

Legislative Assembly.

Wednesday, 28th September, 1949.

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The SPEAKER took the Chair at 2.30 p.m., and read prayers.

QUESTIONS.

TRANSPORT CONTROL.

As to Appointment of Representative Council.

Mr. NEEDHAM asked the Premier:

In view of the statement in his Policy Speech, viz.: "All State transport to be under a representative council" will he explain to the House why legislation has not been brought down to implement that statement?

The PREMIER replied:

I draw the hon. member's attention to the substantial change in transport control that has been made by legislation in the past two and a half years and the greatly increased powers conferred upon the Transport Board during that time.

ELECTRICITY SUPPLY.

As to Inquiry by Parliamentary Committee.

Mr. SHEARN asked the Premier:

In view of the serious position in which the community has been placed by the repeated failures at East Perth power station, will he reconsider his decision regarding the suggested appointment of a committee of this House to investigate and report upon the reasons for such failures?

The PREMIER replied:

This is a matter for expert technical advice which the Government has arranged to obtain. Every possible effort is also being made to speed up the South Fremantle power house.

HOSPITALS.

(a) *As to Regional Building at Northam.*

Hon. A. R. G. HAWKE asked the Minister for Health:

(1) Is it intended to construct new buildings at Northam in connection with the proposed establishment there of a regional hospital?

(2) If so—

(a) what is the extent of the proposed new buildings;

(b) when will the plans be prepared;

(c) when is a start with the construction likely to be made?

The MINISTER replied:

(1) and (2) At the present time no proposal has been considered for the construction of new hospital buildings at Northam.

(b) *As to Sub-regional Buildings.*

Hon. A. H. PANTON (without notice) asked the Minister for Health:

Is it the intention of the Health Department to build sub-regional hospitals in preference to regional hospitals?

The MINISTER replied:

No. The plan that was approved by the hon. member, when he was a Minister for Health, or his immediate successor has been followed. There has been no alteration in policy.

GAOL SITE.

As to Approval by Local Authorities.

Mr. YATES asked the Minister for Works:

(1) Recent Press reports indicated that it is the Government's intention to build a gaol on land selected for the purpose situated south of Mt. Pleasant. If this statement is correct, do the Melville and Canning Road Boards approve of the site selected?

(2) When is construction of the gaol likely to commence?

The MINISTER replied:

(1) Certain land has been reserved for a gaol site and other Government institutions. Neither the Melville nor the Canning Road Boards has been consulted in the matter.

(2) Consideration has not yet been given as to any plans or buildings or the site for any gaol.

NATIVE AFFAIRS.

(a) *As to Expenditure on Car Hire.*

Hon. A. A. M. COVERLEY asked the Minister for Native Affairs:

Is it a fact that well over £500 has already been paid to Mr. R. S. Maxted of Derby for car hire on behalf of the Native Affairs Department?

The MINISTER replied:

No.

Accounts in favour of R. Maxted which have been presented for recoup by the Treasury for Treasury Paymaster accounts are:—

1949—May 11-22:—Car hire District Officer patrol Derby to Fitzroy Crossing and return—£43 11s. 3d.

1949—June 20-July 7:—Car hire District Officer patrol to southern portion of district, thence to Marble Bar to meet Deputy Commissioner of Native Affairs—£98 11s. 3d.

1949—July 7-August 5: Car hire by Mr. Elliott Smith—Marble Bar, Wyndham. Familiarisation and inspection—£122 12s. 6d.

(b) *As to Use of Departmental Truck.*

Hon. A. A. M. COVERLEY asked the Minister for Native Affairs:

In view of the expenditure on car hire at Derby, will he explain—

(1) What advantage the natives of this district received?

(2) Why a first class serviceable truck belonging to the department, stationed in Derby, was not used instead of a saloon hire car?

The MINISTER replied:

It is essential in the interests of the department's work that officers in the field should visit the districts for which they are responsible and make and maintain reasonable contact with the native population and their employees, and the conditions under which they are living. This has always been the practice of the department in the case of field staff and

vehicles have always been provided by the department to enable these essential services to be performed.

(2) At the time Mr. Elliott Smith was in Derby the truck was not available, having been in use for other departmental needs. It is a vehicle normally used by the District Officer (Mr. Pullen) for his patrols, although, in fact, it is not suited for lengthy patrols and when used by Mr. Pullen recently for some days on patrol the rough travelling was such as to occasion him illness for some days after the patrol was concluded. All reasonable economy is exercised by use of departmental vehicles when available and suitable.

Hon. A. A. M. Coverley: Your accountancy system is well astray. The Department has already overdrawn by £500.

HOUSING.

(a) *As to Sale Price of Rental Homes.*

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

(1) Has a decision yet been made regarding the basis of establishing a price at which Commonwealth-State rental houses will be sold?

(2) If so, what is the decision?

(3) If not, is the decision being deliberately delayed until Parliament concludes?

The MINISTER replied:

(1), (2) and (3) I can assure the hon. member there is no question of delay. A recommendation as to the basis of sale has been prepared by me, which I hope to submit to Cabinet at the earliest possible moment—at all events by Monday next—for its consideration.

(b) *As to Determination of Price.*

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

With reference to the question asked by the member for East Perth, is the price at which Commonwealth-State rental homes will be sold a matter for State determination only, with subsequent Commonwealth agreement, provided the price decided upon is not less than cost?

The MINISTER replied:

What the hon. member has said is correct. In other words, the determination of the price has been left by the Commonwealth to the individual States, provided that sales shall not take place below cost, without the consent of the Commonwealth.

PRICES CONTROL.

As to Inquiry into Meat Charges.

Mr. HEGNEY asked the Attorney General:

(1) To whom can the retail butchers appeal against fixation of meat prices by the Prices Commissioner?

(2) Is he aware that a number of retail butchers assert they cannot continue to carry on business if forced to sell to consumers at the fixed price?

(3) Is any maximum price fixed in connection with the sale of livestock by producers or agents at the Midland Junction abattoirs?

(4) If not, why not?

(5) In view of the facts—(a) that meat is being sold to consumers by retailers at prices in excess of the fixed price; (b) that the basic wage is consequently lower than it should be; (c) that retailers consider the margin of profit allowed them to be insufficient, will he take immediate steps to appoint a Royal Commission to investigate the supply and price of meat to the public?

The ATTORNEY GENERAL replied:

(1) To the Prices Advisory Committee through the Minister.

(2) No.

(3) and (4) The system of disposing of livestock is the same in all States, namely, disposal by public auction. The buyers, however, know that when stock is purchased for slaughtering they will only be entitled to receive a fixed price therefore when slaughtered.

(5) It is not considered that the basic wage is lower than it should be, as the price charged for meat by retailers, taken by and large, is the fixed price. It is considered that the retailers' fixed margin of profit over that of the wholesaler is reasonable, and that no good purpose would be served by a Royal Commission.

COLLIE COAL.*As to Fostering Bunkering Trade.*

Mr. MAY asked the Premier:

In view of the unsatisfactory quality of Newcastle coal as supplied to the "Arkaba" which has resulted in a request for Collie coal to be supplied in its stead, will he take such action as is necessary to ensure that a supply of Collie coal is made available to this particular ship with the object of further fostering the use of Collie coal for bunkering purposes?

The PREMIER replied:

The distribution of coal is within the control of the Commonwealth authorities, but the position will be immediately placed before the Joint Coal Board.

COAL MINE WORKERS' PENSIONS FUND.*As to Benefits.*

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

Will he say whether a married couple—the husband having been a coal mine worker—receiving in full the Commonwealth age pension and therefore eligible to receive an additional 30s. per week each, as permissible income, is entitled to receive such permissible income from the Coal Mine Workers' Pensions Fund in view of the statement made by the Minister for Mines as contained in "Hansard" No. 8, page 817 and dated the 2nd August, 1949?

The MINISTER FOR HOUSING replied:

No.

RAILWAYS.*As to Train and Bus Services, Perth-Merredin.*

Mr. CORNELL asked the Minister for Railways:

(1) How many mixed-passenger trains per week are available for the conveyance of passengers from—

- (a) Northam to Perth;
- (b) Perth to Northam?

(2) How many road busses per week are available for the conveyance of passengers from—

- (a) Northam to Perth;
- (b) Perth to Northam?

(3) Has any consideration been given to extending the existing Perth-Northam road service to serve those towns east of Northam to Merredin and if so, what are the prospects of such extended service materialising?

The MINISTER FOR WORKS (for the Minister for Railways) replied:

(1) The only mixed train operating at present is one leaving Mukinbudin on Wednesday and it passes through Northam at 4.55 a.m. Thursday.

Passenger services per week, including diesel-electric rail cars, number:—

(a) 19.

(b) 18.

(2) (a) 12.

(b) 12.

(3) Yes, but there does not appear to be sufficient justification for the extension at present.

BANANA INDUSTRY.*As to Provision of Case Nails.*

Hon. F. J. S. WISE asked the Minister for Industrial Development:

(1) Will he arrange for the allocation of several tons of Japanese nail wire, either of 14 gauge, or of a gauge which could be drawn down to 14 gauge, being held to be manufactured into case nails so urgently required by the banana industry?

(2) As wire is expected from Japan next month, will he give the necessary instructions to set aside the nail wire mentioned in question No. (1)?

The MINISTER replied:

(1) Limited quantities of such wire will arrive from Japan about 1st November.

(2) Two tons of such wire can be allocated for the banana industry from Government Stores' consignment of nine tons.

Endeavours are being made to obtain further and larger supplies of wire early in the New Year.

PETROL.*As to Quantities Distributed.*

Hon. F. J. S. WISE asked the Minister for Industrial Development:

If he can obtain the information, will he advise the House of the quantity of petrol distributed by oil companies on a weekly basis for the following periods:—

- (a) For the month of May, which was the month prior to rationing ceasing;
- (b) for the months of July and August;
- (c) as at present?

The MINISTER replied:

(a) I have not the figures of actual sales for the month of May but the quota fixed under rationing would have been in the vicinity of 2,250,000 gallons.

(b) and (c) Sales for July amounted to 2,892,000 gallons. Sales for August and September are not yet available but the quotas allotted were 2,020,000 and 2,211,000 respectively.

LEGISLATIVE COUNCIL.

As to Hours of Sitting.

Mr. GRAHAM asked the Premier:

Is he aware that to the end of last week, the Legislative Council spent 46 hours in sitting this year, as against 260 hours by the Legislative Assembly?

The PREMIER replied: I have not made any calculation but I am prepared to accept the figures supplied by the hon. member.

MANGANESE ORE.

As to Resources and Export Embargo.

Hon. E. H. H. HALL asked the Premier:

In view of the big demand by the United States of America for manganese ore, and the embargo placed on same by the Commonwealth Government—due, it is officially stated, to the necessity of conserving Australian supplies—

(1) Will the Government endeavour to ascertain the extent of the known Western Australian deposits of this ore?

(b) Request the Commonwealth Government to institute similar inquiries in the other States so that an authoritative estimate may be obtained as to the total supplies available in Australia?

(3) As the embargo on export of this ore to America is seriously interfering with the trade of the port of Geraldton, and also with the Western Australian Government railway traffic, will the Government point out to the Commonwealth Govern-

ment the need for the most exhaustive inquiry into this matter to see if, at least, an export quota could not, with safety to Australian requirements, be granted?

The PREMIER replied:

(1) The Government is already engaged on this work.

(2) and (3) The Mines Department has been advised by Commonwealth authorities that owing to the shortage of supplies for Australian requirements the embargo on export was necessary; also that the Australian users were offering more than the established ore-buyers who are seeking to export the ore, and that the users will readily purchase all ore offering. If any producer is not able to dispose of his product on the lines mentioned, and particulars are supplied, the Government will immediately take the matter up with the Commonwealth authorities.

DEVALUATION OF POUND.

As to Statement by Premier.

Hon. F. J. S. WISE (without notice) asked the Premier:

In view of the necessity to enlighten all sections of the public on the real import of the British financial situation, will he have a statement prepared to be presented to the House tomorrow on the reasons and necessity for the devaluation of sterling in regard to Britain's external debts, her internal economy, and her oversea trade position; and will he express his views on any alternatives that were open to the British Government in that connection?

The PREMIER replied:

I will endeavour to present the statement to the House either tomorrow or Friday as suggested by the Leader of the Opposition.

BILL—FOOTWEAR REGULATION ACT AMENDMENT.

Report of Committee adopted.

MOTION—STATE ASSETS.

As to Utilisation of Credit Balance—Defeated.

Debate resumed from the 20th July 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.

MR. MARSHALL (Murchison—in reply) [2.45]: It is with regret that I find there were so few speakers on such an important subject as finance. To me that is not a healthy sign because I feel that members are constantly grappling with the shadow while they permit the substance to evade them. It is of little use condemning Governments about the nation's assets if the members involved do not have something to say about the deplorable situation. I am confident the motion has not been thoroughly grasped by those who spoke and indicated their intention to oppose it. There is nothing in it that makes it obligatory on the Government to do anything. It merely suggests, or makes a proposal; it does not demand that anything be done. It merely says that the Government "should," not that it "shall." The member for North-East Fremantle agrees with me that a balance sheet would be all to the good if it were presented with the Budget, but he is going to vote against me. He is going to prevent me from getting it. The second part of the motion is a mere statement, and calls upon the Government to do nothing.

Hon. A. R. G. Hawke: It will do that all right.

MR. MARSHALL: It is what it is most capable of doing, I admit. What does the motion say? I shall read it so that we can get a clear conception of it, because I am positive the Premier and the member for North-East Fremantle did not give it full consideration. That applies more particularly to the member for North-East Fremantle who is usually exact in his analysis of any subject with which he deals. The motion says—

That in the opinion of this House the Government should submit annually, along with the Budget—

Hon. F. J. S. Wise: I think it should be "shall."

MR. MARSHALL: The motion continues—

—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)—

It states "if any." Therefore, if there is no credit balance the whole substance of the motion will go overboard. We go on—

—as security for the State Rural and Industries Bank which should—

"should" not "shall"—

—make available financial accommodation to the State Government at cost for all Governmental purposes.

That is a mere statement of fact. It continues—

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.

A mere statement of facts! There is no demand on the Government at all. Therefore, it is surprising to me to see any opposition to the motion. The Premier rather appealed to the House to vote against the proposal because he said that if it were carried he felt he would have to do something about it. It is all to his credit to say such a thing because all too frequently are resolutions come to and then usually pigeon-holed and nothing more is done about them.

I remember speaking on this subject some considerable time ago. The Premier promised then that he would obtain some constitutional authority to go fully into the sovereignty of the States and the powers that lie between the Commonwealth and State Governments, and more particularly upon the subject of banking. As far as I know the Premier has done little or nothing about it. His stock of ammunition against the motion was a pile of correspondence drawn by Mr. Bosisto, the manager of the Rural and Industries Bank, and Mr. Reid, the Under Treasurer. Apart from that the

Premier expressed no personal opinion except on one occasion when he said he was not one of those who believed that, when a bank makes financial accommodation available, it was all profit. He stated that only the interest was profit.

I do not think the Premier should offer an opinion if that is as far as he has gone into the banking system. If that contention were so we would be under no obligation to repay the £105,000,000, which is the State's national debt, but only the interest. However, we will never repay that debt under this system. It cannot be done because we have to borrow to exist. Stop borrowing, and we stagnate as we well know from the 1930-1933 period! Stop borrowing and refuse to infuse fresh money, or a new volume of money each year, and bang goes industry and up goes the unemployment list! Then we get starvation and misery such as we had in 1930-1933.

Therefore, if the Premier is under the impression that when a bank issues financial accommodation by putting figures in a ledger, and when that money is repaid, that is not all profit, then I would like to know what is. For instance, let me go to any bank and make arrangements for financial accommodation to build a home, the value of which might be, say, £1,000. The ledgerkeeper of that bank, under instructions from the manager, will enter in the ledger, "W. M. Marshall, £1,000 limit." I cannot go beyond that. They are merely figures in the ledger. In the course of time my home is constructed and I proceed to repay. When I pay back to the bank that £1,000, is that not profit, apart from the cost of the pen, ink and labour in keeping my account? Those costs are merely infinitesimal.

Mr. Fox: What does the banker say?

Mr. Bovell: You have spent that money.

Mr. MARSHALL: I merely wanted to raise that point to show that the Premier has given no consideration or study to banking. That is obvious. Otherwise he would have known about that. He would know that the State's debt of £105,000,000 must be repaid and when it is it will be all profit, apart from the cost of keeping the account.

Hon. F. J. S. Wise: That is why he has such a lot of money. He does not know anything about it.

Mr. MARSHALL: That is very often the case. I have known of people who have been incarcerated in a lunatic asylum and yet they have been rolling in wealth. Yet, Mr. Speaker, we have gentlemen like you who have given a study to this problem and know all about it, sitting up there on a paltry £1,000 a year. Apart altogether from interest payments being profit—an infinitesimal percentage of which goes towards the cost of keeping the accounts—the rest is all profit as well.

Mr. Bovell: Have you not received value for the £1,000 that you have drawn? You must realise that you have drawn that sum.

Mr. MARSHALL: That £1,000 was the creation of new money. It was brought into circulation for a period of time. An extra £1,000, over and above the money in circulation, was infused when I received the credit issue granted to me.

Mr. Bovell: Not a bit.

Mr. MARSHALL: I borrow £1,000. I do not walk out of the bank with £1,000 of legal tender money in my pocket.

Mr. Bovell: You could if you wanted to.

Mr. MARSHALL: But I do not.

Mr. Bovell: But you get a cheque for that amount.

Mr. MARSHALL: Let me tell the member for Sussex that 99 per cent. of the commercial transactions of Australia are done without the utilisation of one penny of legal tender money.

The Minister for Lands: But, someone gets goods for it.

Mr. MARSHALL: The legal tender money is merely the petty cash account of the nation.

Mr. Bovell: But those cheques that you issue are representative of legal tender money.

Mr. Hegney: No, you are wrong there.

Hon. A. R. G. Hawke: That could not possibly be so.

Mr. MARSHALL: Let me explain for the edification of an ex-banker. I have never known an ex-banker yet who would realise or grasp the actual situation. I walk out of the bank with a cheque-book in my pocket.

Hon. A. R. G. Hawke: Pieces of paper.

Mr. MARSHALL: I have been given financial accommodation to the extent of £1,000. My contractor commences to build the home and I make progressive payments to him by issuing cheques. Ultimately those cheques reach my bank and they are debited against the figures in the ledger and the figures are reduced by those amounts. Not a penny-piece of legal tender money is used. The same thing happens when the Government spends millions. It does not utilise one pound of legal tender money in the process. It pays cheques and they ultimately reach the bank that issues the credit and are debited against the account.

Hon. J. B. Sleeman: He can't see it even now.

Mr. MARSHALL: I wanted to correct the Premier on that point. He will find, as time progresses, if he still remains Treasurer of Western Australia, that that amount of money is practically all profit and he is under an obligation to repay it. Yet it is only credit issues. There is a distinction between an individual lending and a banking institution lending but, in the final analysis, in both cases it is credit created by the bank that ultimately reaches the Treasurer.

If I make an advance of £100 towards a loan, I do not give £100 to the Commonwealth Treasurer. I go to my banker and say to him, "I want to subscribe to this loan to the extent of £100." He will say, "Very well, Mr. Marshall." Then I sacrifice, or forfeit, the right to use that £100 and it remains there—or at least the figures in the ledger do—and I cannot use it until the loan matures. That money does not go to the Commonwealth Treasurer when the Underwriters' Association or some institution or a bank makes available financial accommodation to the extent of £100, or any given amount. Thus, in the final analysis it is but credit issue.

Mr. May: There is very little money at all.

Mr. MARSHALL: Very little is used in exchange—only about one-half of one per cent. I shall next deal with the letters to which the Premier referred. Here again, we have a remarkable instance exemplifying the attitude of men like the member for Sussex. We have trained men who have

risen in their particular group somehow or other, and they are obsessed with the one idea.

Mr. Oliver: They are hidebound.

Mr. MARSHALL: They cannot get away from it. They adhere to their point of view just as is indicated in this document—I subscribe to it—which is quite a wonderful letter. I hope it is all in "Hansard" already, because it will be very useful to us one of these days. It demonstrates conclusively what I have said about the credit issue; but when it comes to the substance of the motion, it is quite outside its purport. Thus it is that the writers of these letters get far away from the actual position. I shall not quote the whole of the letters, but only portions of them, and members can look up the full letters for themselves in "Hansard." They were quoted by the Premier when he spoke against my motion. I want to demonstrate how these experts get right away from the actual position into a line of thought that has nothing whatever to do with the situation. The last paragraph of the letter reads—

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 to that bank by 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 is quite sound. But now let me read another paragraph from the letter, which states—

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—

I quote that for the edification of the member for Sussex. To continue—

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 the 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.

Let members compare that statement with the other where it is said that if the Rural and Industries Bank made credit available to the extent of £6,000,000 and only received 10 per cent. of it back, it would then have to find the balance at the end of the month or year, or whatever was the date of clearance. It will readily be seen that what would be done here would be to stop all credit expansion except that through the Rural and Industries Bank. Do members see the point? All credit issue would be stopped, apart from the Rural Bank, which would only get back the £600,000 because no other bank would be extending credit. Such a claim is ridiculous in the extreme. Let me read the last sentence again—

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.

Members will observe how they get away from the actual situation and build up a case that is positively illogical compared with the substance of the motion. I have not advocated restriction of credit expansion by every bank, nor have I, as did the member for North-East Fremantle—I shall deal with his remarks later—advocate an increase in the purchasing power of the people to the extent of £6,000,000 or any given sum. So much for the theory advanced by Mr. Bosisto and Mr. Reid. If all banks are operating a credit expansion policy, it is only reasonable to suppose that one issue will counterbalance the other. Banking practice, loyalties and affinities all indicate that at the end of a week, month or year, whatever the clearance date may

be, all differences between the banks can be adjusted without a great deal of difficulty.

It is true that years ago gold had to be exchanged because it was then the principal legal tender, but in these days cheques will accomplish the same end. In view of the legal tender position today, we see how the change-over has taken place to suit the convenience of the banks. I am not positive about it, but it appears to me that Mr. Bosisto and Mr. Reid overlooked, in the last paragraph of their letter, what they had stated to be the facts in the earlier paragraph. As for the Solicitor General's letter, I have little comment to make because it comprises purely legal advice based on the Financial Agreement. I suggest, too, that it is based entirely on the theory that we inevitably must borrow. In fact, the whole of Mr. Good's letter rests on the assumption that we must borrow from the Rural and Industries Bank. The last paragraph of his communication reads—

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.

