BILL—GOVERNMENT RAILWAYS ACT AMENDMENT.

Assembly's Further Message.

Message from the Assembly received and read notifying that it had agreed to the conference managers' report.

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Assembly's Further Message.

Message from the Assembly received and read notifying that it had agreed to the conference managers' report.

ADJOURNMENT—SPECIAL.

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

That the House at its rising adjourn till 3 p.m. this afternoon.

Question put and passed.

House adjourned at 2.48 p.m.

Legislative Assembly.

Wednesday, 1st December, 1948.

CONTENTS.

The SPEAKER took the Chair at 3 p.m., and read prayers.

QUESTIONS.

NOXIOUS WEEDS.

As to Spraying Water Hyacinth.

Mr. NIMMO asked the Minister for Lands:

(1) As the Perth City Council sprayed Lake Monger on Thursday, the 25th November, at 7 a.m., for the eradication of the water hyacinth (declared a noxious weed for the whole State under the Noxious Weeds Act) and I understand is spraying again next month, will the Government take steps to spray the northern side of Lake Monger (Mt. Hawthorn area) and also Dog Swamp on the Wanneroo Road, owned by the Perth Road Board?

(2) If the Government will undertake this work, will the expense incurred be charged up to the Perth Road Board?

(3) If not, what action will the Government take under the Act?

The MINISTER replied:

(1) The Noxious Weeds Act provides that it is the duty of local authorities to control eradication of noxious weeds within their respective districts.

(2) If the local authority fails to carry out its duty under the Act, the Government can undertake the necessary work and recover expenses from the local authority.

(3) Answered by No. (2).

CITY OF PERTH ELECTRICITY AND GAS UNDERTAKING.

As to Increase of Charges.

Mr. SHEARN asked the Minister for Works:

(1) Assuming the proposed sale of the Perth City Council Electricity and Gas Department Undertaking is ratified, are the existing charges to consumers for power and lighting likely to be reviewed?

(2) If so, can he indicate if there is likely to be any increase in such charges and to what extent to—

(a) industrial establishments;

(b) local authorities for street lighting; and

(c) private consumers?

The MINISTER replied:

(1) Yes.

(2) (a), (b) and (c) Owing to increased prices for coal and other materials, increased wages, and shortening of hours, there must be an increase in the price of electricity.

Every other undertaking in Australia has increased its charges over the last two years.

The extent to which increases will be necessary is now receiving consideration.

WIRE AND WIRE NETTING.

As to Shortage of Supplies.

Mr. BOVELL asked the Honorary Minister for Supply and Shipping:

(1) Is she aware that there is an acute shortage of wire netting and fencing wire?

(2) Is it a fact that she has been negotiating the purchase of wire netting and fencing wire from oversea?

(3) If so, how much wire or wire netting has reached Western Australia—when—and from where?

(4) Is she expecting further supplies; if so (a) from where, (b) in what quantities?

(5) Has the wire netting and fencing wire been purchased for any specific purpose—if so, for what purpose?

The HONORARY MINISTER replied:

(1) Yes.

(2) Yes.

(3) 1,857 50yd. rolls of wire netting were received in two consignments from Singapore as follows:—1,000 on 19th August and 857 on 20th November.

(4) Yes. (a) Wire netting from Belgium and barbed wire from Japan. (b) 3,448 100yd. rolls from Belgium, one half to be delivered early in the new year and the balance when approved by Customs, probably January-March quarter.

Two hundred and ninety-two tons of 12½-gauge barbed wire from Japan has been approved by Customs and is expected January-March quarter.

(5) Yes, solely for Soldier Settlement.

HOUSING.

(a) As to Contract and Day Labour Building of Rental Homes.

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

Is he in a position to answer the question I asked some two months ago when I sought

the comparative costs of erecting houses by day labour as against the contract system, and, if not, when does he anticipate being in a position to supply the information?

The MINISTER replied:

I arranged for an officer, detailed by the Auditor General, to make an examination of the figures. He has made an interim report concerning which the Auditor General has aked me to see him to discuss the basis on which it was made. I hope to have this ready, if not by the end of this week some time early next week.

(*b*) *As to Purchase of Permits to Build.*

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

Is he aware that on a block of land in Albany-highway, Cannington, there is a notice which says, "Wanted to buy a permit to build"? Does this indicate that permits for the erection of houses may be purchased?

The MINISTER replied:

I am not aware of such a notice, but assure the hon. member that permits for houses cannot be purchased.

BILL—HOSPITAL BENEFITS AGREEMENT.

Introduced by the Minister for Health and read a first time.

BILL—COAL MINE WORKERS (PENSIONS) ACT AMENDMENT.

Message.

Message from the Governor received and read recommending appropriation for the purposes of the Bill.

BILLS (5)—FIRST READING.

1, Government Employees' Pensions.
Introduced by the Premier.

2, Traffic Act Amendment.
Introduced by the Minister for Local Government.

3, Trading Stamp.
Introduced by the Minister for Labour.

4, Land Act Amendment (No. 2).
Introduced by the Minister for Lands.

5, Railway (Mt. Magnet-Black Range) Discontinuance.
Introduced by the Minister for Railways.

BILL—LOAN, £2,315,000.

Read a third time and transmitted to the Council.

BILL—GOVERNMENT RAILWAYS ACT AMENDMENT.

Council's Message.

Message from the Council notifying that it insisted on its amendments Nos. 1, 2, 6, 7, 8 and 9 now considered.

In Committee.

Mr. Perkins in the Chair; the Minister for Railways in charge of the Bill.

The MINISTER FOR RAILWAYS: I move—

That the Assembly continues to disagree to the amendments made by the Council.

Question put and passed.

Resolution reported and the report adopted.

Assembly's Request for Conference.

The MINISTER FOR RAILWAYS: I move—

That the Council be requested to grant a conference on the amendments insisted on by the Council, and that the managers for the Assembly be Mr. Marshall, Mr. Wild and the mover.

Question put and passed, and a message accordingly returned to the Council.

BILL—WHEAT POOL ACT AMENDMENT (No. 2).

Second Reading.

THE MINISTER FOR LANDS (Hon. L. Thorn—Toodyay) [3.15] in moving the second reading said: This Bill to amend the Wheat Pool Act is quite a small one, but it will provide the trustees of the Wheat Pool with the necessary power to conduct a voluntary oat pool. Generally speaking, the farmers in this State have requested that a voluntary oat pool be established. The Government considered that the best method of giving effect to the farmers' desire was to obtain the aid of the trustees of the Wheat Pool to manage the proposed

oat pool, and they have consented to do this. With the exception of expenses, the pool will be managed without cost, and it will operate in the interests of farmers who desire to pool their oats and sell them on the oversea markets. No monopoly will result by giving effect to this legislation as the Commonwealth Minister for Agriculture, Mr. Pollard, has advised by letter that there will be no restriction by the Commonwealth in the granting of export licenses.

The proposed pool will, therefore, not be an exclusive one, as all who wish to export oats will be granted a license, and the merchants of Perth are quite happy in this knowledge. In many of our farming districts, oats have been stripped, but the farmers are waiting to see if the oat pool is to be established. I understand that the manager of the proposed pool has postponed some important contracts, pending the passing of this Bill, as until then, he will not know how he stands. I believe he has put off finalising a contract for 4s. 9d. per bushel for oats, which today is a high price. Therefore, it will be seen that some urgency exists in regard to the measure in order that these contracts can be finalised, and especially as there is always the possibility of the oversea market falling. The oat pool proposed in the Bill will operate in the interests of farmers, and will not confer a monopoly as farmers may dispose of their oat crops as they desire. I move—

That the Bill be now read a second time.

On motion by Hon. J. T. Tonkin, debate adjourned.

BILL—WHEAT INDUSTRY STABILISATION.

Second Reading.

THE MINISTER FOR LANDS (Hon. L. Thorn—Toodyay) [3.18] in moving the second reading said: This is a supplementary Bill to Federal legislation.

Hon. A. H. Panton: Is it urgent?

The MINISTER FOR LANDS: It is very urgent. It is an important piece of legislation affecting a large proportion of persons engaged in primary industry in Western Australia. The marketing of wheat and the need for stabilising the wheat industry have been, and no doubt will continue to be among the major problems of the Australian economy. Wheat is the most extensively grown agricultural product in Australia. To give the House an idea of the proportion of wheat grown in Western Australia to the rest of Australia, I will quote the areas sown to wheat since the 1940-41 season.

	Australia	Western Australia
	Acres.	Acres.
1941-42 ..	12,003,000	2,653,419
1942-43 ..	9,280,000	1,753,178
1943-44 ..	7,875,000	1,567,016
1944-45 ..	8,463,000	1,515,762
1945-46 ..	11,425,000	1,835,780
1946-47 ..	13,172,000	2,425,780
1947-48 ..	14,788,000	2,800,000

Wheatgrowing is the principal activity of about 70,000 farmers in Australia, who produce on an average 160,000,000 bushels a year, most of which is exported. The large quantity of wheat which is sent oversea presents the crux of the problem; which is how to achieve export stability with a fair and reasonable price to the grower and maintain a good balance, both in quantity and price for home consumption. The attitude of growers towards stabilisation over a long period has been determined by the price offering oversea. In the years of low prices, growers, forced by necessity, have sought subsidies and bounties, but in the years of high prices it has been a different story and stabilisation has to a large extent been decried. During the last year or two, however, there have been indications of a genuine desire by producers to support a stabilised marketing scheme.

Growers want a guaranteed price that will assure them a reasonable return for their efforts. It is only reasonable that they should recover costs of production, plus any premiums resulting from higher oversea prices obtained on a world parity market. The whole question of wheat marketing and wheat stabilisation has been hammered out over a lengthy period. Protracted negotiations have taken place and a number of schemes were considered by the farmers themselves, the wheatgrower's organisation, State and Federal Ministers for Agriculture, and special meetings of the Agricultural Council. At the second meeting of the Agricultural Council, the Australian Wheatgrowers' Federation, representing growers throughout Australia, presented a series of recommendations which became known as the Fifteen Point Plan.

This plan was further discussed at subsequent meetings of the Agricultural Council and the final plan which emerged is largely based on these recommendations. The plan provides for a Commonwealth wheat pool, in which all States will join, and it will be given legislative effect in two Bills recently passed by the Commonwealth Parliament; the "Wheat Industry Stabilisation Bill" and the "Wheat Export Charges Bill." These are the major measures covering the proposed stabilisation plan, and should be considered in close relationship with the complementary measure I am now submitting to the House. The Government considered it would be fit and proper that every person licensed to grow wheat in Western Australia should have some say in the type of wheat marketing control to which they would submit themselves.

Hon. J. T. Tonkin: That is interesting in view of the milk legislation.

The MINISTER FOR LANDS: Accordingly, the Government in this State arranged for a poll of wheatgrowers to determine whether they preferred a Commonwealth wheat marketing plan or a State wheat marketing plan. Incidentally, Western Australia was the first State to decide that the best course to follow was to submit the matter to the growers themselves. The ballot of wheat farmers resulted as follows:—

	For	Against	Majority For
Western Australia	3,957	2,426	1,531
Victoria	11,275	3,495	7,780
New South Wales	8,951	6,360	2,591
South Australia	5,729	4,090	1,639
Totals ..	29,912	16,371	13,541

Therefore, the percentage in favour of the scheme in all States was 63.7. It must be emphasised that no fewer than 46,283 growers—the men who produce and own the wheat with which we are dealing—voted, and an overwhelming majority emphatically declared that they wanted this stabilisation plan. This should be borne in mind by critics of the plan. The growers, after very deliberate consideration, have strongly endorsed the plan and, more than that, they now demand it as a long term security. It is with the object of carrying out the wishes of growers that the Government has decided to introduce this Bill. As mentioned previously, the measure is complementary to the Federal Wheat Industry Stabilisation Act recently passed at Canberra. Similar legislation is also being considered by the Parliaments of the various wheatgrowing States. Until this legislation is enacted, the plan for stabilisation of the wheat industry cannot be put into operation.

Hon. E. Nulsen: Will the legislation be uniform throughout Australia?

The MINISTER FOR LANDS: I take it it will be.

Hon. J. T. Tonkin: Were you serious in your answer to that interjection?

The MINISTER FOR LANDS: I am giving the particulars and, if I am allowed to finish, members will have a better understanding of the matter. The following are the main points in the Commonwealth plan:—

1. The Commonwealth Government guarantees a price of 6s. 3d. a bushel, free on rail ports, bulk basis, for wheat grown and delivered by the wheatgrowers.

2. The guaranteed price will vary according to an index of production costs for each season, starting with the 1948/49 crop.

3. The guarantee will apply to the wheat crop marketed through approved organisations for the period up to the end of the 1952-53 season.

4. "Approved organisations," to use the term in the Act, will be the Australian Wheat Board, and those organisations which are empowered by the State Parliaments to receive wheat and to market it as the agents of the Australian Wheat Board.

5. The Commonwealth Government will ensure the guaranteed price in respect of the export from any one season's crop, provided that this guarantee will not apply to the quantity of export in excess of 100,000,000 bushels.

6. A stabilisation fund will be established by means of a tax on wheat exported to meet the guaranteed price.

7. The tax shall apply when the export price is higher than the guaranteed price and shall be 50 per cent. of the difference between the two, but shall not exceed 2s. 2d. a bushel.

8. The tax shall apply to the 1947-48 and later wheat crops.

9. No refund of tax from the fund shall be made—except for the 1945-46 and 1946-47 crops, the amounts in respect of which have already been approved—unless after consideration at some future date. The Commonwealth agrees that it will not hold an excessive amount in the fund—the amount will not be allowed to sky-rocket—and it will consider a refund of tax to the oldest contributing pool whenever the financial prospects of the fund justify it.

Before the Commonwealth's plan can be brought into operation it is necessary for the States to pass legislation to ensure three major things:—

(a) A home consumption price for wheat equal to the guaranteed price. This will be fixed at 6s. 3d. per bushel.

(b) The authorising of an approved organisation to receive from the wheatgrowers all wheat voluntarily delivered for sale as part of an Australian pool.

(c) That the legislative authority exists in each State to empower the direction of wheat by the Australian Wheat Board at any time to an approved organisation.

The Federal Act provides for the appointment of the Australian Wheat Board. The board shall comprise:—

(a) a chairman;

(b) a person engaged in commerce with experience of the wheat trade;

(c) a finance member;

(d) a representative of the flourmill owners;

(e) a representative of employees;

(f) two wheatgrowers representing wheatgrowers in the State of New South Wales;

(g) two wheatgrowers representing wheatgrowers in the State of Victoria;

(h) one wheatgrower representing wheatgrowers in the State of Queensland;

(i) one wheatgrower representing wheatgrowers in the State of South Australia;

(j) one wheatgrower representing wheatgrowers in the State of Western Australia.

Hon. A. H. Panton: A regular debating society!

The MINISTER FOR LANDS: Although Western Australia has only one grower representative, it is pleasing to note that a majority of the board will be growers.

Hon. A. H. Panton: That will please them.

The MINISTER FOR LANDS: Provision is also made in the Federal Act for the appointment of State boards which shall have power to act as agents for the Australian Wheat Board. The personnel of the State board I will refer to when in Committee. An important feature of the Commonwealth Act is the reference to the price of wheat. The price which the Australian Wheat Board shall pay growers for their wheat will be that determined by the Commonwealth Act. The Commonwealth Act provides that the amount payable in respect of wheat in any season shall be determined by a pooling of the net proceeds of the disposal by the board of all wheat of that season delivered to the board, and a division of the pool on the basis of the number of bushels delivered by each person, with proper allowance for differences in quality. There is a proviso that where the average price per bushel obtained by the board for wheat exported or sold by the board for export is less than the guaranteed price, the Commonwealth shall pay into the pool sufficient to make the average realisation for export up to 100,000,000 bushels, equal to the guaranteed price.

The price at which the Australian Wheat Board shall sell wheat, other than wheat for export or for the manufacture of goods for export, shall be the guaranteed price applicable to the wheat of the season; in other words, the home consumption price. The effect of the provisions of the Commonwealth Act and the State Act taken together, therefore, is that for a period of five years the grower is assured of a guaranteed price of 6s. 3d. per bushel bulk basis f.o.r. ports subject "to any variation of the index figure in the cost of production of wheat" for that portion of his crop which is sold locally. He is also assured of the same guaranteed price in respect of wheat for export up to a limit of 100,000,000 bushels in any one year. As the wheat crop will be harvested before the legislation will be enacted in all the States, it has been necessary to provide in the legislation for the Australian Wheat Board, constituted under the National Security Regulations, to handle the wheat pending the constitution of the wheat board to be set up under this legislation.

