

better off we will be. I do not like the idea of every man having to go into a Commonwealth-State rental home.

Hon. G. Fraser: They cannot all do so, even if they want to.

Hon. L. A. LOGAN, When they do, it simply means building up a community in one centre with every householder paying rent to a Government landlord, and I do not like it. A lot has been said about the reasons for the greater number of applications for houses today as compared with the demand a few years ago. I believe there are two reasons for it. The first is that, since the present Government took office, people have been more confident that they have a reasonable chance of getting homes, and have therefore applied for them. The second reason is that two or three years ago many families were of only two units and knew they had no hope of getting permits even if they applied.

Today many of those families have increased until they are now of three or four units and naturally their need for homes is greater than it was, with the result that they are now applying. I think that factor has been overlooked. People who had recently been married were prepared to put up with living in the homes of their parents, but when their families increased their troubles grew also, with the result that they are now asking for permits for houses. Again I suggest that permits for residences of a cost up to £1,800, and for self-help homes, should be abolished.

I would not worry about the man with money building a home. It is said that the rich man will be able to build a house, but I would like to know where all these rich men are. It does not matter who builds a home, because the more houses there are built the better it is for all.

Hon. G. Bennetts: Have you been down St. George's-terrace?

Hon. L. A. LOGAN: I have not seen any houses being built there. We cannot overcome the difficulty easily but must face up to the problems. No matter what Government is in power, it will have the same trouble, and I feel that the workers should help each other to get homes by going back to the 44-hour week.

On motion by Hon. H. Tuckey, debate adjourned.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. H. S. W. Parker—Metropolitan-Suburban): I move—

That the House at its rising adjourn till Tuesday, the 26th July.

Question put and passed.

House adjourned at 5.55 p.m.

Legislative Assembly.

Wednesday, 20th July, 1949.

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

QUESTIONS.

GREAT EASTERN HIGHWAY.

As to Completion of Bituminising.

Mr. McCULLOCH asked the Minister for Works:

(1) Is he aware that the Great Eastern Highway between Southern Cross and Bulla Bulling is in a very bad condition at the present time, owing to the recent slight rainfall in that area, which has resulted in the cessation of normal motor vehicle traffic to those travellers who do not desire to become stranded?

(2) When does he consider that the roadway between Southern Cross and Bulla Bulling will be treated with penetration oil and a bitumen surface, similar to several other important highways of this State?

(3) Why has the contractor who supplies gravel and filling for the formation of the said highway ceased operations prior to the completion of the job?

The MINISTER replied:

(1) There has been heavy local rain between the No. 6 and No. 8 Pumping Stations during the last fortnight and some boggy sections developed where the road has not yet been constructed.

(2) Construction of formation and graveling is proceeding at present and will be continued during this financial year. It is not possible to forecast when this remaining section will be improved to the bituminous surface stage.

(3) The department has no knowledge of a contractor supplying gravel and filling.

SWAN RIVER.

As to Growth of Algae.

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

(1) Has the committee of experts advising him concerning the pollution of the Swan River taken advantage of the higher saline content of the river which has resulted from the reduced rainfall to observe the effect on the growth of algae?

(2) Is the growth of algae at present considerably less in the river than is normally the case at this time of the year?

The MINISTER replied:

(1) Yes.

(2) The position has been examined. In the opinion of the officer in charge of the survey, the growth of algae has lessened.

NORTH-WEST.

As to Provision of Dental Service.

Mr. RODOREDA asked the Minister for the North-West:

(1) Is he aware that, because there are no dentists practising in the North-West, residents have to travel to the city at great expense to have even a tooth extracted?

(2) Will he consider appointing a travelling Government dentist to serve the needs of that area?

(3) If not, would he be willing to subsidise a private dentist to travel periodically through the North-West?

The MINISTER replied:

(1) Yes.

(2) Consideration has been given to the appointment of a travelling dentist and technician to the North-West, but difficulty in securing suitable officers has prevented finality.

At present a dental officer of the Schools Dental Service is touring the North-West from Wyndham to Carnarvon to complete the examination and treatment of school children and has been given the right of private practice to attend to adults in his own time.

(3) Answered by No. (2).

HOUSING.

As to Permit Application of M. Kunicic.

Mr. BRADY asked the Minister for Housing:

Will he lay on the Table of the House all papers relating to the application of M. Kunicic, of 119 First Avenue, Bassendean, for a building permit?

The MINISTER replied:

I shall be pleased to make these papers available for the hon. member at the State Housing Commission at a time convenient to him.

(b) As to Lag in Supplies of Roofing Tiles.

Mr. STYANTS (without notice) asked the Minister for Housing:

Is it a fact that the supply of roofing tiles is three months in arrears of orders and, if so, will he give consideration to the re-imposition of control over this type of building material?

The MINISTER replied:

There has been some lag in the fulfilment of orders for roofing tiles. I have not the latest report in front of me as to what the period is but will make inquiries into the position.

(c) As to Permits for Shop Renovations.

Mr. FOX (without notice) asked the Minister for Housing:

In view of the acute shortage of housing material, will he see that no permits are granted for shop renovations?

The MINISTER replied:

In view of the shortage of housing material, which has been accentuated by the recent coal stoppage, the Commission is exercising the utmost care with regard to the issuing of any permits other than those for housing and essential purposes.

Mr. Fox: Shop renovations are going on now.

COAL STRIKE.*(a) As to Coal Consumption, East Perth.*

Hon. E. NULSEN asked the Minister for Works:

(1) How much coal was there on hand at the East Perth Power Station at 9 a.m., Monday, the 18th July, 1949?

(2) How much coal has been used since the electric power was cut off on Wednesday, the 29th June, 1949?

The MINISTER replied:

(1) 8,194 tons.

(2) 3,538 tons.

(b) As to Tram Permanent Way Workers.

Mr. GRAHAM asked the Minister for Transport:

(1) How many permanent-way workers are employed by the Tramway Department?

(2) How many were given notice that they would be stood down owing to the coal strike?

(3) Why was this action taken in view of the state of the tram lines and adjoining roadways?

(4) Could not the men be employed more advantageously without the interruption of passing trams than under normal circumstances?

The MINISTER replied:

(1) 62.

(2) Six initially and a further 40 on 15/7/1949. Two men were retained and the balance were on annual leave.

Those stood down included clerks one, and engineers two.

(3) All staff would have been stood down initially but for the need to complete work under way on the Causeway.

Men were stood down because trams had ceased to run and, therefore, there was not the need for their services.

(4) Men can be employed more advantageously when trams are not operating.

IRON AND STEEL.*(a) As to Export.*

Hon. J. T. TONKIN (without notice) asked the Premier:

What is the result of his inquiry regarding the proposed export of bar-iron and steel from Western Australia?

The PREMIER replied:

The International Harvester Company advises that a quantity of approximately 12 tons of a certain type of steel is to be sent to its factory in the Eastern States to complete agricultural machines which are on order for Western Australia and which otherwise cannot become available to this State. The company states that during May it sent East 4½ tons of steel to complete cultivator drills, and in return received 47 cultivator drills averaging approximately 30 cwt. of manufactured steel.

(b) As to Previous Replies.

Hon. J. T. TONKIN (without notice) asked the Premier:

Will he ask the company, firstly, why it supplied him with insufficient information on his initial inquiry and, secondly, will its books show that it has given the Premier the right answer this time?

The PREMIER replied:

I do not think the company has misled me in any way and I do not think it would be of any use to consult it further as suggested by the hon. member.

Hon. J. T. Tonkin: Surely the Premier can see that the answer he has given today is quite different from the one he gave yesterday!

LUCKNOW HOSPITAL.

As to Continuance.

Hon. J. T. TONKIN (without notice) asked the Minister for Health:

In view of the promises made by the present Government during the last election that improvements would be effected in the hospital position, will he again give consideration to ways and means of keeping open the Lucknow Hospital?

The MINISTER replied:

Yes.

BILLS (2)—FIRST READING.

1, Guildford Old Cemetery (Land Revestment).

Introduced by the Minister for Lands.

2, Increase of Rent (War Restrictions) Act Amendment (No. 4).

Introduced by the Minister for Housing.

MOTION—LAND SALES CONTROL SELECT COMMITTEE.

As to Publication of Proceedings.

MR. STYANTS (Kalgoorlie) [4.42]: I move—

That in order to permit the Select Committee appointed to inquire into the Land Sales Control Act, 1948, to exercise its discretion in admitting the Press to its meetings, the Standing Orders having reference to the publication of the proceedings and deliberations of a Select Committee should, for the purpose of this special case only, be suspended during the time the Committee is sitting.

It is known to members that Standing Order 356 stipulates that no evidence given before a Select Committee shall be disclosed or published without first having been reported to the House. At the initial meeting of the Select Committee appointed to inquire into land sales control the question of the admission of the Press was discussed, and it was decided that application should

be made to the House for a suspension of this Standing Order to enable the Select Committee to use its discretion as to whether the Press should be admitted at any time or at all times to the hearing of evidence. It had been intended that this should be done through the Chairman of the Select Committee; but because of his indisposition I was requested to move the motion.

Question put and passed; the motion agreed to.

BILLS (4)—THIRD READING.

1, Water Boards Act Amendment.

2, Administration Act Amendment (No. 2).

3, Acts Amendment (Increase in Number of Judges of the Supreme Court).

4, Land Sales Control Act Amendment (Continuance).

Transmitted to the Council.

MOTION—STOCK DISEASES ACT.

To Disallow Pig-Wash Regulation.

MR. GRAYDEN (Middle Swan) [4.46]: I move—

That new regulation No. 77A made under the Stock Diseases Act, 1895, published in the "Government Gazette" on the 11th February, 1949, and laid upon the Table of the House on the 15th June, 1949, be, and is hereby disallowed.

As members will know, this regulation gives the Department of Agriculture the power to control the feeding of swill to pigs. I move for its disallowance for three principal reasons: Firstly, because the regulation will not achieve what it is ostensibly framed to achieve; secondly, because a more effective result can be obtained by other means; and thirdly, because this regulation will further restrict and hamper pig producers of this State, and further contribute to the decline in the number of pigs produced in Western Australia. I feel sure the regulation has been formulated by the department to cover up a mistake made by it some years ago. Swine fever broke out in this State in 1942 and as a result feeding of swill was, quite rightly, banned.

In 1947, however, the department gave its blessing to a project which was put forward by a firm known as Ferguson's Pty. Ltd. of Riverton. That firm proposed to treat swill obtained from the metropolitan

area, sterilise it, and make it available to the small pig farmers of the outer metropolitan area. Ultimately the firm intended to run some 10,000 pigs and thus absorb all the swill available in the metropolitan area. Until such time as it increased its stock to that extent it intended to make the treated swill available to the small farmers. That project had the blessing of the Agricultural Department which, however, completely overlooked the rights of some 50 small pig farmers in the metropolitan area who had to depend on pigs for their livelihood, had been in the pig business all their lives and had been obtaining this swill to feed to their stock.

The department completely overlooked those people. As far as it was concerned they could go out of business, although there were 50 of them. The department was prepared to let this one firm have a monopoly over swill in Western Australia. At a series of deputations and meetings the point of view of the smaller farmers was brought to the notice of the department. On one such occasion we had an inspection of Ferguson's plant at Riverton. The Minister, the Secretary for Agriculture and various officers of the department were present. The department then stated that Fergusons were successfully sterilising pig swill with the plant that they then had. On that occasion I took samples of the treated swill that had passed through the sterilising plant. There were pieces of pumpkin, for instance, that were obviously completely uncooked and unsterilised, and I showed them to officers of the department who stated that even though the swill was not cooked it was sterile, and that the plant was completely effective. They said that as far as they were concerned Fergusons could go on treating the swill, which was to be denied to the smaller farmers.

Subsequently it was found that Fergusons' plant was not treating the swill successfully, and it has since been replaced by another plant. That was in spite of the fact that we had assurances, from officers of the Department of Agriculture who were on the spot at that time, to the effect that the plant was capable of treating the swill effectively and was in fact doing so. As the result of our repeated representations to the department it eventually consented to allow the small pig farmers in the metropolitan area

to put in sterilising plants costing some £300 or £400 each. The department opposed that course for a time, but eventually it was permitted. Now, however, the department has introduced this regulation that I am seeking to have disallowed. It cuts completely across the interests of the small pig farmers.

It would appear that the department, having been almost forced to allow the small farmers to obtain a certain amount of swill for treatment in their own sterilising plants, has now fallen back on the regulations in order to put these men practically out of business, because that is what it will amount to. These regulations give the department extremely stringent control, and the experience of the small farmers with regard to pig swill is such as to lead one to believe that the department should not have this power, which it abuses. That has been the experience with regard to pig swill.

Hon. A. A. M. Coverley: How many small pig farmers have installed the plant you mentioned?

Mr. GRAYDEN: I believe there are five or six.

Hon. A. A. M. Coverley: What will be the effect on them if this regulation is disallowed?

Mr. GRAYDEN: Although they have put in plants at a cost of £300 or £400 each they are prepared to scrap them, because they can see that the pig industry in the metropolitan area is doomed if the regulation is allowed to continue in operation. The regulations control cabbage leaves, fruit and butchers' bones in addition to pig swill. They will prevent a man getting half a ton of vegetable leaves from the greengrocer as feed for his stock. The Department of Agriculture has informed me that it will not necessarily administer the regulations to the letter, but our experience has been contrary to that. I have here several declarations sworn before Justices of the Peace. They will show what these men are putting up with. A Mr. Nowotny, of Forrestfield, writes—

Officials from the Department of Agriculture called on me and informed me that from then on fruit and greens collected from greengrocers would be regarded as swill and must be treated under steam pressure before being fed to pigs.

There is another letter on exactly the same lines from Mr. J. D. McNeil, of Welshpool. Another, from Mr. Riordan, states—

I, Patrick Riordan, of Wright-street, South Belmont, pig farmer, do hereby wish to state that in the month of February Mr. Robinson, an officer of the Stock Department of the Department of Agriculture called on me and informed me that from then on I must cease the practice of feeding vegetable and fruit waste to my pigs. This I had been doing since I began operations in June, 1943, with the knowledge of the department, until receiving above order.

That is the type of thing that the officials of the department are now doing. They are preventing these farmers from feeding to their pigs vegetable waste that should not be classified as swill. So much for the assurance of the department that it will not administer the regulations to the detriment of these men. Butchers' bones cannot be classified as swill. They are the type of thing that the housewife buys, but the department says that because they are to be fed to pigs they must be put in the sterilising plant and boiled for about three hours. The regulations do not affect farmers in the metropolitan area only. The first lines of the regulations read—

No owner of swine shall in any part of Western Australia, collect or utilise, any kitchen or other refuse or pig wash from any hotel, slaughterhouse, boardinghouse, military or other camp or premises, or any premises whatsoever—

and so on, so this applies to all parts of the State. Many pig farmers in the country are dependent on swill from hotels and restaurants. That applies in places such as Northam. Pig swill is collected from country hotels and restaurants and is used by the small farmer, but that opportunity will be denied him under these regulations unless he treats the swill in a sterilising plant costing about £400. The matter goes further than that. It will not be possible under the regulations for any farmer to feed even his own kitchen waste to his pigs. If he does so he will be liable to prosecution and will be prosecuted. The department has already prosecuted various people for feeding their own kitchen waste to their pigs. I have a copy of a statutory declaration from Mr. E. K. Nowotny, of Hale Road, Forrestfield, pig farmer. He states—

I do hereby wish to state that I was convicted and fined in the Perth Police Court on my own admission that I utilised food waste

from my own kitchen. The magistrate said, "I am sorry to convict you on your own evidence, but the Act is sufficiently wide to include your own household scraps."

Mr. Marshall: Could you feed a cat from your own kitchen, under the regulations?

Mr. GRAYDEN: Possibly, but a man is not allowed to feed swill to his pigs. This man was convicted because there was an egg shell in his pig yard and he admitted that he fed his household scraps to his pigs.

Mr. Marshall: How long have these regulations been in operation?

Mr. GRAYDEN: I think they were gazetted in January.

Mr. Reynolds: During the term of this Government?

Mr. GRAYDEN: Only last January.

Mr. Reynolds: I am appalled to hear that.

Mr. GRAYDEN: That is why I am taking this opportunity to move for these regulations to be disallowed.

Mr. Nalder: What was the fine?

Mr. GRAYDEN: I do not know what it was. This regulation will apply to any pig farmer throughout the State. Swine fever occurred in Western Australia firstly in 1916. We were free of it in this State for 26 years until 1942, when it was introduced by the Americans who brought with them pig meats, which resulted in swine fever being introduced to Western Australia. We were free of it for 26 years because we do not import pig meats and whilst we keep those meats out of the State we will not have swine fever. We could police that particular aspect and ensure that those pig meats do not enter the country, but we do not want to let it rest at that. New South Wales and South Australia had similar outbreaks of swine fever in 1942 and those States, very rightly, applied swill restrictions, but following the outbreak they lifted them. Western Australia is the only State to continue with restrictions and they are wide enough to prevent a man feeding waste from his own kitchen to his pigs.

Mr. Reynolds: I thought this Government was out to support the primary producers?

Mr. GRAYDEN: It obviously is, but this is a point which the Honorary Minister for Agriculture has overlooked. The cost of

these restrictions to the State has been enormous and not only these particular restrictions but the ones in force since the outbreak of swine fever.

Mr. Marshall: It is no wonder we are paying 3s. a lb. for pork.

Mr. GRAYDEN: For instance, we have buried £137,000 worth of swill. It would have cost that much to have obtained the same food value from wheat at 5s. a bushel. That amount of swill was buried and it has been costing the city ratepayers £10,000 a year to bury it. That swill, with the addition of grain, could have supported another 10,000 pigs. Farmers in the metropolitan area and others are not advocating that they be permitted to do what they like with swill. They do not desire that at all. They realise that there must be restrictions but they claim—and I defy anyone to dispute this—that they can adequately sterilise all swill by boiling it in vats for two hours. They have been doing that for the past 26 years. I have spent a considerable time on some of the farms in my electorate alone and know that the men use these large vats for boiling this swill. They are not small farmers but are in a big way. One farmer alone before the war raised 3,000 pigs yearly. Being in a big way, these men will not risk feeding raw swill to pigs, but they want to be able to boil their swill for two hours which will adequately sterilise it.