The whole idea of Mr. Good is based entirely on State borrowing. What is the Rural and Industries Bank? It is the people's bank—the nation's bank. Who are they that hold ministerial office but the people's executive, men who act on behalf of the citizens of Western Australia? In other words, the Rural and Industries Bank belongs to the people as a whole. I suggest to members it is stupid to talk about the State borrowing from itself. The Rural Bank belongs to the people of Western Australia and its credit issues should be based on the capacity of the people to produce real wealth. Like the Commonwealth Bank, the Rural and Industries Bank is the only solvent banking institution, according to my judgment. I shall have something to say about that aspect in a few moments. Seeing that it is the people's bank, it is just stupid to talk of the State borrowing from itself, but these orthodox banking economists cannot get away from it. Would we talk about the Commonwealth Government borrowing from the Commonwealth Bank?

Hon. F. J. S. Wise: It does.

Mr. MARSHALL: Of course, but it is fallacious and stupid in the extreme. The reason why the Premier does not desire the motion carried is that his banker friends in St. George's-terrace do not want balance sheets presented. While I could not guarantee the accuracy of my statement, I suggest that if they were presented, they would disclose big credit balances. Nowhere in this world would we find a Government presenting a correct account of the nation's activities. We have a mere statement of receipts and expenditure; that is all! Could the Premier run his own business on those lines? Could he hope to continue running his business successfully unless he had a balance sheet showing the results of his transactions over any given period? Of course he could not. This is the only institution of its kind, and one of the biggest in Western Australia, in connection with which the people concerned have not that knowledge. What we do know is that we owe £105,000,000—and there is a motive behind all this. It keeps the people impressed with the idea that this is a poor country that is always loaded down with debt. The banking institutions like it that way, and by and by—possibly not in the far distant future—we will be told that it cannot continue and that we must live within our means.

We know the millions owed by the Commonwealth, and this big State of ours, paltry in population but rich in potential wealth, owes a few millions—and still we continue to borrow. Would the Premier say that any private individual could hope to run his business along those lines? Of course not. Why allow the State to do what he would not be prepared to do with his own financial transactions? We are adopting a course that amounts to a practical impossibility. There is this difference, of course, that the Government has power to tax the people, and credits are made available to them. On the other hand, the banking institutions exercise power and authority over the Government, as the Government well knows. So much for the two letters produced by the Premier!

The member for North-East Fremantle opened his remarks by saying that he had not been able to find anyone who could tell him how a social dividend could be given without social property. I could not quite understand what he meant so I consulted the report of his speech in "Hansard." He

indicated that, although Major Douglas advocated a national dividend, he did not advocate the nationalisation of property. Therefore, in the opinion of the hon. member, it is not a practical proposition to grant a dividend unless there is socialisation.

Hon. J. T. Tonkin: With a qualification—without confiscation or taxation.

Mr. MARSHALL: That qualification was not included in the hon. member's speech. I think he will agree that even in Australia we have not made very much progress in the direction of socialisation. True, we have been nibbling at it.

Hon. F. J. S. Wise: The present Government has indulged in a lot of it.

Mr. MARSHALL: For instance, land settlement is almost a socialisation scheme and the railways are nationalised.

Hon. F. J. S. Wise: And the housing scheme is another.

Mr. MARSHALL: Yes. We can go back to 1912 for an illustration, at which time we had nothing nationalised except transport and water supplies. Consequently I think members will agree that Australia has not done much more than tinker with socialisation. Yet, right back to 1912, we have been paying social dividends.

Hon. J. T. Tonkin: Out of taxation.

Mr. MARSHALL: Yes, and the biggest dividend is that taken by the Commonwealth—£400,000,000 in taxation. In return, the people get old-age and invalid pensions, child endowment and widows' pensions—all social dividends out of the efforts of society. It can come from nowhere else; it is part of the wealth created by the activities of the community generally. So we get social dividends paid without socialising property or confiscation, unless the hon. member is prepared to accuse every Government of being guilty of confiscation. The hon. member proceeded to quote the Tunnecliffe report.

Hon. J. T. Tonkin: The Cunliffe report.

Mr. MARSHALL: Well, the Cunliffe report. Those two reports, together with the McMillan report, were brought in for a certain purpose. They are so old that we have almost forgotten about them, and we never thought of doing much with them. The hon. member made two points, one of which was inflation, which he feared would

occur. He used the Cunliffe report to show that every bank issue creates a deposit and that such deposits become the basic structure for further credit issues. No-one would argue with the hon. member on that point. Though it was denied for many years, it is now generally admitted. There has been quite an open confession about it. The hon. member stated that, because credit issues by a bank created deposits elsewhere, this increased the purchasing power of the people and created a structure for further credit issues by the bank, thus causing further inflation.

Before the echoes of the hon. member's utterances had died away, the basic wage for Western Australia jumped up by 6s. 1d. per week, and this without the Rural and Industries Bank giving any credit issue at all. This is what is going on all the time. The Premier has just returned from the Eastern States. I believe he has something like £5,000,000 or £6,000,000 to spend, that is if he can manage to spend it, and I have no doubt that he will make a good effort to do so. This is other people's money and so we can be happy in the spending of it.

Hon. F. J. S. Wise: He has over £30,000,000 to spend.

Mr. MARSHALL: I shall have something further to say about the Cunliffe report presently. Just as the member for North-East Fremantle explained the situation, so it is happening today. The Premier comes back from the East with £6,000,000 to spend and will proceed to issue cheques against that sum. According to the amount spent, so the purchasing power of the people will be increased. Every cheque he issues will go into a bank and become a deposit and assist to create a foundation for further credit issues. Consequently, I ask, what has the hon. member to complain about in the motion? This practice has been carried on for a long time and is still going on. What the hon. member should have done was to show that the Cunliffe report had called a halt and the manner in which this was accomplished. Of course, it was not done.

Hon. F. J. S. Wise: I should like to hear the member for Claremont on that aspect.

Mr. MARSHALL: As we all know, those reports were created really to smother up the position of the Imperial Government of that day. The commissions were brought into existence in 1922, 1925 and 1929, just

when Montague Norman arrived in England and took charge of the Bank of England. The desire was to get back to the automatic gold standard, and so these reports which recommended that course were obtained. The Cunliffe and McMillan reports brought tragedy to the lives of millions of people in England before the country went back to a managed currency. So much for the Cunliffe and McMillan reports.

Another point was advanced by the hon. member, namely, as regards the liquidity of the Rural and Industries Bank balances being made credit issues available along the lines proposed in the motion. My opinion may be no better than, but I think it is as good as, that of any other member's, particularly as regards the power of the State over banking. There can be no doubt that, if the Constitution provides for the States to conduct their own banking system—and this cannot be gainsaid—side by side must exist the right to create the requisite currency to stabilise or make the bank practicable. To suggest that anything could be accomplished by merely having four walls of brick and mortar constituting a bank and nothing to put in it would be farcical.

I am very doubtful whether any of the Commonwealth laws pertaining to banking are valid. The point is that they have never been challenged. This is a feature of the Commonwealth Government that I like. It does not hesitate to do things. Two world wars have given the Commonwealth a lot of courage, and if the Government thinks it has power to make a law, it does so and leaves the State or the individual to challenge that law. I suggest—though I have not checked up on this—that at least 90 per cent. and probably more of the times the Commonwealth Government has been challenged on the legality of certain laws made under the Constitution, it has lost the case. This merely goes to show that quite a lot of laws made by the Commonwealth may be invalid, but they have never been challenged.

I suggest that the Commonwealth Bank Note Act is invalid. When our Constitution was framed, little or nothing was known about notes, because we had chiefly metal tokens in circulation. What notes were in existence were created by the respective banks. I think the Constitution provides

for some organising of those notes, but that is about all. If a State is to continue to be solvent, an essential factor is that it has control of its own purse. Take that away and the State is finished. That is the direction in which we are drifting.

Section 51 of the Commonwealth Constitution provides that the Parliament shall, subject to the Constitution, have power to make laws for the peace, order and good government of the Commonwealth with respect to banking other than State banking. The Commonwealth must not touch State banking. But State banking is of no use without State notes.

Mr. Bovell: I think we have heard something about that during the banking case.

Mr. MARSHALL: I shall have something more to say on that presently. One might as well offer an individual a motorcar but tell him that in no circumstances is he to receive any fuel to propel it. At the very least the Treasurers of the States should obtain a complete explanation of what that really means. Then there is a reference in the Commonwealth Constitution to the incorporation of banks and the issue of paper money. This shows clearly that the Commonwealth Bank, in order to avoid a repetition of the experience of 1893, could exercise close supervision over the issue of notes, but when the Constitution was framed, it was never contemplated that there would be a Commonwealth Bank such as exists today. So quite obviously those points want cleaning up. I would like to quote what one man, who I think is one of our greatest constitutional authorities, had to say in regard to the Commonwealth. I shall read from a cutting I have had for a considerable time. It contains the report of a lecture given by Dr. Frank Louat, who is recognised as being a fairly able authority and who was speaking on this occasion to the Junior Chamber of Commerce in Sydney. The report states—

The Federal Treasury had fastened a stranglehold on the States by a legal fraud on Federation, Dr. Frank Louat said last week.

Dr. Louat said that the fraud began in 1928, when the Commonwealth abolished the system that gave the States a guaranteed share of Federal money, based on population.

We all remember that. Lord Bruce, Public Enemy No. 1 so far as Australia was concerned, was responsible. The cutting continues—

Next move was the Financial Agreement which stripped the States of their right to borrow.

Power to control borrowing passed to the Loan Council, a creature of the Commonwealth, dominated by the Federal Treasurer.

"The final step was the so-called uniform tax in 1942," Dr. Louat added. "This stripped the States of effective power to raise their own revenues, and left them dependent on discretionary hand-outs from Canberra.

"The Commonwealth has carried out each of these moves with shrewd legal advice, so that today the States have no right at all to complain to the High Court. Yet the Commonwealth has undermined their whole position.

"The Commonwealth is not obliged to give these annual hand-outs to the States, and can fix them at their own figure. Money is power, and this means all power is getting into the hands of Canberra in spite of everything the Constitution says to the contrary. The States no longer control their own policies."

Dr. Louat said that although more hospitals, better schools, and new roads were a State responsibility, every year the State Premiers had to line up in Canberra "like a queue of beggars" to get money for these needs.

I want to make some reference to this particular aspect of the situation and propose to quote from the summing-up of the judges in the case known as the 1945 Banking Act case. Under that Act the Commonwealth made it obligatory upon local authorities to transfer their accounts to the Commonwealth Bank. The Act was challenged and found to be invalid. The summing-up of the judges is very informative and gives us a good idea of what they believe is the situation so far as the Constitution is concerned. The Chief Justice had this to say, when speaking of the Commonwealth Parliament—

It was a Parliament which possessed only "enumerated or selected Legislative powers"—a proposition "as to which this court has never faltered."

Again, later, he said—

The Federal Parliament had no power to make laws with respect to State Governmental functions as such and the State Parliaments had no power to make laws with respect to Commonwealth Governmental functions as such.

If we have power over banking, we should not be under any obligation whatever to the Commonwealth either for notes or for authority to use notes. If we are a

sovereign State we have complete power over our own banking, and those are points that I want the Treasurer to persuade the other State Treasurers to look into. If it is found that the Commonwealth Government has the power which it assumes it has, the sooner a convention is held and the Constitution is amended to make it more workable under the circumstances, so that we can base our issues on the amount of wealth we can produce in this country rather than beg from other institutions sufficient capital in order to survive, the better it will be. All the Treasurer has now and all he will ever get is an infinitesimal amount compared with what is required. I venture to suggest that we could not modernise the assets of this State for an expenditure of under £50,000,000, and that is without keeping pace with requirements in the way of water supplies, roads, etc. Getting back to this summing-up, Mr. Justice Rich said—

The Commonwealth Constitution expressly provided for the continued existence of the States. Any action by the Commonwealth which would prevent a State from continuing to exist and function as such is necessarily invalid.

That is just what is being done. We are being prevented from functioning as a State. In that summing-up we have the heads giving us an idea of what they think of the Constitution and the power of the States and the Commonwealth. As a State, we are as sovereign as is the Commonwealth. The States created the Commonwealth and could destroy it tomorrow. Not that I suggest that that is advisable, but it would be assumed from the attitude the Commonwealth adopts that that octopus created the States and that we are fortunate to be alive. I put it to the Treasurer that the time is long overdue when some distinct and definite undertaking should be secured as to whether we are a sovereign State—

Hon. F. J. S. Wise: We are only half sovereign now!

Mr. MARSHALL: Not even that, I think. I want to quote from Dr. Evatt on this question. At page 545 of "Australian Labour Leader" appears this statement attributed to Dr. Evatt—

This is rather a matter of terminology, but Holman was quite justified in voicing a complaint. Curiously enough, since the decision referred to him it has been authoritatively de-

clared that, within their sphere, the States are just as much "Sovereign" as the Commonwealth within its sphere. . . . The powers of the States within those limits are as plenary as are the powers of the Commonwealth.

Why we should be behaving in a subversive manner and allowing ourselves to be dictated to is something which is strange to me. It is true that there is a distinct prohibition in the Constitution so far as a State's authority is concerned in regard to coining money. It was on this point that I spoke to the Premier, who gave me an undertaking that he would go into the matter. But he did not do so, I think. Section 115 of the Constitution—I am quoting from the "Official Year Book of the Commonwealth of Australia" for 1935 at page 18—reads as follows:—

A State shall not coin money, nor make anything but gold and silver coin a legal tender in payment of debts.

We have long since forsaken that. We have forgotten it for years and years. At first sight that provision would make it look as though the Commonwealth had authority over the States, but such an authority would be in distinct contradiction of the spirit of the Constitution. So I want the Premier and the member for North-East Fremantle and others to know that I am quite satisfied that we have under our Constitution as much power as has the Commonwealth Government, but we have failed to use it. What I suggest is that we should do what the Commonwealth has done. Let us manufacture some notes and let the Commonwealth challenge us. That would bring matters to a head. Let us put it on the Commonwealth Government to do a bit of challenging instead of its waiting for individuals and States to challenge it.

Because I hold these views, I moved the motion. Those views are different from the ones held by the member for North-East Fremantle, but I am sorry he said he would vote against the motion, because there is nothing compulsory in it. The member for North-East Fremantle admits that we want that balance sheet and it would be all to the good to have it. I hope he will change his mind and give me a chance to get hold of the balance sheet. What would have been the position with regard to Edison, Marconi, the Wright brothers and all the great inventors if, in their time, they had found it necessary to have

a resolution passed in order to carry on their experimental work? Would there have been any chance of their getting such a resolution carried? No! They would have been looked upon as madmen. Yet we have such inventions as the gramophone and the telephone and men flying in the air and going under the sea. We have everything that men were called mad for suggesting we should have. If everybody were like the member for North-East Fremantle we would never make any progress. I will never get anywhere with the subject; he will not let me. The first thing I want is that balance sheet, but I am going to be defeated. I am not going to get it.

Hon. F. J. S. Wise: Are you going to call for a division?

Mr. MARSHALL: I do not care whether there is a division or not.

Hon. F. J. S. Wise: You might win.

Mr. MARSHALL: I am very sorry indeed. I put it to members that it is very little use trying to carry on much longer in the way we have been going. We must have that balance sheet in order to know where we are. That is all the Premier is frightened of—and all his banking friends are frightened too—that we will get to know that side by side with the debt of £105,000,000—which we boast about now; we have got that damned used to it that we are quite proud that we owe £105,000,000—there is something on the other side of the ledger. We do not know what wonderful assets that expenditure has brought into existence, like the Mundaring Weir and the Canning Dam and the railways. We can say what we like about the railways, but they are not the worst in the world even now. Let us all get our assets valued—our roads, bridges, buildings, homes—and put that valuation against the £105,000,000 and see where we are.

I know that before the last war broke out there was about £1,000,000,000 worth of Commonwealth-wide debt, but there were easily £8,000 billions of assets. The banks do not want us to know things like that. They are things the banks want to hide from us. They want to make out that we are poor. I appeal to members to agree to this motion. The Premier need not get excited. He said he would do something about it and I hope he will, because no change can be anything but for the better. There can-

not be anything worse than we have at present when we allow institutions to dictate the policy of Governments. The Central Reserve Bank of America controls the destinies of the world today by virtue of the gold held in the vaults at Fort Knox. Is it any wonder that they do not want any other country to acquire stocks of gold? As it is they can get it at their own price and prevent other countries becoming independent by accumulating gold reserves.

Hon. J. T. Tonkin: At what value would you want these assets shown in the balance sheet?

Mr. MARSHALL: It would be for the statisticians to place those assets at their correct value, because that is their job.

Question put and negatived; the motion defeated.

Sitting suspended from 3.45 to 4 p.m.

BILL—PIG INDUSTRY COMPENSATION ACT AMENDMENT.

Second Reading.

Debate resumed from the 24th August.

THE MINISTER FOR LANDS (Hon. L. Thorn—Toodyay) [4.2]: This small amending Bill, introduced by the member for Wagin, deals with one word only in the 1942 statute covering the pig industry. The purpose of the Bill is to strike out the word "registered" from paragraph (c) of Sub-section (1) of Section 14 of the principal Act, which provides that the mail be registered. When the cattle compensation fund legislation was before this House objection was raised to forcing producers to register the letters containing their returns. It was argued that the provision was costing a lot of money and was causing inconvenience. My own opinion is that it was merely providing extra revenue for the postal authorities. I understand from the Department of Agriculture that, although the Act provides for the registration of this mail, it has not been enforced. The department is not concerned about the measure and I do not propose to oppose the Bill.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Perkins in the Chair; Mr. Nalder in charge of the Bill.

Clauses 1 and 2—agreed to.

Clause 3—Amendment of Section 14:

Mr. NALDER: I desire to move an amendment: That in line 3 the word "registered" be struck out and the word "ordinary" inserted in lieu. I had this amendment on the notice paper last week and I think it will possibly save inconvenience and misunderstanding.

The CHAIRMAN: I do not think the amendment will achieve the hon. member's object. The word "registered" is in the Act.

Mr. NALDER: Can I move that the word "registered" be deleted?

The Minister for Lands: No, it is in the Act.

The CHAIRMAN: To suit the purpose of the member for Wagin it would be best to leave the word "registered" in the Bill and to move to insert after it the word "ordinary."

Mr. NALDER: I move an amendment—

That at the end of the clause the following words be added:—"and to insert in lieu thereof the word 'ordinary'."

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

Title—agreed to.

Bill reported with an amendment.

BILL—MARKETING OF EGGS ACT AMENDMENT (No. 2).

Received from the Council and read a first time.

MOTION—MINES REGULATION ACT.

To Disallow Certain Underground and Diseases Regulations.

Debate resumed from the 27th July on the following motion by Mr. Marshall:—

That regulations Nos. 172, 173, 179, 182, 184, 185, 186, 187, 188, 189, 190, 192 (of Part X); and No. 252 (of Part XIV) made under the Mines Regulation Act, 1946, as published in the "Government Gazette" on the 4th April, 1949, and laid upon the Table of the House on the 15th June, 1949, be, and are hereby disallowed.

THE MINISTER FOR EDUCATION

Hon. A. F. Watts—Katanning) [4.10]: Since this matter was last debated in the House I have taken some trouble to inquire into the regulations which it is pro-

posed should be disallowed, and I sincerely hope the House will not agree to the motion. In particular, Regulation No. 172 which is the first of those which it is proposed to disallow would, if this were done, leave the Minister no power whatsoever, as far as I can ascertain, to prohibit undesirable types of locomotives in mines, no matter how undesirable they might be if they were the wrong type. Because I did not find anything in the Act which prohibits their use, the only power is to make regulations in regard to machinery that is used in mines. In consequence, the disallowance of that regulation would be, as I understand the position, and indeed as I have been informed and advised, that neither the Minister nor anybody else would have any say whatever and the net result would be that locomotives of any type could be used.

So from that angle it is undesirable that this motion should be carried. But we have to go further into the matter than that. It has been suggested that any type of locomotive worked with diesel fuel is undesirable in any underground working, and it becomes my business to endeavour to establish that this is not necessarily so. Firstly, there are certain specific types of these locomotives which are highly desirable, and which have been so efficiently manufactured and constructed after a great deal of research that it is impossible for them to effect the dire results suggested in the early part of the debate on this motion. Later on, I propose to give some information about that type of locomotive, but at this juncture I say that we must not prevent the use of modern methods, labour-saving methods of this nature, unless we cannot be satisfied that the machines are safe to work.

Much was said in the course of the early part of the debate as to a locomotive of the diesel type which was used in the blue asbestos mine at Wittenoom Gorge. That was not one of a type specially built for this purpose by manufacturers who, as I have said, have engaged in much research and extremely careful designing with the use of all scientific methods available in order to prevent their being undesirable. That was a machine which was built locally for the job and was not entirely satisfactory for that reason. It was merely a stopgap and orders have been placed for modern machines to re-

place it. I have been informed, too, that authority was given for the installation of this locally made locomotive in the blue asbestos mine underground at Wittenoom Gorge by the member for Leederville when Minister for Mines in March, 1945. It took the manager three months of endeavour in Perth before he was permitted to use diesel locomotives, because extensive inquiries were made from all available sources regarding the use of these engines in other countries. Careful study revealed the fact that, if properly constructed, no danger was likely from their use and that they were considerably more economical and trouble-free than any other type of mine haulage equipment in use today.

I am not greatly concerned about the economy side; I say that quite frankly. I am more concerned in assuring myself, as I have, that there is no reasonable prospect of damage to the health of persons engaged in this industry. Therefore, while I think there is evidence of greater economy in working by the use of these machines so far from stressing it I do not intend to refer to it again. I propose to apply myself simply to the question of their safety and suitability. It was suggested, I understood, that the authority to install this locally-made machine in the blue asbestos mine was given by the district inspector of mines. That is not so. The inspector was not asked for an opinion in this case, so I am advised, as all investigations were made personally by the State Mining Engineer, who was responsible for recommending to the Minister that the authority be granted.

But the regulations we are now discussing did not come into force until the 1st May last. Several visits were made to this mine—apart from those of the district and workmen's inspectors—by the ventilation inspector, who sampled the mine air under normal working conditions and who can be relied upon to have taken correct samples with strict impartiality. Two of these samples were taken in a dead-end, that is, a developmental place in which there is no through ventilation, but which was ventilated by a special fan. The first was taken at the working face and the second at a point 175 feet back. Both were taken under normal working conditions and while the locomotive was actually operating in the

end. The analyses of these samples by the Government Chemical Laboratory revealed the following:—

175 feet from the face, oxygen 20.76 per cent. At the face, oxygen 20.72 per cent. Carbon dioxide, 0.11 per cent. in both places. Carbon monoxide, which of course is the deleterious or poisonous gas that is always mentioned in these matters, nil.