It has been mentioned that the guaranteed price of 6s. 3d. will be related to an index of the cost of production. That is an objective which the wheatgrower has been striving to attain for years. It has not been applied to any previous scheme and it is a feature of the present plan. There has been established an expert cost-of-production committee which will undertake a continuous detailed survey of the cost of production of wheat. The committee will be centralised in the Bureau of Agricultural Economics at Canberra, of which Mr. Crawford is the science director. The membership of the committee will include representatives of the State Ministers for Agriculture. Another important feature of the Bill is the provision for a stabilisation fund. To it the grower will

contribute by way of tax. The guaranteed price is 6s. 3d. a bushel and a ceiling of 10s. 7d. has been put on the stabilisation roof.

The grower is to contribute half the amount by which the export parity or price realised exceeds 6s. 3d. up to a limit of 10s. 7d. As the difference between those two prices is 4s. 4d., and as the grower contributes a maximum of half, the most he can be called upon to contribute is 2s. 2d. a bushel. If the export realisation were 6s. 4d. a bushel, he would contribute a halfpenny a bushel. If the export realisation is above 10s. 7d., the grower receives the amount by which that figure is exceeded. The Federal Act also for the first time safeguards the interests of growers who for some reason may go out of the industry after having been engaged in it for some time and having contributed to the pool. When he leaves he still has a stake in the pool and it has been agreed that in bona fide cases growers shall obtain a refund of the moneys they have contributed.

I have outlined the principal features of the Bill, but for members' information I reiterate that the main purpose of the Bill is to implement a plan for the stabilisation of the wheat industry agreed to between the Governments of the Commonwealth and the States. The plan applies to wheat crops harvested up to and including the 1952-53 season and provides for—

(a) The marketing of wheat through an Australian Wheat Board established by the Commonwealth;

(b) a guaranteed price for the wheat varying according to an index of production costs for each season starting with the 1948-49 crop;

(c) the fixation of a home consumption price equal to the guaranteed price; and

(d) the establishment of a stabilisation fund, to meet the guaranteed price, by a tax on export wheat.

The Bill provides for—

(a) Voluntary delivery of wheat to the board subject to there being reserved to the board the power to require delivery at any time;

(b) empowering the board to license organisations to receive wheat on its behalf, at the same time reserving to the State Government the right through its licensed receiver to undertake the receival of the whole of the wheat on behalf of the board;

(c) payment for wheat delivered to the board on the basis of a Commonwealth pool;

(d) the conferring of powers on the board incidental to the receival and marketing of wheat;

(e) the temporary exercise of the functions of the board by the board constituted under the National Security (Wheat Acquisition) Regulations pending the constitution of the new board; and

(f) the fixation of a home consumption price for wheat equivalent to the guaranteed price.

The Bill also provides for the setting up of a State wheat committee consisting of persons nominated by the Minister and representatives of wheatgrowers in Western Australia from among whom nomination will be made for the appointment of one representative to the Australian Wheat Board. The committee will also have certain advisory functions and may act in a limited capacity as an agent of the board.

Hon. J. T. Tonkin: Who will pay the cost of the State board?

The MINISTER FOR LANDS: I dare say that will come out of the tax that is to be imposed. I move—

That the Bill be now read a second time.

On motion by Hon. J. T. Tonkin, debate adjourned.

BILL—ACTS AMENDMENT (INCREASE OF FEES).

Second Reading.

THE PREMIER (Hon. D. R. McLarty—Murray-Wellington) [3.39] in moving the second reading said: As I advised the House in introducing the Budget, the Government has found it necessary to increase license and other fees payable under certain Acts in order to provide more revenue to meet the State's greatly increased expenditure. This Bill will implement the Government's decision in regard to certain statutes.

Members are aware that most of our Acts provide that the Governor-in-Council may prescribe the license and other fees payable under such measures. Steps have already been taken to amend the regulations under most of those Acts to increase the fees payable thereunder. There are some of our Acts, however, which themselves prescribe the license and other fees payable under those Acts and do not at present authorise the Governor-in-Council to alter those fees. It is only by legislation that such fees can be altered; hence the necessity for this Bill.

The Acts dealt with in the Bill are as follows:—

Auctioneers Act.
Bread Act.
Change of Names Regulation Act.
Factories and Shops Act.
Land Agents Act.
Marine Stores Act.
Money Lenders Act.
Pawnbrokers Act.
Secondhand Dealers Act.

Hon. A. H. Panton: Have you included the lot?

The PREMIER: As many as we desire where legislation is needed. Instead of bringing down nine separate Bills to amend these nine Acts, the Government has, for the sake of convenience, consolidated all the amendments in one Bill.

Hon. A. H. Panton: Do not you think you ought to include a drag-net clause in the Bill?

The PREMIER: The hon. member will find that all the necessary precautions have been taken. In relation to each Act dealt with in the Bill, provision is made for two things, firstly, to increase the fees payable under the Act and, secondly, to enable the Governor-in-Council in future to amend by regulation the fees prescribed in the measure. There does not appear to be any particular reason, in regard to any of the Acts I have mentioned, to deny this authority to the Governor-in-Council and, if the amendment is approved, it will obviate the necessity for any further legislation for variation of fees should such become expedient at any future time.

Hon. A. H. Panton: You are asking us to give the Governor-in-Council a blank cheque.

The PREMIER: Most fees can now be increased by regulation and no more danger will be created—if "danger" is the word to use—because any regulations made under the measure must be tabled and could be disallowed. So members have nothing to worry about on that score. The total amount of increased revenue estimated to be obtained from these amendments is £2,640. This estimate is based on the same number of individual transactions under each measure as took place last year. I move—

That the Bill be now read a second time.

On motion by Hon. A. R. G. Hawke, debate adjourned.

BILL—ROAD CLOSURE.

Second Reading.

Debate resumed from the previous day.

HON. A. H. PANTON (Leederville) [3.45]: This is one of the Bills that come before Parliament each year. It is somewhat difficult for any member not particularly interested in any of the closures to deal with them, but so far as I can see, nothing of great importance is proposed this year. However, there may be something affecting the districts of other members and they might have something to say. I have no objection to the Bill.

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.

Second Reading.

Debate resumed from the previous day.

HON. A. H. PANTON (Leederville) [3.49]: Like the Bill just dealt with, this is an annual measure. It might be a little more important because on some occasions we find reserves being transferred or used for purposes different from those originally intended. However, I do not see that anything of the sort is proposed in this measure, so, as with the previous Bill, I will leave it to members to speak for their respective districts if they are affected. I support the second reading.

Mr. MARSHALL (Murchison) [3.50]: I notice a provision in the Bill that is foreign, so far as I can recollect, to any Bill of a similar character previously introduced in this House. It is the general practice, and I think the positive rule of the Lands Department that Crown Lands, or land which is surrendered to the Crown and re-vested in it by virtue of legislative action, shall be submitted to public auction. In the case of pastoral leases, these always remain Crown Lands; the lessee does not obtain a fee simple title to the land. The

lessee is simply entitled to use the land for pastoral purposes and the Minister calls for tenders for it. Crown lands on the Goldfields are dealt with similarly. There is a provision in this Bill by which it is proposed to acquire portion of a reserve, re-vest it in the Crown and then sell it to a company at a price set out in the Bill. Has the Lands Department called for applications for this land from other persons who may require it as urgently as the company mentioned, Stewart & Lloyds, Ltd.? I am not saying that this is the only case of its kind, but it certainly is the only case in my experience in this Chamber, where a private person, firm or body has been permitted to get land direct from the Crown per medium of a private treaty. Will the Minister, when replying, explain how this came about and why there is this strange departure from the usual procedure and justify it?

THE MINISTER FOR LANDS (Hon. L. Thorn—Toodyay—in reply) [3.52]: The member for Murchison is quite right in what he said regarding the policy of the Lands Department. Any land that is desired to be acquired by a person is always first submitted to public auction. In many cases, a person may already own a piece of land and may desire to acquire some portion of Crown land for use in connection with his business. In such cases, it is the policy of the department first to advertise the land for sale and then to put it up to public auction. So that the member for Murchison may have a clearer understanding of the position, I shall again quote what I said on the second reading in reference to this matter—

> Stewarts and Lloyds (Aus.) Proprietary Limited propose establishing a factory at North Fremantle and have acquired already from the University of Western Australia the land bordered red on the attached plan. To square up the area the company desires to acquire portion of Reserve 2021 as shown bordered green on the plan, together with that portion of Thompson Road as shown coloured blue on the plan. The total area of the land bordered green and coloured blue is 2 acres and 27 perches, and it is proposed to dispose of this area to the company for the total sum of £850, which has been apportioned as follows:—
>
> | | £ |
> |---|---|
> | (1) For the portion of Reserve 2021 | 610 |
> | (2) For the portion of Thompson Road | 240 |
> | | £850 |
>
> Provision has been made in the Road Closure Bill regarding the closure of portion of Thompson Road and disposal of the contained land. Action herein is to obtain Parliamentary sanction to the disposal of the portion of the reserve.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Perkins in the Chair; the Minister for Lands in charge of the Bill.

Clauses 1 to 9—agreed to.

Clause 10—Reserve No. 22779, Rockingham:

Mr. FOX: I hope the Minister will give members an opportunity to inquire as to the portion of the reserve that it is proposed to excise. Rockingham is a rising holiday resort and the land which it is proposed to excise from this reserve might be required by the Rockingham Road Board for other purposes. I am already in communication with the board and would like to know its reaction to this proposal.

The MINISTER FOR LANDS: The Rockingham Road Board has already been consulted on the matter. This is really a validating clause. The Commonwealth is already in possession of the land and has a building on it.

Clause put and passed.

Clause 11—Reserve No. 2021, North Fremantle:

Mr. MARSHALL: This is the clause to which I referred a moment ago. I have no strong objection to the company acquiring the portion of the reserve in question, but I would like the Minister to state what the Government is to receive by way of payment and the value which the same piece of land would have if put on the open market for sale. I do not think that Stewarts and Lloyds, Ltd. should secure this land, merely because they are conducting activities on land in close proximity to it, at a less value than the land would fetch in the open market. The procedure the Lands Department always adopts is correct. I do not know whether tenders were called to ascertain what the land would bring on the open market. Is it going to Stewarts and Lloyds for less than we could get on the open market? It seems we are depart-

ing from a procedure that we have adhered to down the years.

The MINISTER FOR LANDS: We have brought this forward because we have not called tenders. Under the Land Act, we must call tenders. As this has been alienated for a special purpose, it is necessary to get the sanction of Parliament for what we seek to do. The negotiations in connection with this started before the amending of the land values regulations. The price the Government is receiving is the highest allowed by the Commonwealth valuer. If the block had been sold by tender, we might have received more than we are getting. These matters are all held up until everything is completed and they are ready to come before Parliament.

Mr. MARSHALL: I am not hostile to what the Government is doing, but I want to suggest that in future cases of this sort —now the regulations have been removed I suppose there will be no more—it would be advisable to have a certificate attached to the Bill, or accompanying it, stating that the Government is getting the maximum figure possible under the law. Now that the Minister has explained the position, I am satisfied it is all right.

Mr. BRADY: I feel that in North Fremantle and the surrounding districts there are not sufficient areas for recreational purposes. Is this likely to reduce any recreational facilities there?

The MINISTER FOR LANDS: I can give the hon. member an assurance in that regard. This is right in the industrial area where all the factories are.

Clause put and passed.

Clause 12, Title—agreed to.

Bill reported without amendment and the report adopted.

Third Reading.

Bill read a third time and transmitted to the Council.

BILL—BANK HOLIDAYS ACT AMENDMENT.

Second Reading.

THE MINISTER FOR LABOUR (Hon. L. Thorn—Toodyay) [4.6] in moving the second reading said: The Bill has already passed another place. This amendment to the Act has been brought about by Cabinet's decision to alter the date of Labour Day from the 1st May to the 1st March, to commence from 1949. The alteration has been asked for by the State executive of the A.L.P., as on many occasions its Labour Day procession has been spoilt owing to rain. The West Australian executive has given the Government a guarantee that the change of date will be acceptable to all the affiliated unions. I received a letter from the State seretary of the Labour movement—or rather, the Premier did and he passed it on to me—requesting that the date be altered to the 1st March. The Government considered the matter and sent a letter to the general secretary saying that we would be quite pleased to fall in with the ideas of his movement if he would give some guarantee that the unions would accept the altered date and conform to the wishes of the movement. We received a letter back—I think the member for Pilbara was the acting general secretary at the time—giving that assurance. I move—

That the Bill be now read a second time.

MR. GRAHAM (East Perth) [4.9]: As explained by the Minister, the Bill seeks to give effect to a desire expressed on behalf of the Labour movement of Western Australia. Because of the vagaries of the weather in May, the Labour Day celebrations, whether in the form of a procession, sports gathering or otherwise, are subject to a certain amount of hazard. I understand that the other section of interests directly concerned, the employers, has no objection to it and perhaps, to some extent, to the contrary, as there seems to be a surfeit of holidays round about May, with Anzac Day and very often Easter holidays and then Labour Day. Accordingly this will give a better spread of the holidays, which will not be concentrated into such a short period with so many interruptions to the normal course of business. Accordingly I have pleasure in supporting the Bill and express the hope that the purpose prompting the change, as submitted by the Labour movement, will in fact be achieved.

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.*

BILL—PUBLIC SERVICE ACT AMENDMENT.

Second Reading.

THE MINISTER FOR LABOUR (Hon. L. Thorn—Toodyay) [4.13] in moving the second reading said: This Bill has passed another place and deals with exactly the same matter as the previous Bill. The amending of this legislation is complementary to the other amendment that has just been made. I move—

That the Bill be now read a second time.

MR. GRAHAM (East Perth) [4.14]: For the reasons indicated on the previous measure I support the second reading of this Bill.

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.*

BILL—CITY OF PERTH ELECTRICITY AND GAS PURCHASE.

Second Reading.

THE MINISTER FOR WORKS (Hon. V. Doney—Williams-Narrogin) [4.15] in moving the second reading said: I feel considerable pleasure in being able at last to submit this measure to Parliament. At the same time I regret having to submit it so late in the session, though I assure members that that is entirely unavoidable. It was only yesterday, as members will have read in the Press, that negotiations ceased after something like 15 months of intensive search for a solution. That, incidentally, leaves no grounds for the assertion made in a number of places that the transfer of the city's electricity supply from the one body to the other was made quite too hastily. It will hearten members to note, on scanning the Bill, that we have found it possible to draw it on simple lines. That was a good effort on the part of the Crown Law Department, having regard to all the ground that had to be covered.

The Bill will ratify an agreement entered into between the Lord Mayor and councillors of the City of Perth, on the one hand, and the Premier, acting for the Government, on the other hand. Members who have interested themselves in this matter during the past 15 months or so will know that on the 16th October, 1913, the then Premier, the late Mr. John Scaddan, signed an agreement with the Mayor of Perth—Mr. John Henry Prowse—and the councillors of the City of Perth, covering the matter of electricity supply within the council boundaries; also, of course, within the boundaries of local authorities whose districts were and, for that matter, still are situated wholly or partly within a radius of five miles from the General Post Office.

That agreement was for a 50-year period and Clause 6 of the agreement fixed a maximum unit rate above which the Government could not charge the council. The agreement, strange to relate, provided no loophole of any kind by which changing conditions could be met. By that I mean that no opportunity was afforded of taking steeply rising costs into account and raising the maximum rate accordingly. I do not want any misunderstanding on this point which means that no provision of any kind was made for a review of the price. In other words, there was no rise or fall clause.

Mr. Marshall: You might have supplied us with a copy of the original agreement.

The MINISTER FOR WORKS: If by the original agreement the hon. member means that agreement drawn 35 years ago I advise him that I will give information on that in due course.

Hon. A. H. Panton: It is in the Act.

The MINISTER FOR WORKS: It is easy to sight the agreement. However, before dealing with this aspect I would state that when I assumed control of a portfolio that included electricity I found it necessary to probe the source whence the Commission was to get its income and particularly that section of its income drawn from the metropolitan area. I knew very hazily of an agreement somewhere in the background but very little, if anything, of what it stood for. However, with the willing co-operation of the Commission I was very soon enlightened as to the state of affairs existing, and with that enlightenment came an amazement that so strange or so entirely inequitable an undertaking should be entered into. I found that the Commission

was very apprehensive and deeply perturbed because of the existing state of affairs. The agreement was drawn under conditions which are now almost entirely outmoded and it bound the Government and the people to it. For that matter, it was designed to bind them for yet another 15 years, making 50 years in all.

