normal business activities.

As I see the Bill, it has a two-fold purpose, namely that of giving greater service to the motoring public by way of greater freedom of choice, and that of suppressing the ruthless business practices by huge combines to the detriment of small business concerns, by the method of removing the need for such practices. The Bill seeks to give greater service to the motorist by providing that wherever a service station proprietor is desirous of purchasing for resale any number of different brands of petrol or oils, he shall be able to do so; and, further, it will be obligatory on the wholesaler to supply him.

Unfortunately the position today is that the wholesaler has agreed to supply only one brand of petrol. I feel that the wholesalers have combined in that agreement to supply only one brand of petrol. Candidly, I do not like this system. It was introduced in August, 1951, and at the time I thought it would act harshly not only on the motorist but also on the reseller. I felt it was in restraint of trade; an elimination of competition; and a stifling of free enterprise. Whilst I admit

that competition, if it is allowed to go to extreme lengths, is just as dangerous as having no competition at all. I do feel that we should allow competition by way of granting to petrol resellers the right to sell more than one brand of petrol at a service station.

That is what the Bill provides for. When solo brand marketing was introduced stress was laid on the fact that there would be no coercion. Statements were made in the Press, and in a number of journals circulating throughout the motor-ing trade, that the scheme was to be on a purely voluntary basis. I feel that in some instances it started off that way.

One of the reasons advanced was that it would be a method of effecting economies in wholesaling and I can understand that for a start the system did that. But as events have proved, the economies that were effected have been dissipated because more service stations now have to be serviced. The saving that was felt at first has now been entirely eliminated. In some cases, because of the statement that it was to be a voluntary scheme, service station proprietors decided to continue with the multiple brand reselling as they were not keen on the proposal.

I know that the service station that I visited at that time stuck out for the multiple brand style of reselling and, as a consequence, the oil companies refused to supply the proprietor with electric pumps and he was forced to continue to operate on the manual system, which is considerable slower than the electric pump system. That made a big difference to his business and I feel that the petrol companies, in that instance, were not adopting the idea of having the scheme on a voluntary basis but were using coercion. In effect, they were dictating to that petrol reseller. They told him that if he did not adopt the one-brand system, he would not be given electric pumps.

For my part, I am not sure that the underlying factor was the effecting of economies. I am wondering whether it was a lying factor rather than an underlying factor because after the scheme was put into operation, there was an increase in the price of petrol. We were told that the companies were marketing a new petrol with a higher octane rating; it was supposed to be better petrol. Like a number of other motorists who were misguided and unfortunate, I used that petrol but found no difference whatever in the performance of my vehicle. As a result I have reverted to the original brand. I think that some examination of this petrol should be made to ascertain whether it does come up to the standard mentioned in Press announcements, because I do not think that petrol companies should be permitted to charge an additional 3d. per gallon for petrol without having substantial reasons for so doing.

In the first place, when it was thought that economies would be effected, I believe that the public generally had an idea that there would be a decrease and not an increase in the price of petrol. I do not say that the public were whole-heartedly behind the idea of one-brand marketing but, as a consequence of announcements, people did not voice any opposition to the system. But today one hears numerous complaints from motorists because they feel they should have the right to purchase the petrol and oil they want from the one service station without having to get, as an example, their Shell petrol from one retailer and their Mobiloil from another retailer down the road.

When the one-brand system was introduced, the petrol resellers were given an assurance that it was definitely a voluntary scheme, and should occasion demand it they would have the right to alter their supplier. But what actually happened? After the one-brand marketing system was successfully introduced, the oil companies decided among themselves not to supply petroleum products to service stations marketing another brand. If a service station proprietor decided not to market any brand of petrol that station had to remain empty for a period of two years before any petrol, other than the brand originally supplied, could be sold. I feel that that is definitely coercion.

It appears to me that the oil companies combined to do a certain thing, and that was to steamroller the reseller and as a consequence subject the motorist to a take-it-or-leave-it attitude. Under normal trading conditions, retailers purchase their goods from any or a number of wholesalers. But this tied system of selling petrol cuts across all normal business practices. It frustrates normal business activities and I do not think it is a moral method even in the business world of today.

I have endeavoured to ascertain what was behind all this manoeuvring. Did the oil companies really intend to effect economies? Did they really think they could effect economies? What was the real factor behind their desire to introduce this system? Did they intend to force the small service station owner out of business, except where the owner was prepared to suffer their dictates? Those questions have activated my mind considerably since the one-brand marketing system was introduced. After the system was introduced the petrol companies gave many reasons why they desired to set up opposition petrol resellers.

Where one reseller was sufficient to meet the needs of a normal community in a certain locality, we now find that the petrol companies argue that as they do not have their petrol marketed in that locality they are entitled to set up an opposition reselling station. As a consequence, there

are now four or five petrol stations in localities where one operated before. Because there are more petrol reselling stations in the locality does not presuppose that more petrol and oil are being sold. All it means is that the turnover for that locality, instead of being controlled by one or perhaps two individuals, is now distributed over a number of them. That also means that the profit which a reseller normally received is now spread over a number of them in the area.

This necessitates proprietors keeping their premises open until all hours of the night and I have not the slightest doubt that their aim is to try to catch the sale of every gallon of petrol possible so that they can exist. It is only reasonable to assume that proprietors of petrol stations were not making a colossal fortune prior to the one-brand marketing scheme. I am of the opinion that they were conducting their businesses in a normal way and reaping a small profit. But with the introduction of more service stations, it is only reasonable to assume that the profits made by the original service stations will now be distributed among a much larger number.

I think this will have only one effect; it will mean, ultimately, that the individual who purchased and operated a service station in the normal way will be forced out of business. He will be forced into bankruptcy because of undue, and I say, unfair competition. He will be forced into bankruptcy because the oil companies are prepared to erect service stations in close proximity to one another with the underlying idea of forcing the owners of the original service stations out of business because, in most instances, the new service stations are owned by the oil companies.

It is one way of overcoming the difficulty of someone having a business that someone else wants but does not actually intend to pay for. By this unfair means of competition the petrol companies will ultimately own all the service stations and will be able to dictate the method of distribution, the hours of work and everything appertaining to the reselling of petrol. It will mean that the small businessman, as we know him today, will have to go out of operation because he cannot stand up to the unfair competition. I support the second reading of the Bill.

**MR. COURT** (Nedlands) [6.1]: I do not support this measure with the same enthusiasm as does its sponsor, or the member for North Perth, because I happen to have some personal knowledge of what went on in the game up to 1951.

**Mr. Oldfield**: Do not you think we all have?

**Mr. COURT**: After closely studying the Bill, and the speech of the member for Maylands, I have formed the opinion that Parliament is, in effect buying into what

could be termed a domestic argument within an industry. If that is the case, I cannot see why we should buy into a fight as it were, and endeavour to arbitrate one way or the other. As I see the simple logic of the proposition, it is obvious that the wholesalers will want the retailers to be prosperous and to continue in business, because, regardless of whether the sites are at the moment owned by the operator or the wholesaler they are, nevertheless, outlets for the wholesaler's products.

If, as the member for North Perth suggested, the wholesalers were on a campaign of trying to annihilate some of the resellers, they would obviously be reacting against their own selfish interests. They would obviously be caught on the rebound if there were a mass series of bankruptcies of resellers in petrol and oil.

**Mr. Lapham**: They get their business very cheaply.

**Mr. COURT**: The hon. member does not give them much credit for common-sense. It is as damaging to a wholesaler for a reseller to go bankrupt, particularly when we see their name branded all over the service station, as it is for the man himself. If we paused to think for a moment, we would find that any company would feel the repercussion in the district of one of its particular service stations going bankrupt, when others who have their names emblazoned on nearby service stations are succeeding.

**Mr. Oldfield**: If they go broke, the oil company buys them up and puts in somebody else on unfavourable conditions.

**Mr. COURT**: I will in the course of my remarks demonstrate that a search in the bankruptcy courts indicates that there is not a mass series of bankruptcies; in fact, the number is few. It is no more for resellers than for other traders. Having further examined the reasons for bankruptcies of various people, be they resellers of petrol and oil or traders in any other sphere of activity, I can say that is so.

**Mr. Oldfield**: Everybody does not have to go through the Bankruptcy Court when they go broke. Some people get out in time, salvage what they can and quit.

**Mr. COURT**: I suggest the hon. member could deal with these several points in is reply because they are appropriate matters on which we would expect him to make observations. In his second reading speech, he dealt at some length with this aspect and if he does not agree with the proposition and information I put forward, I will be a ready listener to what he has to say when endeavouring to refute the facts I put forward. The position up till 1951 should be particularly emphasised to members of the House.

There was a time—which is hard to understand in view of what we are told about these "ruthless" oil companies—when they were in the position of being

dictated to by the resellers through the resellers' organisation. There will be members in this House who tried during that period, from the end of the war up till 1951, to have pumps installed in various sites for ex-servicemen in particular.