These samples were therefore a most satisfactory indication that no ill-results are to be feared from the use of these engines. I understand that the only complaints received by the Mines Department as to the vitiation of the mine atmosphere were laid by the member for Boulder after a visit he had made to the workings; and it was following those complaints that the samples were taken. No complaints have been received since. Statements were made concerning ventilation regarding what I think was mentioned as through airways. The Chief Mining Engineer states—

A through airway is one where fresh air enters a mine through one opening, passing either naturally or by means of fans through a defined path and leaves by another opening. Any place within the defined path is in a through airway. Subsidiary openings off the through airways are ventilated by means of fans or venturis blowing the air through pipes into the face, whence it flows back through the drive or tunnel to the main airway and on to the return airway. It makes no difference whether the air enters one end of the tunnel and goes out through the other or whether it enters by one shaft and leaves by a second. The remarks concerning the ventilation of the Sons of Gwalia Mine are rather absurd.

He goes on to say—

It is admitted that sufficient air for ventilation goes into the mine, but that it cannot get out. This is a mystery that would be rather difficult to explain. The working levels at the Sons of Gwalia Mine are very well ventilated, so much so that it is sometimes difficult to keep a carbide lamp burning on account of the strength of the draught. This is a mine where the introduction of diesel locomotives in place of horse transport would be eminently desirable. The stench of the return air through the shaft is largely due to the employment of horses and is infinitely worse than anything likely to be caused by the use of diesel locomotives.

It has been proved by 20 to 30 years of intense research and 10 to 20 years of practical experience by trained scientists and engineers that these engines are safe to use underground. Those who have used them are content to continue doing so and there appear to have been no labour troubles connected with their use.

It may be that the opposition to their introduction is due substantially to lack of acquaintance with the actual circumstances and their possibilities, or to a refusal to accept such proofs of their safety as have been made available and accepted in so many other countries. It has also been suggested that men working in dead-ends might be affected by the fumes of these engines; but I think it will be found that it is made perfectly clear in the regulations that no permit will be given to run these engines when such through ventilation is not provided. The fact that the engines have been running at Wittenoom in the past is because there were no regulations governing their use. These regulations, however, are now in force. As I pointed out, although they were running at what was a dead-end in the asbestos mine, the analyses showed very few deleterious elements in the atmosphere. A further regulation also rules that the exhaust shall be fitted with a trap to prevent the issue of smoke and pungent fume.

The Wittenoom engines, in the absence of this regulation, were not so fitted and neither are the big busses in the Terrace which were mentioned in this debate by the hon. member. All modern engines designed for underground work, however, are fitted with these contrivances, which have been proved satisfactory. A point was made as to the large turnover of labour at Wittenoom Gorge. The inference was that it was because of dissatisfaction regarding the use of these locomotives; but I am advised that this considerable turnover of labour existed long before the installation of these engines. I have here a booklet which was issued by the Bureau of Mines of the United States Department of the Interior. It deals entirely with diesel equipment in underground mining. I find at page 24 the following:—

Diesel mine locomotives have been used with considerable success in continental Europe for at least 18 years, but the extent to which they are used is not well known in this country. Most of the diesel locomotives in European underground mines are used for main-line haulage units, although numerous smaller units are used for gathering purposes. Statistics are not available for all European countries, but Table 2 gives a classification of mine locomotives according to type of power in three countries prior to the war.

Diesel locomotives were first permitted in underground gassy coal mines in England in 1939, and more than 40 of this type of haulage unit were reported to have been operat-

ing in British coal mines in 1943. Statistics showing the number of diesel locomotives in underground mines in Holland and Poland are not available, although it is known that many are used.

Table 2 contains the following information:—

Mine locomotives used in underground coal mines in some European countries:

Country.	Year.	Diesel.
Germany	1938	602
Belgium	1939	114
France	1935	357

In 1937, France had 380 mine locomotives in the underground coal mines; in four mining districts that produced 80.7 per cent. of the domestic coal only 22 electric locomotives were used, whereas 345 diesel and 123 compressed-air type were in operation.

So it is quite apparent that in those countries at any rate there has been considerable use of diesel underground locomotives. I have here also a communication from South Africa, where there is very considerable underground goldmining, as is well known. It shows the list of users of Ruston-diesel locomotives in South Africa and Rhodesia. These locomotives are of several types, but the total in use in a great variety of mines, and excluding those that are used only on the surface, is 200. Obviously, they have been successful.

Mr. Styants: Who furnished you with that list?

The MINISTER FOR EDUCATION: The resident representative of Ruston, Hornsby Ltd., 208 Kilkenny-street, Johannesburg. He says in an attached letter—

I attach hereto the list referred to and would mention that it covers a complete schedule of users and, for your information, where the letter "S" appears after the number of machines referred to, this means the machines are actually being used on the surface, but all the others are being operated underground.

As I said, I deleted the engines that were operating on the surface. The letter continues—

For your information, I would like to mention there has been a very definite swing-over to the use of diesel engine locomotives here in South Africa, particularly in the gold mines. It has been now proved without any doubt whatsoever the machines are far more flexible than the battery and trolley type of locomotive.—Yours faithfully, (Sgd.) P. Sargeant.

I have also here some diagram of the types of these locomotives that are most favoured. Nearly all of these types are used in South

Africa and a great many are in use elsewhere. It is quite clear from them that immense research has been undertaken and much scientific achievement obtained by the people who are manufacturing and supplying these locomotives. They say in a small brochure—

The chief reason why internal combustion-engined locos. have not been used in the past for underground work has been the difficulty of eliminating the dangerous and irritant fumes present in the raw exhaust gases. The petrol or paraffin loco. is completely ruled out for underground work on account of the highly inflammable nature of the vapour given off by the fuel and the large percentage of carbon-monoxide in the exhaust gases.

Later on we find—

The Ruston underground loco. is fitted with a special patented exhaust filter which removes all harmful and irritant fumes. This filter makes the loco. safe even in mines where the ventilating system is not entirely perfect. As will be seen from an actual analysis of exhaust gases given on the centre page, the amount of carbon monoxide is negligible.

The analysis summarised is—

Carbon monoxide, less than 1/10th of 1 per cent.

The brochure states—

The design and operation of these devices can best be seen by following the course of the gases from the engine to the atmosphere. They escape into the filter through slots cut in the under-side of an extension to the exhaust pipe in such a way that they impinge on to a water surface. They then rise through the filtering medium and, when flame tracks are fitted, they are taken over a second water surface before leaving the filter.

Their life is considerable according to the reports. Sufficient water is contained in the filter box to last for a full shift of eight hours. In the information circular I referred to, issued by the Bureau of Mines of the United States in 1947, the summary of a vast amount of information is given on page 65—

The diesel-powered mine locos. used in underground European mines have been developed to a high degree of efficiency and safety for that service; approximately 1,300 diesel mine locos. are reported to be in use in European underground mines as of January 1, 1947.

The exhaust-gas conditioners, or scrubbers, absorb much of the aldehydes and oxides of nitrogen, present in the exhaust gas of the diesel engine and cool the exhaust gas to below the ignition temperature of any methane or dense dust clouds that may be present in the air in which diesel equipment is used in underground coal mines.

The flame arresters placed on the air intake and exhaust of diesel engines effectually prevent the ignition of explosive atmospheres in case of an engine backfire or from incandescent material carried by the exhaust gas. Flame arresters are so designed that they can be changed quickly and easily at the end of a shift, and are of the type that can be cleaned with little trouble.

Those are the conclusions which have been arrived at by people in no wise concerned with the use of diesel locomotives. They have no axe to grind in connection with them, and they are in a country which says their use is not appreciated, although if members read this volume they will find that a number are in use in mines of different types in the United States.

Mr. Marshall: I suggest they are used, in the main, in coalmines.

The MINISTER FOR EDUCATION: In all sorts of mines.

Mr. Marshall: But mostly in coalmines.

The MINISTER FOR EDUCATION: And in South Africa, mostly in goldmines. These people have no axe to grind whatever. They are only interested from a scientific and safety point of view. Therefore their conclusions are immensely valuable. I read the extracts from Ruston's brochure before I read the conclusions of the United States Bureau of Mines in order that members might observe that the things which the Ruston pamphlet mentions are specifically referred to in the American booklet. Comments were made earlier in the debate as to the ventilation of the goldmines in this State. Those remarks were perused by the Chief Mining Engineer, who has sent me the following comment:—

The ventilation of the goldmines in this State has made marvellous strides in the past 20 years, and conditions are altogether permanently different. This is largely due to the efforts of the inspectors of mines who are practically accused of not doing their duty.

Dr. Robson, of Canada, who recently visited this State in connection with the introduction of aluminium therapy for combating silicosis on the mines, was very favourably impressed with the general ventilation set-up of our larger gold mines, and stated definitely that the standard is higher in Western Australia than in most countries that he has visited in this connection.

Mr. Oliver: Did he say which mines?

The MINISTER FOR EDUCATION: He may have done, but I have not the information. I shall now deal more specifically

with Regulation 252. The opposition to this regulation comes as a considerable surprise to the Mines Department. It was thought that the regulation was generally acceptable. It replaces a somewhat similar regulation but amendments have been made which simplify the operation of it. The main difference is that the re-admission certificate can now be granted to any person who has been issued with an initial certificate at some earlier time. Under the former regulation a man had to prove that he had worked in a mine in Western Australia for periods amounting to five years. When the regulation was originally introduced there were many men with experience of mining in the days preceding the commencement of examinations at the laboratory in 1925. Many of those men were accepted into the industry in the depression years.

The only men in this category now would be over 50 years of age and would have been out of the industry for over 24 years. It is thought, therefore, that the condition requiring that a man who is issued with a re-admission certificate must have been issued at some former time with an initial certificate, is fair and just, and better than the condition which required a man to prove five years' employment in Western Australian mines. The conditions of employment under the certificate have been made more liberal and have been simplified.

The refusal of the certificates to men who have previously received compensation on account of silicosis was the result of representations made by the State Insurance Office. Disregarding points of fact upon which these representations may be based, the position is that a person suffering from early silicosis is eligible for compensation. If he should retire from the industry and draw his compensation, he would be in a position to join again by the re-admission certificate and to collect a further amount of insurance, and the process could continue indefinitely.

Mr. Oliver: Can he now under the provisions of the Workers' Compensation Act?

The MINISTER FOR EDUCATION: No, not now. I talked that question over with the Minister for Mines, and he gave me an assurance that he would amend regulation 252 by deleting the proviso which states—

And provided further that he has not previously received compensation on account of silicosis or pneumoconiosis.

I accept that undertaking because I know it will be carried into effect, and I ask the House to do the same. So, dealing with the major portion of the disallowance proposal, namely that in connection with locomotives, I think I have established beyond fear of contradiction—reasonably, anyway—that these locomotives are made in such a way and will be so controlled that they cannot in any circumstances inflict injury upon anybody; and that is the only consideration with which I am the slightest bit concerned. If we do not permit of their use then we have, as the Chief Engineer says, to allow of the continued use of horses, and I think it would be far better for them to be replaced by some type of locomotive.

Alternatively, we must use the battery type locomotive, which must have severe limitations on its use because batteries do not last long under heavy pulling of this nature; or to run some kind of electric wire through the mines for the use of some trolley type of locomotive. That, I would say, would be far more risky because of the escape of electric current and the attendant risks to the men, and the chance of explosions. I think it would be better to allow the use of this type of locomotive, which has been scientifically designed and is now in use in thousands of cases in other parts of the world, and in connection with which we have the assurance of a disinterested party, in the United States Bureau of Mines, that they have been used successfully, and without harm to anyone provided there was reasonable ventilation which, we are assured, there is in Western Australia. If there is not, a permit would not be granted. I hope the motion will not be carried.

HON. E. H. H. HALL (Geraldton) [4.43]: Having listened to the member for Murchison and the member for Boulder, I was impressed with the information they gave. They have had personal experience of the mining industry and of working underground. Although I have lived on the Goldfields for many years, I have not had that experience. As a result of what they said I decided that unless the Minister could put up something to

satisfy me to the contrary, I would support the motion. I am, however, forced to say, after having listened to the Minister for Education—he, perhaps, does not know any more about underground mining than I do—quote professional men not only of this State but of other parts of the world, that I shall vote against the motion. I pay attention to our mining engineers and they, I take it with a full realisation of what is at stake, have no hesitation in recommending that these locomotives be permitted underground. We were warned about it and it must be apparent to us. I remember the speech made by the member for Boulder, when he said that if these locomotives are permitted to go underground the men will be so concerned as to the effect on their health that there will be industrial trouble.

I well remember making an interjection while the hon. member was speaking and I remember his reply. We are all jealous and desirous of doing all that we possibly can to safeguard the health of these men working underground. We know the toll of life because of silicosis and the monetary loss suffered by the men concerned. However, the most important thing is the impairment of their health and, therefore, it is the concern of every member of Parliament to safeguard to the utmost the health of the men who are compelled to go underground in our mines. But we do not want to lag behind other countries in installing up-to-date appliances to cleanse the foul air which undoubtedly exists in the mines. Therefore, after having listened to the authorities quoted by the Minister for Education, I must vote against the disallowance of the regulations.

MR. MARSHALL (Murchison—in reply) [4.48]: I am sorry the member for Geraldton committed himself so quickly, but I can assure him that there are two sides to the picture. Let me take the last speaker first—with the exclusion of the member for Geraldton. I make a sincere appeal to members and it is a tragedy that so few on the Government side have had experience in metalliferous or gold mining. I can give members an assurance that there would have been no possibility of these regulations ever seeing the light of day if there had been an experienced man in charge of the Mines Department when they were promulgated.

I will deal with Regulation 252 first. The Minister for Education said that the amended regulation was far better than compelling a person to prove that he worked in the goldmining industry in Western Australia for five years or over. There is no occasion for any individual entering the mining industry today to prove anything. These laws have been in existence for approximately 25 years. When this law was first framed it was essential to watch that no person came from any other State or country and entered the industry in Western Australia if he were affected with silicosis. It would have meant that he would have received compensation for a disease which he contracted somewhere else. That provision was essential, so we framed regulations and this is one of them. But, after 25 years every individual who has worked in the goldmining industry in Western Australia has a record at the laboratory and if a man left the industry 24 or 25 years ago, he is not likely to return to it today. If he does, we have a record. The people concerned can say to him, "You worked in the industry in such and such a mine and were examined on such and such a day." They know the condition of his lungs when he left the industry.

Hon. A. H. Panton: Just as complete as a fingerprint.

MR. MARSHALL: Yes. They could say to him, "You had silicosis early when you left the industry," They could tell him whether he received compensation or not. If that man has contracted the disease during the period he was away from the industry they say to him, "No, you cannot enter the industry. We are not going to compensate you for having contracted a disease the responsibility for which lies elsewhere." Then they may say, "You had silicosis early and you are still in that stage. Very well, you are entitled, because you contracted it in the industry in Western Australia, to continue employment in the industry." Is not that fair and honest? But under these regulations he would not be able to do it. They would not let him go back into the industry. They would say, "You have a compensable disease." Though he contracted it in Western Australia he would not be permitted to go back into the industry. Therefore I tell the Minister for Education that this regulation is not required at all today.

So far as the latter portion of the regulation is concerned, the Workers' Compensation Act has been amended and prevents a man from getting two lots of compensation for the one injury or a disease such as silicosis. Therefore the regulation is not necessary at all. Naturally in the early days it was necessary and was promulgated with the idea of giving to these men who left the industry and came to Perth before the disease was compensable, an opportunity to return to the industry. During the depression years a number of those men had to get back to the industry because there was no work anywhere else. They were skilled men and were badly wanted, but that state of affairs does not exist today and there is a record of every man. Most regretfully I say that the majority of these men have long since passed over the great divide. Very few of them are left and those who remain are not likely to return to the goldmining industry. They are on the pension.

Hon. E. H. H. Hall: They would not be allowed to return.

Mr. MARSHALL: Taking the statement of the Minister for Education, "through passage of air," members can see how nicely departmental officers frame these briefs for Ministers. "A through passage of air" indicating, of course, that there is a volume of clean fresh air passing through every part of the mine, no matter what the depth—even if it is 4,000 or 5,000 feet below the surface—a beautiful current of air! The air goes down the intake side and, either by natural atmospheric pressure or by mechanical means, is taken out on the exhaust side. But they forget that the air passes through the mine and picks up all the dust, gases and filth and the men are compelled to work in it. Later on I will show what has happened in Queensland where they are working almost in the open—only about 50 ft. underground. I will show what had to be done to preserve the health of the miners.

From this volume of fresh air the Minister concentrates on the blue asbestos show. That is only a rabbit warren. It is not a mine. They are tunnelling only on the surface, but the mines at Boulder and other places, go down 2,000, 3,000 and 4,000 ft. and then extend 3000 or 4000 ft. north and south. To try to get a current of clean fresh air go-

ing through that part of a mine—apart altogether from dead-ends where it is not possible to get a passage of air—is just absurd. Yet we have the unsophisticated Minister for Education telling us that mineowners are not likely to be permitted to use these engines in such places. Just let the mineowners install the engines and see what happens! This volume of fresh air that the Minister talks about, ultimately reaches the surface in a putrid state, because it is so long before it gets there. Yet the men have to work in it.

During his speech the Minister spoke about improved ventilation. There was any amount of room for improvement—tons and tons of it. But to say that it has improved out of all recognition over the last 20 years does not mean to say that the air which goes into the mines is pure air; not by any means. The conditions which prevailed when I worked underground—that is longer than 20 years ago—were something damnable. Ventilation and sanitation were two things never considered.

Hon. E. H. H. Hall: You got out in time.

Mr. MARSHALL: All the mineowners could think of was profits. I cannot describe the deplorable circumstances under which some of the men worked underground years ago. It is quite correct to say that conditions have been improved, but that does not justify our coming to the conclusion that a man is just as healthy underground today as he is on the surface. Yet one would think from the statement of the Minister for Education that that was so. It is almost an impossibility to give good ventilation or to get a good current of fresh air through some of the mines in Western Australia. I have frequently pointed out in this House that unless we provide for ventilation side by side with the production of ore, we cannot provide for ventilation afterwards. Once a mine is down thousands of feet, it is hopeless to try to provide adequate ventilation.

If this great improvement has taken place, why is the present Minister for Mines denying us the right to see the ventilation expert's report? Let the member for Geraldton get that into his head. While there was a Labour Minister in office the miners knew exactly the conditions under which they were working and the quantity of dust and everything which contaminated the air. The reports were compiled monthly and the men

were permitted to study them. But this Minister has denied them that right. Why? Because of the volume of nice fresh air percolating through the mines? If that were so he would be only too pleased to let them see the reports.

I would remind the member for Geradton and other members that all that glitters is not gold. This is one of the tragedies of having men representing an industry in which they have no experience. I am not speaking in a derogatory fashion about them but they are compelled to look to outsiders for guidance. They say, "He is an impartial man." These so-called experts are not impartial at all.

Hon. E. H. H. Hall: They have no axe to grind.

Mr. MARSHALL: They do have an axe to grind. Many of them are looking for economies and they will economise at the expense of the health of the individual.*

The Premier: Does not a Minister always seek advice from his experts on matters such as this?

Mr. MARSHALL: Yes, but we did not want advice because we have had the experience and we know. That is the difference. I have been to the mines and have worked in them. Even now when I go to the mining centres I occasionally go underground to have a look. I admit that there has been a big improvement. I do not deny it, but my God, there was any amount of scope for it. Thousands of men, in the old days, went to early graves. That is a good indication of the conditions under which they were forced to work in those days. There has been an improvement and no one denies it, but to suggest that because there has been an improvement we should permit the mineowners to install these engines, with any degree of safety, is another question altogether. The Minister for Education spoke of the number of these machines used with success on the Continent. I have with me some extracts taken from speeches of men who have had considerable experience. These extracts are taken from the "Canadian Mining Journal," and the facts and figures were obtained after very thorough research and investigation. As a matter of fact, these scientists go all over the world looking for facts and figures on the subject. Let us see what the "Canadian Mining Journal" has to say about the exhaust fumes. Here is one extract—

These limits have been found through experience and testing. It has also been found that the controlling toxic factor in exhaust gases is the oxides of nitrogen formed and not the carbon monoxide.

Nobody mentioned that fact; it was omitted from the notes that were prepared! No doubt the latest machines have been designed with the greatest degree of care to prevent the emission of gases but, notwithstanding all the care, it still has to be admitted that gases are exuded. In the latest type of engine the gas is diluted with from 20 to 40 per cent. fresh air, which undoubtedly tends to minimise the danger, but that minimised danger applies only under favourable circumstances. How would it be possible to dilute with fresh air the exhaust of an engine installed in the Great Boulder mine 4,000 feet below the ground and some distance along a level? How would it be possible to get the air there at all? Even if the engine were working up and down the shaft, fresh air could not be taken down such a depth. In addition to that, we have to consider rock temperatures and so forth, all of which would affect the situation. This would not apply in an asbestos mine, which does not go down deep into the ground. I quote again from the "Canadian Mining Journal" which says—

The problem of ventilation is very important. Some more recent types of locomotives dilute the exhaust gases with from 20 to 40 times their volume of air. This removes the immediate danger, but in a dead-end heading would give only a false sense of security. It has been amply proved that there must be a good current of air past the locomotive. In the Saar region, on a haulage-way employing five locomotives, it was necessary to increase main ventilation until 50,000 c.f.m. fresh air was supplied for each brake horse-power developed at maximum speed and load.

It will be noted that it was necessary to provide 50,000 c.f.m. fresh air for each brake horse-power developed. What does our regulation provide? Merely for 5,000 c.f.m. for every engine! Yet we are told we must take the advice of our experts! I have indicated what the scientists have proved. In the circumstances, what is the use of trying to put that sort of talk over, particularly when, as the member for Geradton rightly mentioned, it is a matter of the health of the workers concerned? Look at the misery and suffering that have been caused in the past. Why hasten and aggravate anything of that sort? The Minister

for Education and the Minister representing the Minister for Mines said that Regulation 172 had been in existence for many years, and that without it, no power would exist to prevent the introduction of these machines. The very fact that it has been in existence for many years is a good indication that until now it was not deemed advisable to introduce these engines, for the reason that there was something objectionable about them. The Minister for Education was emphatic when he said that without the regulation the Minister would have no power to prevent their introduction.