The original intention of the Council, when opening negotiations—this, of course, is 35 years ago—was to have a 99 year agreement but wiser counsels prevailed—but not really so wise—

Mr. Marshall: They were not.

The MINISTER FOR WORKS: But wiser counsels prevailed and ultimately the 99 years came down to 50 years. I am not saying that steps should have been taken to vary the agreement when the first major rise in costs came about, nor am I saying that action should have been taken in any particular year. I merely say that if commonsense and equity are to be recognised in matters of this kind the change must essentially ensue without further delay. I do not think there will be any argument in this Chamber upon that point. I think, too, that it should come about from negotiations and certainly not from legislative compulsion as was envisaged by people in certain quarters, although certainly not by the Government nor by the Commission. Nor was it to be expected that the initiative would come from the City Council. It was essentially a matter for the Government to take the first step towards cancelling the agreement.

The member for Murchison was inquiring as to why the original agreement was not before members. It is essential to have that agreement before us if we are to have a proper understanding of the changes forecast in the Bill. If members will turn to Act No. 34 of 1913—I think that is correct—they will find a position that is untenable today having regard to the changes that have taken place during the last 35 years. That statute sets out very clearly the position as it stands. I point out, too, that this is a corrective measure and if it fails to pass through Parliament the Government will, for the next 15 years, be selling current to the City Council at a figure representing 25 per cent. below cost. That means below costs as they obtain today. With the sharply rising costs throughout the world it might quite easily be that by the end of 15 years the present 25 per cent. may have been increased to 100 per cent. or conceivably even more than that. If members care to read not only the 1913 agreement but also that year's "Hansard" showing the discussions which took place on this matter, they will find that the over-riding intention of this agreement was not to get current below cost but to buy it at a rate of not more than cost.

I found some quite strange speeches—as we view them today—I noticed one by Mr. Dwyer, who was the then member for Perth. He stated, after going to considerable trouble to acclaim the fairness of the agreement that had been arrived at, that he was in a position to say that each side had scored a big victory over the other, or something to that effect. I do not know by what type of reasoning he managed to arrive at that conclusion, but it is certain—

Hon. A. H. Panton: He was a lawyer, of course.

The MINISTER FOR WORKS: Even a lawyer would be hard put to see reason in a pronouncement of that kind.

Hon. A. H. Panton: It was all right at that time.

The Minister for Education: An outmoded lawyer.

The MINISTER FOR WORKS: I notice too that Mr. Wilson who was at that time the Leader of the Opposition, said that the agreement was one of the rare ones that brought benefits to the Council, to the consumers and to the Government. None of those people had the gift of looking into the future although, when we reflect that the year in question was 1913 and because during that year there were wars, or rumours of wars, as many members will recall, they must have known that wars invariably cause rises of prices and that the .75d., which was the amount then decided upon as being proper to be charged for current, would very sharply rise.

Hon. A. H. Panton: That was the maximum.

The MINISTER FOR WORKS: That is so, but I think the maximum became the ruling price very shortly after the agreement was made.

Hon. A. H. Panton: That is correct.

The MINISTER FOR WORKS: Members will recall that in 1913 hours of work were very much longer and rates of pay very much lower than they are today and, in addition, all materials, particularly coal, have since more than trebled in price. That sounds rather an amazing statement but, on looking up the matter in the "Hansard" to which I referred a little while ago, I found that the electricity concern then running the business bought coal at 6s. per ton. We all know what it is costing now. Anyhow, members will realise that it is quite impossible for the Government to supply current at the maximum rate allowed by the agreement and, by the same token, the Government to an increasing degree has continued to suffer heavy annual losses.

Members who have read the Press announcements will recall the step taken about six weeks ago to bring the Auditor General into the matter of Electricity Commission losses. His examination of the position indicates that the direct losses to the Government, due to the sales of electricity to the City Council at the low price I have mentioned, have substantially exceeded £1,000,000 during the currency of the agreement—35 years. Further, the costs per unit have materially increased during the last 12 months and, as the number of units being sold each year becomes greater plainly a stage has been reached where the more electricity produced by the Government and sold to the City Council, the greater is the loss to the Government. That position is inescapable. The loss at present amounts to no less a sum than £140,000 a year, and, with the increasing sales, that very large sum must show a heavy advance annually.

A point that members should take into account is that the position has been examined by the Grants Commission. Roughly 12 months ago it indicated to the Government that it expected the necessary steps to be taken to rectify the position which, as was then pointed out, could not possibly be permitted to continue until anything like 1963. The Government, in its great anxiety to explore the possibility of reaching some satisfactory agreement with the City Council, invited the Lord Mayor and his officers to discuss the matter with the Ministers concerned. As a result of those conferences, which were initiated as far back as September, 1947, a committee was appointed comprising two representatives of the Perth City Council and two representatives of the Government whose duty it was to determine, if possible, a basis of agreement that would be satisfactory to both parties. The representatives of the City Council were the Town Clerk, Mr. McIver Green, and the general manager of the Electricity and Gas Department, Mr. F. C. Edmondson, while the representatives of the Government were the chairman of the State Electricity Commission, Mr. Dumas, and the Under Treasurer, Mr. Reid. I think members will agree that the Government was particularly well represented.

Hon. A. H. Panton: It looks as if the City Council had one in the bag on its side.

The MINISTER FOR WORKS: As negotiations proceeded, it was shown that the capacity of the two sides to handle the situation was fairly evenly balanced, despite the strange ideas that the member for Leederville seems to entertain.

Hon. A. H. Panton: There is nothing strange about there having been a member of the State Electricity Commission on the other side.

The MINISTER FOR WORKS: If it is not strange, we shall not discuss it. The committee, in due course, submitted certain recommendations, which were later considered by the two parties and were followed by several conferences on what I might describe as a Ministerial and Lord Mayoral level.

The agreement attached to the Bill, which members will find set out in the First Schedule, is the final result of those conferences. I admit that the terms of the agreement—particularly as to the amount of money that the Government has to pay—are just a little more onerous than the Government at first anticipated, but, on reviewing the position, I think members will conclude that on the whole the figure represents a fair compromise. The Bill provides for what is termed a transfer day. That transfer day is set down as the 20th December, and from that date and assuming that the Bill receives enactment in due course, the administration of the Perth City Electricity and Gas Department will automatically pass over to the State Electricity Commission and, at the same time, all the assets and liabilities of that undertaking will be transferred.

One clause of the Bill affirms the ratification by Parliament of the agreement as set out in the First Schedule. Another clause provides for the repeal of the Acts set out in the Second Schedule. The principal one of these is the Electric Light and Power Agreement Act, No. 34 of 1913, which is the one I mentioned a little while ago, and a perusal of which is necessary to a proper understanding of the subsequent negotiations. That is the Act in which is incorporated the 50-year agreement to which I have already referred. This clause also deals with the termination of agreements—I think there were four of them at one time—between the City of Perth and certain local authorities. The agreement made between the Perth City Council and the several participating local authorities reads:

> This agreement is dependent on the continuance of the hereinbefore recited agreement of the 16th October, 1913, and if for any reason that agreement is determined, then the corporation shall have the right to determine this agreement and the board shall have no claim whatever against the corporation by reason of such determination.

These, what I might call, special agreements will terminate on transfer day at precisely the same moment as will the main agreement between the Government and the council. Actually at the moment there are only two such agreements—that is to say, two only will be current on transfer day, the other two having already expired—and supply to those two authorities has been maintained for quite a number of years virtually on a short term basis. The Commission will continue to supply the two remaining local authorities, and others concerned under the present conditions. Later I have no doubt that the Commission will discuss with the several local authorities the conditions under which future supplies of current will be made to them. Members who have had an opportunity of going through the Bill thus far will notice it provides for the vesting of all real and personal property of the undertaking in the Commission which, of course, will at the same time assume the responsibility for the related liabilities. There is a clause in the Bill providing for the transfer of officers and workmen of the Electricity and Gas Department to the Commission under terms defined in the agreement as being—

> Not less favourable than the terms and conditions under which they are employed on the transfer day including their rights under The City of Perth Superannuation Fund Act, 1934.

The intention there is quite plain. Provision is also made for the equities of contributors to the City of Perth Superannuation Fund to be transferred to the Commission, and for the Commission to carry them on. That provision applies only in respect of those who are contributors at the present time. Those who contribute to the fund are to be given every favourable opportunity to transfer to the State Government superannuation scheme, but no compulsion will, of course, be exercised. It will be noted, too, that in the agreement there is provision for certain named requirements to be met, following transfer day, by the Government or, in other words, the Commission, as follows:—

> (a) Payment by the Government to the Council in equal monthly instalments of £5000 over a period of 50 years without interest, the first payment to be made on transfer day.
>
> (b) The payment of the proportionate part of the annual sums which are at present paid to the Council for—
>
> (i) Contributions to general revenue;
> (ii) Street lighting;
> (iii) Payment in lieu of rates; and
> (iv) The lopping of street trees.

The proportion referred to that will, the transfer day having passed, become due to the council will be that particular portion accruing as from the 1st October, 1948, to transfer day. The amount accruing from the four items I have named will be in the vicinity of £15,000. Still, with regard to these four items, it needs to be understood that after transfer day no cash liability in connection with those items will accrue against the Government. In addition, the Government will continue to supply electric current for street lighting within the district of the council—and that of the council only—for a term of 15 years as from transfer day, at a scale of charges not greater than is being levied at the present time. The question may arise as to the attitude of the Commission to the lopping of trees. The answer is that in all probability—I cannot be sure of this—the council and the Commissioner will enter into an agreement whereby the council, by its workmen, will do the job and the Commission will pay for it.

The payment to the council of £5,000 a month over 50 years represents a gross total of £3,000,000. Those who are interested in calculations of this kind will realise that the present-day value of the £3,000,000, working backwards on a basis of 3¼ per cent., comes to a figure—I am not sure at the moment of the actual amount—substantially less than £1,500.000. It was quite natural, of course, that during its investigations the Commission went to some trouble to attempt—I do not say it succeeded to a very great degree—to arrive at an idea of the value of the assets of the undertaking at the date of transfer. It should be taken into account by anyone who cares to make an independent calculation, that the transmission mains and equipment had been installed and maintained over such a lengthy period and purchased at such varying prices that it was quite impossible definitely to ascertain their real value. That can be readily understood. The Government's representatives were of the opinion, in view of the high quality of the maintenance work that had been done and the very much higher present-day cost of materials and equipment, that the value of the assets comprising the undertaking approached with reasonable closeness the present-day value of the assets as represented by the sum I have already named.

Mr. May: Would they not have the value on their books?

The MINISTER FOR WORKS: Yes, but as the hon. member knows people, for obvious reasons, have a habit of writing down plant, etc., to a figure considerably below what is probably the actual value. I have no doubt that that method was adopted by the council, but in any case it is not to that source that one generally turns if one is looking for a fair sale value of an asset of the kind which we have in mind at the moment. It will be seen by those who have read the Bill that the Government has pledged itself to look after the employees of the Electricity and Gas Department under terms and conditions not less favourable than those which they now enjoy, and which they have been enjoying for some time past. The City of Perth Superannuation Fund is established on a basis different from that applying to the better-known Government superannuation scheme, and it is not feasible to exchange the policy of the contributors directly from their present fund to the other fund. There have been very close and deep investigations over a lengthy period on this matter and before these decisions were arrived at.

In order that members may feel assured that no undue risk has been taken in any direction, I might say that the Government has conferred with the Chairman of the State Superannuation Board, Mr. Bromfield, and with the Public Service Commissioner who is also a member of the State board. The Government has been acting in accordance with the advice of those two men.

Mr. SPEAKER: Order! There is too much conversation.

The MINISTER FOR WORKS: The Electricity Commission will take over the liabilities of the city of Perth scheme as applying to any employee transferred and will maintain that scheme under precisely the same conditions as now appertain. The Commission will encourage contributors who are transferred to its staff to change over to the State scheme and for that purpose will pay those contributors, if so required, a sum equal to twice the amount that they had to that date paid into the City of Perth Superannuation Fund. With the money received the contributor will be able to purchase units in the State scheme. It will be recognised that the responsibility of the Commission to operate and administer this very limited superannuation fund will die out as its contributors retire. It is not intended that the Commission should admit any new members to the old scheme because it can be seen that one scheme is quite enough and that the sooner, within reason, the City of Perth scheme is wound up, the better and easier the position will become.

The House will have noticed that not only the electricity undertaking, but also the gas undertaking will change hands upon the enactment of this Bill. It is necessary to explain here that the City of Perth made this condition of the agreement and, as the Commission is empowered by its Act to manufacture and sell gas on its own account, the Government was quite agreeable to meeting the desire of the Council in the matter. Members should appreciate the point that the cost of manufacturing gas, owing to the increased price of Newcastle coal and for other causes, has risen materially and I am informed that it would have been necessary for the City Council to

raise the price of gas to a substantial degree had this proposal not been pending.

Hon. A. H. Panton: The quality has come down as well as the price going up.

The MINISTER FOR WORKS: I am not disputing that point. With whatever the hon. member says in that direction he will probably find me in complete agreement.

Hon. A. R. G. Hawke: Why?

The MINISTER FOR WORKS: The policy of the Government is to make provision in the future for the utilisation of local Collie coal for the manufacture of gas by what is known as the Lurgi treatment. That is a matter worthy of some attention. Whilst the principal desire of the Government is to co-ordinate electricity supply it is recognised that should Lurgi gas plants be established at Collie and the gas reticulated by a pipe-line to the metropolitan area, the value of the gas undertakings to the City Council would be materially depreciated. That means of course that in their gas undertaking they would have not the same costly assets as they had a couple of years ago or before the Lurgi method was thought of. It can be understood that the City Council would naturally not desire to transfer the electricity portion of the undertaking and be left with the responsibility of running the gas undertaking entirely by itself.

Members should take into account that there will be material economies to be gained by the control of the two undertakings being under one management. The staff for, say, meter reading could be materially reduced and of course the overhead expenses would be kept down to a minimum. A further consequential advantage is that the two services can be co-ordinated and that competitive advertising and so forth, which now obtains in most cities, can be set aside. A point that might be made, too, is that the purchase by the Government of the gas undertaking as well as the electricity business will lead to a substantial improvement, particularly in view of the desire to install the Lurgi process for the manufacture and sale of gas generated from Collie coal.

Mr. Styants: You realise that this will be an extension of the policy of State trading.

The MINISTER FOR WORKS: I do not think the hon. member is really keen on arguing that point on this Bill.

Mr. May: I do not think you are.

The MINISTER FOR WORKS: I frankly admit that. I do not remember any previous occasion on which it could be said we arrived at the one conclusion, that it would be advisable not to indulge in that particular dispute.

Mr. Styants: I think you have seen the light.

Mr. SPEAKER: Order! The Minister will proceed.

The MINISTER FOR WORKS: It is not a question of seeing the light. There is one other matter only to which I shall refer, and my remarks in that respect will be very brief. I am anxious, and so would be anyone else knowing the work involved, to express thanks to certain gentlemen whose unflagging energy and patience and expert advice have been responsible for bringing this 15 months of bargaining to a successful issue along lines of complete fair play. I am referring here to my colleague, the Minister for Housing, Hon. R. R. McDonald, who as Attorney General necessarily took over this work with regard to the legal aspects of the matter.

Mr. Graham: What about the present Attorney General?

The MINISTER FOR WORKS: Also to Mr. Dumas, the chairman of the Electricity Commission, and the Under Treasurer, Mr. Reid.

Mr. Graham: But where does the Attorney General come in?

The MINISTER FOR WORKS: I went to some little trouble to explain why an earlier Attorney General came into the matter. Surely the hon. member does not want any further reason than that which I advanced. To sum up my feelings respecting these three gentlemen, I desire to say that I feel deeply obliged to them. I also wish to put on record an expression of my admiration—that is not too strong a word, and it is quite suited to the occasion—of the very great task carried out by the Lord Mayor of the City of Perth, Mr. Totterdell, the general manager of the City Council's Gas and Electricity Department, Mr. Edmondson, and the Town Clerk of Perth, Mr. McIver Green.

Hon. A. H. Panton: Have you no word for Councillor Veryard, who was a good watch dog?

The MINISTER FOR WORKS: Those gentlemen had to combine unswerving loyalty to municipal interests with the ability to see both sides of the argument that came up so very frequently during the past 15 months. I have nothing but praise for the integrity, ability, splendid commonsense and appreciation of fair play that they displayed in carrying through what has been a very difficult task. I move—

That the Bill be now read a second time.

On motion by Hon. A. R. G. Hawke, debate adjourned.