If members examine the records they will find that even the R.S.L. bought into this problem on occasions on behalf of ex-servicemen who were seeking sites. At that time the resellers' organisation, by whatever name it was called, was in a position to dictate as to whether a pump went in or not. It got to a stage when it was inevitable that a "bust" would occur, and I feel that is precisely what has happened.

It would have been very good, of course, for the resellers as a body had there been no further installations in the postwar years, because there would have been an ever-increasing volume of petrol with insufficient outlets for the sale of the product. I am prepared to concede that in some ways the pendulum has swung too far the other way. We have got to the stage where there is an unprecedented development in service station sites and through that medium the outlets for petrol and oil are more than adequate. But I feel that just as the pendulum was too far on the other side up to 1951, it may have swung a little too far this way now, but, in the ordinary course of economics, I am confident it will adjust itself.

That the wholesalers do not want the resellers to go broke is in itself sufficient reason why this position will find a commonsense level without any interference by way of legislation. In all the submissions that have been made, both in this House and in public statements, very little seems to have been said concerning the interests of the public. After all it is the motorists who should be our prime consideration, because they are in the greater numbers. It is the public that has to be served, and the service stations, as their very name indicates, are there to serve the people.

It cannot be denied that the service available to the motoring public today, as distinct from the period up to 1951, has improved immeasurably. I think the member for North Perth will agree that service station sites generally are more pleasant. They are brighter, and in better condition; and the service to the public has been improved by virtue of the fact that there is pressure on the owner of the site, or the operator of the site, to improve his standard if he is to compete with his opponents.

Mr. Lapham: It has gone too far.

Mr. COURT: I think I dealt with that point. I said that it may have gone too far, but that commonsense would adjust the position. We would not welcome a return to the position as it existed up to 1951, but the resellers made their fatal

blunder when they did not retain a degree of control after that year by negotiating on a more liberal basis and acknowledging the expansion that was taking place in our community in relation to increased population and the development of vast areas. Rationing was lifted and there was an increasing number of vehicles, not only in total, but in proportion to the State's population.

For my part, I have examined what the ultimate effect of this Bill will be, and it is to this particular point that I would like members to give serious thought. Are we wise in the interests of the resellers to accept this legislation in its present form? This is a point on which the sponsor of the Bill can let us have his views, if he feels so inclined, when he replies. It is my considered opinion that, taking it over a period of five to 10 years, the resellers will curse the day this measure ever got on to the statute book if it does so in its present form, because, to my mind, it is a challenge to the oil companies to find a way around this particular legislation as it is at present drafted.

Hon. J. B. Sleeman: It has been rumoured that two or three more companies are coming here; there are the Atlantic and the Golden Fleece.

Mr. COURT: To explain why I think this measure can and will be against the best interests of the resellers, I would point out that approximately 10.5 per cent. of the service station sites are owned by the oil companies. It is logical to assume that they are not dud sites. I cannot imagine experienced operators buying dud sites. Accordingly, we can assume that about 10.5 per cent. of the sites are equivalent to more than 10.5 per cent. in effective output of the total petrol and oil sold in this State.

Is not it logical, if the provisions of this Bill become law, that the companies—when the leases of these places expired—would, as a matter of ordinary business prudence, elect to man the stations with their own managers and staff, and operate them as essentially company-owned and operated stations?

Mr. Heal: There are some like that now.

Mr. COURT: Very few. There are two training stations, and they have a sound use to the operators who are related to the company whose products are sold at these training stations.

The Minister for Housing: If the set-up became as monopolistic as you suggest, it may be necessary to limit the number of stations owned by one company.

Mr. COURT: The Minister is developing another angle altogether and the Government has not seen fit to bring down legislation in that regard.

The Minister for Housing: It has no intention of doing so, either.

Mr. COURT: I am pointing out to members what would be the natural reaction of people who found themselves confronted with this type of legislation. There is an old British saying, uttered by no less a person than the Chief Justice of the day in the United Kingdom, to the effect that one "cannot expect the British subject to cheerfully put his head in the alligator's mouth." I think at the time he was referring to the fact that every British subject has a right to so rearrange his affairs as to contribute the minimum amount to revenue. He was referring in particular to taxation.

But the same principle is applied throughout the British law, that if one can so arrange one's affairs and keep within the law, one is entitled to do so. Does not it follow that these people will examine the Bill and say "What can we do to relieve ourselves of the potential liability of this measure?" I cannot imagine that members in their wildest dreams will think that the Shell Oil Co. would be thrilled if, in using the provisions of this Bill somebody bought a pump and demanded Vacuum products to sell in a service station the freehold of which was owned by the Shell Oil Co.!

If we were the owners of the freehold site we would not be amused at such a position. To overcome that position one suggestion to these people would be for them to give serious consideration to managing and operating the sites that they own in Western Australia, with their own staffs.

The Minister for Housing: Then Parliament would have to give serious consideration to that situation.

*Sitting suspended from 6.15 to 7.30 p.m.*

Mr. COURT: I had endeavoured to state some reasons why I consider that this Bill could react against the interests of the resellers whom it seeks to protect. The point was that these companies, finding themselves in difficulties on account of the operations of this measure, would be tempted to resume control of the wholesaler-owned service stations and appoint managers and staff to operate them in the way they desired, and as I see the position, they would not then be subject to the conditions of this measure. If that happened, I am of opinion that the game would be on, and the resellers would be the first to suffer, because so much could be done if the wholesalers really attacked the problem vigorously to the advantage of the wholesaler-owned stations and to the detriment of the independent stations.

Furthermore, I suggest that this fact alone would tend to encourage the wholesalers to acquire further stations in addition to those they have at present and so, as the plot unfolded, they would in

self-defence be manoeuvred into a position whereby the future security of the resellers would be imperilled and they would be reduced below the state of affairs that exists today.

Mr. May: Do you think they would go on acquiring more stations?

Mr. COURT: I cannot imagine that they would go on willy-nilly buying up sites here, there and everywhere. They have a reasonable number. I cannot say whether or not they would buy more; I have no reason to say that they would or would not, but there is a saturation point beyond which even the most imprudent person will not go.

To summarise my points so far, there are several reasons why I consider this Bill would not be in the interests of the resellers and would be premature. Firstly, we have other proposed legislation before us that seeks to protect traders against restrictive practices. That legislation has not yet been put on the statute book and therefore has not been given a trial. If that measure proves to be worth while, it follows that such a Bill as this is unnecessary, and why we should pass unnecessary anti-restrictive legislation is beyond my comprehension.

Mr. May: It has become very prominent.

Mr. Norton: Do you support the other Bill?

Mr. COURT: I have already supported the second reading of the other measure. It follows that the greater includes the lesser, and if the other legislation proves to be satisfactory to deal with restrictive practices, then obviously this measure is not necessary. Secondly, I feel that the measure would act against the resellers and that is a very cogent reason for examining the Bill very closely. Thirdly, I consider that the matter is the subject of an internal quarrel within the industry and does not require legislative action to correct it. Fourthly, I consider that the people are being very well served at the present time and that they are entitled to be considered. Fifthly, those who had experience in the postwar years to 1951 were not greatly impressed with the manner in which the association representing the retailers controlled their affairs in respect of the approval or lack of approval of new sites.

Now to deal with the second reading speech of the member for Maylands in some detail, I wish to make several observations and will endeavour to go progressively through the points in his speech, having regard to the limited time available to me.

Mr. Oldfield: Is that why the companies want a week's adjournment?

Mr. COURT: That remark hardly calls for comment and is not becoming of the hon. member. It is important that we

should approach such a measure as this objectively and try to clarify the position and the objective to be attained. The hon. member prefaced his remarks by claiming that there had been an overbuilding of petrol stations. Superficially, that would appear to a layman like myself to be true, but based on actual figures of petrol sold in 1954 as against 1950, the position is not as it would appear to be on the surface.

The retailers in 1950 numbered 909 and in 1954 they were numbered at 1,232. I could not obtain the total as at the end of October, 1955. That represents an increase of 35½ per cent. during that period. The number of gallons retailed rose from 19,000,000 in 1950 to 34,000,000 in 1954, an increase of 76.9 per cent., so the increase in the number of retailers was 35½ per cent. and the increase in the gallonage nearly 77 per cent., which indicates that, taken as an average, each outlet for petrol received a greater increase in gallons than the number of sites that were created.

Mr. May: Do you think that the companies are justified in buying up houses as they have been doing?

Mr. COURT: I am not interested in that angle at the moment; that is not the question under discussion.

Mr. May: It does affect the position.

Mr. COURT: That is happening in all sorts of ways. Houses and shops are being pulled down to make room for factory extensions and for other purposes and that will go on for all time to a greater or lesser degree according to the circumstances. There are places in the vicinity of Parliament House that were traditionally residential for many years, but, with the expansion of the city, they are being replaced by offices, shops, warehouses and the like.