Under the Mines Regulation Act, the regulations so far promulgated number about 260, and I suggest that 90 per cent. of them were introduced only after something happened. Every time something occurred in the mine that required correction it was dealt with by a regulation. For instance, one regulation prevents a miner from carrying gelignite except in certain ways. Naturally, if there was any attempt on the part of a mining company to install one of these machines, it would be immediately stopped by any sensible Minister who would promptly issue another regulation. The Minister representing the Minister for Mines said that there were many machines and practices in goldmining that were dangerous. That is true. We must consider whether there are any alternatives in such instances. Would we adopt the use of such machines or practices that are said to be dangerous if there were alternatives? There are not any and that is why we use them. There is an alternative to the diesel engine; there is the type we have always used.

There is no necessity to consider putting diesel engines in because we have a substitute. Regulations have been issued from time to time making it compulsory to do this or that in a hundred and one different ways. This sudden love for the diesel engine is the outcome of a great deal of research work and experiment by experts in the desire to design and manufacture a type that would be flame-proof for use in coalmines. Success has attended their efforts to a very great degree, but right throughout the advertisements dealing with the engines stress is laid on the fact that they are flame-proof, indicating that they are of a type suitable for

use in coalmines. Much has been done in the prevention of the discharge of gases from the engine. I suppose we can take it for granted that the people who manufacture such engines would always advertise the most favourable features and certainly would not tell the public what troubles might be experienced with them. Take the circular issued by Ruston & Hornsby Ltd., of England, which is entitled "Underground Haulage with Safety and Economy." Dealing with the filter and flame trap method to safety it states—

These are the advantages of the Race Ruston Patented Exhaust Filter and Flame Trap—

1. Lower exhaust gas temperature.
2. Low exhaust gas pressures.

It does not say that gases are not emitted, but they merely refer to the low pressure.

3. Efficient filtering of gas.

Still they admit that there is gas.

4. Exhaust gas is not forced or bubbled through the water and special precautions are taken to minimise any acid content.

The firm does not deny that the engine emits gases, but claims that everything possible is done to purify the fumes, making the position as safe as is humanly possible. This pamphlet relates to the latest machines on the market. On page 6 of the circular there is the following:—

The carbon monoxide content of the exhaust gas from the Ruston oil engine under mine conditions gives a large margin of safety to the mineworkers.

Again it is not claimed that there is a complete absence of gases. On the other hand, the claim is that a margin of safety has been provided. It must be remembered that this will apply only under the best possible conditions, when the engine is working perfectly. What happens when it does not?

Hon. E. H. H. Hall: What is the alternative?

Mr. MARSHALL: The electric engine, which is used now.

Mr. Styants: The alternative is to carry on as we have in the past.

Mr. MARSHALL: I understand the Minister representing the Minister for Mines stated that these machines were installed in the other States. The Australian Workers Union has taken that matter up and has made certain inquiries. I have a letter written by Mr. Watson, the A.W.U. organiser at Rockhampton, Queensland, which he sent to

Mr. Fallon, the branch secretary of the A.W.U. in that State after making some inquiries about these engines. His letter reads—

I wish to acknowledge receipt of yours of the 4th instant. In reply I wish to advise that a number of diesel engines are used for haulage purposes at Mt. Morgan. In the main they are used in the open cut.

At the 650 level, diesel engines travel underground from the open cut approximately 25 yards and tip load into underground crusher. To carry out this work it is necessary to fit them with a pipe which extends from the engine above the hood of the truck to take away the escaping gas.

Let members consider if that engine were taken down a mine 4,000 ft., what the result would be. I want to make a very sincere appeal to members. It may be that some of them have had relatives near and dear to them, who have suffered as a result of their following a mining career. I hope they will not be impressed by the arguments advanced by the Minister for Education or the Minister representing the Minister for Mines. I am positive that had both those gentlemen the experience and knowledge of goldmining that some of us possess, they would not contemplate arguing in opposition to the motion. Why aggravate the position by introducing machines of this sort? Nothing but aggravation could result; they would not improve the position at all. Some of us have had friends, if not relatives, who have suffered from miners' complaints and I appeal to members on humanitarian grounds not in any circumstances to vote against the motion.

Personal Explanation.

Hon. E. H. H. Hall: May I make a personal explanation? The reply by the member for Murchison has been so convincing that I propose to support the motion.

Debate Resumed.

Question put and passed; the motion agreed to.

MOTION—WATER SUPPLIES.

As to State-wide Flat Rate.

Debate resumed from the 31st August on the following motion by Hon. E. Nulsen:—

That, in the opinion of this House, all Government-controlled water supplies in Western Australia should be on a flat charge basis so as to ensure that water should be the same price to the consumer in the country as in the metropolitan area.

to which the Minister for Works had moved an amendment as follows:—

That all the words after "House" be struck out with a view to inserting the following:—"there should be an immediate investigation into the practicability of charging a flat rate for all Government-controlled water supplies in Western Australia and that the result of such investigation should be referred by the Treasury to the Grants Commission with a view to ascertaining what detriment (if any) financial assistance from that source would suffer as a result."

MR. STYANTS (Kalgoorlie—on amendment) [5.17]: I support the motion of the member for Kanowna and disagree with the amendment of the Minister for Works. I do not propose to speak at any length, because it must be apparent to everyone that nothing will implement the policy of decentralisation more than the adoption of a uniform charge for water throughout the State. The provision of an ample supply of water at a reasonable cost would overcome many of the disabilities and disadvantages of life in the outback parts of the State, particularly for the housewife, who has to labour under many hardships because of the scarcity of water.

The charges levied in some of the country districts, because of the policy that has always been observed of making each particular scheme pay for its own installation and operation, are tremendously high. In some places, I believe the charge is 10s. per 1,000 gallons, which makes it prohibitive and available only for the barest essential uses. The amendment suggests a totally different approach to the matter as compared with that proposed by the member for Kanowna. The amendment presupposes that, if the motion is carried, a loss on the water supplies will result. That is not the intention of the hon. member. His proposal is that a uniform rate should be struck on all water services throughout the State sufficient to pay for the installation and operation of those services. The amendment, however, envisages a loss by adopting a uniform rate and that therefore it would be necessary to approach the Grants Commission to make good the deficiency.

I suggest that the Minister's amendment is simply a subterfuge. There is no reason why the water supplies for the whole of the State should not be charged for at a

sufficiently high rate to cover all costs. This would mean, of course, that in the more thickly populated areas—for instance, the metropolitan area—some slight increase in the price would be necessary, but I see no reason why it should not be possible, without imposing any prohibitive increase in the metropolitan area, where the largest quantity of water is used, to strike a suitable rate incorporating the water service for the metropolitan area with those in other parts of the State. There would be no need to incur a loss and consequently there would be no need to approach the Grants Commission.

HON. E. NULSEN (Kanowna—on amendment) [5.22]: I oppose the amendment which simply amounts to an evasion of the question before the House. My motion relates only to an equalisation scheme whereby a person in one part of the State will not be charged any more for water than is a person in another part of the State. The increase that would have to be imposed in the metropolitan area would be very little indeed, but the relief that would be afforded to the people in the country would be considerable. There is no need whatever to approach the Grants Commission because my motion does not envisage the incurring of any loss on the part of the Government. I cannot understand the attitude of the Minister. He has approved of the principle of a flat rate for water throughout the State and I cannot see why he should move an amendment to nullify that principle. Unless we take steps in a practical way to put into effect a policy of decentralisation, the tendency will be for the population in the metropolitan area to increase and that in the country to decrease.

HON. E. H. H. HALL (Geraldton—on amendment) [5.24]: I am not at all impressed with the suggestion contained in the amendment to approach the Grants Commission on this matter and I think the motion of the member for Kanowna should be supported.

The Premier: We have approached the Grants Commission to good effect.

HON. E. H. H. HALL: That is so, and if we could be sure that the Grants Commission would depart from the orthodox in this matter, I should feel more favourable

to the idea of approaching it. If we believe in a policy of decentralisation, we must endeavour to give effect to it, and I consider that water is one essential that any Government should strive to make available to the people throughout the State on equal terms. In the metropolitan area, one may see water being played on gardens day and night, even when restrictions are in force. I have seen sprinklers operating at such times. Knowing the scarcity of this precious fluid in many outback centres, as well as in many country towns, I consider it time that Governments faced up to this problem and did something.

One might well ask why the Labour Governments that were in power for 14 years—the member for Kanowna was a member of one of them—did nothing about this matter and yet, as a private member, he tables this motion.

HON. A. H. PANTON: Labour was never in power.

HON. E. H. H. HALL: However, his action does not cut any ice with me.

MR. HOAR: Then why mention it?

HON. E. H. H. HALL: I have every right to mention it. Two wrongs do not make a right. The fact that the Labour Governments neglected to take any action along these lines is no reason why we should not apply the remedy. If the present Government, on going to the electors next year, can show that it has attempted to remedy this defect, that will be all to its good.

The Minister for Works rose to speak.

HON. A. R. G. HAWKE: On a point of order, the Minister is not entitled to speak at this stage.

MR. SPEAKER: Does the Minister propose to withdraw the amendment?

The Minister for Works: I have not yet spoken to the amendment.

HON. A. R. G. HAWKE: You moved it.

The Minister for Works: But formally.

HON. A. H. PANTON: You cannot come at that. You might second your own amendment.

Amendment put and negatived.

HON. A. H. PANTON: What are we voting on?

MR. SPEAKER: The amendment has been defeated. I shall now put the motion.

The MINISTER FOR WORKS: I am confused as to what question is before the Chair and whether you gave a decision in favour of the amendment or against it. Will you clarify that point?

Hon. A. R. G. Hawke: You voted against your own amendment.

Mr. SPEAKER: The amendment has been defeated. The question now is that the motion be agreed to.

Question put and passed; the motion agreed to.

Point of Order.

The Minister for Housing: On a point of order! I understand, Mr. Speaker, that what was put to the House was the amendment moved by the Minister for Water Supply, to strike out certain words.

Hon. A. H. Panton: The Minister voted "No" to that.

The Minister for Housing: And I think that members on the opposite side of the House voted with the "Ayes."

Hon. A. R. G. Hawke: Some of them. I voted "No."

The Minister for Housing: There were a lot of "Ayes" on the opposite side.

Hon. A. R. G. Hawke: The Speaker gave it to the "Noes." The Speaker declared the amendment defeated.

The Minister for Housing: In that case, the thing was to put the motion.

Hon. A. R. G. Hawke: He did that, and it was carried.

The Minister for Housing: It is very curious. I do not want to enlarge on this, but I heard "Ayes" from the opposite side.

Hon. A. R. G. Hawke: The whole of the Government front bench voted against the amendment.

Mr. Speaker: What is the Minister's point of order?

The Minister for Housing: I understand it is suggested that first of all the amendment was put and negatived.

Mr. Speaker: Yes.

The Minister for Housing: And then the motion was put and carried.

Mr. Speaker: Yes.

The Minister for Housing: I must confess myself to have been under a misapprehension. I thought the amendment was being put, and I did not think the motion had been put at all.

The Premier: The words should have been read out.

POTATOES DISPOSALS SELECT COMMITTEE.

To Adopt Report.

HON. J. T. TONKIN (North-East Freemantle) [5.32]: I move—

That the report be adopted.

The report of the Select Committee on the disposal of potatoes grown commercially in Western Australia has been printed, and members have had an opportunity of seeing the conclusions and recommendations. It appeared to the members of the committee, or the majority of them, that the service which was being rendered to the marketing of potatoes by Potato Distributors Ltd. was a financial service; that Potato Distributors Ltd. were really making the money available because the board itself had no funds with which to finance the purchase and marketing of the crop. Potato Distributors Ltd. was formed from the agents who are acting on behalf of the Potato Board in the country districts. Mr. Murray, who is distribution manager, was appointed by both the Potato Board and Potato Distributors Ltd., and is therefore really trying to serve two masters.

It seemed to the majority of the committee that, as the only service which Potato Distributors Ltd. as an organisation is rendering to the Potato Board is a financial service, the cost represents a very expensive way of getting financial accommodation, and it would be far better for steps to be taken to enable the board to have its own funds, in which case it would no longer have to rely upon Potato Distributors Ltd. and could sever its connection with that organisation. Whether the organisation continued subsequently would then be a matter of no concern to the Potato Board or of any individual other than the members of Potato Distributors Ltd. The majority of the committee felt that once funds were provided from some other source, so far as the Potato Board was concerned the existence of Potato Distributors Ltd. would not really matter.

I would direct attention to the conclusions of the committee, the first being that the Potato Marketing Board, in the comparatively short period in which it has been functioning, has served the industry well but has been considerably hampered by lack of adequate funds, and that its efficiency will continue to be impaired while this state of affairs continues. A perusal of the evidence shows that the board has been handicapped from its inception through lack of funds of its own; and as the Act provides a means by which funds can be obtained, it has been recommended that funds be made available through that channel. The second conclusion is as follows:—

The lack of working capital appears to be the chief reason why the board has not, itself, been discharging the functions which it might quite properly have been expected to do but has instead depended upon Potato Distributors (W.A.) Pty. Ltd. for the carrying out of the work.

The evidence of several witnesses confirmed that conclusion, it being stated quite unequivocally that the provision of finance was the main service which Potato Distributors Ltd. were rendering to the board as an organisation. The third conclusion was—

The use of the organisation of Potato Distributors (W.A.) Pty. Ltd. is an expensive way of obtaining financial accommodation.

The same financial help could be obtained from a bank, for example, at a low rate of interest, and that would be far less cost than the actual commission now being paid for the financial service rendered by the company. The recommendations of the committee, six in number, are in the report for members to see, and they represent the opinions of a majority of the committee. It is unfortunate that unanimous agreement could not be obtained. The member for Sussex was unable to agree to all the recommendations, and in one or two instances the member for Albany found himself in the same position. Their disagreement is indicated in the body of the report, so that it is quite clear which recommendations are unanimous and which are majority recommendations.

I think that the important matter for immediate consideration is to be found in recommendation No. 1, namely—

Immediate steps should be taken to make adequate financial resources available to the Potato Marketing Board by using Section 38 of the Marketing of Potatoes Act, 1946.

That section provides for the Minister, as a member of the Government, to arrange for a guarantee with a trading bank for the money which the board requires. If the Government is satisfied that the board is a reliable one, it should not expect it to function without funds and should be quite prepared to give a reasonable guarantee so that the money could be made available. I suggest that this might be done through the Rural and Industries Bank so that the board would no longer be dependent on an outside company for the financial resources necessary to enable it to acquire the product of the growers and to have that product marketed. The board would not be out of funds for any great length of time. Only temporary accommodation is required, but the money is needed so that growers will not be kept waiting a long time for their cash once they have forwarded the potatoes.

The money would be recouped to the board as soon as it sold the potatoes to the merchants. That financial service today is being rendered to the board by the agents grouped together in the organisation known as Potato Distributors Ltd. I think that is quite wrong. The board should have its own funds and the means by which they could be provided would be through the use of Section 38. When the board found itself in possession of the necessary money, it would have no difficulty in following recommendation No. 2, which is that—

... steps should be taken by the Potato Marketing Board to terminate the agreement existing between it and Potato Distributors (W.A.) Pty. Ltd., and the board should take over the work of distributing potatoes to merchants.

I think it should be very clear that if a marketing board is set up, its job is to acquire the potatoes and then make them available to those persons who are going to sell them, in the same way as the Onion Board does; and there is no need for a private company to be interposed between the board and the merchants who are to do the selling. Potato Distributors Ltd., through its distribution manager, Mr. Murray, arranges for potatoes which have been acquired by the board to be distributed to

the merchants who, in turn, give them to the retailers. If the board has the necessary funds to acquire the potatoes, it will no longer be dependent on Potato Distributors Ltd. It can make potatoes available to merchants and the merchants can have them delivered to the retailers, who will sell them to the public.

The distribution manager is at present in receipt of commissions which he obtains from the distribution of potatoes grown locally and from the distribution of potatoes which are imported. It was felt by the majority of the committee that that arrangement was unsatisfactory, and a far better one would be for the board to be in charge of the distribution of potatoes, and if it required a distribution manager, he should be a salaried officer of the board. His job would be clearly defined. He would not be permitted to engage in trading. His would be a full-time job with the board, and he would know exactly how he stood in regard to salary. He should be paid an adequate sum commensurate with the services rendered to the industry. Recommendation No. 4 is as follows:—

The Potato Marketing Board should accept the responsibility for the quality of all potatoes sold, whether for local consumption or export, and to enable this to be done should acquire the necessary storage space where grading can be undertaken.

At present the board accepts responsibility for the quality of potatoes exported but none for the quality of potatoes sold locally. While the board is very careful to see that only good-quality potatoes are exported, it has no such concern for potatoes that go on the local market. That appears to the committee to be a very unsatisfactory state of affairs. Surely we are entitled to look after our own consumers as well as we look after consumers overseas; and if it is the right policy for the board to have grading floors and to accept responsibility for the quality of potatoes made available to merchants for sale overseas, it should accept a like responsibility with regard to the quality of the product put on the local market. It has recommended, to that end, that the board should acquire the necessary space for a grading floor and for storage so that all potatoes might be graded and made available to the market, both local and export.

The licensing of merchants was the subject of considerable inquiry and some divergence of opinion, but the majority of the committee felt that, instead of having two sets of merchants on different rates of commission, it would be preferable to do away with the licensing of primary and secondary merchants as such, and that the board should make potatoes available to recognised wholesalers without making any distinction between packers and wholesale merchants. It was shown in evidence that some of the persons who are called packers actually have larger premises and bigger businesses than some who are called wholesale merchants, but despite that, and because they are known as packers, they receive considerably less commission on the sale of potatoes than do the wholesale merchants.

It was felt by a majority of the committee that that was inequitable and that it would be preferable to dispense with the licensing provisions, and that the board should be prepared to make potatoes available to all persons who are legitimate wholesalers carrying on a wholesale type of business. It was thought that they should be supplied with whatever quantity of potatoes they required and that they should all be on the same basis of commission. It was felt that there should not be a set-up under which those who got in on the ground floor could get a rate of commission substantially higher than that paid to other merchants also dealing in a wholesale way.

One aspect of the matter that weighed with members of the committee was that we are bringing in large numbers of migrants, some of whom will sooner or later engage in businesses of various kinds and those persons will have little chance of becoming wholesale potato merchants with opportunity of engaging in the trade. It was thought wrong to have this close preserve with differentiation as to the commission, and the committee therefore recommended that the licensing of wholesale merchants and secondary wholesalers should be discontinued and the potatoes sold by the board to all persons or firms requiring supplies and being genuine wholesalers of produce.

A considerable amount of evidence was given about the amount allowed for cartage of potatoes and the committee felt that the allowance was inadequate and was known to be inadequate when compared with the

rates allowed by the Price Fixing Commissioner to general carriers engaged in the same type of work. It was believed that the rate was kept at that figure in order that some balancing up might be done out of the commissions being paid. The committee felt that if the commissions are too high they should be reduced and the cartage should be increased if the amount allowed is too low. I am personally satisfied that in the light of all the circumstances the amount allowed for cartage is ridiculously low and I feel that the board must be relying on the fact that the merchants engaged in the business are satisfied to be so engaged, because of the commission they get, and therefore put up with the low cartage rate that is being paid. To my mind it is not a fair proposition. The merchants are entitled to get a reasonable figure for the cartage and it should be set out as such.

If the board feels that the rate of commission is too high, the figure should be reduced accordingly. It is recommended that the amount being paid for cartage should be revised and representations made to the Prices Branch accordingly. I assume that such a revision would result in a recommendation for an increased allowance for cartage. If effect were given to the recommendations of the committee I feel that the industry and the consumers of potatoes would benefit. Under existing conditions it seems impossible to prevent a great deal of soil being supplied to retailers together with the potatoes. As was stated in evidence, the retailers are not prepared to carry the whole of that loss and so they take whatever ways and means are open to them to reduce it, and they pass it on to the consumers by the various methods that can be imagined, such as making up weight of potatoes with soil. That is all they can do, because they cannot be expected to carry the loss all the time.

It is wrong for either the retailers or the consumers to be obliged to carry a loss resulting from excessive soil getting into the bags. A perusal of the report will show that there is no doubt that excessive amounts of soil are found in the bags. I direct attention also to the evidence of Mr. R. R. Piercey, who stated that the actual weight of soil in one truck of potatoes was 23 cwt. 2 qrs., and that in one bag of potatoes there was 35lb. of soil. On another

occasion out of 6 tons 5 cwt. of potatoes there was 9 cwt. 2lb. of soil. It needs little imagination to realise that merchants cannot carry losses such as that.

Mr. Bovell: Those weights of soil were exceptional.

Hon. J. T. TONKIN: That is so, but they are indicative of what can happen.

Mr. Yates: Most bags of potatoes have some soil in them.

Hon. J. T. TONKIN: That is so. When the retailer has to pay for soil in order to get his commission, he has to get the money back from his customers and I suppose the only way in which he can do that is by selling short weight! The evidence was that the loss was being passed on to the consumer. If the board accepts responsibility for the quality and quantity of potatoes and has its own grading floors, it will be able to place the cost of excessive soil where it belongs, which is with the people who send the soil forward. If that is done it will result in more careful packing by the grower and in better quality potatoes being supplied to the board. That will eliminate the losses and result in prices being adjusted, so that the producer will not lose and the consumer will get what he is paying for.

At present the consumer often does not get what he is paying for, because someone has to make up the loss and it is not the grower, except where inspection discloses an exceptional amount of soil as being present and the board is able to take action. Under the present methods of inspection that is unlikely, as there is only one inspector on the job. He rips open a couple of bags of potatoes on top of each truck and examines them, but he has not the slightest idea how much soil is contained in the bags at the bottom of the truck. If the board took delivery of the potatoes and graded them that would be well worth while, even though it increased the cost, because the consumer would get exactly what he paid for, which would be more satisfactory to him than are the present conditions.

I am aware that merchants, retailers and consumers are complaining about the poor quality of potatoes now available for sale. If the board acquired the potatoes, graded them and disposed of them, a considerable

improvement would be effected. I commend the report to the perusal of members and trust that the Government will see its way clear to assist the board by taking the steps necessary to make financial resources available to it.

MR. HILL (Albany) [5.55]: I cannot accept the motion, but I wish to pay tribute to all those associated with the Potato Marketing Board and Potato Distributors Ltd. who gave evidence, for the straightforward way in which they put the facts before the committee. They had nothing to hide and were out to help in every possible way. Potato Distributors Ltd. is an organisation of various primary agents throughout the State, who have subscribed capital amounting to £6,400 in cash, and who have assumed liability for an additional £5,220. I disagree with conclusion No. 3, which states that the use of the organisation of Potato Distributors (W.A.) Pty. Ltd., is an expensive way of obtaining financial accommodation. The 8s. 6d. paid to Potato Distributors Ltd., with potatoes at about £17 per ton, amounts to only 2½ per cent., compared with the 5 per cent. that is paid in the Eastern States. That 8s. 6d. per ton has been distributed in the last four years, as follows:—

The primary potato agents:			
1946.	1947.	1948.	1949.
5/7.44	5/5.13	5/7.7148	5/3.0617

To distribution manager:

2/8	2/8	2/8	2/8
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That leaves for Potato Distributors Ltd. for those years the following amounts:—

2.56d.	4.87d.	2.2852d.	6.9383d.,
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an average of 4.634d. per ton, which is a small reward for the work done by Potato Distributors Ltd. That is all that could possibly be saved if the board took over the work of the company. On the other hand, it would have the expense of all the secretarial and other work that the company now does. For that reason I cannot agree with that conclusion. I believe that if we implemented recommendations 2 and 3 we might be penny wise, at the risk of being pound foolish.