Hon. J. T. Tonkin: What is the position in the other States?

Mr. GRAYDEN: There are no regulation restrictions of this kind in the other States. The pig farmers in this State have had these sterilisation plants foisted on them. It is no more effective to boil swill for six hours than it is to boil it for two hours. Once it is completely sterilised no further boiling will make it any more sterile.

Mr. Reynolds: Will you explain that point again; I just missed it?

Hon. A. H. Panton: The hon. member would not understand it if you did.

Mr. GRAYDEN: The point is that once the swill has been sterilised for two hours it is fruitless to continue boiling it because it cannot be sterilised any further, but the food value will be lost. All that these farmers ask is that they be permitted to treat swill in a practical and commonsense way.

They do not want these impracticable methods foisted on them by certain officers in the Department of Agriculture who are obviously hostile to them. These farmers suggest, first of all, that they be licensed and that a heavy penalty be inflicted on any farmer failing to boil his swill for two hours. They suggest that the license of such a farmer be cancelled if he is found to be feeding raw swill to pigs. Further, they are each prepared to pay £5 5s. yearly or possibly more, if necessary, to pay the salary of an inspector who could be employed to visit each property to ensure that swill is being boiled in a satisfactory manner. What could be fairer than that? There are only 50 pig farmers in the metropolitan area and they are prepared to meet the cost of an inspector to go from one property to another to ensure that these regulations are enforced.

Mr. May: He would be worth more than £250 a year.

Mr. GRAYDEN: Yes, but there are more farmers in the outskirts of the metropolitan area apart from the 50 I have mentioned. That briefly is what is suggested in place of these regulations which are completely iniquitous. I would again like to emphasise that not only in the metropolitan area are pig farmers affected by these regulations but also others right through the State. The pig industry is a declining one. There were 149,000 pigs in 1942 and now there are only 100,000. I have a letter here from Mr. H. A. Watson, of Watsons Supply Stores, relating to this particular matter. This letter is addressed to the secretary of the Metropolitan Pig Farmers' Association.

Mr. May: Did you say H. K. Watson?

Mr. GRAYDEN: No, H. A. Watson. The letter reads—

In reply to your request for information regarding the pig industry as it is today as compared with prior to 1942 in which year an outbreak of swine fever occurred.

Prior to 1942 metropolitan pig feeders were permitted to use food waste. As a result, the pig industry in the metropolitan districts was a very prosperous one.

The position today, according to our buyers and representatives of stock firms, there has been a very severe decline in the production of pigs in the metropolitan districts. We would say that less than 50 per cent. on the number of breeding sows are in production as compared with before 1942. This must represent

a very substantial loss to the metropolitan farmers and also to the production of food which is sorely needed in the British Empire.

It is a pity that some satisfactory scheme cannot be evolved, thus allowing the use of food waste as it was in days gone by. From inquiries made, we do not know of any other township where a ban is placed on food waste, in fact it is encouraged in England today.

That letter is from Watsons Supply Stores which make use of a large amount of pig meat. In conclusion, I want to emphasise that these regulations are not a satisfactory method of combating swine fever. Also, pig farmers are more anxious than anyone else in this State to prevent a recurrence of swine fever. Their livelihood depends upon its prevention. Therefore, I trust that the House will disallow these regulations, which are completely iniquitous and impracticable, in order that others along the lines I have suggested can be introduced.

On motion by the Minister for Lands, debate adourned.

MOTION—COAL STRIKE.

As to Settlement and State Disputes Committee.

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

That this House expresses its appreciation and the gratitude of the public to the State Disputes Committee of the A.L.P. for its constant and successful efforts to bring about a settlement of the coal strike at Collie.

Members are well aware of the fact that a majority of the Collie coalminers voted against the proposal to strike which was put before them in an Australia-wide ballot of coalminers. As members of the Federation, the Collie miners felt they were bound by the majority decision of their organisation, believing as they do in the principle of majority rule. They received a good deal of abuse from different directions for abiding by the majority vote and the principle of majority rule. However, I think that if some of those who abused them for the stand they made in that regard were similarly placed in an organisation to which they might belong, they would follow the same course. Unfortunately, the cessation of coal production at Collie immediately created a very serious situation in Western Australia on the industrial, domestic, transport and other fronts. As the days went by, that situation became worse and threatened completely to paralyse all activities in this State

unless a settlement of the dispute were found within a reasonable period of time. In a leading article appearing in "The West Australian" of Saturday last, there were the following words:—

The Collie miners did not want to strike, but they lacked the courage of their convictions when they threw in their lot with the Miners' Federation, and they lack the courage to withdraw unconditionally now. If Mr. Wise, Mr. Hawke and the rest of them believe in arbitration, then they do not believe in negotiating with men who are on strike against arbitration.

That statement could emanate only from a person appallingly deficient with regard to practical experience covering the settlement of industrial disputes. In fact, the whole history covering the settlement of industrial disputes in Australia has been one where practically all such disputes have been brought to an end as a result of negotiations that have taken place between some organisation or some individual and the men who, for the time being were on strike. Fortunately, the members of the State Disputes Committee of the A.L.P. had no such idea in their minds, nor did such a feeling possess them, as was indicated in the portion of the leading article I have just read. They did not regard the Collie miners as being untouchables, although they were extremely regretful that the miners there had been brought into the dispute. They realised, too, that the miners at Collie were struggling between a number of conflicting loyalties, three of them being, firstly, loyalty to their own federated organisation; secondly, their loyalty to the organised industrial movement in Western Australia, and therefore to their fellow industrial workers; and thirdly, their loyalty to the community of Western Australia as a whole.

Members of the State Disputes Committee had no hesitation in making an immediate approach to the Collie miners, which was made in the first place through the executive of the Miners' Union. From the moment they first heard that the miners had ceased work until the minute at which a settlement was approved by the miners themselves at a mass meeting, members of the State Disputes Committee of the A.L.P. were in constant contact with the miners, most of the negotiations being carried on as between members of the disputes committee and members of the Miners' Union executive. Many suggestions were put forward to the

executive, and those suggestions were discussed, inside and out, as between the members of the disputes committee and the miners' executive. From time to time meetings of the miners themselves were called and held at Collie when proposals for a settlement, which had been worked out largely because of the intervention and activity of the members of the disputes committee, were put before the miners, discussed by them and decisions made.

The members of the disputes committee were not always met with approval by the miners with regard to the proposals they put forward, and less experienced men in the settlement of industrial disputes than members of that committee would have given the whole matter away as being impossible of solution in this State, because it appeared on more than one occasion that there was no prospect of a settlement being reached at Collie until such time as a settlement was reached on an Australia-wide basis. However, the members of the State Disputes Committee of the A.L.P. had had sufficient practical experience in connection with industrial disputes—thank goodness—to realise that there was still a possibility of developing proposals which eventually a majority of the coalminers at Collie might be prepared to approve. And so they continued, day after day and night after night, to investigate every possible new angle for a settlement.

They continued to meet members of the Collie Miners' Union executive, shoulder to shoulder, if members like to adopt that phrase, regarding them in no shape or form as untouchables or men not to be negotiated with because any such negotiation with men who were on strike would be in opposition to the principles of arbitration. The members of the disputes committee also had in mind their very great duty to all other industrial workers in Western Australia, and their even greater duty to the community as a whole in the State. They realised, as men with great practical experience in such matters, that the dispute, if long continued or if even much longer continued, would have had most disastrous effects upon secondary industries in particular but also upon all other industries throughout the State. They also appreciated that it would result in considerable impoverishment, financial and otherwise, of hundreds of thousands of men and

women throughout Western Australia. In the circumstances, the members of the disputes committee adopted no high and mighty, superior attitude. They were prepared to sacrifice their dignity—if there was any dignity to be sacrificed. They were prepared to give up their time and devote their experience, their talents, and their knowledge in a continuous endeavour to secure a settlement of the dispute at Collie as quickly as was humanly possible.

Because of their practical experience and great commonsense, they knew that the only way to settle the dispute was by direct negotiation with the Collie miners' executive and with the rank and file of the miners themselves. They did not entertain any stupid, infantile idea that negotiations with the executive of the union or with the rank and file were in opposition to the system and principles of arbitration, nor did they think for a single second that any negotiations of that description that they might carry on, could in the slightest degree undermine the principles of arbitration or do anything that would injure the rule of law and order and constitutional authority.

Mr. Bovell: I hope this is not in criticism of the Prime Minister, is it?

Hon. A. R. G. HAWKE: It is a very plain statement and one which I had hoped would be fully understood by the member for Sussex. I was pointing out that the commonsense and practical experience of the members of the State Disputes Committee of the A.L.P. had been applied in dealing with the situation.

Mr. Bovell: I agree with you, but I asked if what you were saying was in criticism of statements made by other people regarding the negotiations arising out of this tragic affair.

Hon. A. R. G. HAWKE: I find I am not able to comprehend the meaning of the interjection of the member for Sussex.

Hon. A. A. M. Coverley: No-one else can, either.

Hon. A. R. G. HAWKE: The point I was making, and making successfully, was that members of the State Disputes Committee felt in no way that they were doing anything that in the slightest degree would undermine the principles of arbitration, conciliation, law and order or constitutional

government, as a result of their negotiating direct with the Collie miners. They acted in an earnest endeavour to bring about a settlement of the dispute at Collie as early as was humanly possible, irrespective of whether the coalminers of New South Wales remained on strike for a much longer period. Surely that is capable of being comprehended quite easily, and surely it is a fair, straight, honest statement to make on behalf of the men who at present constitute the State Disputes Committee of the A.L.P. in Western Australia.

Hon. A. H. Panton: The member for Sussex was endeavouring to draw a big red herring across the trail.

Hon. A. R. G. HAWKE: We find that, as a result of the valuable services rendered by the members of this committee, the coal strike in Western Australia has ended, and coal is again being produced on our coalfields. I do not think it would be possible for anybody to place a monetary value upon what that achievement really means to the people and the industries of the State.

Mr. Yates: How many members are on the disputes committee?

Hon. A. R. G. HAWKE: We have two members of the State Disputes Committee in this Chamber, the member for Pilbara and the member for Guildford-Midland. I am not sure whether there are six or seven in all. They are elected by ballot of representatives of all the industrial unions in the State.

Mr. Ackland: Why all the flowers? Is not that their normal job?

Mr. Marshall: No.

Hon. A. H. Panton: A long way from it. It is a sideline.

Mr. SPEAKER: Order!

Hon. A. R. G. HAWKE: I hope the member for Irwin-Moore is not the gloomy kind of individual who puts flowers on people only when they are in coffins. If he is, he is one of far too many people of the same type in every community, and I hope that he will radically alter his outlook and actions and cooperate with us today in presenting a bouquet, if one likes to put it that way, to the members of the State Disputes Committee whilst they are still alive and among us. There is much more that could be said on this motion but I am satisfied to state the facts.

THE PREMIER (Hon. D. R. McLarty—Murray-Wellington) [5.33]: The Government has not any objection at all to expressing appreciation to those persons or organisations who assisted to end the unfortunate coal strike in Western Australia. My own personal feelings are that now the strike has ended the less said about it the better. From that point of view, the statements which I made as the spokesman for the Government during the strike, expressing my gratification at the ending of the strike were of a very temperate nature. Now that the miners have returned to work I am sure it is the desire of the whole community that they should continue at work and that no discussions should take place or any inflammatory statements be made to upset conditions on the coalfields.

In saying that, I am not hinting in any way that the Deputy Leader of the Opposition has made any such statements. I think his speech this afternoon was of that temperate character to which I have referred, but I do not know why a particular organisation should be singled out for the thanks of Parliament and of the public of Western Australia. If the public wanted an expression of thanks to be given to the disputes committee of the A.L.P., I should have thought that some representation would be made to myself, but I must confess that not one suggestion has been made to me in that direction. It is, I take it, the duty of the disputes committee of the A.L.P. to interest itself in any individual dispute which might arise from time to time, and I remember that the committee has engaged itself in that direction when industrial disputes have taken place in the past and perhaps has played some important part in bringing about a settlement.

But this is the first occasion that I can remember when the committee is to receive a special vote of thanks for the work done by it. This strike was, to use the words of the Prime Minister, an unjustified and illegal strike. Therefore, I should say that anybody condemning it was merely doing his duty. I again say that I am appreciative of the action of the disputes committee of the A.L.P. in taking up a stand to uphold law and order in the State, particularly industrial law. I repeat that that was nothing less than its duty. I think we might amend the motion.

Hon. J. T. Tonkin: To include the Government?

The PREMIER: That might be a good idea. I am grateful to the member for North-East Fremantle for his suggestion. Let me get away from the party political aspect. I also think that we might express our thanks to the Commonwealth and the State Governments for the resolute attitude they took up during the strike. I certainly think the Government is entitled to some recognition for its action during the strike.

Mr. Fox: What action?

The PREMIER: For the stand it took up and for making a definite statement that it would uphold the industrial laws of the State. The Government took up that attitude from the very commencement. Quite a number of unions passed resolutions in which they publicly stated that they stood by arbitration. Even if the mover will not include them in his motion, I take the opportunity on behalf of the Government to thank them for their attitude. Let us go to Collicie itself. I understand a substantial number of people there told the miners that they thoroughly disapproved of their action, and that if they did the right thing they would return to work and obey the industrial law by going before the tribunal which was set up to deal with disputes and that no other course was open to them. To these people I want to express thanks, as they did a good deal towards bringing about the termination of the strike.

I notice that Mr. Chamberlain, the newly-appointed secretary of the A.L.P., made a statement which is inaccurate and which I now take the opportunity to correct. He said that while I could not find any way of intervening in regard to terminating the strike, I was prepared to intervene on behalf of the employers in this State. That is wholly incorrect, because the Government did not intervene and had no intention of intervening, as I explained to the House, on behalf of the employers. The only chance the Government had of intervening so far as the penalty clause was concerned was by the application of the employers to be representative in Western Australia of the Coal Tribunal to hear their case, which was adjourned in order that the penalty clause might be imposed.

The Government did not intervene on behalf of the employers, but on behalf of the people of Western Australia who were suf-

fering great hardships. When the people are suffering hardships it is the duty of the Government to come to their rescue if there are any means available to it by which it can afford them some relief. I notice that Mr. Chamberlain said he had been to Collicie, and he is reported in "The West Australian" of the 16th July as follows:

Since the disputes committee returned from Collicie late on Thursday night, Mr. Chamberlain said, it had continued its endeavours to find a way out of the tragic situation in which the State found itself. As a result, the president of the Employers' Federation (Mr. F. A. Johnston) and the secretary (Mr. G. F. Gill) had further discussed the position with the disputes committee at the Trades Hall yesterday. Discussions would be continued today, when the parties were hopeful of arriving at a formula that would be acceptable to all concerned.

Hon. A. R. G. Hawke: Surely not at the Trades Hall!

The PREMIER: At the Trades Hall. I want to impress that on the Deputy Leader of the Opposition. The report continues—

The Trade Unions' Industrial Council of the A.I.P. (W.A. Branch), representing about 90 unions, had sent a telegram to Mr. Chifley supporting the Government's action against the strikers, the secretary of the council (Mr. L. Lipsett) said yesterday.

The Minister for Lands: Could we not get the member for North-East Fremantle to include them in his suggestion, too?

The PREMIER: I think we have also to thank the employers of Western Australia for what they did in this matter.

Hon. A. H. Panton: Does the report say what formula was worked out?

The PREMIER: No. We have something to thank the employers for because of the restraint they showed during the strike and their willingness, as evidenced by the report I have read, to cooperate with the disputes committee of the A.L.P. to the fullest extent possible. As the Deputy Leader of the Opposition has helpfully emphasised, they went to the Trades Hall to take part in discussions with the disputes committee.

Hon. J. T. Tonkin: I thought they were seeking to have the penalty clause imposed.

The PREMIER: There are many other employers in Western Australia besides the coalowners, who are only a small proportion of the employing section. The member for North-East Fremantle knows that thousands of employees outside the coal industry were

affected. I cannot help but think that we ought to express our thanks, too, to the general public, particularly to that section of it living in the metropolitan area who had to bear, I should say, the greatest hardships. There has never been a strike in our history where they bore themselves so cheerfully and with such determination to ensure that the strike did not end without its terms being decided by arbitration. I take this opportunity of expressing thanks to them on behalf of the Government for the assistance they gave, and for the determined stand they adopted to preserve industrial law and order in this State.

Mr. Hoar: You are not wild about this motion, are you?

The PREMIER: I am not the least bit wild about it. It is seldom that I ever do get wild.

The Attorney General: You think it is a joke, do you?

Mr. SPEAKER: Order!

The Minister for Education: There is a difference between being emphatic and being wild.

The PREMIER: I would be upset if we left out of this motion the people who, because of their efforts in bringing about the termination of the strike, should be included.

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

The PREMIER: The member for Leederville says "hear, hear," and he has had more to do with industrial troubles than has any other member in this Parliament, I think. He is in complete agreement with me. I think a word of commendation should be said for the coalminers who met the A.L.P. and others, and decided to resume work.

Hon. A. H. Panton: The Housewives' Association should come into it.

The Minister for Lands: That organisation is included in the public.

The PREMIER: Seeing that we are in such agreement, I will move an amendment to the motion, and I am sure the Deputy Leader of the Opposition will agree to it.

Hon. A. R. G. Hawke: Do not be too sure.

The PREMIER: I shall be very disappointed if he does not, and I think the House, generally, will agree with it. I do not want to go over the ground I have already covered, but we do know that from the outset of the strike, the Prime Minister

said there was a proper avenue for settlement, and that was for the whole matter to be referred to the Coal Tribunal.

Hon. A. H. Panton: That is what has happened.

The PREMIER: That is so, and it has only happened because of the resolute stand taken by both the Commonwealth and the State Governments. I do not think there is any doubt about that. If any Government had weakened at all, we could quite easily have had a much more chaotic state of affairs in Australia than we have today. In order that there shall be no dispute, and so that all those who did so much to bring about the termination of this unfortunate strike may be thanked, I move an amendment—

That the words "the State Disputes Committee of the A.L.P. for its" be struck out—

Hon. A. R. G. Hawke: Earlier in your speech you were wondering what suitable amendment might be moved, and now you have one written out.