It was claimed that this Bill, if it became law, would create more competition in the wholesale petrol trade. I fail to see how it can have the effect of creating more competition. Surely it is contradictory to contend that there has been an overbuilding of service stations and at the same time there will be more competition. If the provisions of the Bill applied, we would be preventing competition between the oil companies such as existed before the war. Previous to the 1939-45 war, those engaged in the reselling business knew that there was intense competition between the companies. They got up to all sorts of antics in order to give an advantage to one reseller as against another to press the sale of their particular products.

Mr. Norton: Do not they do that now?

Mr. COURT: I have a shrewd idea that they would continue to do it and that under the Bill it would be classed as illegal; in other words, it would be an offence to offer a special inducement to a particular trader as against another trader.

Reference has been made to the difficulties confronting retailers, and it has been suggested that wholesale bankruptcies have resulted from business failures. An examination of the bankruptcies during 1955 disclosed the following:—Three service stations, three cartage contractors, three cafe proprietors, four building contractors, one library, one clothing manufacturer, one poultry farmer, one shop, two farmers, one radio shop, one hotelkeeper and one industrial chemist.

Mr. Cornell: No members of Parliament?

Mr. COURT: That list shows the general trend in business failures. Those who follow these matters from time to time know that there are certain people who fail in business, some through misfortune and others through incompetence. Some people are not temperamentally suited for business whether it be conducting a fish shop or a drapery shop or undertaking cartage contracts. They are temperamentally unsuited to be traders and so I cannot see that there is any trend in bankruptcy which is greater in respect of petrol resellers than in respect of any other section of the industrial and commercial community.

I have perused the reports of the public examination of the three bankrupt stations. When a man comes under the Bankruptcy Act, his affairs become public and he is examined on the reasons for his failure. I suggest that these three men did not fail because of one-brand marketing of petrol or because of any relationship to the oil companies. They failed for normal reasons. One failed through bad health. In another case, there was grave suspicion that the man had diverted funds from one business to another outside the service station and that that business failed. These failures were not peculiar to the service station business and are no reflection on the oil companies or on any system of marketing petrol, and it is just as well for members to realise that.

In my opinion, regardless of what system of marketing exists, some people will continue to go bankrupt when running service stations, just as they would in any other business. It has been suggested that the arrangement between the resellers and wholesalers is undesirable or the subject of disagreement at the moment. But when I asked six companies to give me the figures in respect of one-brand service stations where the original tied period had expired, I found that 121 had voluntarily re-signed for a further term and they did not have to sign. These agreements are such that they can be allowed to continue without signing up for a further term.

Mr. May: Have you seen the agreements?

Mr. COURT: I have.

Mr. May: What do you think of them?

Mr. COURT: I would like members to understand that they are ordinary agreements and are signed voluntarily by a man going into business, and if he signs the contract, is that not his personal affair? These people do not sign the agreements just on the chance that they are all right.

Mr. May: But what happens if they do not sign?

Mr. COURT: They do not have to sign. In addition to those 121 who re-signed voluntarily, there were 73 whose agreements had expired, and they have not re-signed but are still operating. The member for Collie knows that when a normal lease expires, one continues on for some predetermined period on the same terms and conditions as the original lease. In other words, if a 10-year lease expires, it usually provides that the same terms and conditions will prevail except that it is a monthly, quarterly or yearly arrangement thereafter, as the case may be, until the parties enter into another arrangement.

A further point made was that a number of major companies purchased many of the best-situated petrol stations, but I say they would be very foolish if, with their business experience—their much publicised business acumen—these companies did not buy well-situated stations. One could not expect them to buy badly-situated service stations. It is important to note that many of these stations were bought at the request of the resellers themselves. Members know many instances where resellers rushed to sell their service stations when this rash of one-brand stations broke out, because they were anxious to take the benefit of any capital profit which they could get from their premises. I speak with some personal experience in the matter because I would say that in the initial stages the oil companies were beset with people wanting to sell their freeholds as the companies were paying what were considered to be very satisfactory prices for freeholds.

If the business is so bad, how is it that one oil company alone at the moment holds applications from nearly 100 people who want to be considered for service station sites should any become vacant? I understand, from what one hears, that some of the companies have difficulty in getting operators, but one company alone is able to produce a file containing 100 current applications from people who want to be considered to operate service stations conducted as one-brand stations by that company. That does not lead one to believe that there is much ill-feeling and grave dissatisfaction with this method of marketing.

I would point out that many of those who want to be operators of one-brand stations have not the capital to buy the freehold, and it suits them to become the

proprietor of a business as a lessee, because they can be assisted with the necessary stock and other minor requirements for operating a station without having to lay out all the capital required for a freehold.

Mr. Andrew: But what about all those who have gone out of business?

Mr. COURT: Of course, some people will be leaving service stations as long as we live, and that applies to any business.

Mr. Andrew: But there is a much higher percentage of them going broke in these stations.

Mr. COURT: I would be pleased to hear the hon. member quote figures on that because general statements are not sufficient in a debate like this. It has been said that the economics of one-brand marketing are not sound. From the information published and available to members—it has been published in the Press and through other avenues on several occasions—it appears that to cater for the market expansion on the multiple method of marketing, had that been continued, an additional 32,650 pump hoses and 168 tank wagons would have been needed in Australia, in addition to 7,350 old manual pumps, which would have required replacement with modern electric pumps, and all this would have needed capital expenditure estimated at approximately £18,000,000, accompanied by a continuing annual expenditure of some £3,000,000.

In other words, had the present outlets been equipped on a multiple basis, an additional £18,000,000 capital expenditure would have been required with a continuing annual expenditure of £3,000,000. That is important, because it must be taken into account, especially in view of the argument which has been advanced that the public pay for service stations. If we accept that proposition, we can produce an argument to substantiate beyond doubt that the public have gained from the one-brand stations. An examination of the capitalisation of the oil companies to achieve the present set-up indicates—from their balance sheets—that they have invested about £14,000,000 in Australia on this move—£4,000,000 less than would have been required under the multiple system. There is also the fact that they have avoided the annual commitment which would have gone with the multiple system. Those figures are public and cannot be denied.

One can examine these accounts for oneself and, if they are wrong, the House could be given the figures to refute what I have said—that there is a lesser capital commitment in the one-brand system than would have been required to equip the industry on the multiple system so as to give the present service.

Mr. Norton: It seems funny that the companies did not submit these figures.

Mr. COURT: I think they were circulated to all members and they were published in either the R.A.C. journal, the daily Press or some other public journal in this State. It has been suggested that the price of petrol reflects this capitalisation of the one-brand system. If we examine the movement in the price index since 1945, it shows a rise of 107 per cent., but the price of petrol today is only 5½d. per gallon, or 16 per cent. dearer than when war ended in 1945.

Mr. Moir: What would be the margin of profit to the petrol companies?

Mr. COURT: I have not the figures. The margin per gallon is very small although in the aggregate it would amount to a considerable sum spread over the whole of Australia—

Mr. May: Would the figures given include country sales?

Mr. COURT: I am not in a position to answer that question, but I think it will be found that the movement is comparable in all parts of the State. Freights play an important part.

Mr. May: But not to the extent of the addition to the price.

Mr. COURT: I would be interested to hear the hon. member on that point.

Mr. May: It is only necessary to go to the country to discover the facts.

Mr. COURT: I do not think the movement there has been anything like the movement in the price index. The figures I have given are on a capital city basis, and I am not able to expound on the figure as regards individual country centres.

Mr. Norton: Of course, the price of petrol in wartime would have covered heavy insurance.

Mr. COURT: I suppose that relates to all things.

Mr. Norton: But that insurance dropped when the war finished.

Mr. COURT: There was a complete change of circumstances. We know that the cost of freights and so on rose rapidly in the case of oil, just as in relation to all other commodities. I mentioned the fact that up to 1951 there was great dissatisfaction among people who wanted to expand and go into the reselling business but could not break into the industry because there was an arrangement whereby the resellers could, through their association, control the release of bowser equipment for new stations. One of the biggest distributors in the State, well known to all because of the campaign he staged to get equipment, could not secure it from any company until there was a break-through in connection with one-brand stations, yet today he is a very big operator.

I have researched four cases in particular and in addition there are two known to me personally and on which I made

representations at the time. I have listed these cases as A, B, C and D, and they were all due to the operations of resellers' organisations and could not get their equipment until the changed state of affairs came about. It has been said that the Bill will increase competition, and I mentioned that earlier; but I still cannot follow the logic of the argument if the main consideration of the sponsor of the Bill was that there had been an overbuilding of service stations. It follows that one cannot have it both ways. One cannot create more competition and at the same time restrict the number of service stations.