BILL—GUARDIANSHIP OF INFANTS ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

THE MINISTER FOR EDUCATION (Hon. A. F. Watts—Katanning) [5.5]: I have given consideration to the contents of this measure and also to the speech of the member for North-East Fremantle which he made yesterday in presenting the Bill to the House. It seems to me that that hon. member in his statement set out quite plainly the reasons for the introduction of the measure and the circumstances which surround the absence of such a provision from the existing legislation. I do not think anyone could say that the member for North-East Fremantle had not made his case perfectly plain, and I cannot find any good or sufficient ground for disagreement with him. It seems to me that the hiatus —I think that is the word that could be used—in the existing legislation could justifiably be said to be in need of remedying.

It is true that there will be but few cases in which circumstances will arise where there is no guardian or where the guardian refuses to act or can not be found. If there are such cases—I understand that already one or two such have come under notice—it is extremely desirable that we should provide some means of appointing a guardian in a proper way and under the authority of the court. Therefore, I see no objection to the matter being dealt with by the Children's Court. Quite apart from the present set-up there, which would render that course thoroughly desirable, the Children's Court may be said to be the authority that could satisfactorily handle questions of this nature that obviously affect the guardianship of minors, most of whom, if not all of them, would be children within the meaning of the Child Welfare Act. As far as I can see, there is no objection to passing the measure and I propose to 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.*

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Council's Message.

Message from the Council notifying that it insisted on its amendments Nos. 1, 2, 5, 6, 13, 18, 19, 20, 22 and 26, had disagreed to the Assembly's modification of Amendment No. 21 made by the Council and insisted on its original amendment No. 21, now considered.

In Committee.

Mr. Perkins in the Chair; the Minister for Education in charge of the Bill.

No. 1. Clause 7—Delete paragraph (b) on pages 6 and 7.

The MINISTER FOR EDUCATION: It will be remembered that we returned in all 16 amendments to the Legislative Council, in one instance suggesting a further amendment in lieu of the proposal by the Council to delete a subparagraph. Of those 16 the Council agreed not to insist upon five of its amendments but insisted upon the remaining 11, including the one which the Assembly desired should be amended. I do not propose to accept the insistence of the Legislative Council because I feel we should adhere to the desires of this House. I move—

That the Assembly continues to disagree to the amendments made by the Council and to insist upon its modification to amendment No. 21 made by the Council.

Hon. J. B. SLEEMAN: I do not think that we should continue to disagree to all the Council's amendments and particularly

do I refer to amendment No. 26, which was submitted by the Legislative Council as an amendment to Clause 12. The Council suggested the insertion of the following new subparagraph (ii) to paragraph (e) reading as follows:—

By inserting after the word "pounds" the words "except when the board is of opinion, having regard to the circumstances of the case, that such amount is inadequate, in which event the board may allow such additional amount as it deems necessary or expedient but not exceeding £50.

The effect of the Council's amendment is that £50 more is offered than was set out originally. Although I agree that that is not enough, it is better than nothing at all. At present the Act provides for £100 on account of medical expenses and the Council suggests that in certain cases the board should be empowered to grant an extra £50. We should accept that proposal. It would apply only in exceptional cases. I heard Dr. Hislop speak on this matter in the Legislative Council and he put up a very good case in favour of it. Not many hospitals will take compensation cases, and Dr. Hislop instanced St. John of God Hospital and the Mount Hospital as two that did so, but after treating workers' compensation cases those institutions sustained a loss. I move an amendment—

That after the word "Council" in line 2 the words "except No. 26 which is now agreed to" be inserted.

The MINISTER FOR EDUCATION: I hope the Committee will not agree to the amendment. We have discussed this matter twice and decided to accept the measure, in this respect, as it was presented to the House. In addition, there are times when it is as well not to give away anything. If we are to make concessions, they should be made at a subsequent time. It is clear to members that we shall have, in one or two of these amendments, to come to some compromise, and I would prefer to have something in my possession which might be useful in that connection.

Hon. J. B. SLEEMAN: This is not a case of giving away, but of accepting what the Council has agreed to give. I quite understand the Minister's inference, but there is an old saying, "There's many a slip 'twixt the cup and the lip."

Mr. FOX: I agree with the member for Fremantle. There are not many cases where the medical expenses exceed £100.

The Minister for Education: There will be, if you agree to the Council's amendment.

Mr. FOX: We should agree to the Council's amendment in the interests of the workers, unless the Minister can give the Committee an assurance that it will be possible for the board to make available the sum of £150 for these expenses.

Mr. MARSHALL: The Minister may have some inside information as to the Council's attitude, but we may lose this offer of an extra £50 if the Minister's motion is agreed to, because a member in another place may move that the Council insist on its amendments, with the exception of No. so-and-so, and then this offer would be withdrawn.

Hon. A. R. G. HAWKE: The Committee would be well advised to accept the Council's amendment. It would give the proposed board a discretion to make available an additional £50 for medical expenses, making the total amount available £150. If on this occasion we send a message to the Council insisting on our disagreement to this amendment, the Council might very well accept our disagreement and so the amendment would go by the board.

The Minister for Education: If the member for Northam will agree to fix the amount at £125, I will be with him.

Hon. A. R. G. HAWKE: But we have a certainty of £150.

The Minister for Education: I will give you some reasons why you should agree with me.

Hon. A. R. G. HAWKE: I could understand the Minister's fear about the maximum being £150, if the acceptance of the amendment established for a claimant the legal right to that maximum, but that would not be the case. Payment of the additional £50 would be at the discretion of the board. The board would have discretion to pay any additional sum up to the extra £50. I think the Committee should accept the amendment and give the board that latitude.

The MINISTER FOR EDUCATION: I share the conviction of the manager of the State Insurance Office that the main object of the amendment in its present form is to provide for a substantial increase in medical fees. On 1st April, 1947, an agreement was entered into with the British Medical As-

sociation for the fixation of fees in workers' compensation cases, to be recognised in all such cases in this State. It was also agreed that the cost should be borne by the insurer irrespective of the maximum payable under the Act. Not only does the State Insurance Office at times exceed the £100, but also under that agreement in such circumstances the other insuring companies exceed that amount. I am advised by the State Insurance Office that it is believed that the increase contemplated in the amendment would be utilised to obtain increased charges under the agreement, which in fact have already been presented to the insurers with the idea of cancelling the agreement and obtaining the increases. Once again that is the subject of discussion.

It has been admitted by medical practitioners that they recover on the average about 70 per cent. of the fees charged to private patients, whereas under workers' compensation, with the exception of those cases adjusted on a pro rata basis, they recover 100 per cent. of the fees. In a memorandum to me the manager of the State Insurance Office has said that if the present demand of the B.M.A. for an increase in fees is acceded to the minimum additional cost will be £10,000 or £12,000 per annum. Although the discretion of the board will come into it I am not ready to grant the maximum increase of £50 in the amount allowable for medical and hospital fees, in face of all the facts. I would be willing to reach a reasonable compromise in order not to make it more difficult for genuine cases to receive something extra.

Hon. J. B. SLEEMAN: Another place first gave the board power to grant any amount that it thought necessary and then the Hon. L. Craig, being director of an insurance company, thought that was dangerous and moved an amendment limiting the maximum extra payment to £50. If we let this opportunity slip we may lose the substance for the shadow and in conference lose the lot. I hope the Committee will agree to the amendment, in spite of what the cost might be.

Mr. Fox: The amendment deals only with exceptional cases.

Mr. Yates: They will all be exceptional cases if it is agreed to.

Hon. J. B. SLEEMAN: That is not so. I would like to see the board given power to grant whatever is necessary in exceptional cases, as it would have discretion as to what should be paid. The board would have the benefit of the best possible medical advice and the £100 would not be exceeded except where absolutely necessary. Members will agree that industry should bear the cost of rehabilitating injured workers. I think the manager of the State Insurance Office over-estimates what the cost of the compensation would be under this amendment. I am sorry the whole matter has not been left to the State Insurance Office instead of the question of profit being brought into it. We should not haggle over pounds, shillings and pence where the rehabilitation of injured workers is concerned.

Mr. MAY: I appreciate what the Minister has inferred but, as representative of a highly industrialised centre and having been requested by the Collie unions to support the measure, I would point out that industry in that area takes heavy toll of the workers through accident. It has repeatedly been found that the medical expenses allowed were not sufficient, as the cost at times has been as high as £200. The board should be given discretion to pay whatever is necessary in exceptional cases. In spite of the estimated increase of £10,000 in cost I think the Minister should agree to the amendment, as no matter what the cost it would be worthwhile.

Mr. BRADY: I support the amendment raising the maximum to £150. Eighteen months ago I met a young man who had been off work for six months and whose medical expenses had exceeded £100. He was most concerned about what he could do to meet the excess over and above that figure. The £100 maximum was fixed in 1924 and costs, and particularly hospital charges, have increased considerably since then. A £150 maximum would not be unreasonable and the board would have the right to inquire into all cases in order to avoid excessive charges or abuses by members of the medical profession under this measure. Compensation does not cover loss of wages in full, but only approximately half the loss. When a worker is off for six months and knows he has to pay all the cost over and above £100 that worry often retards his recovery. The raising of the maximum to £150 would, I think, pay for itself because, by removing that extra

worry from the injured worker, it would speed his recovery and return to his job.

The MINISTER FOR EDUCATION: I am just as sympathetic to the rehabilitation of the injured worker as are those members who have addressed themselves to this subject, but I am not convinced that the rehabilitation of the worker would be greatly speeded up by the payment of increased medical expenses. If members recall the Bill as first introduced in this Chamber and the amendments made by another place to other parts of the Bill, it will be seen that there were special powers and provisions for the board to provide facilities for rehabilitation and adequate medical treatment. Therefore, I cannot take it as a soft impeachment that I am not concerned in the rehabilitation of the worker, because that is far from the fact. I think the other amendments made by the Legislative Council would contribute far more and will continue to contribute far more to the rehabilitation of the worker than any increase in the medical fees. That is another reason why I am disinclined to accept this proposition. I have no guarantee that I will get the other provisions if they are worth anything at all. This amendment would not be of any great weight, not even in avoirdupois. I hope the Committee will leave this clause as it stands at present.

Hon. J. B. SLEEMAN: The Minister spoke of avoirdupois. If he considers the weight I think the scales will go against us. Big business people have made up their minds that it will not be too costly to industry and so they have had their way. The insurance director is responsible for putting this in and has an eye to business. He is not worrying about what happens to the injured worker. We should not give up the substance for the shadow.

Mr. STYANTS: From memory, the Minister did not favour an increase in the amount of fees to be allowed when introducing the Bill. He stressed the fact that this particular provision was more liberal than was contained in any other workers' compensation measure operating in Australia. No provision was made for any additional amount over and above that of £100 which is provided in the Act.

The Minister for Education: It is already about the highest in the Commonwealth.

Mr. STYANTS: If the Minister had been listening to what I have been saying instead of having a private conversation he would have heard me state that when introducing the Bill he had pointed out that it was the most liberal workers' compensation legislation in Australia. Contrary to its usual custom another place decided to increase the amount in special workers' compensation cases. Its first proposal was to leave the amount unlimited but on recommittal one of the hon. gentlemen moved to limit the additional amount to £50 in very special cases. That is the proposal we now have before us. I could understand the Minister's objection if it were to increase the amount from £100 to £150 because I realise there is a danger that if the general amount was lifted from £100 to £150 we would probably find that doctors and medical expenses would absorb the increase just as effectively as they are absorbing the £100 now. In the majority of cases £100 is quite sufficient. A man has to be injured very badly or have serious complications setting in for £100 not to be sufficient to pay all his expenses.

I do know of one or two instances when that amount was considerably exceeded and the unfortunate victims were shifted from country districts to the metropolitan area because their cases were ones for a specialist but they did not have a shilling for his services. One man was seriously injured and was sent from a country hospital to the metropolitan area after his £100 had cut out, and he was not able to resume work for months afterwards. His return to good health and industry was seriously jeopardised by the knowledge that whilst he was lying in hospital his debts for doctors' and hospital fees were rapidly mounting, and it would take him years to pay off the debt. It is not very often that another place becomes generous in making provision for the injured worker, but this is an exception to the rule and we would be foolish if we continued to disagree with its proposal.

Amendment put and division taken with following result:—

Ayes	23
Noes	21
Majority for ..	2

Ayes.	
Mr. Brady	Mr. Nulsen
Mr. Coverley	Mr. Panton
Mr. Fox	Mr. Read
Mr. Graham	Mr. Reynolds
Mr. Hawke	Mr. Shearn
Mr. Hegney	Mr. Sleeman
Mr. Hoar	Mr. Smith
Sir N. Keenan.	Mr. Styants
Mr. Kelly	Mr. Tonkin
Mr. Marshall	Mr. Triat
Mr. May	Mr. Rodoreda
Mr. Needham	*(Teller.)*

Noes.	
Mr. Abbott	Mr. Murray
Mr. Ackland	Mr. Nalder
Mr. Bovell	Mr. Nimmo
Mrs. Cardell-Oliver	Mr. North
Mr. Doney	Mr. Seward
Mr. Grayden	Mr. Thorn
Mr. Hall	Mr. Watts
Mr. Hill	Mr. Wild
Mr. Mann	Mr. Yates
Mr. McDonald	Mr. Brand
Mr. McLarty	*(Teller.)*

Amendment thus passed; the motion, as amended, agreed to.

Resolutions reported and the report adopted.

Assembly's Request for Conference.

The MINISTER FOR EDUCATION: I move—

That the Council be requested to grant a conference on the amendments insisted on by the Council and that the managers for the Assembly be Hon. A. H. Panton, Mr. D. Brand, and the mover.

Question put and passed, and a message accordingly returned to the Council.

BILL—LAND ACT AMENDMENT (No. 1).

Returned from the Council with an amendment.

BILL—GOVERNMENT RAILWAYS ACT AMENDMENT.

Council's Further Message.

Message from the Council received and read notifying that it had agreed to the Assembly's request for a conference on the amendment insisted on by the Council, and had appointed Hon. G. Fraser, Hon. C. H. Simpson and Hon. G. B. Wood as managers for the Council, the Chief Secretary's room as the place of meeting and the time 9.30 tomorrow morning (Thursday).

BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

Returned from the Council without amendment.

BILL—SOUTH FREMANTLE OIL INSTALLATIONS PIPE LINE.

Second Reading.

THE MINISTER FOR LANDS (Hon. L. Thorn—Toodyay) [6.0] in moving the second reading said: I am hoping that this Bill will be passed through all stages today. Though there is no desperate hurry to get it through, the measure is a simple one and is self-explanatory. A plan of the pipe line is attached to the Bill.

The measure is being introduced at the request of the Commonwealth Government. During the war, a Commonwealth-owned oil installation at Douro-road, South Fremantle, and an oil pipe line connected with the North Wharf were used by the naval authorities. It is now the intention of the Commonwealth to grant a joint lease of this installation, together with the pipe line, to the Vacuum Oil Co., Ltd. and to Caltex, Ltd. This cannot be done without legislation being passed by this Parliament, and the Bill is therefore submitted to validate the action of the Commonwealth.

The pipe line was laid down by the Commonwealth under authority of a Commonwealth statute passed under its defence powers. Under that legislation, it would still have authority to maintain the pipe line for defence purposes. However, authority from the State Parliament is necessary to enable the Commonwealth to grant a lease to the two private companies and to protect the rights of the local governing bodies concerned.

The soil through which the pipe line is constructed is the property of the Crown but the streets under which it occasionally runs are vested in municipalities, and legislative authority is required before the oil companies can be authorised to break up streets, etc., for the purpose of maintaining the pipe line. The Bill is principally concerned with any maintenance that might be necessary and sets out all the requirements that must be observed by the two companies.

Provision is made for the companies to pay to the City of Fremantle and the Fremantle Road Board each year a sum of at least £100 as rates. However, should one eighth per cent. of the total sales of these companies work out to a higher figure than £100, then that amount will have to be paid

as rates. The amount to be received by each local authority will be in proportion to the length of pipe line passing through its district. The consent of all interested parties has been obtained by the Commonwealth Government, and the various authorities concerned are set out in the Bill. I move—

That the Bill be now read a second time.

MR. FOX (South Fremantle) [6.4]: I do not think there can be any objection to the Bill. It is framed on lines similar to a measure I introduced a few years ago to enable Commonwealth Oil Refineries, Ltd, to deal with oil from the waterfront.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Perkins in the Chair; the Minister for Lands in charge of the Bill.

Clauses 1 to 11—agreed to.

Clause 12—Payment in lieu of rates:

Hon. A. R. G. HAWKE: I should like an assurance from the Minister that the local authorities concerned have been consulted about the provisions which affect them regarding payment in lieu of rates and payment for damage to roads.