The PREMIER: I was listening to the hon. member. My amendment is—

That the words "the State Disputes Committee of the A.L.P. for its" be struck out and the words "all those concerned in the" inserted in lieu.

The motion would then read—

That this House expresses its appreciation and the gratitude of the public to all those concerned in the constant and successful efforts to bring about a settlement of the coal strike at Collie.

Hon. J. B. Sleeman: Why do not you put in "the State Government"?

The PREMIER: I do not want to single out any body in particular.

HON. A. R. G. HAWKE (Northam—on amendment) [5.50]: I am not at all surprised that the Premier should make some attempt to take away from those mainly—almost entirely—responsible for the early settlement of this dispute, the credit and thanks which are undoubtedly due to them. Neither was I surprised to see that the Premier, during the course of his speech, was struggling very hard to make the grade.

The Minister for Lands: He did not struggle any more than you. You were not too comfortable. You had your tongue in your cheek all the time.

Hon. A. H. Panton: This is a private fight at the moment. If you are going to make it a public one, we shall be here all night.

Hon. A. R. G. HAWKE: The Minister for Lands usually talks with his tongue down around his feet.

The Minister for Lands: Do not try to be funny. I never saw you more uncomfortable than tonight, and you did not mean a word you said.

Hon. A. R. G. HAWKE: I do not mind the Minister suggesting that I spoke with my tongue in my cheek, but it is absolutely untrue.

The Minister for Lands: I have never seen you more uncomfortable.

Hon. A. R. G. HAWKE: Such a low-down assertion could, in this Chamber, come from only one member, that member being the Minister for Lands. It is more than passing strange that the Premier, in the early portion of his speech, said that it might be advisable to amend the motion.

The Premier: You expected it to be amended.

Hon. A. R. G. HAWKE: Then he expressed some wonderment as to how it might suitably be amended. Within a few moments of that expression, he picked up a number of papers, turned a few of them over, and read from one of the pages the amendment he has now moved, making it obvious, even to the Minister for Lands, that he had prepared this all before. I have no doubt that Cabinet met and discussed the matter.

The Premier: No.

Hon. A. R. G. HAWKE: I have no doubt that some members of the Cabinet had a talk about it.

The Premier: I had a lot of other matter prepared here, but did not have the chance to use it.

Hon. A. R. G. HAWKE: It might even have been mentioned at the Party meeting this afternoon.

The Premier: I was not there.

The Minister for Works: You are wrong in both instances.

The Minister for Education: Give up guessing.

Hon. A. R. G. HAWKE: I do not suggest that the Minister for Works was brought in to the discussion by Cabinet Ministers

as to how this should be handled, but I do suggest that at least some of the Ministers had a talk about it. That is not a guess, but is based on practical experience as to how Ministers handle this sort of thing. I can see the Attorney General smiling a very knowing smile as much as to say, "Yes, you are quite right." I would be prepared to support an amendment to insert after the words "State Disputes Committee of the A.L.P." the words "and all others concerned for their efforts." We would have to word the amendment somewhat differently from that. I would be prepared to support an amendment to add to the motion the following words:—"and to all others who were concerned in any way in assisting to bring about a settlement." If the Premier would be prepared to withdraw his amendment and move that as an addendum to the motion, I would support it.

The Attorney General: Would you include the Prime Minister?

Hon. A. R. G. HAWKE: I think it would be fairly miserable on the part of members, and would show no real appreciation or gratitude to the men who did 95 per cent. of the work to bring about a settlement, if they eliminated altogether from the motion any specific reference to them, and buried their thanks, and the gratitude of the country to those men by just including them with everyone else who might have helped; and by placing them on the same basis as some unknown people who might have met some of the miners in the street one day and said, "You fellows ought to go back to work."

Mr. Marshall: They did not do much to get them back to work.

The Premier: Yes, they did. Local opinion carried a lot of weight.

Hon. A. R. G. HAWKE: I am prepared to meet the Premier in this matter. If he agrees to withdraw his amendment and move an addendum, on the lines I have suggested, to the motion I would have nothing more to say about it. I hope the Premier will indicate that he is prepared to do that. If so, I will sit down immediately.

THE MINISTER FOR EDUCATION

(Hon. A. F. Watts—Katanning—on amendment) [5.55]: I did not intend to intervene in this debate, but it is quite obvious from the last remarks of the Deputy Leader of the Opposition that what I quite frankly

say I suspected of him, is not in his mind. I am glad to know, from what the Premier told him, that words can be inserted in the motion to accommodate both their points of view. I am going to be quite frank. When this debate commenced I was filled with the idea that the Deputy Leader of the Opposition was seeking to gain some political advantage out of this matter, which of course would be nothing unusual, but which, I might say, would be slightly unusual in the case of the hon. gentleman himself. So far as I am concerned, the last few moments of the debate have effectively disposed of that idea. I thought that—and I make no bones about it—because of the unusual terms of the motion.

Hon. A. R. G. Hawke: It was an unusual dispute.

The MINISTER FOR EDUCATION: That may be. As the motion is going to be amended, its terms are quite satisfactory, but in its original shape, and in view of what has happened over a long period of years in connection with industrial disputes in this State, when we have not seen fit to move a specific motion on the attitude of anybody who has participated strongly and ably in the settlement, it seemed to me to be an extraordinary thing that the Deputy Leader of the Opposition should move the motion in the way he did. We have had many disputes since I have been a member of this Parliament—about 14 years. I have seen many grey hairs created in the heads of members opposite who, at the time, were bearing the responsibility. I have seen many patient trudgings up and down stairs for conferences with representatives of one side or the other, many activities on the part of the State Disputes Committee of the A.L.P., and many urgent efforts made by the gentlemen who then held positions on that committee, and frequently—I think in all cases—those efforts were finally successful. But I have never seen a motion of congratulation like this being moved here.

Hon. A. H. Panton: That is the pity of it.

The MINISTER FOR EDUCATION: It may be that it is a pity, but it did not occur to me, and I do not think it occurred to the House, that the effects of this dispute on the general community were very much worse than those of some of the other industrial troubles that have occurred in Western Australia. I can remember an almost equally

calamitous state of affairs in 1946. The trouble then had nothing whatever to do with the coalminers, but with a different section of the community, and was based on entirely different grounds which may have been more or less justified than those on the present occasion. In any event, the only recourse open to them, and the recourse which they finally accepted at that time, was to get down to an industrial agreement. Therefore, we did not pass a resolution of appreciation to the disputes committee of the A.L.P. at that time.

I thought it just as well to let the Deputy Leader of the Opposition know my attitude towards the motion and to advise him that it entirely changed in the last ten minutes, during his concluding remarks. I appreciate what I will call the bona fides of his utterances, and consequently I am quite happy that the Premier should agree to compromise with him on the terms of the motion.

The PREMIER: I ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

The PREMIER: I move an amendment—

That the following words be added:—“and to all others who assisted in any way to bring about that settlement.”

Amendment put and passed; the motion, as amended, agreed to.

MOTION—STATE ASSETS.

As to Utilisation of Credit Balance.

Debate resumed from the 22nd June on the following motion by Mr. Marshall:—

That in the opinion of this House the Government should submit annually, along with the Budget, a balance sheet showing fully the value of all assets as well as the liabilities of the State, in order that Parliament might better understand the solvency, or otherwise, of the State with the view of using the credit balance (if any) as security for the State Rural and Industries Bank, which should make available financial accommodation to the State Government at cost for all Governmental purposes. This would avoid in future all borrowing through medium of the Loan Council from institutions or individuals as a debt against the State, which policy has always been responsible for the increase of the Interest Bill, which in turn has meant increased taxation to cover such debt.

THE PREMIER (Hon. D. R. McLarty—Murray-Wellington) [6.2]: This motion is similar to those which the hon. member has moved in years gone by. We all know that he is an ardent monetary reformer and I cannot quite recollect how many similar motions he has moved during the 19 or 20 years that I have been a member of this House. However, I do know that he has put in a great deal of time and research on these matters. I have also seen where the hon. member has been quoted in other Parliaments. Therefore, it is evident that he has disciples, not only in Western Australia, but also outside the State.

The hon. member, in the past, has succeeded in having some of these motions carried, but he has not been able to get very far as a result. As members are aware, it is possible to have a motion carried in this House, but that does not mean it is binding on any Government to proceed further in regard to the matter. I have treated the motion seriously.

Mr. Reynolds: We are pleased to hear that.

The PREMIER: I have made many inquiries and have discussed it with people who, I consider, are in a position to advise me. I have also endeavoured to obtain all the information possible because I am not content to permit this motion to be carried, if it is carried, and then not do anything about it. However, I hope the House will not agree to the motion, because I do not think it can be implemented. I do not want members to take the proposal lightly for the reason that, if it is adopted, it will be my duty to do something about it. What action the Government would take, in that event, would be a matter for determination at a later date.

I have consulted certain people whom I regard as authorities on the subject, and have obtained opinions from them. One of these opinions is fairly lengthy, but nevertheless I intend to read it. The opinion is signed by Mr. Bosisto, the chairman of Commissioners of the Rural and Industries Bank, and the Under Treasurer, Mr. Reid, who is the chief financial adviser to the Government of this State. It is addressed to myself as Treasurer and it reads—

1. We have read the notice of motion under the name of the member for Murchison, and

have also read his speech when he moved the motion. We desire to offer the following comments for your information:

2. Mr. Marshall asks whether the Rural and Industries Bank has the same power as the Commonwealth Bank has over the note issue and legal tender issues. The answer to that question is "No." Under the Australian Constitution the control of legal tender is vested in the Commonwealth Government. It is because the answer to this question is "No" that we feel the proposal outlined in the motion is impracticable.

3. It is true that legal tender, i.e., pound notes and silver and copper coin, form only a small part of the medium of exchange used in financial transactions carried out by any well-organised economic community. The great bulk of these financial transactions is settled either by cheques or by bills of exchange. It is also true that an ordinary trading bank can, within limits, extend credit far beyond the supply of legal tender in its possession. There is a limit, however, to which a trading bank can go in the matter of issuing credit. Once credit is issued by way of an overdraft, it becomes spending power in the hands of the person to whom it was granted. As the overdraft is spent, the bank issuing the overdraft is drawn on to meet the demands of those to whom the credit has been issued. Insofar as the persons who receive the proceeds of the credit, deposit their earnings with other trading banks, the bank granting the overdraft has to make payment to these banks of the amount of the credit drawn. If, however, all the trading banks are operating on a somewhat similar credit expansion policy, it is possible that the demands on any one bank will be just about balanced by the claims it has on the other banks, and in the final adjustment, very little payment, as between banks, may be necessary.

4. Trading banks adjust their balances daily at the clearing house. Where a trading bank owes money to another bank, the amount due is paid in cash. At one time these balances had to be adjusted by transfers of gold; hence the care which a bank had to exercise to see that its gold reserves were not unduly depleted because of a too-expansive policy of credit issue. Nowadays these balances are settled by cheques, and the cheques are met by transfer of legal tender. There is an obligation, therefore, on every trading bank not to issue credit beyond an amount commensurate with its ability to settle any adverse balance by a transfer of legal tender. Where a bank has power to issue legal tender—i.e. to print bank notes and mint coins—the issue of credit could go on almost indefinitely, but if it were carried beyond the point of economic safety, the continued issue of more legal tender would, in time, destroy its value, and the community would suffer all the evils of inflation.

Mr. Marshall: I cleared that point with them.

The PREMIER: Continuing—

5. The motion asks the Government to arrange for the issue of credit by the Rural and Industries Bank to the extent of the State's loan programme. Assume the loan programme of the State to be £6,000,000 and let it be further assumed that the Rural Bank issues credit to the Government for this amount. Once the credit had been issued to the Government, the various Government departments would proceed to spend it on wages or in the purchase of materials, or on such other things as were included in the loan programme. Ultimately the money thus spent would be deposited in the banks of the persons receiving it, and these banks in turn would look to the Rural and Industries Bank for the settlement of any credit balances which they had with the Rural and Industries Bank. Once the volume of drawing on the Rural and Industries Bank reached the stage that its reserve of legal tender had become exhausted, the Government would have to find additional capital for the Bank, and this capital could be found only by borrowing by the Government through the Loan Council.

6. The proportion of the deposits received by the Rural and Industries Bank is about 10 per cent. of the total deposits made to the banks in this State. If £6,000,000 were made available by that bank to the Government by the issue of credit to finance the loan programme, the Rural and Industries Bank would receive back, as deposits of the credit issued, not more than £600,000, and would have to find, as payment to the other trading banks, the sum of £5,400,000. This would prove too severe a strain on the bank's cash resources, and the Government would have to find additional capital to enable the Rural Bank to meet its obligations to the other trading banks.

That statement has been made by the two officials I have mentioned. I think it is only right that I should let the House know exactly what these gentlemen think of the motion of the member for Murchison. They say they consider it to be impracticable. But again, because of the fact that legal advice was necessary, I consulted Mr. Good, the Solicitor General, and have an opinion from him which I also intend to read.

Sitting suspended from 6.15 to 7.30 p.m.

The PREMIER: Before tea I had read the opinion of Mr. Bosisto, chairman of Commissioners of the Rural and Industries Bank, which was supported by the Under Treasurer, Mr. Reid. Now I propose to read a legal opinion from the Solicitor General, Mr. Good. It states—

1. The Financial Agreement requires the Commonwealth and each State to submit to the Loan Council a programme setting forth the amount it desires to raise by loans during each financial year. (See Clause 3 (8).) If the Loan Council decides that the total amount of the loan programme for the year cannot be borrowed at reasonable rates and conditions, it is empowered to decide the amount to be borrowed and may—by unanimous decision—allocate such amount between the Commonwealth and the States. (See Clause 3 (9).)

2. The State may—subject to any maximum limits decided by the Loan Council for interest, brokerage, discount and other charges—borrow moneys within the State from authorities constituted or established under a Commonwealth or State law and the State may use any public moneys of the State which are available under the laws of the State. (See Clause 5 (1).) Any securities issued for moneys so borrowed or used shall be the Commonwealth securities, to be provided by the Commonwealth upon terms approved by the Loan Council. (See Clause 5 (2).)

3. Unless the moneys are so borrowed or used for temporary purposes or unless no securities are given, the moneys are deemed to be moneys borrowed by the Commonwealth for and on behalf of the State. (See Clause 5 (4).)

4. If the moneys so borrowed, together with any amounts raised by the Commonwealth for and on behalf of the State, exceed the total amount of loan moneys decided upon by the Loan Council as the moneys to be raised for and on behalf of the State during the financial year in which the money is deemed to be borrowed, the excess shall—unless the Loan Council otherwise decides—be deemed to be moneys received by the State in the following year on account of its loan programme for that year. (See Clause 5 (5).) In my opinion, therefore, even if the State borrowed from the Rural Bank by credit issued by that bank, the money so borrowed, unless the bank were content to dispense with security, would be deemed to be borrowed by the Commonwealth under the provisions of the Financial Agreement.

Those are the opinions I have received and they are to the effect that the motion moved by the member for Murchison should not be supported. The hon. member made a fairly lengthy speech and covered a great deal of ground. If I may say so without giving any offence, much of what he said was not directly related to the motion. Still, he was discussing the matter of finance generally and was giving the House some indication of what might happen in the future if his particular ideas were not put into operation. However, I consider that the state-

ments by Mr. Bosisto and Mr. Reid are quite enough to make members think seriously before supporting the motion.

So far as I could gather, the hon. member did not suggest that the Rural and Industries Bank should print its own notes or provide its own currency. In any event, there is no doubt at all in my mind that that could not be done, because the Commonwealth Constitution says—

The Parliament shall, subject to this Constitution, have power to make laws for the peace, order and good government of the Commonwealth with respect to—

(xii) Currency, coinage and legal tender.

That, of course, would include a note issue. Then it says—and members have heard a good deal about this recently—

(xiii) Banking, other than State banking.

Mr. Marshall: That is the point.

The PREMIER: Yes, we are awaiting the decision of the Privy Council. Paragraph (xiii) continues—

also State banking extending beyond the limits of the State concerned, the incorporation of banks and the issue of paper money.

To me it appears to be quite obvious that we have no power to create a note issue or legal tender in regard to coinage. Therefore I take it the hon. member, when he speaks about utilising the credit of the Rural and Industries Bank, means credit by way of overdraft. Let us examine that phase. A suggested figure was taken by the two gentlemen I have mentioned of a loan programme for this State amounting to £6,000,000. We will adopt that figure. They estimate that 10 per cent. of that amount of money would come back to the Rural and Industries Bank. This would mean that the Bank would receive back by way of deposit £600,000 and the other banks would receive £5,400,000. That amount, as members will realise, would come back from traders, business men and other sections of the community. The point I wish to make is that £5,400,000 would go to the other banks. I believe this ratio which has been suggested is pretty accurate. The Rural Bank would need to have a very large reserve of legal tender to enable it to meet such a demand. At present it could not meet it, as it has not sufficient credit in the way of deposits over and above its immediate needs.

Mr. Graham: But deposits are liabilities as far as banks are concerned.

The PREMIER: As far as I can see, there would be no other way of assisting the bank to meet its difficulties except by loan, and such loan money would have to be obtained through the Loan Council. Referring to the interjection of the member for East Perth, I am not one of those who hold the view that a bank creates additional assets or wealth when it writes a £1,000 loan or makes an overdraft to some person and is immediately £1,000 better off. That is not so. The profit which the bank makes on that £1,000 is made out of the interest that it receives, but from that interest working expenses and all other expenses have to be met. If it were so easy to create wealth by merely writing figures in a ledger then I think we would all become bankers.

Mr. Reynolds: Oh, no. You know better than that.

The PREMIER: I do know better.

Mr. Hoar: Who suggested otherwise?