The member for Maylands made it clear that he does not propose to introduce a system of licensing service stations or in any way to restrict them. All he seeks to do is to make it possible for service station proprietors who so desire to obtain any number of brands of petrol. Rather than improve the lot of the industry and remove some of the severe competition that exists at present, I think the measure would, on the contrary, reduce the economic potential of some service stations and, in fact, many of them.

During his speech, the hon. member made lengthy reference to a legal opinion. I do not know whose opinion it was, but I suggest that much of it was not an opinion in the sense to which we are accustomed but, on the contrary, more of an expression of any individual's personal viewpoint on trading ethics. When a person of repute gives a legal opinion, it is his duty to concentrate on the pure law of the subject and not to try to express his view on the legal ethics which are outside the orbit of the legal consideration.

Mr. Oldfield: You study the opinion!

Mr. COURT: I have read very carefully what the hon. member quoted to the House because I have seen similar opinions on this matter, which have emanated from Adelaide and, in particular, one from a leading Q.C. He seemed to devote more of his time to the ethics of the subject rather than to the pure law on which he is supposed to express an opinion.

Mr. Oldfield: I suppose you got an opinion from the member for Mt. Lawley.

Hon. Sir Ross McLarty: Oh!

Mr. COURT: I did not need to go to those heights. There was some further reference dealing with the complaints made by one service station proprietor about the difficulties he was experiencing in getting supplies. If the trader in question is the one I understand it is, I want to point out that this gentleman has not got branded equipment; that is, to the best of my knowledge. If a person desires to handle a company's products, I suggest it is not an unreasonable request that those products be handled through equipment which is properly branded with the name of the manufacturer of that commodity or



the name of the wholesaler or vendor of it. There is an ever-increasing tendency on the part of the people to demand branded products. They like to select particular breakfast foods, clothing, hats or shoes, branded with the name of a reputable maker and sold at a recognised standard price.

Mr. Nalder: That would not apply to petrol.

Mr. Norton: Would you not consider that motorists would like to go to a service station and get the brand of petrol they want?

Mr. COURT: The hon. member could not have listened very carefully to my remarks on the economies of one-brand marketing, if he wants the product to be retailed to the public at a satisfactory price. It is only reasonable to agree that the wholesalers of this commodity are entitled to demand that it be marketed through a properly branded piece of equipment so that the people buying it can say, "That is Shell, Caltex, Neptune" or whatever brand it might be.

Mr. Moir: Would there be much difference between any of them?

Mr. COURT: There might or might not be, but the people who sell it stand behind their own products. I do not know whether the different brands of petrol that come out of the bowers are all the same, but the fact is that some people have a prejudice for one brand and some for another.

Mr. SPEAKER: The hon. member's time has expired.

Hon. Sir Ross McLarty: I move—

That an extension of time be granted.

Motion put and passed.

Mr. COURT: I will not delay the House unduly. I merely want to make one or two further points. This question of one-brand marketing has come so much into the public eye that it is quite an issue, but I suggest that it is no different from the position that exists in any other trade, yet not so much fuss is made about it. If I set up a butcher's shop and leased it to another person on the condition that he sold only my meat, I do not think anyone would turn a hair. In fact, I suggest that that is what is happening in many suburbs today. The same applies to bread or any other commodity.

However, for one reason or another, we seem to have seized on this particular industry as being a bad one which is following a practice that has to be corrected. I am not prepared to say whether we have too many service stations or that we have not. I consider that the whole problem will find its solution. People will not continue to build service stations for the fun of it. Neither an oil company nor

an independent service station proprietor will build a service station for the sake of giving it a go.

Before a service station is built an examination is made of the economic potential of the area selected, which is governed by the anticipated gallonage and the associated trading that go with the selling of petrol. There are districts where it is quite possible that people need to supplement their incomes from the selling of petrol with the sale of other lines but that is because of the geographical peculiarity of that particular area and does not reflect on the methods of the companies or one-brand marketing. It is wrong to say that there are no people in the metropolitan area who have not multiple brand petrol stations. As far as I know there are at least two and there may be more that sell multiple brands which are handled through electric pumps. When I say that I am excluding those people, such as new motorcar distributors, who, because of certain special circumstances, demand that they have bowers with different brands of petrol for reasons which the hon. member who introduced the Bill clearly explained.

In conclusion, I consider that members should examine the Bill very closely rather than accept the fact that there is a degree of concern about the number of service stations that are being erected. We know that other legislation has been introduced this session which is aimed at restrictive practices. I suggest that if that legislation is passed, it will prevent these restrictive practices in all industries rather than in a particular industry. I think the Bill will boomerang against the resellers in its long-term effect. I think, further, that we are buying into an industrial quarrel which I do not consider is the function of legislation to iron out. The public are being well served and it is important that in all our deliberations on this matter we do not either interfere to the prejudice of the industry, with the economics of the reseller or with the service at present being rendered to the general public.

MR. MOIR (Boulder) [8.9]: I have no desire to prolong the debate but I want to refer to a few points relating to the Bill. At the outset I wish to state that I fully support the measure. I have interviewed service station proprietors in my electorate and, without exception, they are whole-heartedly in favour of the Bill. Some of those garages on the Goldfields have operated for many years as free agents right up to the time when one-brand petrol marketing was introduced. I was informed by some of the proprietors that when the suggestion was mooted for this new type of marketing, it was considered quite a good idea, but that was because they did not realise then the implications behind it, which have now become apparent.

It has been said on the Goldfields that under one-brand marketing, the service station proprietors are practically tied hand and foot as far as the administration of their businesses is concerned. It is true they can refuse to sell the brand of petrol supplied by the company to which they are tied, but the agreement which they have signed precludes them from selling any other brand of petrol for a period of two years. This means that if a garage proprietor wishes to adhere to the principle of selling the brand of petrol that he desires to retail he would have to go out of business for two years before making a fresh start, which, of course, is practically impossible for any trader.

The experience of these businessmen in my electorate has also been that, when they retailed several brands of petrol, they enjoyed a better service from the various oil companies than they are receiving to-day from the one company that is supplying them. They instance a breaking-down of the mechanism of a petrol bowser. Whereas in the old days they rang up the depot of an oil company to obtain service, it was the general practice in such circumstances that a mechanic was promptly sent to repair the pump. However, I am informed that nowadays the garage proprietors can be kept waiting for several hours before a mechanic comes along to effect any repairs and sometimes they have to wait all day before they receive any service.

I am also informed that the same position exists in regard to the service rendered by the tankers. Previously, when the storage tanks of the garage proprietors became low unexpectedly, they had only to ring the depot and a tanker was sent out to replenish their supplies almost immediately. Today, however, the oil company stipulates that delivery of petrol shall be made only on certain days and if the garage proprietor has a sudden demand on his petrol supplies he finds himself in trouble.

Mr. Court: I cannot imagine the oil companies falling for that one.

Mr. MOIR: I am only repeating what I have been told by the people operating these stations in Boulder. Another garage proprietor pointed out to me that in the past he had stocked a certain brand of lubricating oil greatly in demand by motor cyclists. Today he has to keep that brand of oil under the counter for fear of the repercussions that might arise from the oil company which supplies him with petrol should it discover that he was selling that particular brand of oil.

This garage proprietor also expressed the fear that they were so completely tied up with the oil companies today that if the company wished—and they could see no reason why it could not do so—it could dictate to the proprietor what motor

accessories he could stock in his service station. It was pointed out that the oil company might decide to sponsor a particular brand of battery and the service station proprietor would have to stock and sell that brand.

Mr. Court: That does not operate in this State, does it?

Mr. MOIR: No, it does not operate at the moment, but it could. There is nothing to prevent it from operating. Those are some of the reasons given by these people who want to return to the old system of marketing under which they were free to conduct their businesses as they wished. I am rather surprised at the members who have submitted arguments against the Bill—particularly the member for Nedlands—because I thought that one of the principles he believed in was the fostering of free enterprise. Today garage proprietors are given a good dose of regimentation, a subject so often referred to and objected to by members sitting on the opposite side of the House.

There is no doubt that these proprietors are tied hand and foot and have to do what they are told. We know the distaste expressed amongst the general public for any form of coercion or direction from the Government, yet here we have very large and powerful companies exercising a form of compulsion. This matter not only affects the garage proprietors but also the general public. Previously, one could go to the retailer and have a choice of two or three brands of petrol, but today one is restricted to one brand and if one has a fad for any other brand one has to go to another retailer with whom one does not deal ordinarily.

Hon. J. B. Sleeman: Yet it is all the same type of petrol.

Mr. MOIR: Probably it is exactly the same commodity. For many years I have had doubts as to the difference between the various brands of petrol. I know that it has been stated on many occasions that all the different brands come out of the one tank.

Hon. J. B. Sleeman: They certainly do!