The member for North-East Fremantle has referred to the amount of dirt in the bags of potatoes. I think that the Potato Marketing Board should have more funds at its disposal so that it could keep a closer

supervision over the marketing of potatoes. The Agricultural Department is certainly falling down on its job of inspecting potatoes, but I do not wish to cast any reflection on it or its officers for that reason. The inspection of potatoes is not sufficient for the simple reason that the Department of Agriculture has not enough inspectors to carry out the work efficiently. On the whole, I think the board and W.A. Distributors Ltd. are doing an excellent job and there is nothing to be gained by upsetting the present arrangements.

MR. BOVELL (Sussex) [6.1]: I join with the member for Albany in expressing appreciation for the way in which the witnesses before the Select Committee gave their evidence; honestly and fairly, in my opinion. I want also to express my appreciation of the efforts of the chairman and other members of the committee in trying to arrive at a solution for the marketing and disposal of potatoes in Western Australia. As will be seen from the report, and as has been mentioned by the member for North-East Fremantle, I have dissented from certain recommendations and on those grounds I oppose the motion. I feel that from the evidence tendered to the Select Committee the administration of the present disposal and distribution of potatoes is as cheap to the producer and the consumer as is possible. In his evidence, Mr. E. T. Morgan, who is chairman of the W.A. Potato Marketing Board stated that conditions under the Australian Potato Committee—that committee was the controlling body prior to the introduction of State legislation—were as perfect as possible. The State administration is modelled on the lines of the Australian Potato Committee system. On page 5 of the evidence Mr. Morgan said—

The committee debated all things in regard to the marketing of potatoes and the return of 8s. 6d. per ton—

This has been mentioned by the member for Albany. Continuing to quote, Mr. Morgan said—

—was actually worked out between the Australian Potato Committee and the Advisory Committee here. That was why it was brought in.

The 8s. 6d. per ton on present market values amounts to approximately 2½ per cent. on sales. The Canberra Prices Commissioner

on the 1st March, 1943, fixed the appropriate remuneration at 5 per cent. with a minimum of 8s. 6d. per ton, yet in this State it is still only 8s. 6d. per ton although that now only represents $2\frac{1}{2}$ per cent. of the administration, handling and disposal of potatoes. The main line of attack which the majority of the members in the report of the Select Committee appear to have taken is on Potato Distributors (W.A.) Pty. Ltd., and the distribution manager.

As far as I am concerned, the evidence supported the facts that both Potato Distributors (W.A.) Pty. Ltd. and the distribution manager were performing sterling service in the industry. We know now what the charge is against the distribution of potatoes, namely, approximately $2\frac{1}{2}$ per cent. If, as is suggested by the member for North-East Fremantle, the distribution manager becomes a salaried officer of the W.A. Potato Marketing Board, and Potato Distributors (W.A.) Pty. ceased to function, we do not know what the cost to the producer will be. We know the tendency there is for Government departments to build up and up and become more costly as times goes on.

Hon. J. T. Tonkin: Who told you this was a Government department?

Mr. BOVELL: To replace the distribution manager and the company it would be necessary to employ personnel to do the work that is now being performed by that individual and that company.

Hon. J. T. Tonkin: That would not make the board a Government department.

Mr. BOVELL: It would mean that the department—

Hon. J. T. Tonkin: What department?

Mr. BOVELL: The Potato Marketing Board.

Hon. J. T. Tonkin: That is not a department.

Mr. BOVELL: It would be created a department and that is what I am trying to impress upon members.

Hon. J. T. Tonkin: There is nothing in the report to say that.

Mr. BOVELL: How is the member for North-East Fremantle to get the work done that is now being performed by the distribution manager and his staff and Potato Distributors (W.A.) Pty. Ltd., for the growers

and the consumers of this State? Who comprise Potato Distributors (W.A.) Pty. Ltd.?

Hon. J. T. Tonkin: You would not call the Egg Board a government department.

Mr. BOVELL: It is comprised of all the country agents. That is because they have had a life-long experience in the growing, distribution and marketing of potatoes in this State. In the report there is a reference to the country agents and I would like to emphasise again that they comprise Potato Distributors (W.A.) Pty. Ltd. The reference in the report to them reads—
Agents.

The primary agents perform much essential work for the Potato Marketing Board and the individual growers of potatoes and it appears that the successful functioning of control of the industry is largely dependent upon them.

If the distributing company and the distribution manager are dispensed with and their work has to be done by Government employees, it is going to rebound on the country agents.

Hon. J. B. Sleeman: Could it not be performed in the same way as is done by the Onion Board and the Egg Board?

Hon. A. H. Panton: What do they do?

Mr. Marshall: Lay eggs.

Hon. A. H. Panton: What, the board?

Mr. BOVELL: I again emphasise that these country agents who comprise Potato Distributors (W.A.) Pty. Ltd. have had lifelong experience in potato distribution in this State. Because of that, and the excellent job they are doing, their tie-up with the company to my way of thinking is essential for the successful working of this scheme. I base my contention that the motion would not be advantageous to either the producer or the consumer on the fact that we know now of the cost of distribution of potatoes in this State. At this stage I want to compliment the member for North-East Fremantle for introducing legislation to assist the industry when he was Minister for Agriculture, and I would point out that this system has only been in operation since October, 1948. In my opinion it has not been given a fair trial.

Potato growers throughout the length and breadth of the State are well satisfied with the system as operating today. I can truthfully say that in the electorate which I have the honour to represent I have not

had one complaint from a potato grower as to the services that are being rendered by the present potato administration. I feel that the member for North-East Fremantle in raising this matter in the House has been somewhat premature. He has not given the scheme a chance to prove itself one way or the other. As far as I personally am concerned, in view of the fact that everybody to date is satisfied with the administration and the scheme generally, I feel we would be extremely ill advised at this stage to take steps to upset the existing organisation. Evidence was given by Mr. Soothill who said—

The present system is an ideal set-up and has a great deal of virtue and in principle is extremely sound.

That also is the opinion of growers that I have consulted. Mr. D. B. Synnot as secretary of the Potato Growers' Association on page 210 of the evidence says this—

The growers are well satisfied with the service the board is rendering at the price it is costing them.

Mr. T. H. Rose, the growers' representative on the Potato Marketing Board said—

The only difficulties which confront growers are seasonal conditions, transport and labour problems. Under orderly marketing they (the growers) have been able to get full value for their product. Under pre-war conditions they definitely did not.

I then asked Mr. Rose, "Then you consider the present system is serving the growers well?" and Mr. Rose replied, "Yes it is." As far as I can see, the whole evidence was to the effect that the present system is serving well both for producer and consumer. I repeat that the scheme has not had long enough to prove itself.

Sitting suspended from 6.15 to 7.30 p.m..

Mr. BOVELL: Before tea, I was about to quote from "Hansard," 1946, Vol. 2, pages 2116 and 2117. The member for North-East Fremantle was then Minister for Agriculture and he said on the 21st November, 1946—

If the board desires to do so, it will have the power to appoint merchants as distributing agents as they are operating today, but this is a matter that I consider should be left entirely to the discretion of the board. If Parliament sets up a board to regulate and control the production and marketing of this commodity, I am of the opinion that the Minister should interfere as little as possible. The board should be set up clothed with certain powers

and, within the limits of those powers, should function without direction from the Minister. We have argued that point over and over again. In the matter of marketing this crop, I do not agree that the Minister should be placed in the position of having to tell the board that he does not approve of a certain system of marketing and that some other system should be tried. The board should decide that matter within the powers conferred upon it by Parliament. That is what I intend the Bill to do.

Those were the words uttered by the then Minister for Agriculture in 1946. The board has been set up and clothed with certain powers and it is functioning to the satisfaction of growers and consumers alike. As far as I can see from the evidence submitted to the committee, no board witnesses offered any criticism of the W.A. Distributors Co., nor did any of the trade witnesses or the representatives of the wholesalers' organisations. They all regarded it as effective and impartial. No evidence was given to the committee which suggested that the board could perform the functions of the company, or could perform them as efficiently as the company does, or as economically, nor that it desired to undertake this responsibility. I suggest that the House reject the motion on the following grounds:—

(1) That the board operating under the present system has not been given sufficient time to warrant any change, in view of the satisfaction of growers and consumers.

(2) In my opinion, it is not wise as the member for North-East Fremantle said in 1946, for the Government to interfere with the board while it is functioning satisfactorily.

In conclusion, I desire to express, on behalf of the growers in the electorate which I represent, their appreciation of the work done by Mr. E. T. Morgan, Mr. B. H. Burvill and the distribution manager, Mr. Murray, in connection with the marketing of their product. Without the assistance of the distributing company, the scheme could not be carried on successfully. I ask the House to reject the motion so that the system, which has not yet been in operation for 12 months, may be given a fair trial, and so that the matter can be raised again, if necessary.

THE MINISTER FOR LANDS (Hon. L. Thorn—Toodyay) [7.35]: I agree with the opinions of the member for Sussex and the member for Albany in connection with the recommendations of the committee. The

member for North-East Fremantle has not made out a case for an alteration of the present system. A perusal of the report has shown me that all those who gave evidence are perfectly satisfied with the system. I should say the first people to complain, if they were not satisfied, would be the growers. The potatoes belong to them and if there is anything in the present system that meets with their dissatisfaction, they would take steps to have it altered. Neither have there been any protests from the traders.

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

The MINISTER FOR LANDS: According to the evidence submitted. The distributing company is doing the work at a very low rate of commission. No man, not even the member for North-East Fremantle, who has had business experience, will deny that $2\frac{1}{2}$ per cent. is a very low rate of commission. On looking at the report of the Onion Marketing Board, I notice that the cost of its operations works out in the vicinity of four per cent. If the recommendations of the majority of the committee were accepted, the potato board would be merely a semi-governmental board.

Hon. J. T. Tonkin: Is the Egg Marketing Board a semi-governmental department?

The MINISTER FOR LANDS: Yes.

Hon. J. T. Tonkin: That is news to me.

The MINISTER FOR LANDS: One cannot get away from the fact that all semi-governmental departments are costly. If this board were converted into a semi-governmental department, then the cost to the producer would be increased, as would be the price to the consumer. There can be no doubt on that score. The member for North-East Fremantle spoke about the evidence given with respect to dirt being found in potato bags. I take it that that would be a rare occurrence.

Hon. F. J. S. Wise: It is as old as Adam.

The MINISTER FOR LANDS: The member for North-East Fremantle said it happened only on rare occasions.

Hon. J. T. Tonkin: The member for North-East Fremantle did not say anything of the sort.

The MINISTER FOR LANDS: Yes.

Hon. F. J. S. Wise: That is to show they are genuine potatoes.

The MINISTER FOR LANDS: Then again I do not know whether the identity of the potatoes is lost. If their identity can be followed back to the growers, the board should deal with them. When the motion was moved by the member for North-East Fremantle I opposed it because I knew, from a long association with the handling of dried fruits, what the growers have to pay. I do not know of a lower cost than that in connection with the handling of potatoes. The handling of dried fruits cost $12\frac{1}{2}$ per cent., and the handling of our potatoes is being carried out for $2\frac{1}{2}$ per cent. When we look at the average of three years' operations where the company has handled 131,000 tons of potatoes for £960 per annum, I say it is not possible for any business to do the same work at a lower commission.

If the board becomes the handling authority, and a semi-governmental department, the charges will be increased tremendously. One recommendation of the member for North-East Fremantle is that a floor be provided for the grading of the potatoes. What a costly function it will be to tip 131,000 tons of potatoes on to a floor, grade them and then re-bag them for distribution.

Hon. A. H. Panton: Surely they are graded before they get into the bags.

The MINISTER FOR LANDS: That is not the point. The recommendation is that a grading floor should be established in Perth.

Mr. Styants: Who grades the dirt out of them?

The MINISTER FOR LANDS: As far as I know, it is only on rare occasions that dirt is found in the bags. The genuine potato grower who is interested in the future of his industry and in the sale of his potatoes will see that no soil goes into the bags. But in all sections of growers there are dishonest types. In the same way, some people top their vegetables in the market. No doubt some growers will see that a little soil goes into the bags.

In our industry we have found bricks in the bottom of dried-fruit boxes. But a person who is interested in the future of his industry, and has a high principle, will not do those things. I submit that the recommendations of the Select Committee be not

agreed to. The members associated with the industry, such as the member for Sussex and the member for Albany, have spoken and they know what the growers want. If members give close consideration to the evidence and to the speeches of the members of the committee, they will know that there were practically no complaints from the other side. I strongly suggest that, in the interests of the grower and the consumer, and to ensure that the potatoes continue to be handled at such low cost, the recommendations of the committee be not agreed to.

MR. HEGNEY (Pilbara) [7.45]: I wish briefly to comment on one or two of the statements that have been made by the Minister for Lands and the member for Sussex. The member for Sussex and the member for Albany have quite rightly, from their point of view, expressed dissent from certain recommendations. I have no comment to offer there. The member for Sussex was concerned that the net return to the grower would not be the same if Potato Distributors Ltd. was eliminated. The Minister for Lands endeavoured to indicate that if that firm ceased to function in connection with the marketing of potatoes, a semi-governmental department would be set up and the net return to the grower would be reduced. I followed the evidence very closely, and I have perused it since the hearings concluded. I sat on the committee with an entirely open mind. On the evidence it will be found that the main objection to the Potato Marketing Board carrying out the functions of marketing and distributing potatoes is because of finance.

The evidence shows clearly that the question of bad debts was practically of no concern whatsoever. The sum of £60 was mentioned as the aggregate of the bad debts since Potato Distributors Ltd. did the distributing. The Potato Marketing Act empowers the Potato Marketing Board to raise the necessary finance to carry out its functions. I fail to see why, if the Treasurer were to grant the necessary finance to the board, it could not carry out efficiently the work that is being done by Potato Distributors Ltd. It has been said that the growers are satisfied, and that a Government department would tend to reduce the net return to the grower.

But I point out that the Act provides for the growers to be represented on the Potato Marketing Board. They would take strong exception to the board's extending into what some people visualise as a Government department. If they saw that costs were increasing and that certain unnecessary expenses were being incurred, they would take strong objection and see that the board carried out its functions in an efficient and economical manner. If the growers knew the net return, in commissions, to the manager of Potato Distributors Ltd., I am sure the great majority of them would agree to the recommendations of the committee. They would want to see that the Potato Marketing Board not only carried out its present functions but also carried out the complete work of the distribution and marketing of potatoes, part of which work is now being done by Potato Distributors Ltd.

Mention was made of the very important work of agents in connection with the marketing of potatoes. Evidence was submitted by representatives of the agents in various parts of the country. I was impressed, taking all the circumstances into account, with the absolute necessity for retaining that particular section of the organisation in the marketing of potatoes. I believe this to be so because of the many districts in which potatoes are grown. In addition, some of the people growing potatoes are not Britishers, and other factors were submitted for the consideration of the committee. Therefore I consider it most necessary that the agents continue to be part of the organisation in the marketing of potatoes. The recommendations do not seek to alter the function nor the work of these agents. The main recommendation is that the work now being done by Potato Distributors Ltd. should be performed by the Potato Marketing Board. I hope the House will agree to the recommendations, and that in due course necessary legislation will be brought down to ensure that the Potato Marketing Board will carry out all the functions in connection with production, marketing and distribution of potatoes. I have much pleasure in supporting the recommendations.

HON. J. T. TONKIN (North-East Fremantle—in reply) [7.52]: In speaking to this matter, the Minister several times re-

ferred to the evidence. I venture to say that the Minister has not read a word of it. So his reference to what he has seen in the evidence does not amount to anything, and I am surprised that he should make such a statement.

The Minister for Lands: You are only guessing.

Hon. J. T. TONKIN: I am not guessing; I know.

The Minister for Lands: Yes, you know a lot!

Hon. J. T. TONKIN: Where did the Minister see the evidence?

The Minister for Lands: Go ahead; tell your story.

Hon. J. T. TONKIN: Had the Minister read the evidence, which it is clear he has not, he would not have made the statement he did, because right through the evidence it is clear that the main difficulty of the Potato Board is the question of finance.

The Minister for Lands: The Potato Board made only one request for £1,000 and it was granted.

Hon. J. T. TONKIN: That is not in the evidence.

The Minister for Lands: No, it may not be, but it is on the official file.

Mr. Bovell: They did not ask for finance to carry out the functions of Potato Distributors Ltd. That is not in the evidence.

Hon. J. T. TONKIN: If the board had the finance, it would be able to carry out the functions.

Mr. Bovell: But the board did not ask for it.

Hon. J. T. TONKIN: The evidence of Mr. Burvill was to the effect that the board had been handicapped through lack of funds. Surely the member for Sussex recalls that. The board had been handicapped through lack of funds—that is plain English.

The Minister for Lands: And why did not the board ask for more? It asked for £1,000 and got it.

Hon. J. T. TONKIN: The board has been seriously handicapped in many ways because it has not had the money with which to carry on. It was set up to do a job, and power was given for it to obtain the money

through trading banks, if the Government would guarantee the account. That is all that was necessary. But the money was not provided, and the board from its inception has been living from hand to mouth. Because it had to obtain financial accommodation to pay growers for their crops, the board has had to rely upon the services of Potato Distributors Ltd. That is the only service which the organisation, as an organisation, renders. The Minister talks about 2½ per cent. cost of distribution. That is a lot of nonsense. The amount that Potato Distributors Ltd. obtains as a company, which it keeps for itself, is an amount which it obtains for financial accommodation. That is a very expensive way of obtaining money. The amount of money that the agents receive as agents—

Mr. Bovell: They are one and the same thing.

Hon. J. T. TONKIN: No, they are not.

Mr. Bovell: Yes, they are; that is the point.

Hon. J. T. TONKIN: The agents carry out a service for the board by acting as liaison officers between the board and the growers. The agents communicate information to the growers on behalf of the board. They arrange for the potatoes to be forwarded by rail to the distribution manager. The agents do that and receive a commission for the service. Those agents have banded themselves together into an organisation called Potato Distributors Ltd., and the organisation itself has appointed Mr. Murray to be distribution manager, and so has the Potato Board.

Hon. F. J. S. Wise: Who is this Mr. Murray?

Mr. Bovell: He is a man with 30 years' experience in the potato industry.

Hon. J. T. TONKIN: He is a most competent officer.

Hon. A. H. Panton: He doesn't look 30 years of age.

Hon. J. T. TONKIN: There is no question about his being a competent man. No one is speaking in derogatory terms of the services of Mr. Murray. He knows his job and is most efficient.

Hon. J. B. Sleeman: And he could be employed by the board.

Hon. J. T. TONKIN: Of course he could, and he could work just as efficiently for the board, as an employee of the board. Now he is an employee of two masters instead of one.

Mr. Bovell: But with the board paramount.

Hon. F. J. S. Wise: I think the member for Sussex had a brief about this. I am suspicious of him.

Mr. Bovell: I was at every sitting of the Select Committee.

Hon. J. T. TONKIN: There is no need for any other organisation.

Mr. Bovell: I have a brief from my electors.

Mr. SPEAKER: Order! The member for North-East Fremantle may proceed.

Hon. J. T. TONKIN: There is no need for any other organisation to come into this matter so long as the board has adequate funds with which to pay the growers for the potatoes.

Hon. J. B. Sleeman: And they admitted that.

Hon. J. T. TONKIN: The service which Potato Distributors Ltd., as a company, renders is to pay the growers for the potatoes. In due course, when the merchants pay the board for the potatoes obtained, the board reimburses Potato Distributors Ltd. That is the service which Potato Distributors Ltd., as an organisation, renders.

The Minister for Lands: That should not be the function of the board.

Hon. J. T. TONKIN: That is apart altogether from the work of the agents. The Minister says that paying for a commodity received should not be the function of the board which acquires the commodity. That makes very strange reasoning to me.

The Minister for Lands: It is certainly not to me.

Hon. J. T. TONKIN: If one gives a board power of acquisition, one should also clothe it with power to pay for what it acquires.

Mr. Styants: Who finds the money for the Egg and Onion Boards?

Hon. J. T. TONKIN: The Egg Board finds money for its purposes, and the Onion Board finds its finance for the purchase of onions; and it does not go to an outside company for the purpose.

Mr. Bovell: And they do not function so economically.

Hon. J. T. TONKIN: Yes, they do.

The Minister for Lands: No, they do not.

Hon. J. T. TONKIN: There are very few more efficient boards in the Commonwealth than the Egg Board. There are very few boards in the Commonwealth in as substantial a financial position as the Egg Board. Surely the Minister is not suggesting that a company should be set up to enable the Egg Board to market eggs.

The Minister for Lands: Private enterprise would make a far better job of it.

Hon. A. H. Panton: It's a wonder that the Minister did not do the same with the Dried Fruits Board.

The Minister for Lands: People would be able to get fresh eggs.

Hon. J. T. TONKIN: The main question, in the first instance, is to see that the Potato Marketing Board receives adequate funds. Parliament has already decided that, because Section 38 of the Act provides a way by which it can get adequate funds. It was intended that the board should have money, and Section 38 of the Act provides that if the Government will guarantee the account of the board with a trading bank, then the board is in a position to obtain the necessary money. I would like to know what is wrong with that. When the board obtains the requisite money, it will be in a position to pay for the potatoes which the growers forward. When it can do that, it will no longer have any need for Potato Distributors Ltd. as an organisation, but it will have need for a distribution manager. It has one now and can continue having one who will be its servant. It is merely talking a lot of nonsense about making it a Government department just because it will be provided with money to enable it to carry on. Such reasoning passes my comprehension.

Mr. Bovell: Because we do not know how much money will be required, and we do know that under the present system.

Hon. J. T. TONKIN: Even if it required £1,000,000, that would not make it a Government department. The board is anxious to have a grading floor in Perth.

The Minister for Lands: Of course that would be so.

Hon. J. T. TONKIN: Why?

The Minister for Lands: To build up its business.

Hon. J. T. TONKIN: Would it?

The Minister for Lands: And the growers would have to pay for it. Make no mistake about that.