The PREMIER: We would all become bankers. This creation of credit is something which must be gone into very carefully and well guarded against in order to stop any inflationary tendency which might occur. I repeat that the Rural Bank could not stand up to this demand. The hon. member said that it is backed up by the wealth of the nation, and particularly by the wealth of the State, both public and private. That is the claim made by the Commonwealth; it says that it is backed up by the wealth of the nation. It knows that it has that solid backing and is therefore able to create credit by way of note issue, currency, coinage, etc. The Commonwealth Bank is safe because it knows perfectly well that when demands are made upon it, it can, by having control of the note issue, meet the demands.

Mr. Reynolds: The note issue was expanded during the war to a great extent.

The PREMIER: I am aware of that fact, although I have been unable to ascertain the extent of the expansion. This State is a member of the Loan Council and if we were able to do what the motion suggests I think it would mean our breaking away from the council. I would like to hear the hon. member on that point, as it would have a very serious effect upon the Commonwealth Bank.

Hon. A. H. Panton: Do you think we have to be loyal to the Federation?

Mr. Hoar: If he does, it is the first time.

The Minister for Education: You cannot have both at the same time. That is obvious.

The PREMIER: We have entered into an agreement which I do not think we can break in the manner suggested by the motion. If we attempted to do so we would get ourselves into serious trouble. I have given the House the opinions, legal and otherwise. They are that the motion is not a practical one. I desire to finish as I began. I pointed out that the hon. member had submitted a number of these motions. He has done a tremendous amount of work and research and his motion should not be passed over lightly. He has had similar motions carried previously, but nothing has eventuated as a result. If a member can get a motion carried in this House he is, in my opinion, entitled to have something done about it. In view of the fact that I would consider I had to do something about his motion, if carried, and I do not favour it, I am going to ask the House to reject it.

Mr. Marshall: I believe that is a credit in your favour, to take up that attitude. That is all I can say.

HON. J. T. TONKIN (North-East Fre-mantle) [7.47]: It is not my intention to take up a great deal of the time of the House but as I feel this motion will be put to a vote and possibly a division, it is necessary that I should give my reasons for the stand I propose to take, as there are persons who have written to me in connection with the motion and desired me to take a course of action contrary to the one I intend to take. Mr. Speaker, I feel that you yourself must be particularly interested in this debate, because from time to time you have addressed the House on monetary matters. Anyone who has listened to the member for Murchison as I and others have done would not doubt his sincerity in this matter. He believes what he says. He has given much thought and study to the subject. Year after year he has endeavoured to have a course of action taken which he believes would solve many of our problems.

I regard the present motion as the least practical of all the motions which he has moved over the years, because the Rural Bank has no power to issue legal tender

money, and because it has not it would soon be in serious difficulty if it were to do what the hon. member advocates should be done. It would be desirable for us to obtain from time to time a balance sheet showing just how the State stands. I have heard argument for many years past as to the position of our railways. I have heard the member for Kanowna say that the railways do not run at a loss; in effect, he said that they make a profit and that it is the book-keeping system, under which the railways are debited with a considerable sum that should have been written off years ago, which is responsible for the recurring deficit from year to year. I think there is a great deal in that contention. No private concern would continue to have debited against its assets machinery which should have been written off through obsolescence, and we should expect to see the capital value of the undertaking have some relationship to the real value of its assets. So if a balance sheet were presented in accordance with the desire of the member for Murchison, I think that would be all to the good.

But it is with the latter portion of the motion that I disagree. This question of monetary reform has taken very many turns from time to time. There were in this State some years ago some staunch advocates of what was known as the Douglas Credit theory. A considerable amount of literature was issued and sold and there were many adherents to the theory; but, if I may say so, very few understood it. In short, the proposal was that there should be a social dividend; but I could never find anyone who advocated that theory who could tell me how we could have a social dividend without first of all having a social property; and Douglas did not advocate a social property. He advocated that property should still be privately-owned but that there should be a social dividend nevertheless. I repeat that I could never meet anyone who could tell me how we could year after year have a social dividend without confiscation or high taxation.

It became necessary in Great Britain just after the 1914-18 war to have an expert committee appointed to advise the Government of the day what steps should be taken to deal with the extraordinary financial position which had arisen because of the very large issue of fiduciary currency; and the conditions which existed after the 1914-

18 war were very similar to those which now prevail. Of all the books and papers I have read on this subject, I think by far the best is the report of that special committee, which was known as the Cunliffe Committee. I have here the first interim report of the Committee on Currency and Foreign Exchanges After the War, which was presented to the British Parliament by command of His Majesty. The chairman of the committee was Lord Cunliffe and the report has come to be known as the Cunliffe Report.

This special committee carried out a very close examination of what had been done in Great Britain with regard to currency and what transpired when loans were raised and so on; and the explanation given was so lucid that it is possible for persons even without prior study of currency questions to follow it fairly closely. When he was quoting the opinion given by Mr. Bosisto, the Premier expressed a view which coincided remarkably with that of the Cunliffe Committee. It ought to be obvious that if loans were made available from time to time to the Government by the Rural Bank, the Government would pay the money out to contractors and others for services rendered to it. Those contractors would deposit the money in the joint stock banks. They would pay cheques into the credit of their own accounts. That would result in the Rural Bank being a debtor to the full extent of the loan to the various joint stock banks, and they would require that their balances should be redressed by the payment of cash, which the Rural Bank would not have and would not be in a position to provide, because it has not the right to issue notes.

So there would then be a demand on the legal tender currency of the country in order to satisfy this request which resulted from the increase of balances in the various joint stock banks. And it would not stop there, because if the Rural Bank issued the State Government £1,000,000 and that £1,000,000 found its way into the joint stock banks to the credit of the various depositors, that would enable the joint stock banks to expand credit to the extent of £6,000,000 or £7,000,000 on that £1,000,000 deposit. Just imagine what a drain upon the legal tender currency of the country that would bring about! We would find high prices resulting because of competition for goods in short supply; the cost of Government would

increase; and in the final analysis the Government would be no better off, and probably worse off, than if it had not had the loan at all. In order to prove what I have just said on this subject, I propose to quote from page 4 of this interim report. It is a footnote with regard to the borrowing of money by the central government and then the building up of an edifice of credit on that loan subsequently. This sets out what takes place—

This process has had results of such far-reaching importance that it may be useful to set out in detail the manner in which it operates. Suppose, for example, that in a given week the Government require £10,000,000 over and above the receipts from taxation, and loans from the public. They apply for an advance from the Bank of England, which by a book entry places the amount required to the credit of Public Deposits in the same way as any other banker credits the account of a customer when he grants him temporary accommodation. The amount is then paid out to contractors and other Government creditors, and passes, when the cheques are cleared, to the credit of their bankers in the books of the Bank of England—in other words, is transferred from Public to "Other" Deposits, the effect of the whole transaction thus being to increase by £10,000,000 the purchasing power in the hands of the public in the form of deposits in the Joint Stock Banks and the bankers' cash at the Bank of England by the same amount. The bankers' liabilities to depositors having thus increased by £10,000,000 and their cash reserves by an equal amount, their proportion of cash to liabilities (which was normally before the war something under 20 per cent.) is improved.

I would like to break off the quotation there for the purpose of illustrating that point so that members will follow the argument clearly. Joint stock banks invariably lend considerably more money than they really have. In normal times, the ratio is anything between five to one, and seven or eight to one. In other words, if a bank had legal tender money and securities to the extent of £1,000,000, it could, in normal times, safely lend £7,000,000 or £8,000,000 and draw interest upon that money. That is ordinary banking practice. If times became a little difficult, the banks would call up some of their overdrafts and reduce the ratio to something like six to one or five to one. To return to this point, if the banks have a ratio of liabilities to deposits of five to one—say, for example, £5,000,000 to £1,000,000—and we do something which adds £1,000,000 to each column then the ratio becomes £6,000,000 to £2,000,000, or

three to one, and immediately the bank is in a position to lend considerably more. I will read again the illustration here—

The amount is then paid out to contractors and other Government creditors, and passes, when the cheques are cleared, to the credit of their bankers in the books of the Bank of England—in other words is transferred from Public to "Other" Deposits, the effect of the whole transaction thus being to increase by £10,000,000 the purchasing power in the hands of the public in the form of deposits in the Joint Stock Banks and the bankers' cash at the Bank of England by the same amount. The bankers' liabilities to depositors having thus increased by £10,000,000 and their cash reserves by an equal amount, their proportion of cash to liabilities (which was normally before the war something under 20 per cent.) is improved, with the result that they are in a position to make advances to their customers to an amount equal to four or five times the sum added to their cash reserves, or, in the absence of demand for such accommodation, to increase their investments by the difference between the cash received and the proportion they require to hold against the increase of their deposit liabilities.

That is they can buy Government securities—Treasury bills and the like—with the difference between the cash received and the amount they require to hold against their increased deposit liabilities. The report continues—

Since the outbreak of war, it is the second procedure which has in the main been followed, the surplus cash having been used to subscribe for Treasury Bills and other Government securities. The money so subscribed has again been spent by the Government and returned in the manner above described to the bankers' cash balances, the process being repeated again and again until each £10,000,000 originally advanced by the Bank of England has created new deposits representing new purchasing power to several times that amount. Before the war these processes, if continued, compelled the Bank of England, as explained in paragraph 6, to raise its rate of discount, but, as indicated below, the unlimited issue of Currency Notes has now removed this check upon the continued expansion of credit.

The Rural Bank could not assist a movement of that kind by raising the bank rate, because it has no machinery or authority to do that. Nor could it obtain legal tender money from the Commonwealth Bank to meet its liabilities, because it would not have credit to the extent desired. So, all that would happen would be a run on the Rural Bank which would cause it to close its doors. If the motion had reference to the Commonwealth Bank, and we were to

have a balance sheet showing the assets of the Commonwealth, then that bank could make available to any Government it desired, credit for the use of that Government; and, provided it took steps to see that the private banks did not build on that credit a tremendous edifice of credit, there would be no dire effect on the economy of the country. But we have to remember that, banking practice being what it is, we cannot restrain private banks from lending money if they have deposits to form a basis for the liabilities they will enter into.

This method of using the Rural Bank to make a loan to the Government would simply be to place in the hands of the private banks an opportunity to lend far more than they are able to do today, which would, in turn, result in a tremendous increase in prices and hardship to the people. It is because I see the matter that way that I am not prepared to support the motion, although I give the member for Murchison full marks for the sincerity with which he has advanced his proposition. The motion would not assist us at all; quite the contrary! I think we would do far better in our attempt to obtain monetary reform if we directed our steps towards making it impossible for private banks to build an edifice of credit, and so leave it in the hands of the Government. While the present method of banking prevails, it would be suicidal for us to raise credit in this way. We would simply be handing to the private banks a large sum of money which they could use as a basis for the expansion of credit.

Hon. E. H. H. Hall: At great profit to themselves.

Hon. J. T. TONKIN: Yes, and at a loss to the State, because it would force up prices, and the State would be obliged to pay more for the services rendered to it, and so the cost of government would increase, and we would lose substantially. You will remember, Mr. Speaker, that we heard from time to time of an experiment in the use of credit in Alberta. That was a place where Major Douglas was supposed to have gone and put his theory into operation. Many people have, over the years, been under the impression that the prosperity in Alberta—and there is undoubted prosperity there—has resulted from the use of the Douglas Credit theory. It is nothing

of the kind, because the Douglas Credit theory has never yet been put into operation in any country in the world.

Mr. Marshall: That is correct.

Hon. J. T. TONKIN: The Government of Tasmania sent its Treasury expert to Alberta to make inquiries. He interviewed the Premier of Alberta. He asked a number of pertinent questions, and the replies can be seen in the report which he presented on his return to Tasmania. There is, or was, a copy in this Parliament House. That gentleman made it very clear that the Premier of Alberta had stated unequivocally that it had not been possible to implement the Douglas Credit theory. From the day that we first heard about it until now, it has never been operated. The prosperity in Alberta has resulted from a very vigorous Government and a most fortuitous circumstance in the discovery of oil in large quantities. I have no doubt that if we discover oil in large quantities in Western Australia we will not be worrying much about the Douglas Credit theory, either.

But there is room for monetary reform. I think that is undoubted. This Cunliffe report shows that very clearly. There was a time when private banks in this country had power to issue their own notes. So they could manufacture two forms of credit. They could undertake liabilities beyond the extent of their deposits, and could meet those liabilities with their own paper money. That obtained for a considerable time, but the Bank Notes Act of 1910 taxed the private banks' money out of existence and it was no longer profitable for them to use it. Since then we have had only what were termed, at the time, "Fisher's Flimsies," a term no doubt coined by supporters of the private banks, who did not like the idea, in the first instance. Private bank notes went out of existence and we now have only Commonwealth Bank notes. At one time they were convertible into gold, as was stated on the face of the notes, but now we are simply told that they are legal tender, and they are not convertible.

Just as it became necessary to prevent banks from issuing almost unlimited credit by being able to substitute their own bank notes for other liabilities, so it may be necessary to curb them still further in other directions, but this motion will not do that. It will simply make available, if agreed to,

large volumes of credit which they will then proceed to lend at an increasing ratio to the various industries. If they do that at a time when goods are in short supply, the pressure upon prices will be so tremendous as to force them up to a very high inflationary level, which is the very thing we wish to avoid. Therefore whilst I commend the hon. member for his sincerity and his desire to lessen the cost of government and make large sums of money available so that the necessary works that the Government desires to do may be implemented, I cannot agree that this motion will achieve that. In my view it will result in quite the opposite.

Although there are people who are looking to me to support this motion, because of my strong convictions on the matter I am bound to state that I have no intention of doing so. Together with the hon. member I wish to see some monetary reform and I think Governments should be enabled to have sufficient finance to carry out the essential works that are crying out on every hand to be done. We can take education, as an example. Although expenditure on education has considerably exceeded the £1,000,000 mark, and possibly the £2,000,000 also, millions can still be spent in that regard, as there are so many things waiting to be done. We cannot do them, owing to lack of finance. If I thought this motion would provide the money I would support it. I am convinced it would not do that, but would result only in an increased cost of government. I therefore cannot support it. I believe we should all direct our energies towards finding some solution of our financial difficulties, and we are bound to see this matter, according to our experience and reading, in different lights. We must concede that every member who votes on the motion, whether for or against it, will do so because of his conviction that the action he is taking is the correct one to take.

On motion by Mr. Hoar, debate adjourned.

BILLS (2)—FIRST READING.

- 1, Marketing of Eggs Act Amendment.
- 2, Plant Diseases Act Amendment (No. 1).

Received from the Council.

MOTION—STATE ARBITRATION COURT.

As to Dual Position of President.

Debate resumed from the 22nd June on the following motion by Hon. A. H. Panton:—

That this House deplores the recent action of the Government in appointing Mr. L. W. Jackson to the dual position of President of the Arbitration Court and Judge of the Supreme Court. This action seriously reduces the opportunities for efficiency in the working of the Arbitration Court and is a retrograde step.

THE ATTORNEY GENERAL (Hon. A. V. R. Abbott—North Perth) [8.15]: Members will agree that no-one in this House has had more industrial experience than has the member for Leederville, and therefore when he addresses the House on industrial matters his views must be treated with careful respect. I have done that on this occasion and have given the motion considerable thought but, having done so, I cannot agree that his fears, which are mainly based on the fact that the President of the Arbitration Court is also a Judge of the Supreme Court and that this might entail some delay in the work of that court, will be realised. I can assure members that that will not be so. The hon. member traced briefly the history of the Arbitration Court and went back to the period when Judges of that court were Judges of the Supreme Court, only portion of their duty being in connection with the sittings of the Arbitration Court.

Hon. A. H. Panton: And not too big a portion.

The ATTORNEY GENERAL: I cannot look as far back as can the hon. member. Over a period of years the jurisprudence brought about by our system of arbitration has become a valuable portion of the law of our country, and it is my opinion that from day to day it is growing in importance and must be viewed by everyone in that light. I cannot regard the appointment of Mr. Justice Jackson as a Judge of the Supreme Court, as being a retrograde step. The hon. member based his contention on the fact that he thought it might occasion some delay in Arbitration Court work. Mr. Justice Jackson was appointed President of the Arbitration Court and it is in that position that he will carry out

his duties. The purpose of appointing him a Judge of the Supreme Court was two-fold but the principal one was to increase, in every possible way, the prestige of the Arbitration Court—

Hon. A. H. Panton: That is a good one.

The ATTORNEY GENERAL: —and to increase the prestige of the President. Under our British system of Government the judiciary is placed on the highest plane. It is placed on so high a plane that their salaries are fixed by the Constitution and not by the ordinary budgetary system. That was borne out in this House recently when it was necessary to increase the number of judges and to provide for the remuneration of the additional judge. That had to be done by an amendment to our Constitution. Therefore it can be seen that under our British way of life the highest importance is given to the position of a Judge of the Supreme Court.

Hon. E. Nulsen: Will Mr. Justice Jackson be under the jurisdiction of the Chief Justice?

The ATTORNEY GENERAL: No, he will not.

Mr. Hegney: Is the real reason for his appointment as a Judge of the Supreme Court to increase the prestige of the Arbitration Court?

The ATTORNEY GENERAL: That is the reason why he was appointed a judge. In addition, as members know, three judges are required to sit on a Court of Criminal Appeal. These courts of appeal do not have to sit very often and in the past there have been only three judges and the judge who presided at the trial had to sit on the appeal. In my view, and in the view of many jurists, that is not a desirable practice, if it can be avoided.

Hon. A. H. Panton: I said that myself.

The ATTORNEY GENERAL: Yes, and I entirely agree with the hon. member.

Hon. A. H. Panton: So you provided for the appointment of another judge.

The ATTORNEY GENERAL: If Mr. Justice Jackson is available, and only if in his own opinion he is available, will be sit on a Criminal Court of Appeal. As the member for Leederville pointed out, Mr. Justice Jackson made his position absolutely clear to members of the executive of

the A.L.P. In addition, before the appointment was made, the position was fully explained and made clear to the Chief Justice. The hon. member, and also the member for Kanowna by interjection, suggested that Mr. Justice Jackson might, in some way, be under the jurisdiction of the Chief Justice, but he cannot be under the jurisdiction of anyone but himself, and I might say that that applies to any judge. No judge is under the control of any other judge.

Hon. E. Nulsen: Puisne judges are under the control of the Chief Justice.