Mr. MOIR: Nevertheless people have their foibles about these things. They do use their individual brands and some of them stick to only one brand. The garage proprietors feel that their business is being interfered with so much that they greatly fear their ability to maintain the solvency of their enterprises. I listened with interest when the member for Nedlands referred to bankruptcy. I have no knowledge of purveyors of petrol going bankrupt but I do have knowledge of people buying into service stations and who have lost a sizeable amount of their capital before they were able to get out.

Mr. Court: That is being done in all sorts of businesses. That is one of the risks to be taken in business.

Mr. MOIR: It probably happens in all businesses but we have always looked on the oil and allied industries as being prosperous. It comes as a surprise to learn that people with experience in business, not those lacking knowledge in that particular trade, are glad to get out after being in them for a few months, at the cost of a sizeable amount of their capital. As I have stated previously, the opinion of the purveyors of petrol in my district is that it will be a very good day indeed when they are able to return to the previous position and be able to run their businesses unhindered. I support the second reading.

MR. HEARMAN (Blackwood) [8.20]: I do not propose to speak at great length on this Bill. I feel it does call for some comment. In considering the Bill, as with other legislation, members could well ask themselves these questions: Firstly, is the Bill necessary; secondly, will it do what it sets out to achieve; thirdly, are there any undesirable features; and fourthly, what particular bodies are asking for this legislation and what is the status of them?

Regarding the first point—is the Bill necessary—the motorist, who, after all, is by far in the majority of those who have an interest in the sale of petrol, is not greatly worried about the measure. The R.A.C. watches his interest in these matters. To the best of my knowledge, and I am closely in touch with the R.A.C., that body has no wish to see this Bill go through, which means that, generally speaking, there is no call for it from the motorist. The average motorist would concede that today he is getting better service from modern service stations which have come into existence recently.

The factor that influences the motorist is the price, as much as any other aspect. There is still price control in Queensland and South Australia, yet the price of petrol in Western Australia is no greater than in those two States. It would seem to me that there is no call for this legislation on the part of the motorist. The R.A.C. can be relied on to speak for him.

Mr. Andrew: Do not you think that a businessman should be able to control his own affairs?

Mr. HEARMAN: The oil companies obviously do not want this legislation because the member for Maylands made it clear that he does not hold a brief for them. So it gets back to the position of the service station proprietor or petrol retailer. I am prepared to concede some difficulty arises here. Quite a number of them, particularly those in the metropolitan area, are not happy with the present position.

I have made inquiries in my electorate from two service stations, one run by a person in a small way and who is happy with the present set-up; and the other by a person in a big way with service stations in Bunbury, Bridgetown, Brunswick Junction, Donnybrook, Greenbushes and elsewhere, who also is happy with the present position and does not want this legislation. Speaking for my own area, service station proprietors are not greatly concerned about the Bill. No representations have been made to me despite the publicity that has been given to it.

The second point is: Will this legislation do what it sets out to accomplish. The grievance of the garage proprietor is that there is too much competition and he is competing against service stations close by or across the road. I cannot see how the passage of this Bill will do way with the competition. In fact, it will do the opposite; it will intensify competition if there is multiple selling of petrol. If there are too many service stations in a district, this legislation will not remove any of them. I fail to see how it will overcome the present problem facing the retailer who is suffering from excessive competition. The Bill might protect service stations in the outskirts by restricting the construction of new service stations.

Until such time as there is a reduction in the number of service stations, I fail to see how this excessive competition will be curbed by the Bill. I have discovered that very little actual information and detail about the Bill has been given to service station proprietors, apart from propaganda. I do not think that a great many of them realise that they will have to install their own pumps at their own expense if there is multiple selling. If they are already in difficulties, and if there is not to be any reduction in the number of service stations, I am at a loss to see how garage proprietors will be able to bear the expense of installing new pumps.

Hon. Sir Ross McLarty: What does a pump cost?

Mr. HEARMAN: I have heard of estimates ranging from £350 to £1,000. I think it would possibly average £500. It depends on the type.

Mr. Oldfield: The figure is £350.

Mr. HEARMAN: It depends on the type of pump. Multiple pumps containing more than one grade of petrol would cost considerably more. If a proprietor had to install three or four pumps, even on the estimate of the member for Maylands, he would have to outlay from £1,200 to £1,500.

Mr. Andrew: Why cannot the garage proprietor decide for himself?

Mr. HEARMAN: I think he can, but he will come to the conclusion that this Bill will do him no good. It is of no use the

member for Victoria Park putting words into my mouth. I say that this Bill will not help garage proprietors. I do not think that they will be able to install their own pumps if they are not getting an economic return from their investment. The suggestion in the Bill is that they should spend more money on new pumps. A great many of them are unable to lay out any additional capital. If the oil companies were compelled to install the pumps, that would be a different story. That point is not included in the Bill. I can only discuss it as I see it printed. If this Bill should reach the Committee stage, the member for Victoria Park can move any amendments he desires. I do not intend to enter into a discussion at this stage on the amendments to be made. It would not help the petrol retailer to install pumps at his own expense.

The next question relates to undesirable features. Here is a principle about which I am not happy, and if it is extended to other forms of business, where will it all end? In fact, we are saying to the wholesaler that he must supply an article provided the purchaser is prepared to pay for it. We are saying to him, "You have no choice in the matter if the purchaser is prepared to pay the money. You have to supply him." I wonder whether Parliament is justified in going so far. I wonder what will be the position if that principle is applied to other avenues of business. Would it then be possible to appoint sole agents for any commodity?

What is the position of the proprietor of a service station with a sub-agency for Holden cars? I might be one of his customers, and I might want a Ford and would be prepared to say, "I do not mind you selling a car to me, I will buy it provided it is a Ford." Are we going to accept the principle that the service-station owner should be able to go to the Ford company and say, "I am not your agent, but you must let me have a car for sale and give me commission?" That is the principle as I see it; and I am wondering how far its application can go, when it is insisted that a person who has something to sell must sell it to anybody that wants to buy it.

One can imagine what would happen in a cattle saleyard if a farmer had to sell his stock once he had put it into the yard. The case may not be quite parallel; but once we accept the principle that a man has to sell whether he likes it or not, we are doing something about which I am not happy. Anybody who has a commodity to sell is entitled to decide whether he will have sole agencies or distribute his products through any agency through which he wishes to dispose of them. Some people will say that such goods should be sold through anybody; others believe that there should be sole agencies. I do not think it is the province of this Chamber to interfere.

A good deal has been said about restraint of trade. This is rather amusing when one considers that the Automotive Chamber of Commerce which seems to consist of people who are keen to see this legislation passed, was the body that wanted to restrict the trading hours of service stations. If that was not in restraint of trade, I would like to know what is! They were the people who advocated one-brand selling, and had a closed ring, and who were reluctant to allow ex-servicemen to start up after the war.

Mr. Andrew: Would you say that the closing of shops at 6 o'clock is in restraint of trade?

Mr. HEARMAN: If some people wanted to trade for a longer period, I would say that it was. I do not know what else it would be. Furthermore, there were closed rings of resellers of fuel, and it was desired that people outside that ring should not be resellers. For people who have adopted that attitude to come out as champions of free enterprise, and as being opposed to restraint of trade, seems to me to be hypocritical, to say the least.

I believe that a difficult position has arisen in the metropolitan area. There are too many service stations, and competition is extremely keen. I believe that if the stage has been reached where the situation is critical, it is very probable that commonsense will prevail. But I consider that one of the aspects standing in the road of an agreement being reached between the retailers and the oil companies is the constant threat of legislation. So long as one party says to the other, "We are going to secure legislation to control you," an atmosphere in which genuine negotiations can take place is not possible. If the situation has become critical, I believe that this dabbling in legislation is one of the factors standing in the way of an agreement being reached.

My mind goes back over 20 years or more when there was an excessive number of butter factories and excessive production in the dairying industry. The butter factories competed for supplies, and all sorts of undesirable practices crept in. At one stage we had 19 factories manufacturing 4,000 tons of butter, as against 3,000 tons in New Zealand, and the cost of manufacturing was 6d. as against 1d. in New Zealand. That was the position; but the weakest went to the wall, and now there are practically only two large manufacturers.

The manufacturing cost has been reduced, and efficiency has been tremendously increased. The position sorted itself out, and commonsense prevailed. The only thing that delayed progress in that direction was Parliament's attempt to legislate. The Legislature sought to do something to assist the industry, but it

did not work out that way. It prolonged the life of a number of small factories that nobody wanted.

Parliament has to be very careful before meddling with this sort of thing, because sometimes the effect desired is not achieved. That has been fairly clearly demonstrated in the present instance. The Automotive Chamber of Commerce did accept the principle of one-brand marketing, but it did not work out as expected; and my opinion is that the same would occur with respect to this legislation.