The MINISTER FOR LANDS: I cannot give the hon. member that assurance, though I understand that all concerned have been interviewed.

Hon. A. R. G. HAWKE: If there is no urgent need to complete consideration of the Bill today, I suggest that the third reading be postponed until the Minister has checked up on that point.

Mr. Fox: I understood the Minister to say that the interested parties had been contacted and had agreed to the Bill.

The MINISTER FOR LANDS: I stated that the consent of all interested parties had been obtained by the Commonwealth. Is that satisfactory to the member for Northam?

Hon. A. R. G. HAWKE: I should much prefer that the third reading be deferred until tomorrow so that we may be assured that the local authorities have been consulted.

Clause put and passed.

Schedule, Title—agreed to.

Bill reported without amendment and the report adopted.

BILL—TRAFFIC ACT AMENDMENT.

Second Reading.

THE MINISTER FOR LOCAL GOVERNMENT (Hon. A. F. Watts—Katanning) [6.11] in moving the second reading said: This Bill has been introduced as a result of an undertaking given during the session that, in the event of there being any further reduction in the petrol allowances provided for the motoring public, the Government would bring down legislation to empower the Governor-in-Council to make reductions in the license fees.

Members will recall that in 1942, consequent upon heavy reductions in petrol allowances that rendered private vehicles very nearly immobile, the Government of the day, with the consent of both Houses secured the passage of legislation permitting a reduction of 25 per cent. in all traffic fees for vehicles propelled by motor spirit, with the exception of those on which gas-producers had been fitted. The idea of excluding gas-producer vehicles was that they were getting considerably more mileage —in fact almost unlimited mileage—by the use of charcoal in gas-producers as compared with the vehicles using motor spirit upon a rationed scale.

Before the present Government took office, legislation was introduced that enabled the Governor by proclamation to revoke that reduction of license fees and reinstate the pre-war license fees as provided in the Traffic Act. The matter of reinstatement was under consideration at the time of the last general election, representations having been made from several sources that the license fees should be restored. Many local authorities had made such representations.

For example, the Murchison Road Board pointed out that the reduction in its revenue was very considerable because of the decrease in the license fees, and the rising costs being experienced indicated that some readjustment should be made. In addition, the quantity of motor spirit made available to motorists under the rationing regulations was very substantially increased. I have before me a schedule showing the relative

position of the allowances made in respect of the various types of motor vehicles.

Sitting suspended from 6.15 to 7.30 p.m.

The MINISTER FOR LOCAL GOVERNMENT: I was about to make some comparisons between the allowances available to various classes of motorists in 1942, when the reduction Bill was introduced, and the present time. I now give the figures—

Class	1942 Gallons	Septr. 1948 Gallons
2F Private user in the 20 to 30 h.p. class	4	9½
3F Business motorist in the 20 to 30 h.p. class	11	15
8E Farmers' trucks ..	18	38
9E Retail delivery vehicles	23	36
10E Wholesale delivery vehicles	36	53
Carriers	43	65

It is quite obvious that, based on the 1942 figures, not only would some justification be required for a greater reduction than exists at present, but there are also more substantial variations between the various classes of vehicle than there were in 1942.

Hon. J. B. Sleeman: Have you the figures in connection with Class 4?

The MINISTER FOR LOCAL GOVERNMENT: No, but I can give the details in respect to some of the smaller cars, but not the classifications. They are as follows:—

	1942 Gallons	1948 Gallons
Up to and including 8 h.p. vehicles	1½	4½
12 h.p. vehicles	2½	6½
14 h.p. vehicles	2½	7
20 h.p. vehicles	3	8

Coupled with these facts is the position of the local authority, which has to make and maintain roads from traffic fees. These costs have substantially increased. In consequence, the Country Municipalities Association has strongly protested against any proposals to reduce traffic fees as was done in 1942. At the same time, however, there is an evident prospect of some further reduction on the present figures; and if that comes about it is a reasonable proposition that sympathetic consideration should be given to the matter. That is the reason for the introduction of the measure. I have here a statement issued on the 21st September, 1948, by the Minister for Fuel and Shipping, Senator W. D. Ashley. This statement, I understand, was liberated to the Press of Australia but, so far as I know, has not been published in full in this State. For the information of members, I propose to read some extracts from the statement to indicate why the petrol rationing of September last was instituted, and the circumstances which have given the Hon. Senator the idea of the necessity for further rationing. He had this to say—

On and after October 1 of this year, the ration of many liquid fuel consumers will be reduced. This is regrettable, but there is no alternative. The Commonwealth is today using more liquid fuel than ever before. And the Federal Cabinet considers that Australia is both morally and financially bound by her international commitments to hold consumption at or about the present level.

The flow of liquid fuel supplies to Australia is governed by several factors, the most important being the dollar position and the world refinery capacity.

Dollars are scarce in the sterling countries and the entire group must keep these purchases down to the lowest possible level.

The world refining capacity is also causing much concern. All countries are demanding much greater quantities of refined oil than the refineries can produce, although there is plenty of crude oil available. Even the United States itself is suffering from this refining obstacle. The war blocked the building of new refineries and now steel and labour shortages are delaying their erection. In any case, the pre-war capacity of local refineries engendered a complacency in the United States. For in the pre-war years, the demand was far below the capacity of the United States' refineries. Further, it was never anticipated that the post-war demand would be so tremendous.

In 1947 the United States alone was using more oil each day than the entire world did before the war. But since then the consumption of oil products in the United States has soared still further. The United States is now consuming these products at the rate of 5,440,000 barrels a day which is some twelve per cent more than the nation used in the peak war year of 1945.

A record quantity of liquid fuel is now being consumed in Australia, itself. The estimated consumption was 360,000,000 gallons in 1939. In 1947 it was 395,000,000 gallons. The tremendous increase in motor vehicle registrations has been largely responsible.

He goes on to say that under the new scale of rationing—

The private motorist should still be able to maintain an average of nearly nineteen hundred miles a year on the new ration. The ration now in use was designed for an annual average of 2,368 miles. A 20 per cent. cut on that figure will provide 1,895 miles a year.

Yet another factor in the liquid fuel position which is worrying the Government at present is the lowness of Australian petrol stocks. Be-

fore the war the average holding of stocks at the seaboard and within the country was sufficient to maintain total consumption for from 10 to 12 weeks. Today, those stocks are only equal to about six or seven weeks' supply.

It will, therefore, be apparent that there is not likely to be any substantial rise in the allowance made to motorists in the next few months. It was after taking into consideration all these factors—the rationing that has taken place, the far better position today compared with 1942, the financial situation of local authorities, and the fact that there is no likelihood, as far as I can discover, of any greatly increased quantities of petrol being available, except for very essential users—that we were led to believe that the Governor should be empowered to take action as is proposed in the Bill. It will be noticed that the allowances in 1942 have varied considerably in regard to the different types of vehicles. Obviously, therefore, some vehicles would with the normal basic ration, and the essential users' additional ration that they can obtain, make very considerable use of the roads, while others would make much less use than normally. So the Bill proposes that—

> The Governor, by order in Council made prior to the 1st day of July, 1949, and published in the Gazette, may, in respect of any vehicle or class or type of vehicle specified in the Order in Council and in respect of any period or periods therein specified, reduce by a percentage not exceeding 25 per centum, the amount of any license fee payable under this Act, and may fix different percentages and periods as aforesaid for or in relation to different vehicles or different classes or types of vehicles.
>
> The Governor may by any subsequent Order in Council published as aforesaid, revoke or vary any Order in Council under this subsection.
>
> Any Order in Council made under this subsection shall, on publication as aforesaid or from such later date as may be fixed by the Order in Council, have effect according to its tenor.

So, the Governor-in-Council will be able to make a reduction in all or some classes of vehicles, up to 25 per cent. If there are to be any further cuts in the ration, action will be taken under this proposed law with the idea of giving a reasonable measure of justice to all parties. The Bill refers to vehicles which use motor spirit, so it contains a definition of "motor spirit." It is the same as that to be found in the liquid fuel regulations. There will, of course, be no reduction in the case of horse-drawn vehicles. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

Clauses 1 and 2—agreed to.

Clause 3—Amendment of Section 10:

Hon. J. B. SLEEMAN: It seems that the Government is making provision that the Governor may reduce the license fee if there is any further reduction in petrol. I consider the time has arrived when the reduction should be made. We are getting less petrol now than we were before and the Royal Automobile Club has put up a case asking that the fees be reduced. We should not wait until there is a further reduction in petrol, but we should reduce license fees now.

The MINISTER FOR LOCAL GOVERNMENT: It would be unfair on local authorities to reduce license fees by 25 per cent. when the quantity of petrol we are now getting is more than it was in the worst period of the war. In those days we were getting less than half the petrol we are getting today, and in some cases it was even less than half. Costs are rising considerably and, if we agree to an immediate reduction of 25 per cent. in the fees, we will be financially hamstringing local authorities. We must give reasonable consideration to their claims and at the same time do justice to the rest of the community. It cannot be worked out by rule of thumb. There are some vehicles today which are on the road as much, if not more than, they were in pre-war days. There are virtually no gas-producers at all. The Government intends to view the position sympathetically and it will endeavour to classify the various types for reduction if there is a decrease in the petrol ration. If it were done now, it would involve some local authorities in heavy refunds, especially when they may have spent the greater part of that money in carrying out various works.

Mr. Hoar: There will be some reduction, will there not?

The MINISTER FOR LOCAL GOVERNMENT: No reduction will be made by this Bill until the next licensing year.

We cannot do more than that at this juncture. When the decision was made to reinstate traffic fees in June, 1947, to what they were pre-war, consideration was given to all that had taken place, including the fact that the petrol allowances at that time were quite good. It was not until after July, 1948, that it was discovered that there would be substantial reductions in the petrol ration, and in the meantime there had been a tremendous rise in operating costs for those who rely upon traffic fees for the greater proportion of their revenue. Local authorities have protested against the proposal in the Bill, but the Government must look at the position fairly and squarely, and render a measure of justice both to local authorities and to the motoring public.

Clause put and passed.

Title—agreed to.

Bill reported without amendment and the report adopted.

Third Reading.

Bill read a third time and transmitted to the Council.

BILL—CATTLE INDUSTRY COMPENSATION.

Second reading.

Debate resumed from the 25th November.

HON. J. T. TONKIN (North-East Fremantle) [7.52]: Because of difficulties in which producers find themselves from time to time, it becomes desirable to establish, where possible, certain funds where amounts can be substantially built up to enable compensation to be paid to help people who, if such compensation were not available, would be in serious circumstances. It is possible in some instances to take out insurance policies to cover such risks and where that can be done at reasonable cost, there is no need for the establishment of special funds. Where the nature of the industry is such that insurance policies are not readily available or, if available, are too costly, then it becomes necessary to look for some other method. That method is in the establishment of special funds which are built up as a result of contributions made from various persons in the industry, and with provision that compensation will be paid upon the occurrence of certain events.

Members will recall the establishment of a fund for compensation in the pig industry. That is an industry where there is a strong probability of the visitations of serious disease, and in such cases losses could be particularly heavy, with disastrous results to individual producers. In order that men may be protected from such serious losses, funds are built up, and a fund was established to cover the pig-raising industry. This particular Bill is for the establishment of a fund from which compensation can be paid upon the destruction of diseased cattle.

I introduced a Bill in somewhat similar terms in August, 1946, but the present Premier argued very persuasively against the Bill because it sought to impose a levy upon cattle throughout the State. There was no exemption. Subsequently, the present Premier introduced a deputation to me comprising representatives of pastoralists from the North, and they put up such a strong case for exclusion that I felt I was not justified in proceeding with the Bill at that stage. I considered that the whole thing would have to be re-cast and the scheme reconsidered, because it was originally drawn on the basis of a contribution from all cattle. That Bill was not proceeded with because of the decision to exclude the pastoralists of the North and thus the fund was not established. Now we have this Bill, which with a few exceptions I shall name, is practically the same Bill as was introduced in 1946.

I have mentioned one of the exceptions, and that is that the Bill of 1946 was to cover the whole State. This Bill will not apply to cattle that are in, or bred in, the North Province. However, it still permits the Bill to cover quite a lot of pastoral areas in the North, and it does not exclude all northern pastoral areas but only those within the boundaries of the North Province of the Legislative Council. This Bill also differentiates as to the amount of compensation to be paid. The Bill of 1946 fixed a maximum figure of £20 per head for all cattle. Considerable argument was advanced by members of the Country Party and the Liberal Party on that occasion in trying to prove that £20 was too low and that there were valuable animals that cost considerably more, and compensation should be provided for them.

Apparently the Government has forgotten those arguments, because this Bill does not provide for compensation beyond £20 for dairy cattle and limits payment to £10 for beef cattle.

Mr. Nalder: That is totally inadequate.

Hon. J. T. TONKIN: It is not my Bill. The Bill provides that differentiation; a maximum of £20 per head for dairy cattle and £10 for beef cattle which are compulsorily slaughtered.

The Minister for Lands: And up to £20 for stud stock.

Hon. J. T. TONKIN: That is so. I had some doubts in 1946, especially after listening to the deputation from the pastoralists, as to whether the proposed contribution to be made would be adequate to permit the establishment of a sufficiently large fund to meet the claims that could be made upon it. This Bill proposes a contribution which is only half that proposed by the Bill of 1946. The Bill of 1946 proposed a maximum contribution of 2d. in the £ on all sales of cattle. This one fixes a limit of 1d. in the £ with a maximum payment of 1s. 3d., whereas the Bill in 1946 provided for a maximum payment of 2s. 6d. on sales.

There is a new feature in this Bill which I think will tend to make it extremely costly in administration, not only costly but difficult, and that is that a contribution is to be requested from persons who sell whole milk or butterfat. The Bill of 1946 had no such provision. Payment was only to be required on the sale of the animal but the present Bill provides that in respect of dairy farmers who are not licensed under the Milk Act to supply whole milk, they shall make a contribution of a halfpenny in the £ on all sales of butterfat and whole milk effected by them. Thus the dairy farmer will make two types of contribution. On the sale of an animal he will have to pay a penny in the £ and, in addition, he will have to furnish a further contribution on his sale of butterfat and milk.

Some people might regard that as inequitable—that a man engaged in dairying must pay under two headings whereas those not engaged in dairying but in rearing beef cattle pay under one heading only! Both will obtain the same right of compensation, no greater and no less, but in one instance a man will make a contribution under two headings and in the other under only one. The Minister might be able to justify that, but it seems to me somewhat inequitable because I can see no corresponding advantage, other than that in the case of dairy cattle there might be a higher incidence of T.B. and therefore a greater call upon the fund. But that does not necessarily follow. We must have regard to the fact that T.B. testing has been proceeding for some time and the herds should be in better condition today than they were in 1946.

It is conceivable that in the reasonably near future the incidence of T.B. in cattle will be no greater in dairy cattle than in beef cattle. It will probably be less, because it is the dairy cattle that are being tested and, as the reactors are destroyed, we may expect a consequently progressively improved standard of health in the herds. However, the dairyman will still go on paying this double contribution upon sales and also upon the produce of the cattle that they are keeping or rearing. I feel that the provision in the Bill that is going to impose this charge upon the sales of butterfat and wholemilk, will very considerably add to administrative costs because it will be very difficult to administer. Clause 17 (2) dealing with this aspect reads—

> Every owner of dairy cattle or the agent of any such owner shall, upon the sale by him of any milk or butterfat, whether payment of the purchase money is or is not made in full at the time of the sale, or is made by instalments or is otherwise deferred—
>
> (a) write or cause to be written out a statement setting forth the quantity of milk or butterfat so sold, the amount of the purchase money in respect of such milk or butterfat, and the date of the sale thereof;
>
> (b) affix to the said statement dairy cattle contribution stamps to the amount of the contribution payable under this Act and cancel the stamps; and
>
> (c) give or by registered letter transmit the said statement to the purchaser within seven days of the sale.

Sales of butterfat take place several times weekly. Is the producer to sit down several times weekly, make out these statements for the sale of butterfat and send them along to the butter factory? Will he do that? Who is there to be on the spot to see that he does it? To my way of thinking, all this will develop into a most chaotic position. Dairyfarmers are busy men and are anxious to be out on the farm looking after the cattle and attending to the large number of different tasks that have to be performed

each day. They will not regard this provision in a very favourable light with regard to the necessity of maintaining this regular correspondence with the purchaser of their wholemilk and butterfat. This applies to every lot that they sell—not to monthly or quarterly sales. Clause 18 says—

(3) There shall be payable in respect of every sale of milk or butterfat the contributions imposed by subsection four of this section by means of stamps affixed to the statements required under subsection (2) of section seventeen.