The ATTORNEY GENERAL: No, they are not. They are directly responsible to Parliament and the people and the only way discipline can be exercised on a judge is through Parliament. Of course, a judge is expected to carry out his duties in a proper way and he is expected to cooperate with the Chief Justice in carrying out those duties. Each judge is entirely dependent on his own appointment to exercise his jurisdiction under the Constitution.

Mr. Rodoreda: To do what he likes, as long as he does what he is told.

The ATTORNEY GENERAL: By this House, yes.

Hon. E. Nulsen: Who would send him out on circuits? How would they decide that?

Hon. A. H. Panton: The Chief Justice would send him out.

The ATTORNEY GENERAL: He would not be sent out on circuits. He would possibly be asked to go out on circuits.

Hon. A. H. Panton: That is what my boss said, but he said it in such a way that I did it.

The ATTORNEY GENERAL: I would not dispute that but I think the hon. member would have a say in it, too.

Hon. A. H. Panton: Not much!

The ATTORNEY GENERAL: The position as I have set it out is part of the system of jurisprudence that has been carried into effect under British law for as long as anyone can remember. It has never been necessary to place any disciplinary authority by one judge over another under the British system, and I expect it never will be.

Hon. A. E. G. Hawke: The Chief Justice is a leader among inkwells, is he not?

The ATTORNEY GENERAL: He is the Leader of the Bar.

Hon. A. E. G. Hawke: Which bar?

Mr. Styants: To the bar or of the bar?

The ATTORNEY GENERAL: The only argument put forward by the member for Leederville was the one I have mentioned. He stated that he was thoroughly satisfied with the qualifications of Mr. Justice Jackson.

Hon. A. H. Panton: I did not discuss Mr. Justice Jackson at all.

The ATTORNEY GENERAL: His appointment has been generally acclaimed.

Hon. A. H. Panton: I did not discuss Mr. Justice Jackson at all. I discussed the principle.

The ATTORNEY GENERAL: But the hon. member mentioned him.

Hon. A. H. Panton: I had to do that when discussing the principle.

The ATTORNEY GENERAL: I was informed by the former President of the Arbitration Court, Mr. Justice Dunphy, that he had very strong views in favour of the proposition that the President of the Arbitration Court should also be a Judge of the Supreme Court.

Hon. A. H. Panton: I know that. He tried to get me to agree to it.

The ATTORNEY GENERAL: I think the hon. member will agree that Mr. Justice Dunphy's opinion would be one that we would have to consider carefully and treat with respect.

Hon. A. A. M. Coverley: From the legal point of view only.

The ATTORNEY GENERAL: No, from the point of view of someone who had been the President, and a successful one, of our Arbitration Court.

Mr. Rodoreda: Legally trained, of course.

Hon. E. Nulsen: I was very sorry that he was not a judge of the Supreme Court because we would have kept him here.

The ATTORNEY GENERAL: I daresay the hon. member was.

Mr. Rodoreda: Why?

Hon. A. H. Panton: Sir Walter Dwyer was an excellent President but I have never heard him put up that argument.

The ATTORNEY GENERAL: I do not know whether that is correct.

Hon. A. H. Panton: I am telling you it is correct.

Mr. SPEAKER: Order! The Attorney General should address the Chair.

The ATTORNEY GENERAL: That might be so. This is what Mr. President Dunphy said:—

The question of prestige is very important and any increase of the status of the President is bound to bring beneficial psychological results.

Hon. A. R. G. Hawke: What does that mean?

The ATTORNEY GENERAL: Continuing the judge's remarks—

This is an important aspect in the arbitration field, in fact, in my opinion, it is more important here than anywhere else.

Hon. J. T. Tonkin: Did the Government follow that advice in its first approach to Mr. Justice Jackson in connection with this appointment?

The ATTORNEY GENERAL: Mr. Justice Jackson was approached in a proper way. I suggest that the Government has done more for arbitration and the Arbitration Court than has been done for many years past. It has appointed a Conciliation Commissioner to assist in the expeditious handling of the court's duties and that appointment was supported by members of the Opposition—

Hon. A. H. Panton: You did not raise his prestige by making him a judge.

The ATTORNEY GENERAL: —in this House. Why they never thought of doing it themselves I do not know, but they did not and then waited to acclaim it when it was put forward by someone else. Everything possible has been done by this Government to show its respect for and to increase the efficiency and authority of that Court.

Hon. A. H. Panton: The reason they did not do it was because there was not so much discontent under the previous Government.

The ATTORNEY GENERAL: The hon. member does not believe that.

Hon. A. H. Panton: That is a nice thing to tell a man.

The ATTORNEY GENERAL: You do not believe it because the facts do not prove it.

Mr. Reynolds: Who prepared that speech for you?

The ATTORNEY GENERAL: At no time in this court's history has its business been effected with greater expedition. As a matter of fact, Mr. Justice Jackson had to arbitrate in an important industrial matter even before he took his seat in court, and the rapidity with which he acted on that occasion was appreciated by unions and commended by their representative during the welcome to him. Mr. Cahill, who was that representative, said:—

I appear on behalf of the trade unions associated with the Australian Labour Party, and desire to welcome you to the Bench and wish you every success. We feel that there is no-one that would have suited us better of those available in Western Australia today. We know of your legal background and your association with industrial matters, and we feel that they will stand you in good stead in your position. It is rather strange that I should be on my feet this morning, and a little ironic that I should steal a march on these proceedings today by an informal Court which took place within the last couple of days. However, the whole position, as I see it, Your Honour, is that you have started off on the right foot and that you waive formalities to get things done, and have taken a leaf out of your predecessor's book, and we feel that if you carry on in that spirit and your main object is to get the Court expedited and cases heard as quickly as possible, the trade unions will have no grumble.

As I have said previously, members can rest assured that there will be no delay in that regard and that the President will devote his time and attention to it when required.

Hon. A. H. Panton: That will be his whole time then.

The ATTORNEY GENERAL: If it should be found that the work of the court demands an additional judge, then one will be appointed. As members know, in order that the Government may be in a position to do that should it become necessary, a Bill passed through this Chamber a short time ago. The whole crux of the hon. member's argument was that there might be some delay. I think I have shown that there is no reasonable possibility of delay resulting from the appointment of Mr. Justice Jackson as a judge of the court. I think that is quite clear—

Hon. A. H. Panton: Clear as mud!

The ATTORNEY GENERAL: —and if that is so the hon. member's argument falls to the ground. Therefore, in these circumstances I do not think this is a retrograde step.

Hon. A. H. Panton: I did not think you would.

The ATTORNEY GENERAL: It is exactly the opposite and is an advance and an example which I feel sure will be followed in the future. I oppose the motion.

MR. MARSHALL (Murchison) [8.36]: I do not want to let pass the opportunity of making some comment on this motion. I want to tell the Attorney General that apart from the member for Leederville there are many other members who have had considerable industrial experience which has been extremely sad and tragic. As a matter of fact, there was a period in the history of the Arbitration Court of this State when it was 18 months behind with cases. As long as 18 months elapsed from the citation of a case until it was heard and during the whole of that period the employers were enjoying the advantage of the labour at the lower rate of wage. Apart altogether from that aspect, which is bad enough, we have had a long experience of the dual position, that is, a judge of the Supreme Court acting as President of the Arbitration Court.

The Attorney General: That is not the position this time.

Mr. MARSHALL: That position existed for years, right up to 1925 or 1926, when it became so bad that it was considered advisable to appoint a President of the Court to perform nothing else but Arbitration and Conciliation Court work. Will the Attorney General say that in the history of Western Australia the work of this Court will decline commensurate with a rapid increase of industrial organisations right throughout this State? Will that count for less work for the Arbitration Court? Of course it will not. It will increase the work of the court and the greater the population and the greater the number of industries, the greater the work will be for that tribunal. At this late juncture it is now proposed to appoint this particular gentleman to the dual position.

The Attorney General took much pride unto himself and his Government for having appointed a Conciliation Commissioner. Why did he appoint him? Was it because there was no work to be done at the Arbitration Court or was it because there was more work to be done? What would be the use of

appointing additional staff to an institution if the work of that institution was declining? Surely the Government realised the necessity for speeding up the work of the Court when it appointed a Conciliation Commissioner! That was the object of the appointment. This implies that the work of the court is rapidly increasing. Only a foolish individual would argue otherwise.

It is idle for the Minister to pride himself or the Government on having appointed this gentleman to a high and honourable position other than for the reason that the work of the court is increasing rapidly. In the past we found that when we had a judge of the Supreme Court acting in the dual position, the tendency was for him to concentrate on Supreme Court work. Such work always received preference, and that will be the experience in future notwithstanding the Minister's assurance that this will not be so. Otherwise, why should the appointment have been made in this way?

The Attorney General: For the additional prestige.

Mr. MARSHALL: If the Minister was taking a judge of the Supreme Court and putting him in the dual position, it might be argued that his status was being reduced if he was required to concentrate on Arbitration Court work. That might be regarded as an interference with his prestige, but to take an ordinary practising lawyer and appoint him as President of the court and give him the status of a Supreme Court judge carries no weight with me. What is the difference between the prestige of a Supreme Court judge and an Arbitration Court president? If that is where prestige lies, we might change the title to that of judge of the Arbitration Court instead of president. The gentleman in charge of the Arbitration Court has a much more difficult and laborious task to perform than has a judge of the Supreme Court.

Mr. Styants: And greater responsibility, too.

Mr. MARSHALL: Yes, in the sense that industrial peace depends upon his efficiency.

The Attorney General: Everyone agrees with that.

Mr. MARSHALL: That has been the experience, and the Minister might well be guided by those who have spent most of their lives in the industrial sphere. When

it comes to a question of the obligations and responsibilities of a Supreme Court judge and of the President of the Arbitration Court, there is no comparison. The obligation on the President of the court is to keep in touch with industrial activities throughout the world. In order that his judgment might be sound, he must keep well abreast of industrial activities through the Commonwealth. Supreme Court judges, on the other hand, are, strictly speaking, interpreters of the law and require no knowledge other than that of the law.

Temperament, as well as other factors, has to be considered by the President of the Arbitration Court. If he is going to preserve industrial peace, he must understand the temper of industrialism. The Minister cannot have his cake and eat it, too. The fact of the Government's having recently appointed an additional officer to the Arbitration Court indicates clearly that the work of the court is terrific. I cannot understand the logic of the Minister or of the Government. Their attitude seems to be quite inconsistent. I am confident that, if the Government perseveres with its intention of allowing this gentleman to occupy the dual position, sooner or later there will be industrial trouble because prestige will naturally cause him to prefer the Supreme Court to the Arbitration Court. I agree with the member for Leederville. This will prove to be a fatal move industrially and, in the near future, we shall find industrial troubles on our hands as a result.

On motion by Mr. Hegney, debate adjourned.

MOTION—POTATOES, DISPOSAL.

To inquire by Select Committee.

Debate resumed from the 22nd June on the following motion by Hon. J. T. Tonkin:—

That a Select Committee be appointed to inquire into, and report and make recommendations regarding the disposal of potatoes grown commercially in Western Australia.

THE MINISTER FOR LANDS (Hon. L. Thorn—Toodyay) [8.47]: The member for North-East Fremantle in the course of his speech, stated that Potato Distributors (W.A.) Ltd. was brought into existence following the introduction of the Marketing of Potatoes Act, 1946. That is not so. The

company was established and registered on the 18th October, 1943, having been created at the specific request of the Commonwealth Government as expressed by the Commonwealth Australian Potato Committee. It commenced to function on the 1st May 1945, or more than 12 months before the marketing of potatoes legislation was introduced in this House, following the promulgation of Potatoes Order No. 19 in March 1945, which order provided that the primary functions as to contracts with grower arrangements for deliveries and first sale of potatoes, etc., should be effected for the Commonwealth by such a concern or distribution committee in each State.

Thus the company had, for almost 3½ years before the board commenced to operate on the 1st October, 1948, been performing a service substantially similar to that with which it has since been entrusted by the board. I feel confident that the board has acted correctly in applying the procedure which it has adopted by acting as regulatory and supervisory authority and not undertaking direct trading to the exclusion of the existing commercial structure of the industry.

To support this view, I intend to quote statements made by the then Minister when the Marketing of Potatoes Bill was before the House. They will be found in the "Hansard" of 1946 at pages 2118 and 2119 as follows:—

Members who are familiar with the present system of marketing of potatoes know that there are certain firms or persons acting at present as receiving agents for the potato committee, and there are certain wholesale merchants who are acting as distributors. That system is functioning quite well, and I have no reason to believe that the board set up under this legislation would want to make any drastic alteration. The Bill does not prevent the board from continuing the arrangement, but it does not specifically state that it shall do so or that it has power to do so. The Bill makes provision for the appointment of registered agents but is silent on the question of distributors or wholesale merchants. The member for Nedlands seeks to make it specific in the Bill that the board will have power to continue the present arrangement and appoint wholesale merchants as licensed distributors so that the present set-up may be maintained if the board desires.

I think the amendment I have on the notice, if inserted in the Bill and read in conjunction with the power already there, will be sufficiently explicit to indicate that it

board has power to continue the present arrangement. The amendment to which I have referred is to give the board power to appoint representatives and selling agents. If the board has power to appoint representatives and selling agents, then I assume it would have power to appoint these wholesale merchants to do what they are doing now. In those circumstances, I do not think it necessary to go to the extent of adopting the amendments that would be necessary upon agreeing to the definition suggested by the member for Nedlands.

During the debate, I made the following remarks:

Mr. THORN: If distributing agents are not to be appointed I would like to ask the Minister who is going to take risks on behalf of the growers? The board has no money and, if there are only to be receiving agents, are they going to do the collecting and take the financial risk?

The Minister for Agriculture: There will be distributing agents.

Mr. THORN: I understood from the member for Nedlands that provision had not been made for distributing agents. I agree that we must have distributing agents of good standing; otherwise there will be no-one to take the del credere risks and the grower will not be protected.

It is, of course, absolutely essential to have distributing agents; that has been found necessary in all the States that have marketing boards.

Hon. J. B. Sleeman: What do you do about onions? Who distributes them?

Hon. J. T. Tonkin: Who distributes the eggs?

The MINISTER FOR LANDS: I have had sufficient experience of primary industry to know there must be some person to take the risk of distribution and in this instance the board has agreed to the appointment of agents. Potato Distributors (W.A.) Ltd. for many years before the war acted as agents for the potato-growers in the various producing areas on a commission basis of five per cent. on the f.o.r. price at growers' sidings. During the war period, when the control of the potato industry was vested in the Australian Potato Committee, the Australian Potato Controller, Mr. A. C. Foster, visited all the States. When he came to Western Australia he was taken round the producing areas and brought into contact with the country agents and the city and country merchants. Mr. Foster was impressed with the system operating in Western Australia, and he was responsible for the appointment of these

agents to act, as such; under the Australian Potato Committee and under the supervision of the Deputy Potato Controller in this State. Under Commonwealth control, when subsidies on potatoes became operative, these agents—or primary merchants—were required by the Australian Potato Committee to form themselves into a company, because it was imperative that subsidy claims be made through one company rather than through individual agents.

The remuneration of 8s. 6d. per ton was fixed on advice from the Potato Advisory Committee operating in this State and agreed to by the Prices Commissioner. The hon. member suggested that my colleague, the Honorary Minister for Agriculture in another place, has been at fault in approving of this remuneration. The fact is that this rate is the same as that established in 1945 and it is clear that rising costs since then have had the effect of reducing it. The company's remuneration is not excessive. It is two and a half per cent. for a del credere agency as first wholesaler and I am doubtful whether a similar instance of economy and service can be found. When the Marketing of Potatoes Bill was considered in Committee, I asked the then Minister, now the member for North-East Fremantle, the questions which I have already quoted. The remuneration of 8s. 6d. per ton paid in Western Australia is less than that paid in the other States of the Commonwealth. This so-called primary agency fee is 10s. per ton in Tasmania and 12s. 6d. per ton in the other States in which potato marketing boards have been established. Mr. Speaker, I know from experience of firms handling primary products that a commission of two and a half per cent. is very low.

I would like to have pointed out to me any other distributors handling goods at a lower rate of commission and giving efficient service. Potato Distributors (W.A.), Ltd. continued to act under the Australian Potato Committee until the cessation of the Commonwealth scheme on the 30th September, 1948. Following the introduction of the Marketing of Potatoes Act, 1946, and the control of the industry by the Western Australian Potato Marketing Board, the whole question of potato distribution was exhaustively debated by the board. The board considered that for at least the first

12 months it was desirable to use the channels already in existence rather than experiment otherwise, provided that the rate of remuneration was kept at the same level as had operated throughout the war years. The Potato Growers' Association requested that the board should endeavour to operate on lines as near as possible to those set up under the Australian Potato Committee during the war years. This has been done, except that no guaranteed prices could be offered to growers. Before and during the war period potato-growers were accustomed to dealing with these various agents and it was considered that it would be less disturbing to carry on with the same personnel than to endeavour to establish a new set-up.

It is absolutely essential for the board to have agents in the producing areas in order to maintain contact with growers at all times. The board therefore made an agreement with Potato Distributors (W.A.), Ltd., on a bond of £5,000, for the company to act as the agent of the board. Each individual member of the company is registered as a primary potato agent of the board. The rate of remuneration of 8s. 6d. per ton, out of which the distribution manager's office has to be maintained, is considered very reasonable. If five per cent. commission were allowed pre-war, the rate would be at least 15s. per ton deduction to growers. So far, to my knowledge, no grower or body of growers has made any complaint in respect to the commission paid. I firmly believe that the cost of distribution of potatoes, including the board's administration, will not exceed five per cent. on values paid to producers, and I am doubtful whether the efficient service now being given could be carried out more economically by working through other channels.

The hon. member asked who suggested the plan upon which the board is working. In this regard, I wish to state that the plan of marketing as laid down by the board was drawn up from the scheme that operated under the Australian Potato Committee so successfully. During the period when the member for North-East Fremantle was in charge of the Act, I take it that if he had not been satisfied with the scheme then operating he had every opportunity to alter it, and it is most surprising to me that after a board of this nature has been work-

ing so successfully and so economically he now finds the time has arrived when some inquiries into its operations should be made. Requirements concerning the operations of primary potato agents, wholesale potato merchants and secondary wholesalers were taken from conditions imposed under the Australian Potato Committee.