Furthermore, where do we stand on this question of the small man and the big man? A lot of big self-service grocery stores are being opened, which are putting pressure, by means of competition, on a lot of small grocers. Are we to consider introducing legislation to prevent large stores from being established? They are reducing prices to the public. Are we to say that the small man must be protected against them?

Reference to free enterprise was made by the member for Boulder, who suggested that the member for Nedlands was not consistent in supporting the Bill. I believe that if a man decides to go into a certain business, he should do so with his eyes open. If he can make a living out of it, well and good but if not, he must turn to something else. If a man makes an error of judgment in taking over a service station, he must accept the consequences in the same way as I, or the member for Roe, or the Leader of the Opposition would have to do if we went to a cattle sale and nodded our heads at the wrong time. If we make such an error of judgment, we must take the consequences.

If a man goes into a business and subsequently finds that it does not pay, what are we to do about it? Are we to suggest that he must be given a greater margin in order that he may make it pay? I have never heard it suggested that a farmer who has paid too much for sheep or cattle should be compensated to enable someone to make a profit out of the deal, whether it was good or bad.

If we are going to say that people must do business with everybody, regardless of whether they want to do so or not, I consider that we shall be meddling far too much. The principle is a bad one and must be considered seriously. I believe that the member for Maylands is interested in this subject. I think he realised the difficulty involved in licensing. The matter has also been considered from the town planning angle—which seems to me to be the soundest way in which to tackle the problem. Now, having considered other alternatives, he has decided to try to do away with one-brand marketing. He has sought to accomplish what he seeks to do in this way; whereas I think it

would be better achieved from the town-planning angle, or by deciding how many service stations are needed and permitting only that number to be established.

I might point out that I do not consider the oil companies are really quite the big bad wolves they are made out to be. I know of cases in my electorate in which they have endeavoured to persuade proprietors of garages—some people would use the word “coerce”; but it does not matter which word is used—to sell their products or none at all. One garage proprietor said, “I am going to run my business the way I want to run it and sell what I want to sell. If you do not like it, take your pumps out”. He still has them, and the company doubled his storage. There is another little chap at Kirup who is running two pumps—why, I do not know.

Hon. J. B. Sleeman: Two different brands?

Mr. HEARMAN: Yes, from two different companies. Why they left him there, I do not know. He is an Italian chap named Zitto. He has two pumps, and I have bought petrol from both of them. I know of another man in the South-West on whom the screw was put. He said, “I want to keep on selling two brands. If you do not like that, I will find someone else who will supply me with petrol.” Ultimatums were issued on both sides, but finally tankers from both companies came along and filled his bowlers.

The only people on whom the oil companies can put the squeeze are those who are financially obligated to them. But that applies to other lines of business, too. It applies to stock and station companies and practically every business one could mention. If an oil company installs a hydraulic lift in a garage, it insists on its product being sold in the same way that if one becomes entangled with a stock-and-station owner, he expects one to do business with him. If money is borrowed from firms, the firms expect the borrower to give them his business.

One or two statements have been made which require correction, and there are one or two matters that might be brought to the notice of the House. I have here a list of telegrams that the Automotive Chamber of Commerce suggested should be sent to members of Parliament. There are four of them. Here is one—

I/we earnestly seek your support of the Retailing of Motor Spirits Act introduced by Mr. Oldfield, M.L.A. This legislation would ensure future economic freedom for we service station proprietors.

I have not received such a telegram; apparently I am on the black list.

A statement was made by the member for Maylands that the oil companies had not played the game in South Australia. I propose to quote from the “Adelaide

Advertiser" of the 7th September. The item deals with a statement made by the Premier of South Australia, Mr. Playford who has been held up as the champion of price control. The extract from the paper is as follows:—

#### Premier Defends Oil Companies.

Oil companies had not dishonoured an agreement on the building of new service stations in the metropolitan area, the Premier (Mr. Playford) said in the Assembly yesterday.

He was speaking on an adjournment motion by the Deputy Leader of the Opposition (Mr. Frank Walsh).

Mr. Walsh said the Government should take preventive measures to halt the number of demolitions, protect occupiers of the homes, ease the demand upon the S.A. Housing Trust for other accommodation, and stop diversion of manpower and materials from other industries.

The Premier said the Government had kept the matter of service station building under review since the agreement was made.

#### 38 Closed.

Last month he had received a statement from the oil companies, which showed that the number of service stations under construction on July 1, 1954, was 42, of which 39 were operating on August 1, 1955.

Stations erected, being built, or for which contracts had been let for building since July, 1954, totalled 32.

Offsetting these new stations 38 petrol reselling outlets were closed.

The companies admitted demolishing homes to provide service station sites, but claimed that of the 15 homes affected, 13 were substandard, and the other two suffered considerable earthquake damage.

To offset these properties, 13 blocks of land, set aside by the oil companies for service station sites, had been released for home building.

"This is an effective answer to the criticism that the oil companies have not honoured the agreement, which they entered into voluntarily," said the Premier.

I am in no position to verify the statement, but I think the House can well accept it. It seems to me that regardless of what other people may think, the Premier of South Australia is reasonably well satisfied with the way the oil companies are behaving there. I feel that the Bill will not achieve the objective that the hon. member expects it to. I think there are undesirable features about it, and I am reluctant to accept the principle that we should dictate to the wholesaler who he shall sell to; and that we

should disrupt this idea of solo agencies. I do not think that the motorist is being penalised. He does not seem to be suffering unduly. I believe that the difficulties which beset the reseller can be overcome by proper negotiations provided the right atmosphere is created, but I do not think legislation creates the right atmosphere for successful negotiations on an occasion such as this. For these reasons I must oppose the measure.

**MR. O'BRIEN** (Murchison) [8.48]: I have listened to a lot of somersaulting on the part of the Opposition. Quite a different argument has been put forward from the one they have advanced previously. The Bill provides for the establishment, promotion and protection of independent and competitive trading in the retailing of motor spirits. The measure, if passed, will, in my opinion, free the retailers from the tied scheme that has operated since about August, 1951. When solo marketing was introduced by the major oil companies in that year, stress was placed by them on the fact that there would be no coercion under the scheme. The retailers, therefore, did not oppose its introduction.

In all other retail trades, it is the natural right of the individual to purchase from as many wholesalers as he desires to deal with. Of course, agents who hold a genuine franchise in a given area are excluded, but any small business can sell the products of one or more of the wholesalers. In the oil industry there are other problems. There is the question concerning the number of new service stations that are being erected. We must not, however, forget the main issue. After all, any statistics that the oil industry could quote in regard to the growth of service stations has little or no bearing on the Bill.

The measure asks only for the removal of the obvious restraint of trade which operates from the wholesaler to the retailer in the petrol industry. In speaking of this restraint of trade, or refusal by the oil companies to supply, we must stress that there is written evidence that the oil companies will refuse to supply another company's station. This applies whether or not the proprietor is a leaseholder or an independent owner. It is quite apparent also that no attempt has been made to abolish the voluntary one-brand marketing of petrol.

We believe that if the service station proprietor desires to sell only one brand of petrol or petroleum products, he should be permitted to do so and that there should be no coercion. If the proprietors wish to sell more than one brand of petrol, then again they are surely entitled to this normal trading right. Therefore I think the Bill is fair and just, and I support it.

**MR. J. HEGNEY** (Swan) [8.52]: I contacted most of the resellers in my district, and they asked me to support the measure. Many of the chaps engaged in the resale of petrol have been motor mechanics, and they established their businesses long before the introduction of what are known as one-brand petrol stations. There is no doubt that many of these entrepreneurs are fearful that the time is not far distant when, if they do not make a protest against the conditions that exist in regard to the resale of petrol, the oil companies will unquestionably be masters of the situation.

There is no doubt that we are dealing with powerful organisations when we concern ourselves with the oil companies. Members will recall the struggle that took place in America about 20 or 25 years ago when the American Government passed various Acts to deal with the restraint of trade and to prevent big trusts and cartels being established. We know how powerful the oil companies were in fighting the American Government; in many instances they succeeded. In this State, the oil companies provide an essential service in the distribution of power in the shape of petrol. So also do the small resellers provide a service.

I should think that Parliament would be concerned about the interests of these small businessmen to see that they are able to maintain their businesses, not only now but in the future, on a reasonable basis. Many of these chaps are young married men with families and they are fearful that if they do not fight the oil companies today, they will have lost the opportunity for ever. I am inclined to think that that is so. One has only to see what has happened in the Inglewood district to know of the number of service stations that have been erected.

Many new ones have been established in Beaufort-st., and fabulous prices have been paid for dilapidated houses. I know of one house in Stuart-st. that was purchased for £5,000 and I would say it was not worth £2,000. The fact is, however, that the petrol companies in order to establish retail outlets purchase land above the upset price and by so doing a great deal of harm results to the economy of the country.