(4) For every one pound or part of one pound of the amount of the purchase money in respect of any milk or butterfat sold in one lot there shall be payable a contribution of not more than one halfpenny as shall be prescribed.

This refers to the making out of all statements and affixing to them stamps, with respect to all sales in one lot. I take it there is a sale in one lot when a dairyman goes along, say on Monday morning, and delivers his can of cream to the butter factory. He will have to make out a statement showing the amount he received for that sale, affix stamps to it and then send the statement along to the purchaser within seven days. It looks as if the expenditure on postages could conceivably cost him more than his actual contribution. If we add all these costs up, the amount may be considerably greater than the Minister anticipates.

Mr. Nalder: Does he not have to send the statement in by registered letter?

Hon. J. T. TONKIN: He can deliver it by hand or else send it in by registered letter. I daresay it will be just as costly whichever way he does it, particularly if he should have to make a special trip in order to make the payment. I can see that this is likely to be costly in operation and certainly costly to police. I am wondering whether it will be worth much in the long run. Where it costs a lot to establish a fund of this type, it might not be worthwhile in the end. Such funds are only of value if the amount of contribution required is not unduly large and the compensation payable is adequate.

To me it seems that these conditions are not only putting a heavy task on some producers—I refer particularly to the dairymen—but will also put them to considerable cost—a cost that is likely to be out of proportion to that in which persons engaged in other sections of the cattle industry will be involved. I have been told by some people who ought to know, that those engaged in purely pastoral activities in the raising of beef cattle would be likely to effect far more sales of cattle than would the dairymen. That is quite conceivable, because the man who is dealing in beef cattle only will be watching the market, buying when prices appeal to him and when he has adequate feed; he will be selling when his feed is becoming short or the market price is affected.

It is quite conceivable that a beast may change hands many times during the twelve months, whereas with the dairy farmer there is less likelihood of a rapid change-over in stock. Many dairy farmers keep their grade cows until they are only fit for the butcher and then cull them out and send them in for slaughter. If that is so, the contributions from the dairyfarmers will be much less than from those engaged in raising beef.

The Premier: There is not much change-over in beef cattle.

Hon. J. T. TONKIN: Then that suggests that what I had in mind is correct and that the provision in the Bill is not equitable. I refer to that which will require a double contribution from the dairyfarmer as against the single contribution from the man dealing in beef cattle. When the Dairy Cattle Compensation Fund was in existence prior to the Milk Act being passed in 1946, the contribution required from a dairyfarmer worked out at about 3s. per animal for each year. It seems to me that the cost under this Bill will be considerably greater if we take into consideration the cost involved in making out returns and submitting them to the purchaser on each occasion, as well as the contributions payable on the sales of dairy cattle and of wholemilk and butterfat. In those circumstances, there will not be any advantage if the effect is to increase costs and reduce benefits. It would be difficult to justify the Bill in those circumstances. Apart from matters I have mentioned, the Bill, so far as its other clauses are concerned, is practically identical with that introduced by me in 1946. The objective cannot be faulted.

It is highly desirable that there should be some fund established from which money would be available to compensate unfortun-

ate producers who may suffer losses through no fault of their own. We should do our utmost to establish such a fund, but in doing so we must ensure that we do not impose conditions that are inequitable; and we must see that the compensation payable is adequate. There is one other aspect upon which I am not quite clear. The Bill purports to exempt from contributions dairy-farmers who have a license under the Milk Act. Such dairy farmers will, from time to time, cull their herds and send the animals to the abattoirs. When they do that it will be impossible for them to distinguish between cattle that have come from dairy areas not covered by the Milk Act and where there are no wholemilk licenses, and cattle coming from men who possess wholemilk licenses. What is going to happen then? Upon the sale, the contribution will have to be made.

Will the dairy farmer who is not part of this scheme get compensation for an animal if, upon its being slaughtered, it is condemned because of disease? I would like to be clear on that point, because if a man is to receive nothing for an animal which is slaughtered when there is a fund established for the purpose of paying compensation in such cases, obviously there is something wrong, as the compensation fund ought to cover all producers in the industry said to be covered by the fund. It would be unfair, because of the operation of the Milk Act under which licenses are granted, to say in respect of certain dairy farmers, "If you send an animal to market and it is condemned, you will not get any compensation because you are paying into some other type of fund, whereas if a person outside the area covered by the Milk Act has an animal condemned, he will get compensation." Something needs to be tidied up there. The recent disease in the poultry flocks of the State showed the necessity for having some fund established, because we never know when there will be a visitation of some serious epidemic which will cause great losses to some unfortunate persons.

The idea is that in such cases the risk should be spread; the fortunate ones who escape the epidemic should be making some contribution to help those who do not escape. That is a sound principle and we should use it to the utmost. It is what this Bill proposes to do, but I submit to the Minister there are other aspects which require further attention. I am not satisfied that, with the exclusion of the North Province and the reduction of the maximum contribution from 2d. to 1d., a sufficient sum will be obtained to make the fund substantial, because no contribution is to be made by the Treasurer to supplement the payments of the producers. The only way the Treasurer will come in is if the fund is short of money and requires a loan. He will then lend the necessary money at five per cent. interest. But that money will have to be repaid. That is all right so long as the contribution would be such as to permit of the fund being built up again when the period of epidemic passed. However, if the maximum contribution is not high enough to permit that, we reach a stage where the whole scheme breaks down and where some persons who have paid into the fund will not be able to get any compensation from it.

What would happen in such an event would be that the Government would be obliged to come to the rescue of the fund and make a payment to it, because obviously it would be most unfair that producers who had contributed for some years to the fund should receive little or no benefit from it at a time when they most needed assistance. I could not imagine that, in such circumstances, the Government would refrain from helping the fund. That is a point which ought to be considered. If the Government wishes to avoid such an occurrence, it will have to make certain that the calculations upon which the fund will be based are sound in the first instance. My advice was that it required a greater maximum than 1d. to ensure the soundness of the fund. If I remember rightly, we calculated at the time that we would not impose more than ¾d. as a contribution; but we inserted a provision in the Bill to bring that amount up to 2d. should it be necessary to guarantee the stability of the fund. The maximum provided by the Bill is 1d. and that seems to be too low, because should special circumstances arise there is no legislative authority which could require a greater contribution. However, the object of the measure is admirable and so long as the Minister is satisfied that it is the Government that will have to foot the bill if there is not sufficient money, I support the second reading.

MR. HOAR (Nelson) [8.21]: Like the member for North-East Fremantle, I see the necessity for a fund to compensate the owners of cattle who have been compelled to have them destroyed because of disease.

The Minister for Lands: You have had some sad experiences in your electorate.

Mr. HOAR: True. I am not entirely in favour of everything contained in the Bill, although I am pleased to note on this occasion that the Government, in making provision for a cattle compensation fund, has given to it more general application than was given to the Bill which was introduced in this Chamber a few days before the close of last session, and which the Speaker summarily ruled to be out of order. This Bill certainly does attempt to deal with the dairy industry in general terms, although it is not necessarily acceptable on that account. Personally, having given some thought to this subject, both as regards the Bill before us and the Bill presented last year and the experience that I gained when serving on a Select Committee to inquire into the incidence of T.B. in cattle, I think this Bill, as at present framed, will do nothing of a permanent nature to eradicate T.B. from the dairy herds of the State. Its main purpose is to provide a compensation fund, so that owners of any cattle destroyed by order of an inspector as a result of their suffering from or being suspected of suffering from some disease will be compensated. In order to attain this praiseworthy objective, certain charges are to be levied on the sale of cattle and on the sale of milk and butterfat.

Those charges have been enumerated by the member for North-East Fremantle and I do not wish to add anything to what he has said in regard to them, except that I do not believe the Minister will find that the amount will be nearly enough to cater for the claims that will be made upon the fund. I understood the Minister to say, when introducing the Bill, that he expected to receive £11,000 as a result of the levy to be struck in connection with these imposts on the sale of cattle and on the sale of butterfat. Surely, he does not think that £11,000 will provide a fund big enough to pay compensation in respect of about 200,000 head of dairy cattle in the State. All told, there are some 235,000 head of dairy cattle in Western Australia today. From figures given to me today, I understand that some 35,000 of these cattle come under the provisions of the 1946 Milk Act and they should therefore be covered by the compensation terms of that Act. That would leave 200,000 dairy cattle which would presumably be affected by this Bill, if it becomes law. If we accept my figures as reasonably correct—and I think they are—and if we assume, as we must, that from the £11,000 expected to be obtained by the Minister, approximately £3,000 will be required by the Midland abattoirs for the servicing of diseased cattle, that will leave about £7,500 to be distributed by way of compensation over no fewer than 200,000 cattle.

If we take the average amount to be paid in compensation as being £15 a head, and I think we are justified in accepting that as a reasonable figure, because the Bill provides a maximum of £20 for dairy cattle and £10 for beef cattle, we are forced to the conclusion that £7,500 will cover no more than .25 per cent. of the total dairy herd of the State. It would be entirely inadequate. We know from our own experience that there are far more T.B. infected cattle in Western Australia than one in 400, and yet that is all the cover which this proposed compensation fund will give. I have heard on some authority that a sum approaching £100,000 has already been spent under the Milk Act in two years to service 35,000 cattle. Yet here are we, with £7,500, expecting to provide a compensation fund for no fewer than 200,000 cattle!

The Minister for Lands: But the incidence of T.B. was very high in the metropolitan-suburban area.

Mr. HOAR: It was proved high in the metropolitan area because of the testing system. I suggest to the Minister, however, that it is not possible to apply that exhaustive testing system in country districts at present. Therefore, he is not in a position to assume that the T.B. incidence in the metropolitan area is any greater than it is in country districts, although I think perhaps it is to some extent. Bearing all these things in mind and knowing that we shall have only about £7,500 to pay compensation claims in respect of over 200,000 cattle, I can well understand the Minister including in the Bill a provision that certain money can be and should be advanced out

of general revenue to the cattle compensation fund when found necessary, such advances to be repayable with 5 per cent. interest.

If that provision were not included in the Bill, I am quite certain that the fund would last no time at all and would be of very little value to the dairy industry. In my opinion, if a serious attempt were made to police the provisions of the Bill, should it become an Act, the fund would be continually and substantially in debt to the Treasurer at the rate of 5 per cent. interest. I do not know what the Premier pays for the money which he lets out on loan for such purposes as this, but I very much question whether it is 5 per cent. I know the general principle in the Commonwealth is to strike an average rate over a certain period relating to various kinds of loans carrying varying rates of interest. I doubt, however, whether the Treasurer would pay 5 per cent. for the money which he would make available to this fund.

The Premier: He certainly does not.

Mr. HOAR: What does the Treasurer pay?

The Premier: Public loans now only pay 3⅛ per cent.

Mr. HOAR: Then I suggest that the Minister in charge of the Bill should gain the sympathetic ear of the Treasurer, if at all possible, and get him to reduce the rate of 5 per cent. to what it costs him to get the money.

The Premier: You will not allow anything even for administration?

The Minister for Lands: The dairyman and the cattle-raiser are not financially stricken today.

Mr. HOAR: Whether our dairymen today are poverty-stricken or not has no bearing on the fact that it is entirely wrong for the Government to attempt to extract from an industry—an industry that will be found to suffer severely from T.B. and other diseases when searching tests are applied—more than it is entitled to. There should be no need for this or any Government to make a profit out of the misfortunes of the dairying or any other industry. Yet, if the 5 per cent. charge is to remain in the measure, that will be its effect. The Premier should give the matter further consideration. While I realise and approve the need for some fund such as this, in order that compensation may be paid to the owners of cattle that have to be destroyed, I feel the Bill does nothing to solve the problem of eradicating T.B. from the dairy herds of the State. All it does, in its present form, is to provide compensation for cattle that show outward and visible signs of having T.B.

An inquiry was held last year into certain cattle in this State and the incidence of T.B. A great deal of evidence was taken during the sittings of that Select Committee and it is available to the Minister. I would have expected him to make use of it in drafting a measure such as this. During those proceedings it was clearly established and proved by all the witnesses—including Mr. McKenzie Clark, then Chief Veterinary Officer—that where it is possible to see one or two cattle in the herd showing glandular or other visible signs of T.B., one can expect a fairly high percentage of reactors to be found when appropriate tests are applied. The Bill does nothing whatever with regard to that portion of the herds which can be found to be suffering from the disease only if the tuberculin test is applied.

As is well known, there is a shortage of veterinary surgeons today, making it well nigh impossible for the whole of the dairy herds of the State to be tested within anything approaching a reasonable time. Many of our farmers today have a good knowledge of cattle and would, I feel sure, be quite capable of applying the T.B. tests used by veterinary surgeons to determine whether cattle are sufferers from the disease or not. The only reason why that is not done, in my opinion, is the objection always raised by the Veterinary Surgeons' Association, both in this and the other States. From our experience of the testing of the metropolitan herds we know what a tremendous percentage of T.B. infected cattle must still be roaming the paddocks of the State. I feel that the veterinary surgeons could well cease their objections for the time being and let us tackle the problem in a realistic manner.

Officers of the Department of Agriculture could demonstrate to the farmers how the test is applied and the results read. Such a scheme could be put into effect cheaply as certain farmers in each area could undertake to do the work for themselves and their neighbours. In that way sufficient evidence could be collated in twelve months to indi-

cate fairly clearly the incidence of T.B. in the dairy herds of our country districts. If something like that is not done and instead we have to wait until the tests are carried out by veterinary officers of the Department of Agriculture, the present position is likely to become worse, because I would point out that even our present veterinary officers are being attracted to the Eastern States by the higher salaries paid. So long as that position continues we will never know how high is the incidence of the disease in our country dairy herds, and for that reason the Bill will apply effectively only to the few cattle that show outward and visible signs of the disease and are therefore reported under the provisions of the Stock Diseases Act.

While the Bill may be of some use up to a point, by providing compensation where animals are known to have the disease, the Government should consider instituting some system of inquiry throughout the country dairying districts of the State, preferably by methods such as I have outlined for the training of laymen, in order to get a proper appreciation of the position. Selected farmers could, as I have said, test their own and their neighbours' cattle. If that were done we might, at some later stage, by means of amending legislation, establish a fund for the purpose of compensation. If it could not be established entirely on a contributory basis it could probably be partly by contributions and partly by Treasury grant, and in any case I think a certain percentage of the cost should be a charge on the State.

Unless we do something of that sort we will simply be shutting our eyes to the incidence of T.B. in dairy cattle while patting ourselves on the back and trying to convince ourselves that we are doing a good job for the dairy farmers by the introducing of legislation such as this, which is doomed to failure in any attempt successfully to eradicate tuberculosis from our dairy herds.

MR. NALDER (Wagin) [8.37]: I feel sure members will realise the urgency of this measure. Should foot and mouth disease occur in this State, as it did recently in the Argentine, the cattle industry would be faced with a major catastrophe. A great many animals would have to be slaughtered and considerable difficulty would be met with in replacing them. Apart from that, a tremendous loss to the owners of the cattle would be involved. While the need for the production of beef and the expansion of our export butter tonnage is so urgent, a measure of this description deserves every support. I feel, however, that the Bill is inclined to be clumsy. As the member for North-East Fremantle said, administration of the measure will be costly. Under the definition contained in the first part of the Bill "cattle" means a bull, cow, ox, steer, or heifer and a calf over the age of six months. How are we to ascertain whether a calf is aged six months or more? I think it will be found in many instances that a vealer that has been reared on its mother for six weeks will be easily the size of a poddy eighteen months old. That part of the Bill should be discarded.

The Minister for Lands: I do not think I could deceive you into believing that an eighteen-months-old poddy was only six months old.

Mr. NALDER: No, but how are we to be sure that producers will always be honest enough to give the correct ages for their calves? I think that every animal within the category should be classed as a vealer and compensation paid on it, whether six months old or not. That would tend to make the administration of the measure easier than it would otherwise be. I come now to the question of beef cattle and the maximum compensation of £10. As I said by way of interjection, when the member for North-East Fremantle was speaking, that figure is totally inadequate. It is proposed to pay £10 compensation for a bullock that would weigh, when killed, in the vicinity of 1,000 lbs. Such a beast, if found to be suffering from pleuro pneumonia, would be a total loss. The maximum in that case should be increased to at least £15.