Hon. J. T. TONKIN: In considering this matter, there is not only one interest to be considered. There are several interests. Surely those of the consumers are worthy of consideration—or is it to be one-way traffic?

The Minister for Lands: I said both the consumer and the grower would pay the extra cost.

Hon. J. T. TONKIN: Surely the consumer is to be considered in the matter. Are we to consider the consumers in foreign countries and neglect our own? That is what the Minister suggests should be done. When potatoes are prepared for export, they are not distributed to the merchants in the condition they reach Perth. They are taken to the grading floor at Fremantle, picked over and graded.

The Minister for Lands: Exactly, because they demand a certain sized potato.

Hon. J. T. TONKIN: Who demands that?

The Minister for Lands: The people at Singapore.

Hon. J. T. TONKIN: They get what they are sent.

The Minister for Lands: They do not! They are sent small potatoes.

Hon. J. T. TONKIN: I have yet to learn that people in a foreign country can demand that Western Australia shall export what they want, and get it.

The Minister for Lands: If we want the market, we must give the people what they ask for.

Hon. J. T. TONKIN: The people there prefer Grade 1A, which finds a more ready market, and it pays us to send them that grade. But it also pays us to see they get the potatoes in good condition. Evidence was tendered to the Select Committee that the Potato Board—Mr. Morgan, the chairman of that body, gave us the evidence—was very careful to see that the product that went oversea was of first quality, because

when the merchants suggested that they should be permitted to make their own arrangements for grading, crating and selling, Mr. Morgan's answer was that because of the desire to ensure the best quality being despatched oversea and for the maintenance of the market, he felt that result could not be obtained if the merchants had their way.

The Minister for Lands: They had to make sure that the potatoes would carry.

Hon. J. T. TONKIN: The board desires to take the most effective means of ensuring that the product that goes oversea shall be of the right quality and shall be marketed in an undamaged condition. Are we to say that so far as our own consumers are concerned, it does not matter what quality of potato they get?

The Minister for Lands: The point is that the board desires to make sure that the potatoes carry well.

Hon. J. T. TONKIN: The recommendation of the Select Committee will make sure that the consumers in Western Australia will be guaranteed good quality potatoes, just as are the consumers oversea. Surely there is no-one who would vote against preserving the interests of Western Australian consumers?

Mr. Bovell: We were unanimous on that. It is a red herring so far as you are concerned.

Hon. J. T. TONKIN: The member for Sussex heard the Minister say that the provision of a grading floor in Perth was an unnecessary expense.

The Minister for Lands: I still think so.

Hon. J. T. TONKIN: I hope the Minister listened to the statement by the member for Sussex when he said the Select Committee was unanimous.

The Minister for Lands: That is all right.

Hon. J. T. TONKIN: In order to enable the board to provide a grading floor, more finance is required.

Mr. Bovell: And that is why I supported that recommendation.

Hon. J. T. TONKIN: We are getting somewhere. When the Minister for Lands spoke, he gave the impression that the member for Sussex and the member for Albany were quite opposed to the report altogether.

The Minister for Lands: Oh, no!

Hon. J. T. TONKIN: Very definitely, that was the line the Minister took.

The Minister for Lands: I opposed it when you submitted the matter as a motion, and I still do so.

Hon. J. T. TONKIN: A third point that crops up is with regard to the licensing of merchants. I have no doubt that if we asked a wholesale merchant who is in on the ground floor and is getting 22s. 6d. per ton-commission, whether the licensing system should be continued, he would answer in the affirmative because it enables him to sell to the secondary merchants at a profit of 10s. per ton, without his having to do anything about it. On the other hand, if we were to ask the packer or the secondary merchant whether he was satisfied with the position, he would answer in the negative. Some of them said in evidence that there were instances where the business of the packer or secondary merchant was larger than those of some of the primary merchants, yet the person who owned such a business received 10s. per ton less commission.

The Minister for Lands: Is that not in the hands of the board?

Hon. J. T. TONKIN: Of course.

The Minister for Lands: And the board allows it?

Hon. J. T. TONKIN: I am asking Parliament to suggest to the board that the licensing of merchants and the differentiation should be wiped out, and that merchants who are legitimate wholesalers should be put on the same wholesale basis—

Hon. J. B. Sleeman: Some of the oldest merchants here are not licensed.

Hon. J. T. TONKIN: —and that the Potato Board should acquire their product from the growers and make the potatoes available to all wholesalers on the same basis of commission. The Minister does not want that. He desires the present situation to continue, and so does the member for Sussex. They want the differentiation to remain, but they do not give the reasons why. They cannot justify the present situation.

Mr. Bovell: I want the present system* to be given a fair trial.

Hon. J. T. TONKIN: That is the reason advanced by the member for Sussex. He does not want to alter the present differentiation because it has not had a fair trial.

Mr. Bovell: Neither it has.

Hon. J. T. TONKIN: How long does the hon. member want the system to continue before he can decide it is wrong?

The Minister for Lands: A few years.

Mr. Bovell: Until there is an emphatic protest from those concerned.

Hon. J. T. TONKIN: Then the member for Sussex will not do anything until there is a row about it?

The Minister for Lands: Would you interfere with a perfectly satisfactory set-up?

Mr. Bovell: Of course he would.

Hon. J. T. TONKIN: It is the duty of a public man to take action when he feels it is necessary, without waiting for someone to kick up a row.

Mr. Bovell: You said in "Hansard" that, as Minister, you would not interfere.

The Minister for Lands: It is different now.

Mr. SPEAKER: Order!

Hon. J. T. TONKIN: I am glad the member for Sussex has referred to that matter. I remind him that the statement I made then was at a time when this legislation was being passed for the purpose of enabling the board to function, at which stage neither the Minister nor anyone else had had five minutes' experience of how it would work out nor had seen the board in operation and noted some of the results of its work. It now becomes possible for one to detect weaknesses in the planning. Surely, having detected weaknesses, we should do something to effect a remedy. That is what is being done now. If there is any argument to justify this discrimination between the merchants, it should have been advanced before now.

Surely we must have some regard to the fact that we are a young and growing country. Others will want to sell potatoes wholesale, and will expect to be able to receive the same commission for the services they render as are enjoyed by those in the trade now. Surely some provision should be made to meet that contingency. It will not

be, unless we can abolish this system or radically alter it. What is wrong with asking the board which obtains the product from the grower, to make it available to legitimate wholesalers on the same basis? That is not interfering with trade but quite to the contrary. It will facilitate trade. It is passing strange to note that members of a Government that have failed from time to time against controls, are now desirous of hanging on to the control I am endeavouring to remove. In this instance, there is control over persons who deal in potatoes wholesale, and we are endeavouring to guard against discrimination.

The board says to some wholesalers, "You shall not deal with potatoes wholesale at all, so you can keep out." It says to others, "You can get only 10s. per ton commission for doing the job for which your competitors in the same business are getting £1." The Minister is all for that system, and wants to retain it. I am suggesting that that particular control should be wiped out so that there shall be complete freedom as between wholesalers for the trade that is offering. The only question will be whether they are legitimate wholesalers and whether they are likely to prevent other persons from operating in the trade.

The Minister for Lands: The board cannot do the job?

Hon. J. T. TONKIN: I am not saying that.

The Minister for Lands: I think you are.

Hon. J. T. TONKIN: The Minister has no justification for saying that; I do not think it is so.

Mr. Styants: It is a figment of the Minister's imagination.

Hon. J. T. TONKIN: So long as it operates and allows other wholesalers to come in on an equal basis, there can be no objection.

The Minister for Lands: You are not prepared to allow the board to carry out its policy. You are not satisfied with it.

Hon. J. T. TONKIN: The board's policy would be somewhat different if it had the necessary money.

The Minister for Lands: They asked for £1,000.

Hon. J. T. TONKIN: If the Minister will look at pages 174, 175, 191 and 192 of the evidence before the Select Committee, he will find references to the fact that lack of finance has made it difficult for the board to carry out its functions as it desired.

The Minister for Lands: Does the Onion Board function all right?

Hon. J. T. TONKIN: What does the Minister mean by "all right?"

The Minister for Lands: Are you satisfied with the Onion Board?

Hon. J. T. TONKIN: No, I think some improvement could be effected there, too.

The Minister for Lands: Is the Egg Board all right?

Hon. J. T. TONKIN: That is one of the most efficient in the Commonwealth; in fact, I would say that ours is the most efficient Egg Board in the whole of Australia, without a doubt.

The Minister for Lands: We should show confidence in these boards.

Hon. J. T. TONKIN: I read in the newspaper about some legislation being introduced in another place to alter the Egg Board.

The Minister for Lands: We are going to try to make it more efficient.

Hon. J. T. TONKIN: We shall have more of that when the Bill comes to us; I merely mention it in passing. I feel that the Minister did not give this matter the close consideration it deserves, but endeavoured to convey the impression he did, though he did not get away with it.

The Minister for Lands: Two members of the committee did.

Hon. J. T. TONKIN: They had their reasons for disagreeing but, I think, somewhat illogically, because it seems to be most remarkable to establish a board with wide powers and hamstringing it from the start by keeping it short of financial resources. If there is one way more than another calculated to render an organisation inefficient it is to starve it of funds and make it financially dependent upon something else. We know how the efficiency of an organisation can be ruined by making it financially dependent upon some other. It is a bad thing for a marketing board to be so short of money as to be dependent upon some private concern for finance.

The Minister for Lands: I shall check its finances.

Hon. J. T. TONKIN: The major recommendation is that Section 48 of the Act should be utilised so that the board may be supplied with the necessary money. If that is done, I believe that we may safely leave the policy in the hands of the board, because it will then be able to do a number of things it cannot do now. The further recommendations, to which I have not referred in my reply, are of a minor character and were not attacked by any speaker.

I feel that we shall be rendering a service, not only to the growers and the men engaged in the trade, but also to the consumers of potatoes in Western Australia, if we pass the motion. On the contrary, if we do not pass it, we shall be rendering a distinct disservice to consumers generally, because we shall not be taking the necessary steps to guarantee that the product they receive shall be of first quality; we shall not be taking the requisite steps to provide for our own people what the board is already providing for people overseas, and such action would be very difficult to justify. I trust that members will carefully consider the matter and, having done so, cast their vote accordingly.

Question put and a division taken with the following result:

Ayes	..	..	..	21
Noes	..	..	..	21
A tie	..	..		0

AYES.

Mr. Brady	Mr. Needham
Mr. Coverley	Mr. Oliver
Mr. Fox	Mr. Pantou
Mr. Graham	Mr. Read
Mr. Hawke	Mr. Reynolds
Mr. Hegney	Mr. Sleeman
Mr. Hoar	Mr. Styan
Mr. Kelly	Mr. Tonkin
Mr. Marshall	Mr. Triest
Mr. May	Mr. Rodoreda
Mr. McCulloch	

(Teller.)

NOES.

Mr. Ackland	Mr. Murray
Mr. Bovey	Mr. Nalder
Mrs. Cardell-Oliver	Mr. Nimmo
Mr. Cornell	Mr. Perkins
Mr. Doney	Mr. Shearn
Mr. Grayden	Mr. Thorn
Mr. Hall	Mr. Watts
Mr. Hill	Mr. Wild
Mr. Leslie	Mr. Yates
Mr. McDonald	Mr. Brand
Mr. McLarty	

(Teller.)

PAIRS.

AYES.	NOES.
Mr. Wise	Mr. Seward
Mr. Smith	Mr. Abbott
Mr. Nulsen	Sir N. Keenan.

Mr. SPEAKER: The voting being equal, I give my casting vote with the Noes.

Question thus negatived; the motion defeated.

BILLS (2)—RETURNED.

- 1, Western Australian Transport Board (Validation).
- 2, Bush Fires Act Amendment (No. 3). Without amendment.

BILL—INCREASE OF RENT (WAR RESTRICTIONS) ACT AMENDMENT (No. 3).

Second Reading.

Debate resumed from the 14th September.

THE MINISTER FOR HOUSING (Hon. R. R. McDonald—West Perth) [8.24]: This Bill, which was introduced by a member of the Legislative Council, proposes to exempt Australian wine licenses from the protection which is accorded to lessees or tenants under the parent Act. Members will recollect that in 1939, on the outbreak of war, the Increase of Rent (War Restrictions) Act was passed. By Section 12, provision was made that tenants of all classes of premises should not be ejected while they paid their rent and generally observed the terms of their lease; but they could be ejected in certain cases, such as non-payment of rent, conducting the premises as a nuisance to neighbours, and where the owner reasonably required possession of the premises for his own occupation, as well as in three or four other cases.

On the termination of the Commonwealth regulations—during the war the Commonwealth assumed jurisdiction in the matter of re-possession of premises—the provisions of Section 12 of the State Act again came into force. Last year under that Act regulations were made and gazetted dealing with evictions and claims for possession in connection with all classes of premises. In 1947 this House agreed to exempt from Section 12 certain classes of licensed premises, namely, publican's general licenses, hotel licenses, wayside house licenses and Australian wine and beer licenses. Since 1947, therefore, the ordinary law applied and there were no special limitations on the right to recover possession such as continue to exist in the case of houses and other classes of premises.

The 1947 amendment, although it included publican's general licenses, wayside house licenses and Australian wine and beer licenses, did not include the class of license known as the Australian wine license, or, as we see it familiarly, the ordinary wine shop. The object of this measure is to remove Australian wine licenses from the Increase of Rent (War Restrictions) Act and the Landlord and Tenant regulations in the same way as these other licenses have been removed. I might recall to members that while the Commonwealth Government for some eight or nine years assumed jurisdiction, by its National Security Regulations,* over matters affecting evictions from premises or claims for possession, the Commonwealth Government excluded licensed premises. In other words, the Commonwealth said that as far as hotel keepers were concerned and other people who held licenses for the sale of alcoholic liquors, they were a class who could take care of themselves and apparently could be regarded as not in need of the special protection which was given by the Commonwealth regulations to other classes of tenants.

As I said, in 1947 this State's legislation accepted that principle, but omitted Australian wine licenses. The Bill now before the House seeks to bring those licenses into the same position as other classes of licenses to sell alcoholic liquors, and to provide that the tenants will not be protected by the special provisions of the Landlord and Tenant regulations, but will hold the premises subject to the law as it was prior to the introduction of this special class of legislation. In other words, when we withdraw the protection of the Landlord and Tenant regulations, if a man is a weekly tenant then on a week's notice he can be required to leave the premises.

I see no objection to the Bill. The Commonwealth Government while it controlled this class of legislation did not include licensed premises at all. As by the Act of 1947 this Parliament released from the ambit of this legislation Australian wine and beer licenses, publican's general licenses and wayside house licenses, I suppose there is no reason why we should continue to leave Australian wine licenses under the Landlord and Tenant regulations when the other classes of licenses have been removed. I have no strong feelings on the subject. I have always con-

sidered that in these matters those who hold licenses for the sale of alcoholic liquors are generally pretty able to look after themselves, and are not in need of any special protection. This is the kind of Bill the merits of which are a matter for individual opinion. Personally, I think there is some argument in favour of the principle that this class of license should be dealt with in the same way as other classes which we removed from the Landlord and Tenant regulations in 1947.

Mr. Graham: You are only stonewalling. The whole House agrees with you.

The MINISTER FOR HOUSING: Without further ado, encouraged by the member for East Perth, I conclude by saying that I have no objection to the measure.

Question put and passed.

Bill read a second time.

In Committee.

Bill passed through Committee without debate, reported without amendment and the report adopted.

MOTION—NORTH-WEST.

As to Development and Control, Defeated.

Debate resumed from the 14th September on the following motion by Hon. E. H. H. Hall:—

That in the opinion of this House the Government should propose to the Commonwealth Government that it provide sufficient financial assistance to the State Government to enable a long-range and well-planned developmental scheme for the North-West portion of the State to be commenced as early as possible. Failing satisfactory negotiations by the end of 1949, the Government should invite the Commonwealth Government to assume the administration of the North of the State at a point to be agreed upon.

HON. A. A. M. COVERLEY (Kimberley) [8.33]: I do not propose to take too long in debating this futile motion. It is the most ill-considered and meaningless motion I have seen introduced in this Chamber for many years. The only virtue it may have is that from a publicity point of view it may focus more attention upon the vast areas of the North-West, together with the fact that the member for Geraldton has been responsible for the motion, in which I cannot perceive any logic or sense. At its best, it is purely a pious resolution,

of which the Government could not take any notice, even if it were carried. There is nothing binding on the Government. The motion begins—

That in the opinion of this House the Government should propose to the Commonwealth Government that it provide sufficient financial assistance to the State Government to enable a long-range and well-planned developmental scheme for the North-West portion of the State to be commenced as early as possible.

No developmental scheme is suggested which the Government could place before the Commonwealth. If the House decided to carry the motion, I can imagine the Premier being at his wit's end when he interviewed the Prime Minister, and saying to him, "I want a ton of money but I do not know what I am going to do with it. But according to the members of the Western Australian Parliament, you must find this money."

Hon. F. J. S. Wise: That is not much different from what he does now.

Hon. A. A. M. COVERLEY: If he were asked what he proposed to do with this huge amount of money, I do not know what he would say. I have heard quite a number of suggestions as to how the northern portions of the State should be developed, but I have disagreed with the majority of the schemes proposed. Such schemes are usually put forward by people who have no knowledge or experience of the vast subtropical areas which they advise other people to develop. The expenditure of a huge amount of money in a district does not always produce the development people expect. It is not the amount of money that is spent but the way in which it is spent that determines the type of development that takes place. As the Premier has no particular scheme in view, I do not know how he can put up a very solid or convincing argument to the Prime Minister, and I would hate to think what the Prime Minister's opinion would be of the members who supported this motion.

The hon. member did not put any proposal before the House as to what developments should take place, so I have not the faintest idea what he has in mind. In order to give members a reasonable chance of deciding whether to support or oppose the motion, he should have indicated how he considered the State Government ought to start developmental work when the

money came to hand. We know that experiments are at present taking place in the far North, and when they have been brought to fruition and we have some knowledge of what would be the proper way to develop the country, that will be the time for the Premier to go to the Commonwealth and say, "We have formulated a plan and want your financial assistance to carry it out." When that time arrives, whoever the Premier may be, he will not want any encouragement from the member for Geraldton. That is something we can leave to the Premier. He will be willing at all times to suggest to the Commonwealth Government that it find the wherewithal to carry out our plans.

Again, in the second part of the motion, the member for Geraldton is in a quandary. He makes no suggestion as to what portion of the North should be handed to the Commonwealth Government. I submit that he has given no consideration to the motion. Apparently any portion at all would do.

Hon. F. J. S. Wise: John Forrest said, from Champion Bay to Alice Springs.

Hon. A. A. M. COVERLEY: The hon. member has no thought or consideration for the people who have pioneered that part of the country and who have suffered the inconvenience of the climatic conditions there. I propose to amend the motion by adding certain words to protect the people who are most concerned. I want to give them the right to have some say in the handing over—

Hon. F. J. S. Wise: Mr. Speaker, I draw your attention to the fact that there are nine members on the other side of the House, and that there is not a quorum present.

The Premier: There are only four on your side.

Bells rung and a quorum formed.

Hon. A. A. M. COVERLEY: My amendment is to allow the people living in the areas concerned to say whether they prefer to be controlled by the Western Australian Government or the Commonwealth Government.

The Premier: The member for Geraldton may withdraw the motion. We do not want to hand any of it over to the Commonwealth.

Hon. A. A. M. COVERLEY: I do know something about the opinions held by the residents of the North. I contested an election on this subject, and won. I move an amendment—

That the following words be added:—"When and if agreed to by the majority of the resident electors of the area proposed to be handed to the control of the Commonwealth Government."

THE PREMIER (Hon. D. R. McLarty—Murray-Wellington — on amendment) [8.46]: When speaking on the motion I made the suggestion that the member for Geraldton, after having gained the information he sought, should withdraw the motion.

Hon. A. A. M. Coverley: Duncan Raines will not allow him to do that.

The PREMIER: I again suggest to the hon. member that he withdraw his motion. As to the amendment, I say quite plainly that we do not want to hand over any of our northern area to the Commonwealth. As the Leader of the Opposition knows, there is an awakening interest in that part of the State by the Commonwealth. It has shown more interest in the last few years—say the last four years—than ever previously. The fact that it appointed a sub-committee—an executive committee consisting of departmental heads with liaison officers from Western Australia and Queensland—indicates that a growing interest is being taken in our North. That applies not only from a Commonwealth point of view, but a State point of view. That being the case I feel the member for Geraldton should withdraw his motion, and I ask the member for Kimberley to withdraw his amendment.

Hon. A. A. M. Coverley: The amendment would automatically be withdrawn if the member for Geraldton withdrew the motion.

Point of Order.

Mr. Rodoreda: If I speak now, will you, Mr. Speaker limit me to the terms of the amendment?

Mr. Speaker: At this stage yes.

Mr. Rodoreda: If the amendment is put, and either agreed to or negatived, can I then speak to the motion?

Mr. Speaker: Yes.

Debate Resumed.

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

Ayes	20
Noes	21

Majority against 1

AYES.

Mr. Brady	Mr. McCulloch
Mr. Coverley	Mr. Needham
Mr. Fox	Mr. Oliver
Mr. Graham	Mr. Panton
Mr. Hawke	Mr. Reynolds
Mr. Hegney	Mr. Sleeman
Mr. Hoar	Mr. Styants
Mr. Kelly	Mr. Tonkin
Mr. Marshall	Mr. Triat
Mr. May	Mr. Rodoreda

(Teller.)

NOES.

Mr. Ackland ^o	Mr. Murray
Mr. Bovell	Mr. Nalder
Mrs. Cardell-Oliver	Mr. Nimmo
Mr. Cornell	Mr. Perkins
Mr. Doney	Mr. Read
Mr. Grayden	Mr. Thorn
Mr. Hall	Mr. Watts
Mr. Hill	Mr. Wild
Mr. Leslie	Mr. Yates
Mr. McDonald	Mr. Brand
Mr. McLarty	

(Teller.)

Amendment thus negatived.

MR. RODOREDA (Roebourne) [8.53]: Now that the Government has refused to accept the amendment of the member for Kimberley, we are back on the motion as originally moved. I wish first to comment on the attitude of the Government towards the amendment. By its vote it has refused to the people of the North-West any say in the question of whether or not they are willing for that portion of the country to be transferred to the Commonwealth.

The Premier: Do not try to tell us you believe that!

Mr. RODOREDA: That is the way in which the Government voted.

The Premier: You heard what I said before the amendment was put.

Mr. RODOREDA: It is how we vote that counts in this House, not what we say. I do not know what actuated the Government in its decision.

The Premier: You know perfectly well that the motion will be either withdrawn or defeated.