The petrol companies are powerful wherever they operate. As I pointed out, they did not hesitate to take on the American Government. For years they fought that Government in the Supreme Court of America and I have no doubt that the same thing will take place in Australia when the time comes. So far as I am concerned, I deem it a duty, as a Labour member, to see that reasonable protection is given to the small men who are engaged in the reselling of petrol; and that is the angle from which I approach the measure. I have received telegrams in connection

with it. I know most of the chaps in my district, and I know they are dinkum. They are concerned about the fact that the squeeze will be on them if the petrol companies are able to continue to look ahead. What is 25 years, or longer, to the oil companies once the squeeze is on and they are restricting and restraining trade in many ways? The time will come when they will dictate their own terms to the people in the service stations.

When I was in England last year, if my memory serves me rightly, there were not many one-brand service stations. Most of the service stations at which I bought petrol had three or four brands on sale. That was 12 months ago. If it is good enough for the British Government to see that no one-brand service stations shall have a monopoly there, I think that in our own State of Western Australia—a new and developing land—we should see that fair and reasonable conditions apply, particularly to the small man. He should not be squeezed out by the oil companies, which are powerful organisations. I support the Bill.

**MR. OLDFIELD** (Maylands—in reply) [8.57]: I wish to deal with one or two points that have been raised by members who spoke in opposition to the Bill. The member for Blackwood first of all asked: Is the measure necessary? In my opinion, as sponsor of the Bill, it is most necessary. It is obvious from the comments of most of the speakers this afternoon that in the opinion of the majority of members it is desirable and necessary. Of course, as I pointed out when introducing the measure, I am a little concerned that it is necessary to introduce legislation of this nature, and I deplore the circumstances that make it necessary.

The second point raised by the member for Blackwood was: Will this measure accomplish what it sets out to do? Well, we, as private members, can only go to the Parliamentary Draftsman—we all have the greatest admiration for his skill—and rely on his work. He has assured me that the Bill as drafted does exactly what I conveyed to him that I wished it to do. The third point raised by the hon. member was: Are there present any undesirable features in the trade today or in the Bill? As pointed out by previous speakers and myself, if there are undesirable features in the Bill, or if it does not do what it is intended to achieve, then the member for Blackwood can take such steps as are requisite to rectify the position when the Bill is in the Committee stage.

The hon. member also asked: Who are the interests supporting the measure? I can inform the hon. member that it goes beyond the representatives of the great bulk of the petrol resellers in this State. The legislation is supported by a great

number of members as well as by the resellers, the local authorities and the majority of the general public. If that is not sufficient support for a measure, I do not think we would pass any legislation.

Mr. Court: How do you know the general public wants it?

Mr. OLDFIELD: If the member for Nedlands had discussed this measure with the same number of people as I have—motorists, resellers and so on—for the same length of time as I have, he would come to the same conclusion. I have been working on it for a period in excess of 12 months, so I claim to have a fair knowledge of the opinion of the general public. We have suffered this form of supply of petrol for a period of four years, and the local authority with which I was associated—and others as well—was greatly concerned about what was happening. As a local authority, we obtained the general opinion of our ratepayers.

During his speech, the member for Nedlands attempted to answer the arguments I advanced when introducing the Bill. He tried to pick out every point and put forward an effective reply. I think he failed to submit a convincing reply, and I do not propose to weary members by going through my introductory speech to point out where the member for Nedlands is in error. But when he queried the opinion of an eminent Q.C. of South Australia, I think he took a little too much on himself.

Mr. Court: I did not query his legal opinion; I queried his expression of opinion.

Mr. OLDFIELD: It was an expression of opinion from an eminent Q.C., and if one of those learned people puts forward an expression of opinion on a legal point, I do not think any member of this House is qualified to argue with it. That is why Q.Cs. exist—so that people can go to them to find out the position. This measure in no way sets out to do away with one-brand marketing. There is nothing in it that will make a service station proprietor put in any more pumps unless he so desires. It will enable a reseller to put in extra pumps and sell an additional brand, or brands, if he so desires.

Mr. Ross Hutchinson: At the expense of the oil company.

Mr. OLDFIELD: The Bill does not state that it shall be at the expense of the oil company.

Mr. Court: Do you still say that they should not have to do it?

Mr. OLDFIELD: We are discussing only the Bill at the moment. We are not considering any amendment that may be on the notice paper; that can be dealt with in the Committee stage.

Mr. Court: You have not changed the opinion you had when you introduced the Bill?

Mr. OLDFIELD: We are not dealing with matters of opinion. The member for Blackwood wants to deny the reseller the right to put in pumps, if he so desires, at his own expense. If a man wants to spend his own money on his own property, he should not be prevented from doing so. There is one underlying principle which members must bear in mind when voting on this measure; I refer to the right of every trader, in every commodity, to choose what he shall sell and from whom he shall purchase.

Question put and passed.

Bill read a second time.

#### *In Committee.*

Mr. J. Hegney in the Chair; Mr. Oldfield in charge of the Bill.

Clauses 1 to 4—agreed to.

Clause 5—Illegal refusals to deal:

Mr. LAPHAM: I move an amendment—

That after the word "if" in line 13, page 3, the figure and brackets thus "(i)" be inserted.

Without this amendment, the Bill has no teeth. Petrol and oil could be offered without a container and, as the reseller would not have the container to hold petrol, the provisions of the measure could be avoided. This amendment will make the provisions of the Bill workable. It will ensure that the wholesaler will supply the pump or container so that the petrol or oil can be distributed to the motorist in the usual way. This will merely bring the position into line with usual practice. If the amendment is agreed to, I shall move further amendments to insert after the word "retailer" in line 15, the following paragraphs:—

(ii) he refuses or neglects to install within a reasonable time on the business premises of a retailer any petrol pump necessary for resale of motor spirits; or

(iii) except at the request or with the consent of the retailer, he removes or changes the site of, or attempts to remove or change the site of, any petrol pump installed on premises occupied by the retailer.

Mr. OLDFIELD: I can see some merit in the amendment. When the Bill was originally being drafted, a similar provision was given consideration but, for various reasons, it was not included in the final draft. The member for North Perth has just pointed out the possibility of the company refusing to supply without the necessary container being available. I would like the hon. member to make more clear the motive underlying the amendment. I am not opposed to it at this juncture, but I want to hear a little more about it.



Mr. LAPHAM: I think the hon. member understands it because it has been on the notice paper for at least a week. It provides for the normal practice in the trade to continue. Without this amendment, the provisions of the Bill would be useless.

Mr. Oldfield: It would be a return to the position which obtained prior to August, 1951?

Mr. LAPHAM: It means a return to normal trading.

Mr. HEARMAN: I must oppose this amendment. It would mean that the small retailer way out in the bush who is only selling about 100 gallons a week would need to have six pumps. While the expense would mean nothing to the retailer it would cost the company about £1,000, and there would be very little trade. The economics of the proposition make it hopeless.

The Minister for Justice: That would be hardly feasible.

Mr. HEARMAN: It could happen.

The Minister for Justice: They would never get away with it.

Mr. HEARMAN: They would. I agree it is stupid and that is why I oppose the amendment. It means that a pump could be installed anywhere regardless of the requirements of the district. If the Committee wishes to make itself look ridiculous, it will accept this amendment. We should not interfere with the affairs of the company, but should consider the economics of the position.

Mr. COURT: I oppose the amendment. Not only can it create an absurd situation in small districts—and it is no good the Minister for Justice saying it will not—but it is also unreasonable. It goes from one extreme to the other. The petrol pump does not mean only the mechanism. It means the entire apparatus, including underground tanks, etc., and the current cost of a single unit would be £750 and for a double unit it would be £1,050. It is no good saying that a person would not ask six companies to supply petrol. He would do it merely to be contrary. They would have to be installed because it would be an offence under this amendment if they did not install them. If I remember correctly this is contrary to the intentions of the mover of the Bill.

Mr. PERKINS: I agree that this is contrary to the intentions of the sponsor of the Bill as stated when he introduced the measure. If he wishes to make the Bill unworkable he will accept the amendment. The member for Maylands said he did not wish to interfere with one brand marketing. Admittedly the oil companies have gone mad in the goodwill they have paid for many sites and the stations that have gone in. Provided it does not extend further, I think the time will come when the consumption of petrol in Western Australia will be commensurate with

the number of cars on the road. We should not force people who are satisfied to operate one-brand service stations to accept multiple marketing. The motorist will pay for this in the long run and surely it is not our intention to increase the cost to the motoring public.

It must increase the cost of oil companies if other pumps are put into what are now one-brand service stations. I think the member for Boulder said that some service proprietors were not getting the quick repair service to which they had been accustomed. It does not affect the service station that has several pumps of the same type because if one pump went out of order the others would be available. We have criticised the excessive competition among the oil companies. Surely we do not want to make it worse by introducing something which will increase costs! I hope the member for Maylands will not accept the amendment.