The various forms, as used by the Australian Potato Committee, were used with slight variation to carry into effect the requirements of the Marketing of Potatoes Act. The margins allowed to the various traders are as fixed by the Price Fixing Commissioner and are the same as those which operated during the period of Commonwealth control, despite the fact that wholesale prices have greatly increased. Only a small minority of growers has expressed dissatisfaction with the operations of the board.

It is further advised that expressions of confidence in the Potato Marketing Board have been received from the executive of the Potato Growers' Association of Western Australia, as well as from various country zones of the association. Following the field day at Harvey in May, a meeting of delegates from all growing areas passed a motion of confidence in the board. The board had been solicited to use its influence to obtain increased prices to growers because of the general increase in the cost of production. In January, a request was made for an increase of £3 per ton on the wholesale prices then operating—£14 per ton, f.o.r., Perth.

The board waited on the Price Fixing Commissioner and an increase of £2 per ton was allowed. Later, following further representation, a further £1 per ton was granted, bringing the price to £17 per ton, f.o.r., Perth; and this price now operates. This figure will allow the board so to adjust payment to growers in the pool period now operating that premiums for storage can be paid to growers without in any way varying the wholesale price. The present pool period, namely for potatoes harvested and marketed between the 1st April and the 30th September, makes it necessary for growers to store potatoes for a rather lengthy period following harvesting in May, and the payment of storage subsidies is fair and equitable to all producers.

The dissatisfaction of growers quoted earlier was expressed following the initial payments made by the board from the 1st October, 1948. The wholesale price was £14 per ton and a first payment, following delivery, of £8 10s. per ton was made. As we were faced with a surplus of about 10,000 tons of potatoes from October to February, because tubers dug in the hot months do not keep well, export was absolutely essential. As prices in October had not been fixed in the Eastern States, the board could not recommend a first advance of more than £8 10s. per ton. This figure caused dissatisfaction amongst some growers because many were under the impression that this amount represented full payment to growers for potatoes delivered.

When a second payment of £4 10s. per ton was made, allowing £12 10s. per ton at growers' sidings, the discontent subsided, although growers still maintained that the figure was not sufficiently high to give reasonable margins over the costs of production. As the price has been increased, growers are more satisfied, although there will always be a minority who are not satisfied with any system of control. The board has been able to stabilise the industry and avoid the violent fluctuation in prices that would occur without the control it exercises.

The question of potato production in relation to plantings in the December to February period is giving some cause for concern. This is principally due to a shortage of labour and the fact that other primary products are realising high values without the hard work and risk involved in potato production when digging is undertaken in the autumn. It was inevitable that when the subsidy on potatoes ceased values to consumers had to be increased if growers were to be paid values approximating those which they received previously. The final contract made with the growers under the Australian Potato Committee—namely, the 1st October, 1947, to the 30th September—gave a price of £13 10s. per ton, Perth, with sales at £9 2s. 6d. per ton to wholesale merchants, and a retail price of 1½d. per lb. Following the discontinuance of this subsidy to consumers, the price was increased to 2½d. per lb. Incidentally, this is below the figure in the other States, namely, 3d. per lb.

The member for North-East Fremantle mentioned the 10-year period before the war from 1929 to 1938. Figures taken out by the Australian Potato Committee showed that the average price paid to growers in this period was about £8 per ton and the average retail price was £18 per ton. It can therefore be seen that distribution costs at present are very much lower than in the period prior to the war. The Potato Marketing Board realises its duty to producers and consumers and every endeavour has been made in this direction. Costs of distribution have been kept at a reasonable level, more so than in any other State in the Commonwealth.

Regarding the export of potatoes, I wish to point out that the demand in Singapore is for small potatoes, these being from 1½ to 3 oz. in weight. These potatoes are not normally marketed for local production. Prior to the development of this export trade, such small tubers, not used as seed, were fed to stock. Last year, 11,000 tons were exported to Singapore and Colombo, accounting for at least 2,000 acres of potatoes.

Hon. J. B. Sleeman: How much a lb.?

The MINISTER FOR LANDS: The Fremantle lumpers would be able to tell the hon. member that.

Hon. J. B. Sleeman: They did this country the best turn anyone has done it.

The MINISTER FOR LANDS: They run the country.

Hon. J. B. Sleeman: You should be proud of them.

The MINISTER FOR LANDS: They run the hon. member, too.

Hon. J. B. Sleeman: The people would have starved but for them, and you know it.

Mr. SPEAKER: Order! The Minister will proceed.

The MINISTER FOR LANDS: The fact that growers have been able to dispose of this grade of tuber has helped to maintain production and sell potatoes at a reasonable price for home consumption. This export trade will enable us to keep an acreage calculated to provide ample supplies of grade 1 potatoes—3 oz. and upwards—to local consumers. Growers are reducing their potato acreages in the late period—December-February plantings—because of

increased production costs and lack of labour. The banning of exports may tend further to reduce plantings in the period quoted, because the sale of small tubers has given growers increased revenue per acre.

When the ban was imposed, potatoes which had been re-graded, crated, etc., and on which a premium of £1 5s. per ton above grade 1 was allowed, because of price-fixing regulations, could not be sold above the price operating for grade 1 tubers. Therefore the potatoes sold locally were bound to show a loss, which had to be borne by the producers. This loss represented the transport costs, costs incurred in grading, cost of crates, etc. At the time when the ban was imposed, distribution figures showed that sufficient grade 1 potatoes were distributed to merchants in Fremantle to allow upwards of 2 lb. per head of population per week. The quality of potatoes exported is excellent and has built up a good reputation overseas.

Hon. J. B. Sleeman: At a good price.

The MINISTER FOR LANDS: The hon. member does not object to that, does he?

Hon. J. B. Sleeman: No.

The MINISTER FOR LANDS: The hon. member demands a good price for his labour, and sometimes I think he is overpaid. I would again emphasise that the small tubers exported are not welcomed on the local market. When crated potatoes, as packed for export, were banned, the leading wholesale merchant refused to accept any, stating that they were useless for his trade. The only time the public is willing to accept small tubers is when new season's potatoes are available. Other than this, small tubers are not acceptable except in cases of extreme shortage. Therefore the ban imposed on the export did not serve any good purpose, and failing export it would not pay growers to grade out of discards from Grade 1 and they would, as in the past, be fed to stock.

The maintenance of this export trade is necessary to keep down the cost of production and assure the public of potatoes at a reasonable figure. Keen competition from Holland and elsewhere is keeping profits at competitive levels and excessive profits are not being made by merchants. The consuming public has not been asked to subsidise export in any way. Any adjustment necessary affects the producers only and they

recognise this fact. During the peak years of production naturally no export overseas was necessary, because all potatoes were required for the Armed Forces as well as for the civilian population. That is the case in reply to the motion. I suggest to the member for North-East Fremantle that he withdraw his motion, because he has made out no case for an inquiry.

Hon. A. H. Panton: That is a nice thing to tell him.

The MINISTER FOR LANDS: It is what I am telling him. It was only the other evening that he set out to advise the Treasurer on economy. He made several suggestions as to how he could economise and improve the finances of the State. Might I suggest to the hon. member that at the present time "Hansard" has two inquiries on hand—a Royal Commission and a Select Committee are sitting—and seeing that the growers and everyone connected with the potato-marketing industry are satisfied—

Hon. J. T. Tonkin: Who told you that?

The MINISTER FOR LANDS: I am telling the hon. member. The distribution of the potatoes is being carried out at a very slight cost, and I suggest to him that, in the interests of the State, and in order to back up the speech he made in this House the other night he decided not to put the State to the expense of this inquiry. I hope that members will not agree to it. The potato handling committee has no objection to the inquiry; it has nothing to hide. When the motion was first moved, I adopted the same attitude. I thought we might hold an inquiry if it was going to be of any benefit, but I am quite sure, on further consideration, that the inquiry is not warranted. If the hon. member will only consider what I have said as to the work of "Hansard" and the cost of holding the inquiry, he will withdraw his motion. If members have taken notice of my remarks, they will agree with me. I intend to oppose the appointment of a Select Committee.

MR. HOAB (Nelson) [9.14]: I listened to the speech of the member for North-East Fremantle the other evening, and that of the Minister tonight, with a completely open mind. I had no real reason for complaining about the remuneration which agents are paid for the collection and sending away of potatoes to the metropolitan area, because

I thought it quite possible that an inquiry such as is suggested might disclose that 8s. 6d. a ton was quite a reasonable proposition. I know that originally the payment to the agents was based on five per cent. Because of the fluctuating prices of potatoes in those days an agent sometimes received about 3s. a ton and at others 8s. to 10s. a ton. So, I understand, an average was struck over about ten years from which the figure of 8s. 6d. came. So I really have not any complaint to make about that. I very much doubt whether the board itself, if it undertook the distribution of this commodity, could do the job any cheaper. I listened to the Minister, in his reply to the motion, and if he had any real reason for opposing it, then it is still a top secret. I have not been able to gather it.

Hon. J. B. Sleeman: He does not believe in telling you all he knows.

Mr. Kelly: He read it so fast that you could not hear most of it.

Mr. HOAR: From what I remember of the Minister's speech, he dealt entirely with the history of potato production in this State, the position of the agents and the distributing firms before the war, and then he dealt with their present methods. But as to the efficiency of this division of the potato industry, the Minister made no reference at all.

The Minister for Lands: You could not have been listening.

Mr. HOAR: I heard the hon. member say just now that the Minister read his speech far too fast. I do not know whether that is so, but I listened very carefully, and I do not remember any reference being made to that aspect, and it is something that definitely concerns me. The Minister made some reference to the banning of exports as serving no useful purpose in the port of Fremantle. He also referred to a potato demonstration at Harvey where a motion was carried praising the work of the Potato Marketing Board.

I happened to be at Harvey that day and attended that meeting. In addition, during the evening I remained in Harvey and I was placed at dinner, at the hotel, with three of the secondary merchants, as they are known, the secretary of the Merchants' Association, and another man whose name I cannot remember at the moment, but I knew him as some official in the potato

marketing scheme that existed under the Commonwealth Government. He was representing in some way, as was Mr. Morgan at that time, Western Australia's interests. The conversation naturally centred around the banning of exports at Fremantle. This person, whose name I cannot at the moment recall, but if the Select Committee is approved by the House I will have very little difficulty in finding him in case the chairman would like to call him as a witness, definitely threatened the merchants who were sitting at the table, that unless there was a better distribution of potatoes in the metropolitan area he himself would recommend a mobile unit for that purpose.

Hon. J. B. Sleeman: That gentleman knew the position.

Mr. HOAR: It is all very well for the Minister to skate around this subject. If he has any real reason for opposing the motion, he is, as I said before, keeping it to himself. This person I am speaking of would not have made those statements unless he had some reason for being dissatisfied with the distribution of potatoes in the metropolitan area.

I want to know, if an inquiry such as this is held, not only who are the members of W.A. Distributors Ltd., because I understand they are the country agents as we know them, but also whether the secondary merchants have the right of membership by the payment of £1. If they have, then they would be tremendously interested, at certain times, in a shortage of potatoes and, perhaps, in keeping them short temporarily in order to reap the benefit of an increased price due to a further approach to the Prices Commissioner. I do not know whether that is so or not, but I say that a committee of inquiry would definitely clear up the matter once and for all. I am not at all satisfied with the Minister's reply to the motion, which I intend to support. Previously I had a completely open mind on the matter but I am now certain that there are good reasons for holding an inquiry. Were that not so the Minister would have had more to say instead of just skating over the question.

MR. ACKLAND (Irwin-Moore) [9.21]: I listened with considerable interest to the member for North-East Fremantle when he

was introducing this motion to the House. Some of his statements were so startling that, to make sure I had heard them correctly, I read through his speech very carefully indeed. Believe it or not, I thought that here was the one occasion on which I would be pulling an oar side by side with the member for North-East Fremantle. It gave me considerable pleasure to think I would be in that position.

Hon. J. T. Tonkin: But when you found out that Westralian Farmers Ltd. were involved, you changed your tune.

Mr. ACKLAND: I will tell the House about that before resuming my seat but, as it happened, that had nothing to do with it. In the course of his speech the hon. member mentioned that there were 26 firms which had subscribed capital of £1 each to start Potato Distributors (W.A.) Ltd. I was under the impression that that was the whole of the capital used by the firm in its business, and that it had, with that capital, imposed itself between the Potato Board and the distributors and was receiving a rake-off of 8s. 6d. per ton on the approximately 40,000 tons of potatoes marketed in this State. From what the hon. member said it would appear that the firm gave no service whatever for its rake-off of approximately £17,000 per year. It was only natural that as a producer, though not a potato grower, I should wish to make inquiries to find out what was the set-up.

I was amazed that we had not heard any complaints from the potato growers, the potato section of the Farmers' Union or the Potato Growers' Association. I therefore thought it necessary that somebody should look into the matter and see what was going on. The member for North-East Fremantle stated that Mr. J. B. Mitchell was a member of the State Potato Board and that his wife was one of the 26 shareholders who control and operate this company. It seemed to me that with a capital investment of £26 and a rake-off of £17,000 the whole thing smelt to high heaven. I thought it desirable that we should find out who these people were. I had no intention of reading their names to the House until the member for Nelson mentioned that he would like to know who they were.

I find that Potato Distributors (W.A.) Pty. Ltd. has a nominal share capital of £20,000, there being 20,000 shares of £1

each. As at the 31st March, 1949, 5,824 shares and 116 debentures were held. Of these there are 24 fully paid shares of £1 and 5,800 shares paid up to 2s. each. There are also 116 debentures of £50 each, so it would appear that the share capital of the company is £604 and what might be called its trading capital is £5,800. The following are the shareholders—

R. Bell & Co., Albany.
F. L. Berryman, Marybrook.
C. E. Bolt & Co., Albany.
E. Davis & Sons, Harvey.
H. P. Fry, Benger.
G. Harris, Dardanup.
Harvey Producers' Co-op., Harvey.
T. Hayward Pty. Ltd., Bunbury.
A. R. Kelly, Pemberton.
Manjimup Trading Co., Manjimup.
Mitchell & Cracknell, Donnybrook.
T. H. Newman, Lowden.
A. Pinner, Benger.
Preston Producers' Co-op., Donnybrook.
J. J. Pritchard, Harvey.
F. R. H. Pugh, Narrikup.
J. Salerian, Waroona.
Walmsley Pty. Ltd., Waroona.
W. & M. Walter, Balingup.
Westralian Farmers Co-op., Perth.
Westralian Farmers Co-op., Albany.
Westralian Farmers Co-op., Bridgetown.
White & Emmett Pty., Bunbury.
Estate of late K. R. Williamson, Narrikup.

So we find that instead of this company working with a capital of £26 it has shares and debentures totalling over £6,000 in all with which it is conducting its business.

Mr. Kelly: How many of the shares are paid up?

Mr. ACKLAND: Twenty-four shares are fully paid and there are 5,824 paid up to 2s. each. That is the information I was able to obtain. In the circumstances it seems that the member for North-East Fremantle was somewhat misinformed. I thought it advisable to find out how the producers' organisations felt towards this body, and I have here a letter from the general president of the Farmers' Union of W.A., dated the 27th June, 1949, and reading as follows—

The Farmers' Union has no evidence that there has been any mishandling of potatoes by the State Potato Marketing Board. From our available information potato growers are generally satisfied with the present set up but there is a fairly widespread demand for further and more detailed information as to the relationship between the Board and Potato Distributors Ltd., and as to what position is occupied in the industry by one A. Murray. The activities of this man were, before the establishment of statutory marketing of potatoes, always directed against any move on the part of potato growers to

organise their industry and some of those who were associated with him in those days appear now to be members of Potato Distributors Ltd.

In view of the fact that suspicion exists amongst growers with regard to these people, suspicion based upon past performances rather than their present activities of which little is known, we believe that unless the Minister himself can give a full and complete reply to the charges raised then an inquiry as asked for would be beneficial to the peace of industry.

From there I thought it advisable to contact the Potato Growers' Association. That body has been longer in existence than any other in handling the affairs of the potato growers. The Farmers' Union of Western Australia has only recently come into the picture and is not au fait with the conditions as they have existed for some time. I believe that that association is only in the organisational stage of that particular section of its affairs. Word has been sent to me from the secretary, Mr. Synnot, who said that his association is quite neutral in the matter. It is not interested as to whether there should be an inquiry as it believes there has been no malpractice by the company in the handling of its affairs.

This company does a considerable amount of work for its 8s. 6d. It gathers statistical information regarding the potato crop. It arranges for the handling and distribution before the potatoes are actually dug.

Mr. Kelly: Does not the board do that?

Mr. ACKLAND: I am telling the hon. member what the company is doing. The company even goes so far as to order and ensure that growers get trucks, and from the time the potatoes are placed on rail at the various sidings, the growers no longer have any responsibility as that is taken over by the company. The company also guarantees the growers, or at least finds them a price which they are to receive and in many instances, I am told, the company arranges finance for these people. It is quite a different story from the one I gathered when I read the case presented by the member for North-East Fremantle. I am of the opinion that this body is doing a job and doing it very cheaply. If the growers had had any complaints whatever we would have heard something from them, but apparently we have heard nothing. It is quite true that Mr. Noakes, the President of the Farmers' Union, suggested that an inquiry would give

some confidence to people. However, I do not think that the expense of this Select Committee—

Hon. J. T. Tonkin: What will be the expense?

Mr. ACKLAND: —would be warranted. During the last session we heard how much felicitation was given to "Hansard" for the extra work which its members had to undertake. We already have a Select Committee, and a Royal Commission sitting which are comprised of members of this Parliament, and it is obvious to everybody that we will have a Select Committee to deal with local government matters. That will keep "Hansard," and many members of this Parliament, very busy. I would also like to mention the remarks which were passed when we had the Supply Bill before us. We were told of the waste of money indulged in by this Government. I for one believe that the appointment of this Select Committee is unnecessary, and is certainly not warranted from the evidence which I at least have been able to gain from people concerned with the industry.