Mr. RODOREDA: If the Premier knew that, what possible objection had he to the amendment?

The Premier: It was a useless amendment.

Mr. RODOREDA: The whole motion is useless, but there is no guarantee that the member for Geraldton will ask leave to withdraw it. He might be able to get enough support on the Government side of the House to have it carried. This is as inexplicable as a lot of other actions of the Government during this session. The Government has refused the people of the North-West any say in their own destiny. This is an important motion, though the Premier treats it with levity.

The Premier: This sounds to me very much like a political speech on your part.

Mr. RODOREDA: That is nice, coming from the Premier, a past master in the art of making political speeches—a man who can smile and smile and be a villain. The motion is utterly futile, and on that point the Premier and I are in agreement. I would have opposed the motion, even if the amendment had been agreed to, because I am absolutely against the handing of any of our territory over to the Commonwealth Government. I would rather see new States formed in the northern portion of Western Australia, as I think that would ensure worthwhile development of the area. I know the Premier is averse to that idea. He said that such a new State could not carry on, and asked how it could be financed. Western Australia started off with three or four hundred people. Of course it is possible. How did all the other States of the Commonwealth start? I maintain that the North-West of this State will never be developed by any Government situated in Perth and necessarily out of touch with the realities of the situation in the North. This State has neither the finance nor the desire to develop that country, because too much development is required in the southern portion of the State.

I believe that we should have at least two new States, one embracing the Kimberleys from Broome northwards and another running from there down towards the 26th parallel. It is ridiculous to say that this country could not support two more States. There is a tremendous amount of real and potential wealth in the northern portion of the State, and merchants and business people in the south would be very hard pushed indeed if they had to do without the revenue derived from the wool clip, the mining, pearling and cattle industries

of that huge northern area. For that reason alone, and without going into detail, I would be utterly opposed to the handing of the North-West over to the Commonwealth. I agree with Mr. Calwell, who said that we require about 20 States in Australia, as I believe that is the only way in which our huge continent will ever be properly developed.

At present we are tending towards unification, but I oppose that course absolutely. America has increased the number of her States right from the beginning, and that is what we must do to bring about the proper development of our continent. I would not have paid the author of this motion the compliment of speaking to it, had it not been for the guillotine having precluded me from making a few remarks on the North-West during the debate on the Estimates. I am taking this opportunity of mentioning those matters. Under present conditions, one of the greatest disabilities suffered by the North-West is lack of sea and land transport. Sea transport is gradually improving and I hope that in the future the State Shipping Service will be able to cope with most of the cargoes offering, and do so within a reasonable time. But, the position as far as land transport is concerned, is tragic. There is no other word for it. Thousands upon thousands of miles of dirt roads!

No attempt, apparently, is being made by this Government, or by the Main Roads Department to do anything about the situation except to spend a few paltry, miserable thousands of pounds on that country from the main roads grant each year. I do not think the Main Roads Department, last year, spent a sum equal to the revenue it received. The balance of the money of that department, at the end of June, is greater than the balance was at the end of the preceding June—some two and a half million pounds are in the fund at present. Yet the Premier gets up and makes play of the fact that £30,000, £40,000 or £50,000 of this huge amount is being spent annually in the North-West. Why, it would not make foot-paths!

That is one of the main disabilities suffered by the North-West at present. I fear for the middle North-West because the disability will be intensified by the action of the Commonwealth Government in regard to

the Kimberleys. Road plant is to be commandeered from the North-West portion of this State and taken to the Kimberleys to do the work there. There is a terrific shortage of plant, and God knows what will happen to the middle North-West if the plant is commandeered and taken to the Kimberleys. There is another aspect which I think would be a vast improvement in the North-West and would increase the population on the land six or seven times. That is the idea of cutting up these huge pastoral areas.

Hon. E. H. H. Hall: Hear, hear!

Mr. RODOREDA: Properties of up to a million or more acres are held by one man or company and very little of it is being developed.

The Minister for Lands: Let us alter the Act.

Hon. A. A. M. Coverley: Why don't you do something about it?

Mr. RODOREDA: Why does not the Government do something about it? We have made several attempts to try to get the Act altered but what chance have we with the lords in the Council?

Hon. F. J. S. Wise: Would the Minister help us?

The Minister for Lands: Yes.

Mr. RODOREDA: This area—

The Minister for Lands: People are holding millions of acres and a lot of dummyming goes on.

Mr. RODOREDA: What about enlarging on that theme?

Hon. A. H. Panton: The Minister would be very welcome.

The Minister for Lands: I will join the new Parliament which you establish up there.

Hon. A. H. Panton: What Party will you be in?

The Minister for Lands: The good old Country Party.

Mr. SPEAKER: Order! The member for Roebourne may proceed.

Mr. RODOREDA: I am not in any hurry.

Mr. SPEAKER: Order! The member for Roebourne has the floor.

Mr. RODOREDA: I am supposed to have it. I would not be a party to a scheme arbitrarily to cut up the areas at present held by the lessees.

The Minister for Lands: But you just said so.

Mr. RODOREDA: I would be in favour of a scheme to cut up the country into areas sufficient with improvement to carry a certain number of sheep. That is the only solution to the problem. Some areas might require 200,000 acres to carry 5,000 sheep. In other areas 100,000 acres might be needed and in others half a million acres. However, it must be done before any improvement in the pastoral industry in the North-West can be effected. Of recent years I have found that some of the pastoralists who, when I first talked this way, were strongly opposed to it are agreeing with the idea. Most of them say that owing to the spread of buffel and birdwood grasses, throughout the back of the Ashburton, this scheme would be now more practicable. Yet those are the grasses which the Premier tells us are being investigated by the research staff at Abydos station. Those grasses have almost over-run the country.

The Premier: Not all of the country. Some areas still require to have experiments made therein.

Mr. RODOREDA: Those are mostly spinifex stony country. Where attempts have been made by the pastoralists to cultivate and foster these grasses they have taken charge of the country, particularly along the Ashburton and the coastal areas. I have seen both of these grasses growing on the Geraldton aerodrome and apparently the seeds have been brought there on aeroplane tyres. That is the reason why a large portion of the North-West could now be cut up. We used to look upon the North-West as a place in which to keep sheep. That should not be the destiny of the North-West. It should be a place in which to keep human beings and the sheep and cattle ancillary to them.

If we gave sufficient country for a man to keep 5,000 or 6,000 sheep he would make a comfortable living. If people were given holdings such as that they would not make fortunes and not be able to take out £20,000 to £80,000 overdrafts like some of them have done, and live in the style of feudal barons. The people would get a good living and that is the main thing. I have had 30 or more years' association with the North-West and all the men who have small properties, with a small number of sheep, have survived de-

pressions, droughts and other calamities. They do much better in such times than do the big men, or the reputed big men, who have large holdings. I am confident that the North-West will not advance until we carry out a scheme such as that.

There are 200 or 300 miles of coastline with the best pastoral country in this State, held by four or five people. That is absurd. A lot of that country is unfenced and I know of one paddock of 10 miles x 12 miles. There is beautiful waving buffel grass and indigenous grasses in that area, but it is without a water supply. It is on the coast and there has not been a hoof of stock in that paddock for the last 15 years. That one paddock could comfortably accommodate 3,000 or 4,000 sheep. Yet the member for Geraldton gets up and moves a motion such as this with the intention of handing this country over to the Commonwealth Government by the end of this year, if something is not done by that time.

Imagine this Government getting busy and arranging for an agreement with the Commonwealth Government about finance by the end of this year. If the Government moves at the same speed as it has done with the housing programme, it will not be done in 10 years' time, if by the grace of God the Government is allowed to remain in office for that long. There are one or two things which could be done in the North-West without worrying about the Commonwealth Government coming into it. One phase of life in the North-West which needs developing in order to bring people into the country, is an expansion of the aerial medical scheme. Most of the glamour and romance of the early pioneering has gone out of this magnificent scheme. Nevertheless, it is the greatest thing ever done for the North-West. It has made the people contented because of the knowledge that their families can be treated and are within call of a doctor by virtue of the radio pedal set. We show our appreciation of the efforts of this wonderful organisation by granting it a paltry subsidy of £1,600 a year, that is, to the Australian Air Medical Service.

All Governments should be ashamed of themselves right from the time this service commenced, for granting such a paltry subsidy and allowing this excellent service to depend upon the charitable contributions of a few people in Melbourne. No-

thing less than from £5,000 to £7,500 should be our contribution. The people in the North-West are just as entitled to the same medical service as is available to those in the metropolitan area, and it could be provided. What we desire are larger and faster planes and more doctors. A big fault of that air medical service, which does not lie at its door, is that it cannot transport a patient back to his home after he is discharged from hospital and declared convalescent. By air it might take two and a half hours to transport him from Port Hedland hospital to his residence, but if he has not that means of travel it might take him 10 or 12 days by boat and other means of transport to return to his home and all the time he is in a convalescent state. That is something that requires to be remedied as soon as possible. It could be remedied if the Government were alive to its responsibility and would grant a decent subsidy to the Australian Air Medical Service.

The Premier: Did you say the Melbourne organisation?

Mr. RODOREDA: I said that this service was kept going by charitable contributions from a few people in Victoria. Are we not ashamed of ourselves that that should happen? We should be and it could very easily be remedied. The Premier has hundreds of thousands of pounds falling like manna from the Commonwealth Government as a result of compensation from the effects of the coal strike.

The Premier: Only during the last few days I had a discussion with the Melbourne representative of that service about the whole position.

Mr. RODOREDA: Well, I hope the Premier will do something about it. This whole air medical service, if it cannot be run by the Government, should be wholly supported by it. It is the only medical service for the people living in the whole of Australia's outback. Wonderful credit is due to the Rev. John Flynn and also to Dr. Vickers, Dr. Dick and his successors. They have done and the service is still doing a marvellous job with inadequate plant and facilities. It is time something was done by the Government to remedy the position and to give mothers with children, and people working on the mines subject to accident, all the adequate medical care that is possible by the use of the aeroplane. Also, there should be a

dentist stationed in one of the North-West centres or a mobile unit travelling throughout the North-West as a branch of the air medical service. Apart from women's ailments, a dentist is just as important to the adult population in the North-West as is a doctor. But nothing is done about the appointment of one and nobody worries about this forgotten land. Let them look after themselves! Let us build no houses for them but just talk about them!

The Premier: You are right off the track there.

Mr. RODOREDA: Not one house has been built by the Housing Commission for the people in the North-West.

The Minister* for Housing: You will see some soon.

Mr. RODOREDA: I took three separate contractors into the Housing Commission, and at present I know of one who has been waiting for six months, since the plans have been approved, to obtain a contract.

Hon. F. J. S. Wise: We cannot even get special consideration for materials up there.

Mr. RODOREDA: That is one of the great difficulties. How can people go to the North-West when there is nowhere for them to live? The housing position is so desperate that the Commissioner of Public Health has had to come into the picture and point out the desperate position to the Government. I have his report here for the year ended the 30th June, 1948. It is only about 16 or 17 months late! By the way, it is the most voluminous report I have ever seen. If the Commissioner of Public Health or anybody else expects us to wade through reports such as these, he has another think coming. I want to protest against such reports. Why cannot we be supplied with a précis of the contents which really matter? In this report there are pages devoted to poliomyelitis and diseases of the teeth. That is not a subject for an annual report to members of Parliament. In his report for the year ended the 30th June, 1948, the Commissioner says—

North-West Service:

For the first time for several years all North-West stations were adequately provided with medical staff for the greater part of the year.

He can say that again. "All North-West stations"! For years past one doctor has been looking after Port Hedland, Marble Bar, Nullagine, Wittenoom Gorge and Roebourne. How can he say that all stations are adequately staffed when one doctor has to look after that circuit with a radius from Port Hedland extending up to probably 300 miles, and he may have to go even still further? What is the use of these reports? He says, "All North-West stations were adequately provided with medical staff"! There were no matrons serving portion of the time and, if there was a matron, there was no cook, orderly or anybody else. Further on in the report the Commissioner of Public Health says this—

The observations upon the sanitary conditions of the North, published in the Commissioner's Report for 1947, were the subject of a bitter attack in the Legislative Assembly by the member for Roebourne, who described them as grossly exaggerated.

This is a signal honour that has been conferred upon me. I have been picked out from all the Parliamentarians who have ever existed in Australia to be the subject of disparaging comment by a civil servant. Does the Minister for Health or the Premier approve of this? Would the Premier approve of his Under Treasurer writing a report about him as member for Murray-Wellington? Would the member for Geraldton approve of the Under Secretary for Public Works—

Hon. A. A. M. Coverley: Or Fisheries.

Mr. RODOREDA: —or Fisheries making derogatory comments about some criticism he had levelled about crayfish?

Hon. E. H. H. Hall: Why not?

Mr. RODOREDA: The hon. member would approve, would he? Well, I am not going to approve of it. I do not think we should countenance this sort of thing. There is enough bureaucratic control now without having civil servants in an annual report adversely criticising members of Parliament who are doing their jobs by calling attention in this House to something which they think deserves attention by the Government.

Hon. E. H. H. Hall: He is entitled to state his opinion.

Mr. RODOREDA: Of course he is. I will take all the criticism that is levelled in this House against me from the Minister

for Health, the Premier or anybody else, but I will not sit down and take this sort of thing.

Hon. E. H. H. Hall: The Commissioner of Public Health is entitled to say anything at all about you or about anybody else.

Mr. RODOREDA: Very well, the hon. member is entitled to his opinion. The Commissioner said he was the subject of a bitter attack. If he describes what I said of him as a bitter attack, he does not know the meaning of the term. I will quote what I said about the Commissioner, but first of all, let me read the extract from his report. He stated in reference to inhabitants of the North-West—

Condemned to live indefinitely in dilapidated and ramshackle dwellings progressively undergoing further deterioration without prospect of repair, seasonally plagued by blood-sucking insects, inured by years of usage to grossly insanitary practices in respect of waste and excreta disposal, often compelled by circumstances to conserve water at the sacrifice of domestic cleanliness and habituated to the consumption of unsafe and unpalatable drinking water, the local population must acquire a tolerance for discomfort and squalor such as is normal only among uncultured coloured people.

That is the portion of the Commissioner's report to which I took exception. I took exception to his opinions and to the deductions he made. "The local population must acquire a tolerance for discomfort and squalor such as is normal only among uncultured coloured people." If the Commissioner did not expect some comment on that statement from representatives of the North-West, I cannot imagine what he was thinking about. That is intemperate language to use in a report and, all said and done, it is merely a deduction of his. He talks of the people being often compelled by circumstances to conserve water at the sacrifice of domestic cleanliness. What utter rot that is! It is of no use the member for Geraldton butting in on this. He does not know the North-West.

To say that the people of the North sacrifice cleanliness because of insufficiency of water is utterly absurd. Why! To take a bath two or three times a day is almost a ritual; certainly it is a luxury that the people would not miss for anything. Anyhow, does the Commissioner think that the people of the North live under the conditions existing there from choice? Of course the houses are dilapidated. I do not sup-

pose that one new house has been built in any town in the North-West for 25 years, apart from odd ones erected by Government departments. That indicates the conditions under which the people have to live. In my statement I said—

Although there is need for houses and repairs, the need is no greater and the sanitary conditions are no worse in the North than they are in hundreds of country towns in Australia.

To this remark the Premier interjected, "That is true," and that apparently is what rankled in the mind of the Commissioner. The Commissioner must be pretty thin-skinned if he allows the few words I said to rankle in his mind for 12 months. The comments I made were mild compared with the comments I have heard other members pass about other public servants, for instance, Mr. Edmondson. Do those public servants rush into print and publish such statements in their annual reports? No, they take it as they should, without putting up such reports. When the Premier agreed with my statement, he knew what he was talking about. I also said—

I agree with the Commissioner of Public Health that some of the houses are badly in need of repair, but nobody can expect to find in the North-West the type of house that people are accustomed to see in the metropolitan area.

I agree with one paragraph in Dr. Cook's report regarding the measures necessary to be taken towards the correction of the present situation. That statement was—

Provision of an adequate and safe reticulated supply of potable water in all settlements; condemnation and demolition of sub-standard dwellings and their replacement by suitable accommodation in planned towns, if necessary, on new sites.

Of course, I agree with that. The only thing I took exception to was his statement that people of the North-West were living in squalor such as is normal only among uncultured coloured people. That was a fine tribute for the Commissioner to pay to the people of the North-West who are trying to rear families under adverse conditions, who are without social amenities and in some instances without doctors. As regards sanitary conditions, there is one town in the North-West that has given a lead to hundreds of other towns. Roebourne has had a compulsory septic tank system for nearly two years, financed by the road board and to be recouped by the individual householders.

That is an indication of the progressive ideas of the people. Many other towns would install similar systems if they had the water.

How can we expect progress in a territory where people have to live under such adverse conditions and where not a house is being built? Six months to sign a simple contract! Plans finalised and approved last Christmas by the chairman of the road board in consultation with myself and the architect of the Housing Commission! A contract ready to be signed but not signed! The man came down to the city twice and had to return without getting the contract signed.

The Minister for Housing: What is his name?

Mr. RODOREDA: Mr. Dickson. The Housing Commission officials know him. He has done everything possible to stir things up, but has he been successful? Not on your life! He has been told that all will be ready in another three weeks, and then another three weeks, and still another three weeks. Yet we have no indication of the Government's doing anything to remedy that position.

Those are some of the things which we as a State should and could remedy. We have no need to hammer the Commonwealth. If some of the surplus funds available to the Government were spent in the North-West, a great improvement could be effected. We must have houses. Every year the housing position in the North-West towns becomes more desperate owing to the fact that, apart from the deterioration caused by climatic conditions, occasional willy-willies or blows result in the demolition of perhaps four or five houses.

I hope that some attention will be paid to my remarks. The mining industry could be assisted tremendously by the Government if it so desired. The blue asbestos industry in the Hamersley Ranges could be subsidised, not directly but indirectly, by spending a portion of the main road funds to provide a decent road to the settlement. There are nearly 300 men, women and children hanging out at the end of 200 miles of dirt road and relying for all their food, clothing and material comforts on the ability of trucks to get through. This road could be shortened to save the company at least 20s. to 25s. per ton on its output as well as on all incoming

supplies. But will it be done? No. I have been hammering at the Main Roads Department for three years to get something done about it, but am no nearer to success. Yet, according to the Premier, a very keen interest is being displayed in the North-West. I feel that is all you, Mr. Speaker, will allow me to say on this motion and I shall not detain the House any longer.

HON. E. H. H. HALL (Geraldton—in reply) [9.31]: I desire to acknowledge with gratitude the speech made by the Premier on my motion. I desire also to say again how much I appreciate the time and thought given by the Leader of the Opposition to this very important matter. I do not think I need apologise for bringing forward this motion. I said at the time that I got my inspiration while listening to two interesting addresses, one by the Leader of the Opposition in his private capacity, and the other by the Director of Works, Mr. Dumas. I quoted largely from Mr. Dumas's speech, as he was kind enough to hand me a copy. In his address he outlined a scheme for the settlement of this great area. I say in reply to a facetious statement made by one who ought to know better, the member for Kimberley, that I did not put up a complete scheme myself. I well recall that member's sarcastic remark about my not having put up something of my own; but I know well that had I attempted to outline a plan, that very same member, who is ever ready to make sarcastic and superecilious interjections, would have accused me of talking about something of which I knew nothing. I therefore outlined the scheme of the Director of Works in this State, a gentleman who I think is quite as capable and competent as the member for Kimberley.

The address given by the Leader of the Opposition who, before he became a member of Parliament, was in the North in a professional capacity, was well worth listening to. I therefore repeat that I make no apology for having brought forward this motion. It has been well said, "Blessed is he that expecteth nothing." I have been long enough in the political sphere to recognise the truth of that statement. I did not expect anything to come out of this motion except publicity about something that I regard as of first-rate im-

portance as well to the State as to the Commonwealth. The Premier was good enough to say that the Commonwealth Government was sympathetic towards this great undeveloped area. I was pleased to hear him make the remark; but whilst I have the greatest admiration for him, I feel forced to call attention to the years that have passed since reports on the North, based on personal and professional knowledge, were made.

These reports, if not ignored or entirely forgotten, have certainly been overlooked. I have before me a copy of the Payne-Fletcher report, which was mainly on the Northern Territory. The Premier, who like myself is a Western Australian—that is his good fortune, not his fault—might permit me to refresh his memory about something which perhaps he has not read and which in his present position he would be far too busy to read. I shall quote briefly from this report by way of reply to his statement that the Commonwealth Government was sympathetic towards the development of this great area. At page 15, paragraph 72, it is stated—

The northern portion of Western Australia is just as isolated and backward in development as the Territory. Very little progress has been made and special encouragement to industry is needed in this region also.

I hope the Premier is listening. Of course it is not necessary for him to do so, because if he feels so inclined he may read it in "Hansard." But here is something that can be done without cost to the State and at infinitesimal cost to the Commonwealth. The report proceeds—

We therefore recommend that preferential tariff treatment be extended to this country, the development of which, as is shown in another section of this report, must proceed hand in hand with the Territory.

That is something of a practical nature which could be done by the Commonwealth Government, I care not what its political complexion may be, if it is really desirous of doing something to help this State and the Commonwealth itself.

Hon. A. A. M. Coverley interjected.

Hon. E. H. H. HALL: Let the member for Kimberley keep quiet, for Heaven's sake.

Hon. A. A. M. Coverley: I was only trying to help you.

Hon. E. H. H. HALL: I do not want any help from the member for Kimberley. God help me if I did! Let him keep quiet, as I did while he was speaking. Let him set an example, after having occupied such a high and responsible position as Minister of the Crown, as he did for some years.

Mr. Graham: Look after your blood pressure!

Hon. E. H. H. HALL: I will look after my blood pressure! The report proceeds—

As the Commonwealth Constitution will not permit freedom from tariffs in respect of part of a State, we think that a system of tariff rebates should be arranged.

I quote that in reply to the interjection by the member for East Perth. That could be done. This matter is of such importance that something out of the ordinary must be done. If we go on year by year without making any effort, nothing will be done. The report continues—

In recent years very generous ministerial concessions have been granted to assist lessees in the Territory in different matters. As from the 1st January, 1936, the Commonwealth Government decided to assist development by undertaking to pay—

(1) One-half of the cost of sinking bores and one-half of the cost of casing.

(2) One-half of the freight cost on the carriage of casing, water-raising apparatus, storage tank, and troughing.

(3) One-half of the freight cost on fencing wire.

(4) One-half of the freight cost on bulls and stallions.

These concessions may be regarded as exceptionally generous. That is something of a practical nature that could be done without altering the Commonwealth Constitution and at no great cost to this great Commonwealth if, as the Premier seems to think, it is desirous of doing something to help in a national way.