Another point to which I object is the provision for the registration of letters that have to be sent to the owners of cattle that are sold. Thousands of cattle are sold privately in the country areas, one farmer often selling a dairy cow or a few stores to another. If he has to go to a post office to register a letter to that other farmer a great deal of unnecessary work will be involved. I cannot see that the registration of such letters would be of any value at all. When a farmer sells his stock—either privately or through an agent—and receives a cheque in return, that letter is not registered, and he does not register the account when he sends

it out. I see no necessity for letters containing accounts for beeves to be sent through registered post. When the Bill is in the Committee stage I hope these points will be cleared up so as to make the measure more workable, which should be one of the greatest considerations in legislation of this kind. We should not include in the measure provisions that will involve unnecessary work.

MR. MARSHALL (Murchison) [8.43]: I do not know why a certain area of the State should be so blessed when parallel with it there are hundreds of thousands of square miles that carry cattle and that will be subject to the application of this Bill. It is true that an Order-in-Council will be required for the proclamation of any part of the State as coming under this measure, but the drafting of the Bill implies that the whole State will be subject to its effects —with the exception of the North-Province.

The Minister for Lands: To what area are you referring in particular?

Mr. MARSHALL: To my own electorate, particularly to the Upper and Lower Murchison. In that area we get no blessings whatever from the Department of Agriculture. From listening to the contributions so far made by members to the debate one would conclude that the Bill was specifically designed—as I think it is—to benefit the dairying industry, and I take no exception to that. I do not know why we in the centre of Western Australia should make contributions to protect an industry from which we derive no advantage or benefit. We find the same old factors ever applying. The dairying industry was at the outset materially assisted by Governments and by the expenditure of huge sums of money belonging to the taxpayers. Now we are asked to protect the industry which has become valuable by virtue of that large expenditure of taxpayers' money. The squatters in my electorate, however, pioneered their own propositions. They received no help from the taxpayers, and when epidemics occur, which they do only rarely, these people take the responsibility upon themselves and do their own work. They do all this without any material effect upon the revenue of the State.

Because these people have the initiative and courage to develop an industry in their own particular part of the State, why should they be financially responsible for another industry to which they owe nothing? I do not know what is in the minds of the Minister or the Government. After listening to the speeches of the member for North-East Fremantle and the member for Nelson, it appears that the fund will be in financial difficulties early in its career. I know Governments well. When that aspect presents itself the Treasurer looks around to see from what avenue he can collect revenue. When he has found that avenue, then he puts through an Order-in-Council to the effect that, say, the Murchison area shall be brought under the Act. I do not like this. There are one or two members in this Chamber who represent the more remote parts of the State, but there are many others on the Ministerial side of the House who have propositions in the North and these are to be exempt under the Bill. That savours of party influence.

The Premier: Except this, that there are diseases in the North Province that you have not in your electorate.

Mr. MARSHALL: Then it would be fairer if all parts of the State were brought under the Bill. Instead of doing that the Government exempts the North and wants to be able to bring in the Murchison area. If the North Province is likely to be affected people up there will require compensation, and yet we are told that it is unlikely that these particular diseases will occur up there. Provision is left in the Bill to bring under it areas which at present are unlikely to be affected. I have entered my protest on behalf of those people who have pioneered their own industry and have had the initiative and courage to do so. They are not continuously harassing the Government for legislation of this kind. If other people want it, let them pay for it.

THE MINISTER FOR LANDS (Hon. L. Thorn—Toodyay—in reply) [8.50]: I appreciate the reception accorded by members to the Bill and am particularly pleased to have heard the remarks of the member for Murchison. Because of the many helpful suggestions that have been made I will not take the Bill into Committee tonight. The

proposals which have been submitted will be examined tomorrow with a view to rectifying some of the undesirable features contained in the measure.

Mr. Hegney: A very tactful proposal.

The MINISTER FOR LANDS: I have noticed that the hon. member himself is always very tactful. There is a great urge in this State for the cleaning up of our dairy herds and our beef herds. That, of course, is very desirable. Producers today are getting a reasonable return for their labour and the time is opportune to establish a fund of this kind that will be the means of cleaning up our herds. If this fund is established, producers will be far more ready to report diseases in their herds, knowing that they will be compensated. That will be an encouragement to them. The member for North-East Fremantle and the member for Wagin referred to the system of collection as being cumbersome. If there is any one in this Chamber who likes a simplified system and wishes to avoid excessive overhead expenditure it is myself. Of what use is it to create a fund to assist the industry if a large percentage of the money goes in overhead costs? Members may rest assured that I will have all these points examined closely. I do not believe in costly control.

Mr. Hoar: You could have the money collected once a month by the butter factories.

The MINISTER FOR LANDS: That is how I feel about it. I consider that the factories should collect this tax and I will have that point examined tomorrow. The member for North-East Fremantle mentioned the position relating to dairymen's contributions. A dairyman has two lines of business. One is the production of whole milk for butter-fats and the other is the selling of his surplus stock such as young beefers. Therefore, in order to make the necessary collections it is advisable to have two methods for the dairy farmer. The member for North-East Fremantle also mentioned that he introduced a Bill in 1946. The biggest portion of this Bill has been taken from the legislation that he endeavoured to have placed on the statute-book. The Department of Agriculture has carefully examined the scheme and the experts there feel that this Bill will provide sufficient funds for the compensation of our dairymen and stockbreeders for their losses. There is a provision which ensures that if the fund falls short of the required amount, the Government will lend money to the farmers. Tomorrow I will inquire into a proposition for reducing the interest from five per cent. to four per cent. I think that can be done.

I will find out at what interest the money can be loaned. I hope I can report to the House that we have agreed to reduce the interest to four per cent. I will have a look at the report of the Select Committee referred to by the member for Nelson. That was a most important inquiry and, as I interjected, I know that he did have a great number of sad cases in his electorate because of no compensation being available to those people who suffered such severe losses at the time. The amount of £10 was mentioned as being insufficient compensation for beef cattle. That can be inquired into. I was trying to recollect what happened to the carcase and the offal of that beast, but I think the returns from that source were paid into the fund.

Hon. J. T. Tonkin: Yes, they were.

The MINISTER FOR LANDS: If that is so, we can therefore inquire into the amount of £10. I again thank members for their contribution to the debate and will leave the Committee stage of the Bill until tomorrow.

Question put and passed.

Bill read a second time.

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Council's Further Message.

Message from the Council received and read notifying that it had agreed to the Assembly's request for a conference on the amendments insisted on by the Council, and had appointed Hon. E. H. Gray, Hon. H. Hearn and the Honorary Minister as managers for the Council, the President's room as the place of meeting and the time 9 o'clock tomorrow morning (Thursday).

BILL—MILK ACT AMENDMENT.

Message.

Message from the Governor received and read recommending appropriation for the purposes of the Bill.

Second Reading.

Debate resumed from the 30th November.

HON. J. T. TONKIN (North-East Fremantle) [8.57]: The subject of milk is always one of lively interest—

The Premier: It has been going for a long time.

Hon. J. T. TONKIN: — and so provokes considerable discussion. I can recall the experiences I had as Minister when I had to bring down legislation dealing with milk. The Premier was involved in the debate together with almost every other member in the second reading and Committee stages of the Bill. I recall, too, that it was said by a number of members who are now sitting opposite that the amending Act of 1946 was not doing a great deal towards improving the supply and distribution of milk in this State.

For the past few hours I have been glancing through some of the speeches made by members previously, and quite a number of them did not have much faith in the Bill which was passed by the Wise Government. If that Act was so far short of being effective, it is remarkable that this amending Bill does not contain a great deal more than it does, because it leaves the framework of the Act very much the same and makes a few amendments dealing with matters which, so far as I can see, will not effect the very great improvements which members opposite said were so desirable and would not be brought about by the measure of 1946.

In that year we had a lot of discussion about the constitution of the board. Most of the time spent on that Bill in Committee was devoted to amendments seeking to effect changes in the constitution of the board. Members opposite wanted more representation for the producers. The Bill of 1946 provided for a balanced representation as between producers and consumers. There were to be two producers' representatives and two consumer's representatives, with a chairman appointed by the Governor.

The present Premier was a very strong advocate that a third representative of the producers should be appointed and so were most members opposite, especially those belonging to the Country and Democratic League. They argued that it would be only fair and just if the producers, who were most concerned with this commodity, seeing that they produced it, should have the greatest say on the board charged with the responsibility of looking after the industry. Very powerful arguments were advanced in the endeavour to prove that the request should be acceded to. The Minister for Works held that opinion very strongly. What has happened to that view? Instead of increasing the representation of the producers, the Government has wiped it out entirely.

Hon. A. H. Panton: The Government is pretty handy at that sort of thing.

Hon. J. T. TONKIN: One would have imagined that, feeling so strongly on the matter, members of the present Government would have been most anxious to seize the first opportunity to put an additional representative of the producers on the board.

The Minister for Works: Were the conditions in the two cases identical?

Hon. J. T. TONKIN: Yes; though perhaps they were not exactly identical because they are now more favourable to the Minister's getting his way than they were then. Then, all that the present Minister could do was to suggest these alterations; now he is in a position to have a say in making them. This very strong desire has faded into thin air and the producers are no longer to have any say in the administration of the Act. As a matter of fact, the Government has gone out of its way to ensure that no person in any way interested in the industry shall have a voice in its management. There is an express exclusion. Another aspect I should like to mention is that members of the present Government were loud in their advocacy of putting women on boards.

Mr. Marshall: They have had enough of them by now.

Hon. J. T. TONKIN: They wanted a woman representative on the Milk Board.

The Minister for Lands: Would you like a few telegrams on the subject?

Hon. J. T. TONKIN: A move was made in that direction.

The Minister for Works: You object to the idea, do you?

Hon. J. T. TONKIN: I shall develop the subject in my own way.

Hon. A. H. Panton: The Minister for Works is not a ladies' man, anyhow.

Hon. J. T. TONKIN: Apparently the Minister objects to the idea.

The Minister for Works: I still favour it.

Hon. J. T. TONKIN: Then is the Minister's a voice crying in the wilderness?

Hon. A. R. G. Hawke: It is a voice crying.

Hon. J. T. TONKIN: I assume that at least one other member of the Cabinet would be in favour of it.

Hon. A. H. Panton: Who is that?

Hon. J. T. TONKIN: That would make two. Surely it would not take very much persuasion to get a majority, more especially as everyone of the present Ministers held the view in 1946 that there should be a woman on the Milk Board!

The Premier: I do not think so.

Hon. J. T. TONKIN: I do.

The Premier: I said I would leave it to the discretion of the then Minister. I did not want to pin him down.

Hon. J. T. TONKIN: I do not recall that.

The Premier: That is so.

Hon. J. T. TONKIN: I might surprise the Premier if I read the "Hansard" report of his remarks.

Hon. A. R. G. Hawke: You might embarrass him.

Hon. J. T. TONKIN: So there is not to be any woman on the board! An idea that was so strongly held in 1946 is not now existent. It is remarkable what a great change has come over the Government in this respect. Recently there was an opportunity to appoint a woman to the Egg Board, but no woman was appointed.

The Minister for Lands: You are not trying to stir up anything, are you?

Hon. J. T. TONKIN: No; I am reminding members of the Government that this was part of the policy enunciated by them at the last election—women on boards.

The Attorney General: There is a woman on the Housing Commission.

Hon. J. T. TONKIN: It was part of a definite promise to the people in the policy of the Liberal Party and Country and Democratic Party that there were to be women on boards and, in order to make a show of carrying out that promise, the Government put a woman on the Housing Commission. But it stopped there. Why? Has it found that the women are too difficult to handle when they are appointed to boards?

If ever there was a case for the appointment of a woman to a board, I can think of no better board than one dealing with milk, because this is a commodity that plays such an important part in the rearing of children, and the running of a home. It is the woman that knows most about the conditions under which the milk is supplied and used and paid for. So here was an opportunity, if members of the Government were sincere, to make good their promise to the people that they would put women on boards.

We find that the constitution of the board is to be completely changed; no producers' representatives and no woman on the board. I think the Government, in this, has something to answer for. That is the first amendment proposed in the Bill—an amendment to Section 11. The board at present consists of five members; the amendment provides for three. These three are not to be suggested by the industry or by any section of the industry; they are to be appointed by the Governor on the recommendation of the Minister. Is this to be another opportunity to put friends of Ministers into positions?

The Minister for Lands: No.

Hon. J. T. TONKIN: I have seen a little of it. One man has been fortunate enough to get on to two boards, because he is a friend of a Minister.

The Minister for Lands: Which Minister?

Hon. J. T. TONKIN: Not the Minister for Lands.

Hon. A. H. Panton: He would not have any friends.

Hon. J. T. TONKIN: There is one man who got on to the Dairy Products Marketing Board and was subsequently appointed chairman of the Egg Board, so he is doing well. Is that to be the position under this amending Bill? Is an opportunity to be afforded for the Minister to find jobs for a couple of his friends?

The Premier: That is not the object.

Hon. J. T. TONKIN: Then we shall see who will be appointed. Three members are to be appointed by the Governor on the recommendation of the Minister.

The Attorney General: You must be thinking of what you might do.

Hon. J. T. TONKIN: I had the opportunity and did not do it.

The Attorney General: Your mind seems to be running along that line.

Hon. J. T. TONKIN: Actions speak louder than words. I had the chance and I did not do it, but the present Government has done it. There is the difference.

The Attorney General: You did it all right.

Hon. J. T. TONKIN: What is the use of the Minister's saying I did it when he cannot give a single example.

The Attorney General: Your Government did it on many occasions.

Hon. J. T. TONKIN: Let the Attorney General give one example. He is dumb.

The Attorney General: I could give a number of examples, but I do not like to be personal.

Mr. SPEAKER: Order! Let us deal with the Bill.

Hon. J. T. TONKIN: Not one of the members to be appointed may be a dairyman or a vendor or a holder of a treatment license or a member of a partnership or firm in any way connected with milk. So there is a very definite intention that anyone who knows anything about the industry shall not be on the board. What is the virtue in that?

The Minister for Lands: The idea is to put on people having business knowledge.

Hon. J. T. TONKIN: This business knowledge we hear so much about!

Hon. A. H. Panton: Business acumen.

Hon. J. T. TONKIN: It does not matter whether they know anything about the industry or not so long as they have business knowledge.

Hon. A. R. G. Hawke: So long as they can buy an article at 4s. 6d. and sell it at 10s.

Hon. J. T. TONKIN: They might be first-class operators on the Stock Exchange and that would qualify them to be members of the Milk Board! Section 12 also is to be amended. This deals with tenure of office. Under the Act the chairman of the board holds office at the Governor's pleasure, and so long as he continued to give satisfaction, there would be no suggestion of his being removed from office, and his tenure was just as sound and safe as if a term of seven, 10 or 15 years had been named. But this Bill provides for a tenure of seven years. I hope to show that there are certain weaknesses in the proposition because the Bill is lacking in certain respects. The Act provides for the elected members of the board to have a tenure of two years, at the expiration of which they shall be eligible for re-election, and the appointed members shall be eligible for re-appointment.

The Bill proposes seven years' tenure of office for the chairman and three years for the other two members of the board, with this exception that on the first appointment one shall be appointed for two years only. That provision is necessary so that both members will not be due to retire at the same time. The danger I see in making provision for a seven years' appointment, without certain safeguards, is that it is quite conceivable that a man through continued ill-health might become incapable within seven years, which is a fairly long period, of satisfactorily carrying out his duties; and there is no provision in the Bill for such a man to be relieved of his duties.

The Minister for Lands: Is not that in the parent Act?

Hon. J. T. TONKIN: The Bill seeks to amend the Act.

The Minister for Lands: Does not the parent Act deal with illness?

Hon. J. T. TONKIN: It does not cover the position fully because under the Act the chairman is appointed at the Governor's pleasure, and provision is there for the Governor to take action at any time it is necessary to do so. But as an appointment for a definite number of years is suggested here, prior action cannot be taken except in the one or two specific instances mentioned which do not cover the point I have in mind. In such measures as this it is always provided that unsoundness of mind and bankruptcy are causes for relieving a person of his duties. It is quite conceivable that a man might be of sound mind but so weakened in health as to be incapable of carrying on satisfactorily. Unless a person, who was so ill, voluntarily resigned from his position there is, as far as I can see, no way of making a change. The only provision in the parent Act is this—

A member of the Board shall vacate his seat as such member, if he resigns by writing in his hand given to the Minister, or

if he dies, or becomes an insane person, or if he fails to attend meetings of the Board for three consecutive months without the leave of the Board first being obtained.

In my opinion that is not enough, because, without reflecting on the present chairman at all, this legislation is to provide for the years ahead. Some men become addicted to alcohol and so are incapable of satisfactorily carrying out their duties. The Minister would have no opportunity, under this amending Bill, to dispense with the services of such a chairman within the period of seven years. The New South Wales Act realises that position and provides as follows:—

A member of the Board may be suspended or removed for misbehaviour or incompetence, as follows:—

(a) A member of the Board may be suspended from his office by the Governor for misbehaviour or incompetence, but shall not be removed from office except as hereinafter provided.