HON. J. B. SLEEMAN (Fremantle) [9.35]: In the few words which I wish to address to the House this evening I would like to state that the waterside workers at Fremantle rendered a service to the metropolitan area and especially to the people of the Fremantle districts. We often hear that strikes and bans result in women and children being starved, but on this occasion the ban resulted in women and children being fed. If it had not been for the ban imposed by the lumpers in Fremantle, the women and children of this State would certainly have gone hungry for potatoes. The fact that the ban was applied had the effect of distributing potatoes which would never have been distributed otherwise.

The Minister tried to tell us of the good work that this company is doing. I would tell the Minister that the members of this company would rather send potatoes to Singapore and get a higher price for them than feed the local people. Our first consideration should be for the people of our own country and after that then I do not mind what is done with the surplus. A Mr. Mitchell stated that the lumpers caused a loss of £1,000 to the growers, but he did not say anything about Potato Distributors

(W.A.) Ltd. or about the fact that a member of his family is connected with the firm.

In April, 1948, 24 people, as the member for Irwin-Moore has told us, including three branches of Westralian Farmers, formed a company with the payment of a £1 per share. For the first eight months or so that company collected £11,000 from the growers of this State. A sum of £3,000 from that £11,000 went to one, J. Murray, and I am also informed that a certain percentage goes to a firm called Merry and Merry. So it seems that it is a merry game all round. First the distributing company gets a cut, then Murray gets a cut, and then Merry and Merry also get a cut out of it.

Mr. Marshall: And all things are merry.

Hon. J. B. SLEEMAN: I think they would all be merry at the finish, or by the time they got around to taking their cut out of it. During the ban and the shortage, Mr. Burvill, the controller, came to see me a couple of times and I was very pleased to discuss the matter with him. He told me that 500 or 600 tons of potatoes had been distributed in the metropolitan area during the week. I asked him where they were and he said that he could not tell me. I said to him, "Can't you find out where they are?" and he said "No. Under the present Act we haven't the power but under the Commonwealth Act we could go along to the merchants and ask them where the 10, 15 or 50 tons they received last week had been distributed. However, under the present State control we have not the power to do that." I told him that if 500 or 600 tons had been distributed in the metropolitan area during the week then there must be potatoes somewhere and I asked him what was happening. I also asked him whether the merchants were holding them for an increase in price. He then informed me that he could not tell me because he did not have the power to find out. Whether he had the power or not, every time I had anything to say about potatoes, a few always came to light. Retailers at Fremantle used to come along to me and ask me to bring up the subject of potatoes, because every time I did so they were able to obtain a few. Therefore I used to come along and say a few words about them and the retailers were able to obtain a few more.

It was claimed that the potatoes crated for Singapore were not fit for local consumption or local sales. It appears to me that they were not thinking about local consumption but about the larger price they would receive in Singapore. A shipping company bought quite a lot of them and on the boat's return to Fremantle the firm was complimented on the fine quality of the potatoes supplied. Owing to the mismanagement and mishandling of potatoes in this country the growers have lost a good market with some of the shipping companies, because they now refuse to buy them in Fremantle or Perth and obtain their supplies in the Eastern States. That is one thing that has happened because of the shortage of potatoes in this country. The shipping company has refused to buy them from this State.

I hope the House will agree to the motion, because I think the appointment of a Select Committee is necessary and that something should be done about the position. Whether it is the fault of Potato Distributors (W.A.) Ltd. or of the board I am not prepared to say. But there is a fault somewhere and it should be discovered, and the paltry amount which the Select Committee will cost in investigating the potato industry will be justified. I think the Minister tried to tell us that it was necessary to have the distributing company between the consumer and the board, but when I asked him who were the distributors between the consumers and the Onion Board and the Egg Marketing Board, he could not say. He might have told us about the distributors between the Dried Fruits Board and the consumers, because he has an interest in that board, but he did not condescend to tell us about that either. I sincerely hope the House will agree to the motion for the appointment of this Select Committee so that we can discover where the fault lies.

MR. BOVELL (Sussex) [9.41]: As I always do, I listened with considerable interest to the argument submitted by the member for North-East Fremantle, but as he continued with his speech my interest turned to amazement. I am honoured to represent the pioneers of the potato-growing industry in this State, and I have heard no murmur from those gentlemen as to the unsatisfactory potato marketing conditions.

The hon. member's speech proceeded on the lines of an attack on Potato Distributors (W.A.) Ltd. I thought over what the hon. member had said, and when I returned to my electorate at the week-end I consulted some potato-growers there. These men are sons of fathers, as I said previously, who pioneered the potato-growing industry in this State, namely, in the Marybrook and Anniebrook districts. I discovered that the conditions which exist at the moment are highly satisfactory to the potato-growers. The Potato Marketing Board, in conjunction with Potato Distributors (W.A.) Ltd. is rendering a service to growers which they have not previously enjoyed.

Mr. Needham: They pay for it, too.

Mr. BOVELL: They are getting that service for about 2½ per cent. commission which the Minister for Lands has stated is a low remuneration for any kind of service. On this occasion, the services are entirely satisfactory to the growers, and I think the commission charged is exceptionally reasonable, especially, as the member for Irwin-Moore has said, as the company arranges transport by trucks and even arranges finance for needy growers. It distributes and markets the product and performs a service which its experience enables it to do. Reference has been made tonight to Mr. Alec Murray, with whom I am personally acquainted, and I know the great assistance he has given to the potato-growers in my district. He is ever ready to help, and when shipments of potatoes from Busselton have been made to the Eastern States, he has supervised them on behalf of the growers. Mention has also been made of the shipments of potatoes to Singapore. I want the House to know that we are trying to establish a market for potatoes in Singapore and the potatoes taken by Singapore are of a small variety which are not normally consumed in Western Australia. The people in this State prefer a bigger potato which the growers have been producing for our own use.

Hon. A. H. Pantou: I wonder why? The housewife always cuts them in half.

Mr. BOVELL: Housewives here have always preferred the larger potato, and for that reason growers have endeavoured to meet their requirements. However, in Singapore they ask for a small potato and the

growers have been sending that type, which was not previously used locally, to establish a market with our near neighbours. We cannot look to our market for the sale of that type of potato and, in the interests of the industry, I feel that the member for Fremantle's colleagues on the Fremantle wharves were not doing justice to the potato-growers by taking the law into their own hands and banning shipments to Singapore.

Hon. J. B. Sleeman: They did a great deal of justice to the women and children.

Mr. BOVELL: In discussing this matter with potato-growers in my electorate, I found they considered that an inquiry was not necessary. As for Potato Distributors (W.A.) Ltd., the matter of costs on which the member for North-East Fremantle based his proposal, does not justify an inquiry. If potato-growers could obtain labour at a reasonable price instead of having to pay £3 and £4 a day, free of income tax, for inexperienced potato-diggers, the price of potatoes would be lessened to the consumer. As to this point, I will read the final paragraph of a letter I received from the Marybrook zone secretary of the Potato Growers' Association of W.A. It states—

The main problem facing growers at present has no connection with the organisation referred to above—

That is, Potato Distributors (W.A.) Ltd.—but concerns the high cost of digging resulting in a shortage of seasonal labour. This is so bad that unskilled foreign labourers are demanding digging rates to enable them to make £3 per day clear, with the employer paying the tax.

That is a great problem in the industry at the moment. As we know, potatoes are highly perishable and have to be grown and dug at the correct times, and labour must be available at those times. I join with the Minister for Lands in stating that an inquiry at this stage is unnecessary and I support him in his contention.

MR. MARSHALL (Murchison) [9.49]: I did not propose to take any part in this discussion, but it is most opportune on this occasion that I should do so, seeing that I have just received some correspondence from that far-removed centre, Cue. Whether this inquiry would be of any great advantage in the final analysis as to the distribution of potatoes and the price charged to

the consumer it is difficult for me to say, as I have had little or no experience apart from the fact that frequently the Goldfields are left short of that commodity and are particularly short now. However, I suppose that has been the experience of other parts of Western Australia.

I do not agree with the member for Sussex when he condemns the Fremantle lumpers for taking action to prevent the export of a commodity so urgently required in our own State. Only a person of unsound mind would give away foodstuffs urgently required for his own existence. To say we should send away commodities and go short ourselves, is neither logical nor sound. Why not export everything we produce and ultimately die of starvation ourselves? The argument advanced by the hon. member was totally unsound. Then again as regards the cost of labour, it will be appreciated that potato diggers are a convenience to those that employ them. It is casual work, and after it ceases those engaged on it have to pack up and go elsewhere. All that means considerable expense to them, and yet apparently the growers expect to employ such men at a lower rate than is paid to those in constant jobs. Casual labour is always expensive. Men will not be content to be merely casual employees, and naturally if they are employed in that capacity increased rates must be expected.

At this stage of our history we shall be obliged, because of the shortage of labour, to pay more for that which is obtainable. Every employer has that experience at the moment, and it is inevitable. If an inquiry were made into the whole business, some advantage would certainly be derived, as is indicated in a letter in my possession. I feel that people on the Goldfields are at a great disadvantage in that they are so far removed from the city. It means that they have a very limited avenue through which to obtain their supplies, and even what supplies are available are exceedingly scanty.

When traders in far removed centres make application to the Potato Board or the potato distributors and have their orders fulfilled, they certainly expect to obtain what they pay for and what they ordered. They expect potatoes—not dirt! It is quite obvious that the instance I shall

allude to represents no accident. I shall read the letter without mentioning any names, and I certainly shall not state the name of the person which appears on the potato bags. The writer says in his communication, which I received only today and therefore it came very appropriately at this stage—

We have just received a consignment of potatoes from the Perth Markets—eight bags. So far, the three bags we have opened and used contained 65 lb. of dirt.

Mr. Hegney: Dirt money!

Mr. MARSHALL: He goes on to say—

This was put into the bags by the person who bagged them. It did not come off the potatoes in transit. This is not the first time. The three bags were marked—

Then appears the name of a person, which I shall not quote—

As this is a big loss to us, I would like you to go into the matter with the Potato Board and let me know whom I am to apply to for a refund.

The writer also wants to know against whom it is possible for him to take action. I propose to discuss the matter with the Potato Board. When they realise that in three bags of potatoes there were 65lb. of dirt and that railway freight had to be paid on it, members can imagine the dissatisfaction that arises when this sort of thing happens. Naturally the trader has to increase the price to recoup himself for the added cost. He had to pay railway freight on the 65 lb. of dirt, as well as on the potatoes, over a distance of 500 miles, and that is no joke, particularly since the Government increased freight charges. This sort of thing is particularly annoying to people in the remote areas and they can secure no redress except through their parliamentary representatives. The writer points out that this is not the first time he has had such an experience. Evidently no supervision is exercised. I remind the member for Sussex that some of the growers are not digging potatoes but are putting in some dirt.

Mr. Bovell: That must be done by the inexperienced potato diggers.

Mr. MARSHALL: It is up to the growers, the board or the distributors to exercise some supervision.

Mr. Bovell: I shall be glad to have some proof that the potatoes came from my electorate.

Mr. MARSHALL: I have the name that appears on the bags, but I am not prepared to give it publicity until I have dealt with the Minister who read a speech very well but was not very convincing.

Mr. Boyell: If you could give me the name privately, I would appreciate it.

Mr. MARSHALL: I cannot say where the potatoes came from except that they were obtained through the Perth Markets and consigned to the buyer. I assume that the name on the bags is that of the grower. That could be traced.

The Minister for Lands: You take the matter up with the board and you will be doing a good job.

Mr. MARSHALL: I propose to do so. I do not know much about the other matters that were mentioned by the member for North-East Fremantle, but I consider he submitted reasonably good arguments in favour of an inquiry being held. The discussion this evening regarding the cost will not affect my attitude on the question. I shall not agree to money being put up as an obstacle to the performance of a function that I consider would be beneficial to the people of Western Australia.

HON. J. T. TONKIN (North-East Fremantle—in reply) [9.58]: The motion, which aims at having an inquiry into the disposal of potatoes grown commercially in Western Australia, seeks, of course, to ascertain what vested interests that have been built up since 1945 are doing with regard to that commodity. As such an inquiry might adversely affect certain interests, it was not altogether unexpected—

The Minister for Lands: You supported them for two years.

Hon. J. T. TONKIN: —that the Minister and members sitting on the Government side of the House would be opposed to an inquiry. That is because they represent vested interests.

Mr. Boyell: I spoke from the growers' point of view.

Hon. J. T. TONKIN: That may be so.

The Minister for Lands: You could have done what you suggested years ago.

Hon. J. T. TONKIN: This move may be disturbing to certain vested interests, which appear to have been making a very good

thing out of the potato growing industry to the exclusion of a number of other very worthy people who desire also to participate in it, and would like some inquiry launched so that they can ascertain what has been happening.

The Minister for Education: So there is vested interest on your side, too!

Hon. J. T. TONKIN: No, I did not say I represent those people, but simply said that they desired an inquiry. The Minister and the member for Irwin-Moore suggested that as I had previously expressed the opinion that we should economise as far as possible, this is an instance where economy could be practised. Obviously the member for Irwin-Moore had not the slightest idea of what the inquiry would cost.

The Minister for Education: He was thinking not in terms of money but in terms of wasted effort.

Hon. J. T. TONKIN: He was thinking in terms of money; I suggest that the Minister should read what he said. The Minister for Lands knows better. I am surprised that he should make such a suggestion because did not he support an inquiry into the charcoal-iron industry?

The Minister for Lands: Yes, and I would support another.

Hon. J. T. TONKIN: For what purpose?

The Minister for Lands: Because it was necessary.

Hon. J. T. TONKIN: What caused it to be necessary? To show that it was doing all right?

The Minister for Lands: No.

Hon. J. T. TONKIN: That is what the inquiry showed because that is what the Minister said subsequently. That was an inquiry supported by members on the Government side, completely unjustified, absolutely unnecessary and very costly. The cost of it would contrast very greatly with the very low cost that this inquiry would entail. To put up the argument that we should not have an inquiry because of the cost is just a lot of nonsense, especially when it comes from a Government which supported an inquiry into the charcoal-iron industry.

Mr. Ackland: A loss of £48,000 last year.

Hon. J. T. TONKIN: Let the hon. member read the report of the inquiry and see whether there were any grounds for complaint or any justification for the inquiry. In the endeavour to show that the inquiry for which I am asking is not necessary, the Minister made a statement which, in my opinion, proves conclusively that it is necessary. The motion is for the purpose of inquiring into the disposal of potatoes. This is what the Minister said:—

The distribution plan of the Potato Marketing Board showed that sufficient potatoes had been made available to merchants to obviate any shortage.

Yet there was a shortage. Surely that calls for some inquiry! If the Potato Board believed and knew that sufficient potatoes had been made available to merchants according to the distribution plan in order that their might be no shortage, and if in fact there was a shortage, there is room for inquiry. As a matter of fact, the Minister well knows that it was a mystery to the board where the potatoes were.

The Minister for Lands: I do not.

Hon. J. T. TONKIN: Then the Minister should ask the board to find out.

The Minister for Lands: I think the board is a very competent one.

Hon. J. T. TONKIN: Well, it did not know where the potatoes were. I might put a question on the notice paper later requesting the Minister to find out whether the board did know.

The Minister for Lands: I shall do my best to answer it.

Hon. J. T. TONKIN: The board did not know, and the reason for this is that the merchants were not prepared properly to advise the board. Two possible explanations have been given to me. One was that the merchants knew that an increase in price was imminent and, in fact, an increase in price occurred shortly afterwards. So there was a very good reason for merchants keeping potatoes off the market, and an inquiry is needed to ascertain whether that was so or not to the end that a repetition might be prevented.

The other explanation is that there was a desire to export a greater quantity of potatoes, and because of the action of the Fremantle lumpers, which was criticised by the Minister, merchants were not able to export at the time but kept them back until the ban was lifted and they would be in a

position to export. The Minister criticised this ban which was imposed and said that the lumpers were running the country, but I ask him: What did he do to try to lift the ban or what did the Government do? The Minister and the Government sat by until the lumpers themselves lifted the ban. Therefore the Minister ought to talk about the lumpers running the country! Seemingly they run the Government, too.

The Minister for Lands: Yes, they run it.

Hon. J. T. TONKIN: In my opinion the action taken by the lumpers was a proper corrective of the action of the merchants, who were deliberately withholding potatoes from consumers at a time when the commodity was in short supply and with the board apparently powerless to do anything in the matter.

There are a number of aspects of the disposal of potatoes that are unsatisfactory. It might be that Potato Distributors (W.A.) Ltd. has been in existence since 1945, but it has not been operating under this Act since 1945. I desire to ascertain whether it is the most economical way of distributing potatoes because, despite the fact that members have said they have had no complaints from growers, I have often read in the Press of their having complained about the return they were receiving. Yet the consumer is paying plenty. Consequently, we ought to ascertain whether, at the existing price, it is possible to get the producers any more for their commodity.

The Minister for Lands: How did you find things when you were Minister? Was everything satisfactory?

Hon. J. T. TONKIN: The present legislation was not operative when I was Minister.

The Minister for Lands: Yes, it was.

Hon. J. T. TONKIN: I tell the Minister it was not.

The Minister for Lands: But it was.

Hon. J. T. TONKIN: Then I issue a challenge to the Minister to prove his statement.

The Minister for Lands: You introduced the Bill in 1946.

Hon. J. T. TONKIN: And when did it start to operate? Before the Minister is so emphatic on the point, he should get his facts right. He should learn something of what happened. Does not the Minister know

—obviously he does not, so I shall tell him—that although the Bill was passed in 1946, it was in anticipation of Federal control ceasing? We did not want to be caught flat-footed when the Commonwealth legislation was no longer operative. Although the Bill was passed in 1946, it did not operate in 1946. I tell the Minister that it operated considerably later than 1946. I sponsored that legislation because it was good legislation.

Mr. Bovell: That is so.