Hon. F. J. S. Wise called attention to the state of the House.

Bells rung and a quorum formed.

Hon. E. H. H. HALL: Here is another matter to which I have heard reference made in this Chamber only quite recently. Eleven or 12 years ago the matter was mentioned, but nothing has been done. I quote once more as follows:—

Many of the North-West holdings are, we consider, too large to be developed to their full capacity under one control and management, even as cattle stations . . .

The larger holdings, at present, are being continuously worked at a loss.

What can be done on a holding of reasonable size, moderately improved and well managed, is illustrated by Rosewood Station. This holding comprises an area of 1,073 square miles and depastures about 16,000 cattle. It has more improvements per square mile than any other holding in the North-West and, having regard to relative carrying capacity, employs many more white men than any other holding. Good bulls are also continuously kept up to the herd.

Mr. SPEAKER: Is the hon. member answering the Premier now?

Hon. E. H. H. HALL: Yes, I am answering the statement that the Commonwealth is sympathetically inclined towards recommendations or requests made by this State in regard to the development of our North-West. In conclusion, I want to make this quotation from the same report—

We recommend the construction of a railway from Wyndham in a south-easterly direction down the valley of the Ord River to a point between Mistake Creek and the northern boundary of Gordon Downs, a total distance of about 200 miles. Of this suggested railway, about 150 miles would be in Western Australia and about 50 miles in the Territory . . .

The construction of a railway for the development of a sufficiently large sheep area can be justified whereas it cannot for the carriage of cattle alone. The wool industry requires more materials and goods, there is more development work, more labour is employed, and wool and sheep provide a more payable freight than is the case with cattle. Furthermore, the production of wool creates far more wealth than the production of cattle.

That is the report of a Commission which was appointed by the Commonwealth Government in 1937; and I, and others very much more fitted to form an opinion, consider it to be full of good sound recommendations. I am entitled to ask whether anything has been done about it. I am going to admit, as one must, that a war has intervened. But we people in Western Australia—and when I say “we” I mean Parliament and especially the Government—have a bounden duty to keep this most important matter under the notice of the Prime Minister and the Commonwealth Government. That is the reason for my making the suggestion I have made.

I suppose it might be considered impertinent on my part to make a suggestion to the Premier. But I did not mean to be impertinent. Might I say that I

entered the parliamentary life of this State before the Premier did, though I have not had the good fortune to occupy the high and exalted position he holds. I entered this world, not through any fault of mine, before the Premier did. If I do decide to offer him, in a very humble way, a word of advice, I do not think that he, if I know him, will resent that.

The Premier: Certainly not.

Hon. E. H. H. HALL: I repeat the advice I gave him, because I think he would be doing something worthwhile, worthy of the job he holds—it would be the act of a statesman—if he invited the Leader of the Opposition to join him on a special mission to the Prime Minister to put up to that gentleman the urgent necessity of getting down to some long-range plan which will have for its aim the development of this huge territory in the northern portion of Western Australia.

I understand that according to the Standing Orders, having replied to the debate, I am not allowed to withdraw the motion. I have been advised by several well-intentioned members to do so, but that is not my purpose. I do not mind being defeated. I rather like a fight as long as it is a fair one.

Mr. May: You are a good loser..

Hon. E. H. H. HALL: I claim to be such. I will not be at all hurt if the motion is defeated. I brought it forward for the very purpose which it has achieved, namely, to provoke some discussion on the matter, and to let the public know that while private members of the community may take interest in this very important question, it is not altogether forgotten by Parliament. If I required any justification for submitting the motion, the speech of the member for Roebourne provided sufficient, although he was unkind enough to say something nasty about it.

Question put and negatived; the motion defeated.

MOTION—COAL MINE WORKERS' (PENSIONS) ACT.

To Disallow Miners' Contribution Regulation—Withdrawn.

Debate resumed from the 13th July on the following motion by Mr. May:—

That new regulation No. 27 made under the Coal Mine Workers (Pensions) Act, 1943-1948, published in the "Government Gazette" on the 28th January, 1949, and laid upon the Table of the House on the 15th June, 1949, be, and is hereby, disallowed.

THE MINISTER FOR HOUSING (Hon. R. R. McDonald—West Perth) [9.48]: Under the Coal Mine Workers (Pensions) Act, the fund is serviced partly by contributions from the miners, which are paid on a weekly basis; and Regulation 27 made under the Act prescribes the way in which the weekly contributions are calculated. As the Act was introduced, the assessment of the contributions was made every year on a basis laid down by the tribunal or committee which had the authority to administer the Act. Last year, by an amendment of the Act made by this Parliament, instead of the assessment of the amounts required to service the pensions fund being made yearly, it was provided that as from the 1st July of next year the assessment should be made every three years in accordance with a report made after an actuarial investigation, which had to take place at three-yearly intervals.

In order to comply with the terms of the amendment made last year for a triennial assessment of the amount required to service the fund, Regulation 27, dealing with the way in which the miners' contributions were assessed, had to be amended. In 1947, and also last year, when amendments to the legislation were before Parliament, it was pointed out that an actuarial investigation had shown that there would be, on its present liabilities, an ultimate deficit in the fund of one-third of a million pounds. The members of the Collie Miners' Union, representing the mineworkers on the coalfield, naturally felt that if the contributions were assessed on a basis that would provide for the repayment of the deficit, particularly in a short time, it would impose an undue liability on the miners. I think the member for Collie was justified in raising this matter in order that the view that should be taken as to the assessment of the contributions by the miners, because of the actuarial deficit, might be recorded. I think it can be accepted by the miners that no unreasonable contribution will be required of them.

Mr. May: They would be consulted, in any case.

The MINISTER FOR HOUSING: Yes, as has been the practice before. While the contributions could be assessed progressively to put the fund in a more healthy and stable position, it would be unfair and impracticable to do it in a short period. That principle was accepted last year in the amendment passed by this Parliament. In order to provide increased benefits through the Coalminers' Pensions Fund, the contribution of the miners, which was previously 2s. 9d. a week, was increased to 4s. When Parliament authorised that increase, which operates to the 30th June, 1950, after which the next triennial actuarial assessment will apply, it impliedly accepted the basis that the contribution must remain at a reasonable figure notwithstanding the substantial actuarial deficit that ultimately would be found in the fund because of the old contributions and the liabilities that had already been incurred.

The regulation which the member for Collie seeks to have disallowed is the machinery provision which sets out the method of calculating the weekly contribution of the coalminers to service the fund. If the regulation is disallowed there will be no method to enable the miner's weekly contribution to be computed and, I think, there would be no way by which the weekly contribution could be collected. If that view is correct, and I think it is, the miner's contribution would then terminate until new regulations were gazetted and the fund would be depleted of the amount of money which would otherwise have come in. Therefore, to disallow this regulation would mean the weakening of the stability of the fund for the period when no such regulation was in existence. I can therefore say, from my knowledge of the legislation and the amendments of 1947 and 1948—I had some association with all of them—the miners can be reassured in regard to their contributions to the fund, notwithstanding the actuarial deficit which would ultimately be found because of the old contributions; they can be assured that the future contributions will not be unreasonable; they can also be assured that when it comes to the matter of the fund's actuarial standing then there will, as in the past, be opportunities for consultation with the coalminers as to the general position of the fund and the interests of the miners, both as to the benefits and the liabilities, in that fund.

I therefore suggest to the hon. member that having received an explanation which should be reassuring to the coalminers, the motion be not pressed, because if it were disallowed it would, as I say, remove a machinery part, and I think that until the matter was rectified in some way it would mean that contributions could not be collected from the miners. In any case, the regulation does no more than carry out the terms of the Act. It would not be possible to get in its place any other regulation of a different character because any such regulation must, as this one does, follow the intention of the Act. I hope my explanation may be regarded as sufficient by the member for Collie.

MR. MARSHALL (Murchison) [9.58]: I have had a look at the regulation and the provision in the Act which gives the tribunal the authority to strike a levy or arrange for a contribution. In my judgment this regulation is ultra vires or contrary to the Act. Section 21 of the Act provides that the contribution by the miners shall not exceed one-third of the total contributions. According to the regulation, however, it could be any amount fixed on an actuarial basis.

The Minister for Housing: Did the hon. member have a look at the amendment of 1947?

Mr. MARSHALL: No.

The Minister for Housing: That alters the position. The old Act provided for a contribution of one-third, but that was altered.

Mr. MARSHALL: I have not given the subject the consideration that I would have liked on account of being ill. I thought the regulation was ultra vires the Act, and that is why I rose to speak.

MR. MAY (Collie—in reply) [10.0]: When the Act was amended last year an alteration was made to the amount of the contribution by the miners. That was found necessary after an actuarial investigation of the fund and accordingly the Minister, in consultation with representatives of the combined unions at Collie, agreed that the contributions by the men, the companies and the Government, would have to be increased. A general agreement was reached by all parties in that regard and later on new Regulation 27 was gazetted. That regulation was pos-

sible of misinterpretation. Taking one line of thought, it seemed that, after the triennial actuarial examination that is to be made on the 30th June, 1950, any out-of-balance amount that might be arrived at by the actuary would have to be met by action taken under this regulation.

That caused some alarm and is the reason for this motion having been moved. I am now perfectly satisfied that there was no such intention and the Minister has given an assurance that, if it is found necessary again to alter the rate of contributions after the 30th June, 1950, no alternation will be made without the same course of consultation being followed as was adopted in the case of the last alteration, in 1948. The Minister's explanation this evening has given me the assurance that there is no intention on the part of either the tribunal or himself to take advantage of the possible misinterpretation of the regulation. In the light of that assurance, that no such interpretation is to be placed on the regulation, and that there need be no fear in that regard, I ask leave to withdraw the motion.

Motion, by leave, withdrawn.

BILL—COAL MINE WORKERS (PENSIONS) ACT AMENDMENT (No. 2).

Second Reading.

Debate resumed from the 22nd September.

MR. MAY (Collie) [10.5]: This measure deals with a small amendment to the Act and a major one. When the Act was amended last year it was provided that men who entered the industry at an age of more than 35 years could not receive the benefits of the pensions fund, but were to be called upon to make contributions, which would be refunded in another way. Although it is not strictly relevant to the debate on this measure, I maintain that that provision should not have been enforced at as early an age as 35 years, because a man entering the industry at that age has another 25 years of valuable service—possibly the cream of his working life—still ahead of him. However, that amendment having been agreed to, it has since been discovered that there is a legal flaw in Section 2, by means of which a man admitted into the industry after the 7th

January, 1949, over the age of 35 years, or just prior to that date and over the age, would have been eligible for the benefits of the pensions fund. It is possible that he might have been working in the industry for a couple of years prior to the 7th January, 1949, and might at that date have been 35 years of age or just under that age and could then have left the industry, remaining away from it for 10 or even 20 years, at that late stage in life, come back into the industry and be still eligible to receive benefits from the pensions fund. The object of this small amendment is to prevent that from being done. In view of the fact that this House has already agreed to the age limit of 35 years, whereby a man is to be restricted from receiving benefits from the pensions fund, there is not much I can do about it at present.

The other amendment deals with the question of retired miners who are in receipt of part of the Commonwealth social service pensions. It has been found that this particular section of retired miners has been unduly victimised by the action of Section 14 of the Coal Mine Workers (Pensions) Act. Under the Act, a man and his wife who receive the full old-age or invalid pension are in receipt of £8 10s. per fortnight between them, and they receive 5s. weekly from the miners' pension fund, which brings them up to the maximum amount allowed—£9 per fortnight—under the miners' pension fund. That is quite all right, but we find that those retired employees of the industry who receive only a part of social service pension, due to the fact that they have property restrictions, are prevented, under Section 14 of the Coal Mine Workers (Pensions) Act from augmenting that amount. If the fund did augment it, the Commonwealth would immediately cut down the allowances.

This state of affairs has been discovered only since the scheme has progressed. We find that men have been asked to exist on amounts which are quite insufficient. These people have been compulsorily retired at the age of 60 years, and ordinarily a man with no dependants, retired at the age of 60, would receive £5 5s. per fortnight from the miners' pensions fund. A married man and his wife receive the maximum amount of £9 per fortnight. But, when they reach the age of 60 or 65, one or both, as the case may be, they have to apply for the Commonwealth

social service pension. From experience during the short time the State Act has been in operation, we have found it has acted detrimentally to a few of the pensioners I have mentioned.

The object of the amendment is to try to give some relief to those people who are affected by the property qualifications. At present, there are only 14 cases affected, and to make the adjustments it is proposed to repeal Section 14 of the Coal Mine Workers (Pensions) Act. That will place an extra burden on the fund of somewhere in the vicinity of £2,000. As time goes on, that amount may be increased, but if it is I assume action will be taken to rectify the position. In the meantime, there is no reason why the 14 people concerned should suffer. In four instances, people receive nothing from the miners' pensions fund and an allowance of 15s. in one case, £1 8s 9d. in another, £3 5s. in another, and £3 9s. from the Commonwealth pensions fund. We cannot expect these people to live, especially with the present cost of living, on those very small incomes. If Section 14 is repealed, as this Bill sets out to do, it will mean that these small amounts of Commonwealth pensions will have to be met from the miners' pensions fund. In fairness to the few people concerned at present, I think that should be done.

I agree with the objects of the Bill, and I hope the House will also, for the reasons I have stated. The matter has been fully discussed by representatives of the unions concerned. They have spoken to the Minister on two or three occasions and conveyed to him the necessity for the amendment. Apparently the Minister has finally agreed that the necessity exists, and it will mean that these people will be given sufficient to live on.

Question put and passed.

Bill read a second time.

In Committee, etc.

Bill passed through Committee without debate, reported without amendment and the report adopted.

Bill read a third time and transmitted to the Council.

BILL—RESERVES (No. 2).

Second Reading.

Debate resumed from the 23rd September.

HON. F. J. S. WISE (Gascoyne) [10.25]: This Bill, like its sister measure, the Road Closure Bill, is one that comes to this Assembly towards the end of every session. It deals with areas which have been thoroughly scrutinised in a departmental sense, and which have had various kinds of origin and generally the Bill is to correct some anomalies as between the Crown and private citizens. I have carefully perused the clauses and the plan which deal with the various reserves affected and I find nothing to object to. Special reference should be made to the clause which deals with the honouring of an agreement made in 1886, and now it has been raised that the area is something which should firstly revert to the Crown prior to the agreement being made plain to the Benedictine community although there is no doubt whatever of the intention of the people of those days being carried out by the effect of this clause.

The Premier: I think that was what the Minister for Lands mentioned today when he said that the promise had been made by him.

Hon. F. J. S. WISE: The Minister, by his attitude, had me a little worried because he made it plain that he wanted this matter presented to Parliament for it to determine. These are matters that are sponsored by Government and come here for the support of Parliament.

THE MINISTER FOR LANDS (Hon. L. Thorn—Toodyay—in reply) [10.28]: I must explain the point that has been raised by the Leader of the Opposition because I was trying to indicate to the House, when introducing the Bill, that as far as my responsibility was concerned I did everything possible to facilitate the passage of the measure and it required me, as Minister under the Act, to be delegated with power to do certain things. I wished to convey that and also that the Bill is now in the hands of the House.

Question put and passed.

Bill read a second time.

In Committee.

Bill passed through Committee without debate, reported without amendment and the report adopted.

BILL—ROAD CLOSURE (No. 2).

Second Reading.

Debate resumed from the 22nd September.

HON. F. J. S. WISE (Gascoyne) [10.32]: This is perhaps the simplest road closure Bill that the House has seen for many years. It is strange that in these days, when there are so many subdivisions and re-subdivisions and consolidations of areas, more alterations and closures should not have come forward. These are very small alterations rendered necessary by certain municipal and road district adjustments, some of them affecting only a perch or two or a truncation. I have examined the plans and support the Bill.

Question put and passed.

Bill read a second time.

In Committee.

Bill passed through Committee without debate, reported without amendment and the report adopted.

BILL—BREAD ACT AMENDMENT.

Second Reading.

Debate resumed from the 23rd September.

MR. McCULLOCH (Hannans) [10.35]: This Bill is to repeal Section 15 of the Act, the object being to permit operative bakers and bread carters to have three weeks' annual leave and four public holidays a year in lieu of the present leave of two weeks annually and 10 public holidays. The employees affected will be those within a radius of 25 miles from the G.P.O., Perth and eight miles from the Post Office at Kalgoorlie. Last year the Arbitration Court granted the employees two weeks' annual leave and 10 named public holidays, but following a request from the Kalgoorlie Breadcarters' Union to the Kalgoorlie and Boulder Master Bakers' Association, the alteration has been approved. The longer annual leave and four named public holidays on the Goldfields will give them a longer break. It will also permit of bread deliveries on a number of public holidays. It is desired that the Arbitration Court shall control all holidays and so it is necessary to repeal Section 15 of the Act. I have pleasure in supporting the second reading.

Question put and passed.

Bill read a second time.

In Committee, etc.

Bill passed through Committee without debate, reported without amendment and the report adopted.

Bill read a third time and *passed*.

DISCHARGE OF ORDERS.

The following Orders of the Day were discharged:—

- 1, Brands Act Amendment Bill (No. 2).
- 2, Coal Mines Regulation Act Amendment Bill.
- 3, Bees Act Amendment Bill.

On motion by the Premier.

BILL—PEARLING ACT AMENDMENT.

Second Reading.

THE MINISTER FOR EDUCATION

(Hon. A. F. Watts—Katanning) [10.41] in moving the second reading said: This Bill, which has been passed in another place, contains two amendments, one of which was requested by the Broome Shellers' Association and the other by the W.A. Branch of the Federated Retail Jewellers' Association. At a fully attended meeting in July last the Broome Shellers' Association unanimously passed a resolution that the Act be amended to permit pearl-lers to inaugurate a contract system. They had formed the opinion that unless this was done the future of the industry, owing to a decline in price and a higher rate of wages, was very problematical and the result might be its complete cessation.

It is not proposed to alter the present method of wages and bonus payments, but to allow of an alternative system of contracts, details of which are set out in the Bill. This will permit the owner of a pearl-lng vessel to enter into a contract with his first diver, who is the person in charge of the crew and the operations, to accept in lieu of wages and bonuses an amount not exceeding 60 per cent. of the net proceeds of all pearlshell recovered, the owner to receive the balance. "Net proceeds" is defined by the Bill as meaning the price obtained by the owner for the shell, less insurance, freight and selling commission. Out of his proportion, the diver will pay all or part of the wages and the cost of vic-

tualling the crew and the ship. From the 40 per cent. retained by the owner there will be paid whatever part of the wages and victualling is agreed on, and also maintenance and repair cost of the vessel.

At present the Act will not permit a contract of this nature. Subsection (3) of Section 33 invalidates such contracts. Subsection (1) of Section 33 provides that if an unqualified person acquires an interest in a ship the ship's license may be cancelled and the ship forfeited to the Crown. The term "unqualified person" refers to Asiatics and aliens generally, as we know that divers are usually of Asiatic nationality. These provisions were enacted to prevent dummmying by Japanese. The other amendment follows requests over a number of years by the W.A. Branch of the Federated Retail Jewellers' Association for the repeal of Section 113 of the Act, which prohibits dealings in culture pearls in this State.

At one time it was thought that the sale of real pearls would suffer by the introduction of culture pearls in this State, but now it is thought differently not only by the jewellery trade but also by people interested in pearling, because two different classes of people are concerned. A necklace of real pearls can only be bought for hundreds, or perhaps thousands, of pounds, whereas a necklace of culture pearls rarely exceeds £50. Consequently different types of people are interested. But in the absence of culture pearls—which incidentally can be obtained in the Eastern States—the situation is that only imitation pearls made of glass and covered with a paint made from fish scales, I understand, can be acquired by those who are unable to buy real pearls on account of the prohibitive cost.

It has therefore been decided to repeal Section 113 so as to allow of the vending of culture pearls in Western Australia. It is felt that as a number of persons persist in buying culture pearls from the Eastern States, we are actually losing as a result of being deprived of that trade. The repeal of the section will not affect those engaged in the pearlshell industry, as the obtaining of real pearls is subsidiary to the main part of the industry. There is a world market for culture pearls and the removal of the ban imposed by the Act

will give any person desiring to engage in their production an opportunity to do so. I move—

That the Bill be now read a second time.

HON. A. A. M. COVERLEY (Kimberley) [10.47]: I support the second reading of the Bill. As was pointed out by the Minister for Education, the first proposed amendment has been requested by the Broome Shellers' Association, whose members are the people vitally interested. As a matter of fact, the amendment will bring our Act into conformity with the practice at Thursday Island and Darwin. Under the Federal Act, pearlers at Thursday Island can engage crews to work their boats under the contract system. Under our legislation it has for many years been an offence to engage crews under the contract system. At that time the Western Australian pearlers considered our legislation was better than the Commonwealth's, but were unsuccessful in their efforts to induce the Commonwealth to bring its legislation into line with ours. At Thursday Island the pearlers engage the local natives, as well as the Torres Island natives, and at both Thursday Island and Darwin pearlers can engage crews on the contract system. The second amendment will permit of the sale of culture pearls in this State.

At the moment our Act provides a penalty of £500 and six months' imprisonment on any person dealing in cultured pearls in the State. The Broome pearlers were afraid that if that trade were permitted in the State it would have a detrimental effect upon the sale of pearls found in Broome waters. The Commonwealth law at present permits of dealing in culture pearls in all the States except Western Australia. The Queensland and New South Wales laws permit open dealing in culture pearls, and Western Australia is the only State where jewellers are not permitted to display or deal in those pearls. At the moment the Commonwealth Government, through the C.S.I.R.O. is experimenting with the culture of shell and pearls. So the writing is on the wall; and if we do not amend the Act, the Western Australian pearl shell industry will be left lamenting.

There is another statement I should make in reference to this matter, and that is in connection with exclusive licenses. This

Government has refused to permit pearlers who have made application for exclusive licenses to have them. The Commonwealth does not assist our pearlers in Western Australia to be up to date and to continue with their experiments on culture pearls and culture shell. I would hint to the Minister that he might tell his colleague he would be doing the Western Australian pearling industry a good turn if he permitted some reputable firm to have an exclusive license for this purpose. Otherwise the Western Australian industry is going to be left very much behind. I support the second reading.

Question put and passed.

Bill read a second time.

In Committee, etc.

Bill passed through Committee without debate, reported without amendment and the report adopted.

Bill read a third time and passed.

ADJOURNMENT—SPECIAL.

THE PREMIER (Hon. D. R. McLarty—Murray-Wellington) [10.54]: I move—

That the House at its rising adjourn till 2.30 p.m. tomorrow.

Question put and passed.

House adjourned at 10.55 p.m.