Mr. OLDFIELD: I wonder whether we cannot compromise. I think I will have to oppose the amendment because it seeks to compel the oil companies to install pumps on an uneconomic basis. I wonder if we could not leave the first part of the amendment that deals with the installation of pumps. Members cannot object to my proposal on the ground that it would be uneconomic for the oil companies. By striking out paragraph (ii) of the amendment there could be no valid objection on the ground that it will be uneconomic to remove existing pumps. I can see the purpose of the amendment. If a garage proprietor now markets only one brand of petrol but desires to market another brand in addition, and installs a new pump at his own expense and sells the second brand of petrol, the proprietors of the first brand could object and refuse to supply.

Mr. Court: Your argument presupposes that the original one-brand company desires to surrender the site.

Mr. OLDFIELD: That might occur. I am only making this as a suggestion to overcome the objections to the amendment.

Mr. Perkins: Are you not telling the owner of some property that he cannot do certain things with it?

Mr. OLDFIELD: If the amendment is amended in the way I suggested, the existing petrol pumps will still continue to serve petrol.

The Minister for Works: Do the oil companies charge the retailers anything for the use of the pumps?

Mr. OLDFIELD: I understand they do not. They charge a certain amount for maintenance only. There is no rental.

Mr. PERKINS: If the member for Maylands accepts the latter portion of the amendment proposed by the member for

North Perth he will, in effect, be forcing the present owners of the pumps—the oil companies—to leave their property on particular sites even if the companies think they could be put to better use by being installed on other sites. That principle goes much further than was intended by the member for Maylands when he introduced the Bill, in that it interferes with private property. This Committee has certain responsibilities to the public and if the amendment is accepted we will go much further than we have been accustomed to in any other legislation that I know of.

Mr. OLDFIELD: The amendment is possibly going beyond the principles as originally outlined when I introduced the measure. I said the amendment probably had some merit, but three members have spoken against it. Seeing that the principle involved will interfere with private property, and bearing in mind that this Bill will have to pass another House, I ask the member for North Perth to withdraw the amendment. If necessary it could be put on the notice paper in another place.

Mr. LAPHAM: Abnormal circumstances have been raised in this discussion which could seldom come to pass. There is no provision in the Bill to continue normal operations in regard to the supply of petrol pumps by oil companies without a charge.

Hon. A. V. R. Abbott: Are you sure of that?

Mr. LAPHAM: That is the normal procedure. There is no mention of this matter in the Bill. My amendment does not prevent an oil company from charging a rental on petrol pumps or containers. If one of the rare instances outlined by the member for Roe occurred, the oil companies could overcome that by charging perhaps an exorbitant rental for pumps, containers and other apparatus.

Hon. D. Brand: Would you agree to their charging an exorbitant amount?

Mr. LAPHAM: I do not agree that they should charge exorbitant rentals. I am pointing out how, in isolated instances, which I feel will never occur, oil companies can overcome the difficulty with which they may be faced. If I withdrew the amendment, there would be no provision for the service station proprietor to have a pump and apparatus installed. I recognise that there are difficulties, but in the brief time available, it has been impossible to frame a suitable amendment. If the amendment were accepted, the member for Maylands could arrange for a more suitable provision to be inserted in another place to meet the disability that has been mentioned.

Mr. HEARMAN: The member for North Perth has suggested making it compulsory for a company to install pumps regardless of the economics, and then has suggested that the company could evade the

requirement by charging exorbitant hire. In other words, he accepts the fact that the amendment is worthless. The hon. member would be wise to ask that progress be reported.

Hon. Sir ROSS McLARTY: If the amendment be accepted, it will be about the worst piece of legislation in my 26 years' experience in Parliament. I have heard the term "vicious" applied to legislation. Certainly I would term this amendment vicious, one-sided and of the very worst type.

As to the first part of the amendment, I agree with what members on this side of the Chamber have said. To force a company to deal with someone it does not wish to deal with, possibly an undesirable or unsatisfactory person, is wrong, and it might not be an economic proposition. A retailer might ask for a number of pumps when there was not a demand for the petrol. He might do it in order to keep out competition. The proposal would be thoroughly uneconomical and wasteful, and yet the company would be forced to comply with it.

The second part of the amendment provides that if "he removes or changes the site of, or attempts to remove or change the site of any petrol pump installed on the premises occupied by the retailer" he is guilty of an offence. A retailer might say that he was not going to sell a particular brand of petrol or that he would sell as little as possible of it and add, "There is the pump and there it can remain. I will use it as little as possible." What redress would the company have? Apart from the loss of business, it would suffer the indignity of having to tolerate a client who purposely set out to defy it and prevent it from obtaining business. If we are going to pass this class of legislation, the position is pretty hopeless. I appeal to members to defeat the amendment.

Hon. A. F. WATTS: I do not regard the amendment with the extreme distaste voiced by the Leader of the Opposition, but I must confess that I cannot support the first paragraph. In the second paragraph the hon. member wishes to prevent the wholesaler from taking a pump away simply to satisfy a whim, irrespective of whether reasonable business is being done or not. The phraseology would not give the wholesaler much choice because there would be times when he would be compelled to remove the pump.

The paragraph says, "except with the consent of the retailer." If the retailer went bankrupt or ceased to carry on business, the pump could not be removed unless the retailer gave his permission. I feel sure that that is not what the hon. member desires. He wants to prevent a wholesaler from removing a pump to satisfy a whim or a desire to make things unpleasant for a retailer who has not been co-operative by sticking to a single brand. Thus the amendment would place the wholesaler in a ridiculous position.

As the amendment stands I have no option but to vote against it. In any event I would vote against the first half of it because I do not think we can make it an offence against the measure to refuse or neglect to install a petrol pump, etc. In whose opinion is it necessary? Is it in the opinion of the retailer, the wholesaler, the general public, the King of Siam, or someone else? The amendment does not attempt to say. Even if it did, I question whether we would be justified in requiring any wholesaler to install a pump if he did not think it was necessary. No reasonable person could support the amendment in its present form. I would be prepared to support the second part of it if the phrasing were altered to clarify the intention.

Mr. **OLDFIELD**: I think the fears of the opponents of the amendment are somewhat ill-founded. If we look at the clause and the amendment together, we can see what is underlying the amendment. It will not mean that any little store in the country can demand that an oil company shall put in a bowser or underground equipment. I refer members to Clause 5 together with the amendment. The oil company will be at liberty to refuse to put a pump in. It could say that there was not sufficient business.

The company cannot put a pump in or take one out under the conditions mentioned in Clause 5 relating to the principle of one-brand stations. The company cannot say, "We will not put a pump in or take one out because you will not go one-brand with us," but it can for any other reason. The amendment does not impose any unfair obligation on an oil company. We should have another look at this. Perhaps we could report progress. I would like to hear from the member for Stirling as to whether he agrees with my interpretation.

Mr. **PERKINS**: The member for Maylands has suggested ways and means for the wholesalers to destroy the purpose of his Bill. He is suggesting that it is a valid reason for the wholesaler not to put a pump in or to take one away if it is not entirely on account of the retailer not wanting to deal exclusively with that wholesaler. Is it not perfectly obvious that the way out for the wholesaler is to say, "If you put another pump in and you reduce the throughput of our petrol to such an extent that it is not a proposition for us to maintain the pumps in your service station without charging you a rental for them, we will take them out"? Is that not then a perfectly valid reason for the wholesaler to take the pumps away? That, in effect is, what the member for Maylands is saying is how the clause will work if we accept the amendment.

I appreciate the point made by the member for Stirling that there is some difference between forcing a wholesaler to

put in a new pump, and allowing the wholesaler to take out a pump that is already installed. If a retailer has had a dispute with the wholesaler and he installs another company's pump, the presumption is that if a motorist comes in, he will push the new brand of petrol rather than the petrol supplied by the company with which he has had the difference.

We can imagine the disputes that will arise between the retailers and the wholesalers on this score. I have discussed the matter with a number of retailers and many of them support the Bill, but I do not believe that 5 per cent.—perhaps not 1 per cent.—want to go as far as this. As I understand the position, all they want, provided they have a major dispute with the wholesaler, is to know that they cannot be forced out of the business altogether and that they will have the right to put in their own pumps and not be blackballed by all the wholesalers and thus prevented from obtaining petrol to sell through their own pumps. I think the member for Maylands will have provided for what is worrying the retailers if he accepts the Bill without this obnoxious provision, when I intend to oppose.

Progress reported.

## ADJOURNMENT.

**THE PREMIER** (Hon. A. R. G. Hawke—Northam): Before moving that the House adjourn, I wish to advise members that the Government will not ask the House to sit after tea tomorrow. I move—

That the House do now adjourn.

Question put and passed.

*House adjourned at 9.52 p.m.*

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## Legislative Council

Thursday, 3rd November, 1955.

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