Hon. J. T. TONKIN: It confers a number of powers on the board that the board has not yet seen fit to exercise. The legislation cannot be blamed for that. What I am afraid of, as I have already said, is that vested interests in the potato trade have been too strong for the board up to the present and have had things too much their own way. An inquiry will show whether that impression is right or not. If it is right, a Select Committee would be able to make recommendations to the Minister. Of course, the Minister may not take any notice of them, but nevertheless a Select Committee would be empowered to make recommendations for improving the disposal of potatoes in the interests of two sections of the people, firstly, the producers who grow the commodity and, secondly, the consumers who have to pay for it when they can get it. We have had an explanation by the member for Fremantle of the position when potatoes were very short in Perth and yet large quantities were being sent away to Singapore, the Minister says, in order to maintain our overseas market. We have heard that argument so often that we have become a little tired of it.

The Minister for Lands: You know that it is essential.

Hon. J. T. TONKIN: We are exporting produce that we need ourselves. We should consider our own people first and supply the home market, which is the best market. Without it the producers would be in a bad way, because in times of low prices we expect the consumers to pay a price above world parity in order to keep our producers solvent. It does not cut much ice with me to say that we have to deprive our own people of commodities required by them in order to maintain the overseas market.

What I desire to ascertain is why the Potato Marketing Board does not know what becomes of potatoes once they get into the hands of the merchants, why the board is not in a position to ensure a supply of potatoes locally when required, what is the cost of distribution and whether it is possible to cut down that cost. If the inquiry is able to elicit that information, it will be well worth the expense of holding it. I believe that it will do so. On the other hand, if the inquiry results as the Wundowie inquiry did, which proved that things were all right and that there were no grounds for criticism, then again I say this present inquiry would be justified because of the small expense entailed—a mere bagatelle, as you very well know, Mr. Speaker. I believe that no valid reasons have been advanced against the inquiry and I know there are many people anxious to ascertain the facts.

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

Ayes	23
Noes	20
Majority for .. .	3

AYES.

Mr. Coverley	Mr. Nulsen
Mr. Fox	Mr. Oliver
Mr. Graham	Mr. Panton
Mr. Hall	Mr. Read
Mr. Hawke	Mr. Reynolds
Mr. Hegney	Mr. Shearn
Mr. Hoar	Mr. Sleeman
Mr. Kelly	Mr. Styants
Mr. Marshall	Mr. Tonkin
Mr. May	Mr. Triat
Mr. McCulloch	Mr. Rodoreda
Mr. Needham	(Teller.)

NOES.

Mr. Abbott	Mr. McLarty
Mr. Ackland	Mr. Murray
Mr. Bovell	Mr. Nalder
Mr. Cornell	Mr. Nimmo
Mr. Doney	Mr. Perkins
Mr. Grayden	Mr. Seward
Mr. Hill	Mr. Thorn
Mr. Leslie	Mr. Watts
Mr. Mann	Mr. Yates
Mr. McDonald	Mr. Brand
	(Teller.)

Question thus passed; the motion agreed to.

Select Committee Appointed.

On motion by Hon. J. T. Tonkin, a Select Committee appointed consisting of Mr. Hegney, Mr. Fox, Mr. Hill, Mr. Bovell and the mover, with power to call for persons and papers, to sit on days over which the House stands adjourned and to report this day four weeks.

BILL—LICENSING ACT AMENDMENT (No. 2).

Second Reading.

MR. GRAHAM (East Perth) [10.18] in moving the second reading said: For reasons that are quite understandable, there has invariably been diffidence on the part of all Governments about introducing legislation designed to make vital reforms in matters pertaining to the licensing law, matrimonial relationships and betting. It has occurred to me that it might be of advantage to the State if on these questions, which I should say are definitely non-party, it could be agreed that representatives of both sides of the House should go thoroughly into the relative statutes in order to make recommendations to bring the existing legislation up to date and in conformity with modern practice and custom.

The Licensing Act is one which to my mind is entirely outmoded in very many respects; is inadequate in others; and, in many instances, is most unjust to certain people. I am especially concerned with the effect that the present legislation has upon the servants of licensees—that is, barmaids and barmen—and to a lesser extent the licensees, and with making some alteration in respect of persons under the age of 21 who endeavour to obtain intoxicating liquor. This Bill seeks to rectify some of the anomalies and hardships being endured at present. While it is short, it does effect a considerable change. It is based upon the terminology employed in the British Act appropriate to the sections I am discussing.

The Bill had its genesis in representations made by the Barmaids and Barmen's Union at whose request I introduced a deputation to the Attorney General, who received it sympathetically. Subsequently he told me, in effect, that the Government already had a full legislative programme, which is quite understandable, and accordingly no action would be taken by Cabinet this session. However, I was pressed by the union concerned to take some steps in the matter and accordingly this Bill is being submitted. The United Licensed Victuallers' Association of Western Australia is in agreement with the principles embodied in the amendments I am presenting for consideration.

The position at present is that the licensee and servants supplying a person apparently under the age of 21 years commit an offence; and it is on account of the difficulties created because of that word "apparently" that I am seeking to have the word "knowingly," used in the British statute, inserted in our legislation. It will be appreciated that appearances can be very deceptive. I should say of both sexes—but particularly with regard to females—that it is exceedingly difficult for anybody to declare with certainty what a person's age is, ranging from perhaps 18 to 28. A person may, in the opinion of a barmaid or a barman, be over the age of 21 and may therefore not be questioned; yet under different circumstances the magistrate might decide that that person could be regarded as being under the age of 21 and accordingly impose a fine or some other penalty upon the barmaid or barman.

The position is aggravated because under our licensing laws a person who has attained the age of 18 is allowed in a bar and permitted to be served, though not with intoxicating liquor. Therefore barmaids and barmen have a most unenviable task to perform, particularly at peak periods when there are persons lining the bar, perhaps three or four deep and when the greatest concern is to give satisfaction—that is, to serve the drinks and take the money and deliver the change without going to the trouble—and believe me it would be a considerable trouble—of weighing up every individual purchaser. As a matter of fact, the position is far worse than that.

Less than two years ago it was agreed by this Chamber and the Legislative Council that the matter of policing ages was practically impossible. To refresh the memories of members, I would remind them that we had before us a Bill dealing with the censorship of films. On that occasion the member for Mt. Marshall moved an amendment to the effect that no exhibitor should admit or permit or suffer the admission of any child apparently under the age of 16 when the child was not accompanied by an adult to any picture of a certain character. After reflection this Chamber, in a mixed division, by 28 votes to 14 decided that it was an impossible proposition to expect the proprietor of a picture theatre or any of his servants to give effect to such a provision. Yet words almost identical

appear in the Licensing Act and we expect the licensee and his servants to conform to that provision.

There are difficulties because, as I have said, different persons arrive at different conclusions when estimating the age of an individual. When men appear in a bar in uniform, their age can be most deceptive. When a person appears in working clothes, he may seem to be an adult. But when he is clean and dressed in better clothes and goes before a magistrate, he gives the appearance of being perhaps very many years younger, and accordingly a conviction is recorded against what I would call an innocent barman or barmaid. The position is complicated because of migrants coming to this country who are unfamiliar with our laws. In Great Britain drinking, so far as I am able to ascertain, is permitted when a person has turned 18 years. In Victoria it is possible for a youth of only 16 to obtain liquor in bottles provided they are corked and sealed.

Persons come from other parts of the world and are unfamiliar with our language, and those who are not of British stock could in very many instances be taken to be older than they are, judging by appearance. I have already stated the difficulty when there is a crowded bar and people are clamouring for drinks. The barmaid or barman could not in such circumstances endeavour to assess the ages of the several score of people seeking liquid refreshments. But perhaps the greatest concern is this: As I have already stated, a person who has attained the age of 18 years is permitted in licensed premises. Such a youth may be accompanied by an adult who orders two drinks at a crowded bar. He takes the two vessels behind those who are breasting the bar and gives one to the youth concerned. In that case, the barmaid or barman is responsible, and the person who has made it possible for the youth to be supplied with liquor has, as the legislation now stands, committed no offence. A state of affairs such as that requires rectification.

At the present moment, the barmaid or barman is subject to a penalty of £20, and so is the licensee. A short while ago I asked certain questions of the Minister, and elicited the information that during the past 12 months 13 barmen and three licensees had been convicted, but there had

been only one charge against a person under the age of 21 years for endeavouring to receive, and in fact, receiving, intoxicating liquor on licensed premises. That bears out the contention I have been submitting. These youthful offenders are regarded and used as informers and witnesses against the servants rather than that they themselves should be prosecuted because, as our legislation is at the moment, a youth is guilty only if he falsely represents himself to be 21 years of age, or over. Accordingly, if the servant is not sufficiently observant and does not interrogate the youth, then the youth is not falsely representing himself. I do not know what the strict legal interpretation is, but I know the courts adopt the attitude that unless the lad has falsely represented himself by declaration, he escapes all blame.

Personally, I feel that a young person, either asking for a drink in a hotel or securing and consuming liquor does, by that very act, commit an offence. A maximum penalty of £5 only is possible in the case of such a person, who is at the very root of the trouble. The Bill proposes to increase the penalty to £20 for the purpose of acting as a deterrent rather than being a very minor punishment, which is the position at the moment. In the great majority of cases, as I have said, no action is taken against these youths. If these young people did not endeavour to procure liquor, then neither the licensee nor the servant would unwittingly commit an offence in this respect. Youths of 18 years and over are young men. They are drafted into the Forces and go oversea. Years before attaining the age of 21, they are performing the work of fully-grown men. Therefore they are, in every respect, completely conscious of what they are doing, and are capable of assuming responsibility. But this is something they now almost escape entirely. Some of our licensing laws are nearly 40 years old. There have been some amendments but most of the very important provisions are 25 years old, or more. I think it will be generally agreed that different circumstances now obtain and that, therefore, different considerations should be given to the Act.

The consumption of liquor in Australia is high per head of population. That is, perhaps, a regrettable fact but, nevertheless, it is the state of affairs that exists. Therefore there is no need for the licensee

to push his wares, as possibly was the case a generation or so ago. The servants—the barmaids and barmen—have nothing at all to gain by endeavouring to make sales to persons under the age of 21. On the contrary, they are subject to penalties which have been imposed in many instances. I repeat that youths who are actually responsible for the commission of many of these offences, basically, and those who connive at the offences—I mean those who are friends of these young people and supply them with liquor—are the ones who should be dealt with severely under the law rather than that inoffensive people should be arraigned before the court on charges, the committal of which they are, in many instances, totally unaware.

So we have the position that honest, industrious workers who would ordinarily never see the inside of a police court have to bear the stigma of a conviction, not because of some misdeed, but because of the weakness of the present legislation. They, like most other workers, are complying with the terms of their award and the requirements of the Industrial Arbitration Act. They are committing no offence against the Master and Servants Act, and they naturally resent any charges being made against them. Yet on many occasions they are judged guilty of an offence of which they had no knowledge whatsoever. This matter has caused considerable concern to the Barmaids and Barmen's Union for many years, because its members are the chief sufferers. The union desires that some action be taken.

I propose to give several examples—I could actually give the names of the parties concerned—to indicate the unfairness of the position obtaining at the moment. In a city hotel in May of this year five men were in the bar drinking liquor. Three of them absented themselves temporarily and a youth 15 years and three months of age walked into the bar, picked up one of the containers and proceeded to drink the contents. At that time the barmaid was attending to other customers. The lad merely rushed in, took hold of the glass and regaled himself. Unfortunately a policeman came in at that moment, saw the lad, asked the men who had served the drinks and was told that they were served by a barmaid, who was pointed out to him.

A charge was lodged against that woman and she was fined £8. Surely it is a ridiculous state of affairs when that can occur, but it has happened in a number of instances that I could recite.

Another case was that of an hotel not far from this place. A working man had entered the public bar over a period of 18 months and was regarded as one of the many clients of the establishment. One afternoon he went to the office of the licensee and said, "I would like you to join me in a drink." The licensee agreed and, on asking the reason for the invitation, was told, "This is an auspicious occasion. Today is my 21st birthday." I know of several other instances in an hotel not far from the Trades Hall, where girls used frequently to go into the lounge after work. A particular girl and her workmates invited the owner of the premises to join them in a drink one afternoon. He wondered why and it transpired that it was because one of the girls was celebrating her 21st birthday. These two publicans are people who have been as strict as possible in trying to avoid any breach of the Licensing Act.

I know of another hotel where there is a parlour and where customers go to the bar and get their own drinks. A party of two males and two females had had several drinks each in that parlour, the men going to the bar and obtaining the drinks. The licensee happened to walk into the parlour, as a routine matter, at about 8.30 p.m. He saw one of the girls and said that in his opinion she was under 21 years of age. She admitted that she was 17 years of age, and he promptly bundled her out of the hotel. Had a policeman come into the parlour at that stage both the barmen and the publican would have been liable to a fine of £20, while the two male companions and the girls would have been in no way responsible because, under the Act as it stands at present, they would not have committed any offence. The girl concerned, not having falsely represented herself as being over 21 years of age, would be blameless.

It will be appreciated that under poor legislation unwitting offenders are being prosecuted while the persons actually responsible are going scot-free. I desire to terminate that state of affairs. It is interesting to contrast the position with regard

to the serving of drinks to minors with the provision of the Licensing Act affecting commercial travellers. In the latter instance the responsibility is placed almost entirely on the traveller himself to establish his bona fides. If the publican makes an error no blame attaches to him and it is the responsibility of the person who in fact commits the offence. The Bill seeks to make several amendments to two sections of the Act. A provision from the Intoxicating Liquor (Sale to Persons Under Eighteen) Act, of Great Britain, states—

1. Penalty for sale or supply of intoxicating liquor to young persons.

(1) The holder of a justices' on-license shall not knowingly sell or allow any person to sell, nor shall any servant of his knowingly sell to be consumed on the premises any intoxicating liquor to any person under the age of eighteen years; and no person under the age of eighteen years shall purchase or attempt to purchase in any licensed premises any intoxicating liquor for his own consumption therein.

It will be seen that only in those cases where the licensee or his servants wilfully or knowingly serve a person under the age of 21 years are they liable to have action taken against them. In the Bill I have altered the doubtful word "apparently" so that if the measure is passed the legislation will state that no licensee or his servants shall knowingly sell to any person under the age of 21 years any intoxicating liquor. A provision at present in the Act—it is difficult to understand—states that any person who in any place not being licensed premises but on a highway or place adjacent to licensed premises supplies or causes or permits to be supplied any liquor to any person apparently under the age of 21 years, commits an offence. Licensed premises are specifically excluded there, as is borne out by the experiences I have recounted this evening.

While it is an offence on my part to give liquor to a person under the age of 21 years on a public highway, if I do it in an hotel bar I am committing no offence at all. I propose to delete that provision. When the Bill reaches the Committee stage I intend to have struck out a few words of the proposed new subsection. At first I was under the impression that licensees and servants were fully covered and that the proposed new subsection would apply to persons

other than those, but I see that in the Bill I have unwittingly made it possible for licensees or their servants to supply drinks to minors not on licensed premises but just outside the door. That, of course, would be almost as ridiculous as the law which stands at present. The third amendment is to overcome the position at present where a junior, if he does not falsely represent himself to be over the age of 21, does not commit an offence.

My amendment will provide that any person under the age of 21 years who obtains, or attempts to obtain, intoxicating liquor on licensed premises is guilty of an offence. The penalty at present is only £5 maximum but I propose that it shall be increased to £20. I have already stated that if it were not for these young people either directly in person seeking to obtain intoxicating liquor, or receiving it from a friend, no offence would be committed and there would be no prospect of drawing into the toils of the law innocent and unsuspecting licensees and more especially the employees of licensees. It is an unfair responsibility that is placed on honest and conscientious workers and especially at peak and busy periods.

I should like to know where else in the industrial world workers, in addition to performing the duties which they are paid, are expected to police every drink served or every service that they render. That is asking too much of them. I sincerely hope that there will be a sympathetic approach to this problem because the law is grossly unfair in its operation at the moment. This Bill is a genuine attempt to correct the anomalous position obtaining. I am not wedded irrevocably to the verbiage employed in the Bill. I seek to achieve a certain result based on fairness and equity. As this is a move to overcome the anomaly, it warrants the earnest and sympathetic consideration of all members.

I again suggest, for the consideration of all parties, that there could well be a non-party approach to difficult statutes such as the one I am seeking to amend. Some of them are hopelessly out-of-date in practice and because of that fact either the law is being breached, and is known officially to be breached, which is not a healthy state of

affairs, or else injustices are being perpetrated. That is happening under the two sections of the Act that I am seeking to amend. I move—

That the Bill be now read a second time.

On motion by the Attorney General, debate adjourned.

House adjourned at 10.55 p.m.

Legislative Assembly

Thursday, 21st July, 1949.

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

QUESTIONS.

HOSPITALS.

(a) *As to Provision at Wittenoom Gorge.*

Mr. RODOREDA asked the Minister for the North-West:

(1) As there are now 300 people at Wittenoom Gorge without medical services, except visits of flying doctor, when is it anticipated that work will be commenced on a hospital at that centre?

(2) Is it intended to have a doctor resident there when a hospital is built?

(3) If so, what arrangements are being made for a doctor's residence?

The MINISTER replied:

(1) Plans and estimates for the nursing centre and nurse's accommodation should be ready within two weeks.

(2) Efforts are being made to secure doctors for the North, and consideration of appointment of one to Wittenoom Gorge must depend upon the result of our efforts.

(3) A house will be available by co-operation of the company when doctor and nursing centre are available.

(b) *As to X-ray Plant, Kalgoorlie.*

Mr. STYANTS asked the Minister for Health:

Further to answers given to my questions on the 5th July, 1949, re payment for x-ray examinations of patients in the Government Hospital, Kalgoorlie, who have to go to the Commonwealth Laboratory because of the inadequacy of the x-ray plant at the hospital to do all the work required, will he have an x-ray plant supplied to the abovementioned hospital which will be capable of doing all classes of x-ray photography so that patients there will have the same free x-ray examination as is provided for inmates at the Royal Perth Hospital?

The MINISTER replied:

This suggestion will receive consideration.

(c) *As to Marble Bar Staff Quarters.*

Mr. RODOREDA asked the Minister for Health:

(1) Would I be right in saying that the staff quarters at Marble Bar Hospital have been listed by a health inspector of the Medical Department as unfit for habitation?