The Minister shall cause to be laid before Parliament a full statement of the grounds of suspension within seven days after such suspension if Parliament be in session and actually sitting, and when Parliament is not in session or not actually sitting, within seven days after the commencement of the next session or sitting.

(b) A member of the Board suspended under this section shall be restored to office unless each House of Parliament within twenty-one days from the time when such statement has been laid before it, declares by resolution that the said member ought to be removed from office, and if each House of Parliament within the said time does so declare, the said member shall be removed by the Governor accordingly.

The point I emphasise is this: It is quite conceivable that on a number of grounds it might be highly desirable that the chairman or one of the other members of the board, should be put off the board because of incompetence or some other reason. So far as I can see, there is no such power in the present Act or in the Bill under discussion. The next amendment is to repeal Section 14. This is a consequential amendment because there will now be no elected members of the board, and therefore there is no need for any provision to hold an election. Section 15, which also refers to the fixing of times for elections, is sought to be repealed by a consequential amendment. Section 18 is to be amended by making provision for an altered quorum. The board now comprises five members and the quorum is four. Under the new proposals, the board will consist of only three members so there is provision for a quorum of two.

Now we come to Section 26, powers and functions of the board. It is proposed to add a new subsection which will give the board power to require the production of accounts, etc. I have always understood, and I have followed the controversy fairly closely, that it was not the vendors who were reluctant to produce accounts—I understand they have their accounts audited by a reputable firm of auditors and have always been anxious to produce them—so there does not seem to be any necessity to take action so far as they are concerned. It is possible there has been some reluctance on the part of the producers to submit accounts, but I have not heard of it.

The Minister for Lands: No.

Hon. J. T. TONKIN: I cannot see the reason for this. As the provision covers the production of income tax returns, I find myself in serious disagreement with it. A number of men engaged in the milk vending or milk treatment business probably have many other activities unassociated with their milk business. Their income tax rereturns would contain a complete summary or statement of all their income. What has that got to do with the Milk Board? Some of these men deal in property; some own racehorses, and others trotters. These activities have nothing to do with the milk business, or the profits they make in the milk business.

The Minister for Lands: There is a special section in the income tax return which deals with production.

Hon. J. T. TONKIN: This provision gives the board the right to ask for the income tax returns, not only as far as they apply to production.

The Minister for Lands: I see your point.

Hon. J. T. TONKIN: I do not think the board has any right to require the production of all this information. I hope this provision will not be persisted in. The board ought to be able to get sufficient information for its purposes from the books of account kept in connection with the milk business. It is intended to add a new section to stand as Section 26A. This is a very important addition to the existing Act. It is surprising to find this Government

supporting it. We, on this side of the House, have always believed in nationalisation and municipalisation, and have advocated that as a policy. In New South Wales it was provided that milk should vest in the board as a matter of course. So the Milk Board in that State acquires the milk and arranges for its distribution under certain conditions and in certain places. In this Bill, in order to put the board in the position of being able to discipline persons who might be disposed to take action to improve their conditions, the Government provides for the vesting of milk in certain cases. The provision to which I refer is as follows:—

When in the opinion of the Board there is, or is likely to be, anything affecting, or likely to affect, the production or distribution of milk.

The Minister for Lands: The reason for that is that we do not want a recurrence of what took place during the milk strike when mothers begged milk for their babies.

Hon. J. T. TONKIN: That is a reason the Minister could have given on the second reading.

The Minister for Lands: You understand it as well as I do.

Hon. J. T. TONKIN: I do not have to give reasons for the Minister. It is surprising that a Government which rants against socialisation should provide a condition which is virtual socialisation in certain circumstances.

The Minister for Lands: I said that this is a temporary vesting in certain circumstances.

Hon. J. T. TONKIN: I am now telling the Minister something. In order to put the board in a position to discipline either the producers or the vendors, the Government seeks power to vest the milk in the board. That is, it can take the product of the producer and say it no longer belongs to him, but that the board shall control it. I have sat here at different times and have heard members—especially of the Country and Democratic League—complain about the Australian Wheat Board and the Commonwealth Minister for Agriculture making arrangements in respect to a product belonging to the wheat grower. I have heard the member for Irwin-Moore wax particularly strongly on this subject, and I have read articles from time to time by John Teasdale stating that the product—wheat—belongs to the farmer and nobody has a right to make any arrangements in regard to its disposal.

The Bill contains a proposition that the milk shall not belong to the producer if, in the opinion of the board—which opinion might be wrong—there is or is likely to be anything affecting or likely to affect the production or distribution of milk. If in the opinion of the board there is likely to be something which will affect the distribution of milk, then the product will vest in the board. It will be taken from the producer who will have no say in what is to be done, and he will merely be told what he is to do with it. Is this not strange, coming from a Party which talks so glibly about the product belonging to the man who produces it?

The Minister for Education: There is no analogy between the two cases.

Hon. J. T. TONKIN: I think there is. Suppose the board is wrong, and there is not likely to be anything detrimental to the distribution of milk!

The Minister for Railways: There was last year.

Hon. J. T. TONKIN: Suppose it does not occur but, because the board has that power, the product is vested in it! How can we justify that?

The Minister for Lands: It is to help the producer to sell his milk.

Hon. J. T. TONKIN: It will not help the producer to sell his milk at all. It is to sell the milk on behalf of the producer, but it will not give him any say in what happens to it.

The Minister for Education: The Wheat Board is to make sure that the producer gets a fairer price.

Hon. J. T. TONKIN: This could result in the producer getting less for his product.

The Minister for Education: No, it cannot.

The Minister for Lands: The Milk Board would not do a thing like that.

Hon. J. T. TONKIN: The marginal note says that this was taken from the New South Wales Act. The New South Wales

Act is straight out, because it is a matter of policy. It does not wait for the board to play on something that might happen, and so use this as a disciplinary measure. The New South Wales board does it as a matter of policy, and that Act states—

> From and after a day to be appointed by the Governor and notified by proclamation published in the Gazette, milk supplied for consumption or use within the metropolitan milk distributing district or milk distributing sub-district thereof specified in the proclamation shall become absolutely vested in and be the property of the Board.

That is a matter of policy. I want to emphasise that. When it comes to a question of taking disciplinary action, then this Government is agreeable that a matter of general policy in New South Wales shall be adopted in this State. That is hard to justify from the point of view of a Government that does not believe in this sort of thing. In New South Wales it is a matter of declared policy. That Government believes that the milk should vest in the board and that the board should then control its distribution, and so on. This Government does not believe that as a matter of policy, but it says that it is prepared to use this power if the producers or the vendors become difficult. If they are going to be difficult, then this is a threat. Is that recognised as sound policy to be put into operation in times of difficulty? That is something which the Government should make some attempt to explain. I would point out this difference between what the present Government's Bill contains and what is in the New South Wales Act. Although this, as a matter of policy, provides for vesting milk in the board, the Act goes on to state—

> No such proclamation shall apply to milk produced and retailed directly by a dairyman on his own behalf.

So the Government is prepared to go further than New South Wales and take the milk of the dairyman who retails his own milk, and vest it in the board; that from a Government that does not believe in socialisation! It seems strange that a Government should adopt a policy in which it does not believe to assist it to get out of an impending difficulty.

Hon. A. H. Panton: The milk strike must have had something to do with it.

Hon. J. T. TONKIN: Now we come to the next amendment, that of Section 26B. The consent of the board is to be obtained for the sale or acquisition of businesses. This could be a good or a bad provision, according to the way it is going to be exercised. I have always been fearful, as members know, that this milk business was tending towards complete monopoly for one or two firms. It would be very bad for the State if that occurred. I asked a number of questions last year regarding this matter and the Minister parried me every time and never gave one direct answer. I was genuinely afraid of the trend I could see developing. This power makes me even more fearful than I was before, because if we get a milk board that believes in monopoly, then this power enables the board to achieve that end. If a man who is in a small way of business wants to dispose of his business to another small man, the board can withhold its consent and agree to the sale only if it is to be made to one of the big firms already in the business. By picking and choosing between the persons or firms to whom sales will be permitted, the board could eventually force all this business into the hands of one or two firms. Is that a state of affairs that would be desirable? Personally, I think not.

If, on the other hand, the board is prepared to use that power to prevent sales to the big firms tending towards monopoly, then it would be a good power. I am not to know in what direction this power will be exercised, but I am fearful that it will result in there remaining in the industry only one or two—and possibly only one at the finish—big firms controlling the whole-milk distribution. That firm would be in a position to hold the Milk Board up to ransom despite this punitive provision that the milk will vest in the board if the board thinks there is likely to be trouble.

The next amendment will repeal of Subsection (2) of Section 33, which provides for payment of losses sustained by dairymen or others during the time that an appeal is pending against some action of the board. That provision is to be taken out altogether so that it will no longer be possible for persons whose licenses have been discontinued and who have appealed, to be compensated for any loss during the ensuing period. I take it that is because there is no longer to be an opportunity of appealing.

There is an amendment to deal with Section 41, which is devoted to an obligation to make contributions to the compensation

fund. I understand there was a real difficulty in the Act regarding this section because it was not possible to enforce contributions from holders of milk treatment licenses and vendors. I thought the board would be in a position to use its licensing powers to get this money into the fund. I have not examined the position sufficiently to be able to fully discuss it, but it seems to me, at first view, that the attitude of the board might have been, "This is an obligation imposed upon you by Parliament. You are expected to make a contribution to the fund, and if you are not prepared to abide by the rules you will not get your license. The board believes that you are not entitled to a license if you will not play the game according to the rules." I think that would have been a fair attitude to adopt and would have resulted in payment of the contributions. I understand that certain firms have withheld their contributions from the fund on the ground that they could not be compelled to make them.

The Minister for Lands: That is what I understand, too.

Hon. J. T. TONKIN: I may have information tomorrow if the Minister will answer the questions I have asked today. Because they cannot be compelled to make contributions, it is intended that they shall no longer be asked to make them. It must be conceded that they have gained their point. But the dairymen, the holders of licenses for the production and supply of wholemilk, will have to continue their contribution to the fund on an increased scale. Under the old Act, the scale was ¼d. but now it is ½d., so it seems that the contribution previously made by vendors and holders of treatment licenses will now emanate from the dairymen who make an increased contribution to the compensation fund to provide adequate money from which compensation can be paid. The producers, I imagine, will not be too pleased about that.

Hon. A. H. Panton: The South-West will not.

Hon. J. T. TONKIN: There is another side to this. The existing Act provides that the Government shall contribute £ for £ according to the amount that goes into the fund, and so this situation arises. If the dairymen are not to make good the contributions previously paid by vendors and holders of treatment licenses, then the amount going into the fund will be somewhat less than it was before, and so the Government's contribution will be correspondingly less and there will be a lot less money in the compensation fund under the new provision than there was before. I understand that there was not enough money before to do the job properly, and that leads us into a very difficult situation. It means that the testing for T.B. will have to be curtailed because there will not be sufficient money to pay compensation or else the Government will be obliged to find more than is provided for under the Bill.

On the other hand, if the Government is still to make the same contribution as before, it will necessarily mean that the producers will have to pay in full the amount of contribution that was previously made available by the vendors and the holders of milk treatment licenses. As there are to be no increased benefits to the producers, I do not think they will be pleased about that. There is one other amendment in the Bill which applies to Section 61 concerning claims, and that completes the amending Bill. Members can see that, apart from the several matters relating to the constitution of the board, the alteration in the amount of contribution to the compensation fund and the vesting powers, there is very little else attempted in this legislation. Thus, the Milk Act of 1946 could not have been such a bad measure after all, if these amendments are all that the Government thinks necessary to introduce. It is a matter of opinion as to whether the proposed alterations will improve the position or otherwise.

I have heard it advocated from time to time—especially, too, when I read the point of view expressed in "The West Australian"—that the ideal board is an expert board of three members not associated in any way with the industry. That may or may not be true. I know such boards have been constituted in various places. We, as a Party, have always held the view that workers in an industry are entitled to a say in the management of that industry, and that is a basic plank of our platform. In this instance, that would apply to those who are getting a livelihood from the production of milk. I would remind the House that the Milk Act was originally framed to make it possible for the industry to survive. Its

condition was such in those days that very soon there would have been few producers, and the consumers would not have been provided with the commodity that they required.

We cannot ensure the future of an industry unless we provide stability for it. Along those lines, we would always have given the producers in the industry a say in its management, and that is why the measure of 1946 provided for two producers' representatives. At the time that was not considered sufficient by members who now sit on the Government side of the House. Now they are in office, they have changed their opinion. They have completely altered the complexion of the board and are now of the opinion that the milk industry should be governed by a board on which there shall be no-one to submit the views of those engaged in the industry. That is a revolutionary change, and we have yet to see how it will work out.

Hon. A. R. G. Hawke: Members opposite believe in revolution.

Mr. Nimmo: Yes, the red one!

Hon. J. T. TONKIN: It is a remarkable volte face on the part of members who in the past have strenuously advocated producer representation.

The Minister for Lands: Are you sure that the producers are represented on the board today?

Hon. J. T. TONKIN: They are represented, and the Minister knows it.

The Minister for Lands: I am not too sure about that at all.

Hon. J. T. TONKIN: It is because they are represented that the Minister wants to put them off the board. It is because of the difficulty that was created not so very long ago that the Minister seeks to effect a change.

The Minister for Lands: I feel that the producers are not represented.

Hon. J. T. TONKIN: The Wheat Board has been newly constituted in connection with the latest wheat stabilisation proposals. With regard to that board, the producers requested and obtained majority representation. The argument advanced was that the board was to deal with the marketing of the producers' product; and that being so, the producers themselves should have a greater say as to what was to be done with it. Surely there is an analogy in this instance. Here is a primary product of an industry that not so many years ago was struggling for existence. Happily those concerned are in a much better position now. The industry had to be built up, and during the time it was being re-established the producers had direct representation on the board. They had an opportunity to put forward their point of view and to ensure that full weight was given to those views. Now they find that in the proposed new board of three experts, the position is to be different. Who is to look after their interests now, especially if two of the three experts happen to secure their positions because they are friendly with Ministers—and that is quite a possibility.

Although members now sitting on the Government side of the House said that if they obtained power, positions would be filled according to ability and knowledge, I can give a number of instances where that has not been done. Thus, there is a great possibility that something of the sort will happen in this instance. The Government has seen fit to introduce these amendments to the Act. I did not notice much in the speech of the Minister in justification of them, but there they are. We shall have to wait and see what happens. I am not enamoured of any of the provisions of the Bill. I do not think they will make any great contribution towards improved production and the better distribution of milk in Western Australia. They certainly will not help so far as compensation payments are concerned nor from the standpoint of testing for T.B. or other diseases. They will make no advance there. The powers of the board remain the same, apart from those relating to vesting. The power to supervise operations and control distribution is still the same, and so there is no advance there. The other change is in the set-up of the board. The mere fact that it is set up in this way is really a statement by the Government that it regards the board as at present constituted, incapable of functioning efficiently. For that, does it blame the producers' representatives, the consumers' representatives, or the chairman? However, the powers are to be the same apart from the vesting authority.

If the Government blames the constitution of the board for its inefficiency, to be consistent it must change the personnel and powers of other boards that are constituted

in a similar way. We have the Egg Board and other marketing boards that readily come to mind, all of which have been constituted in much the same manner. If this board cannot work efficiently because it has representatives of producers on it, neither can the other boards, for the same reason. It seems to me that some influence has been at work upon the Government and has resulted in the Bill being introduced.

MR. NEEDHAM (Perth) [9.55]: After the very masterly analysis of the Bill by the member for North-East Fremantle, it is not my intention to deal with it at length. Suffice to say, like that hon. member, I am not enthusiastic about the measure. Ever since I have been in this House, whenever a Milk Bill has been under discussion, I have always advocated that the retailers or vendors should have representation on the board. You, Mr. Speaker, when a private member, adopted a similar attitude. I assert that had the policy we advocated at that time been adopted, many of the troubles that have confronted the board would have been obviated. While I recognise it has been difficult to control the milk industry in a proper manner, I still think it would not have been so difficult had amendments suggested on former occasions been agreed to. I was hoping that when the board was reconstituted, instead of the policy indicated by the Government, a change would be effected by placing representatives of the retailers upon it. Instead of that, the Government now proposes to constitute a board of men who will have no knowledge at all of the industry from a practical point of view. I am very much afraid that that is a serious mistake.

A remarkable coincidence is that it was a composite Government comprising members of what were then known as the National Party and the Country Party that dealt with the Milk Board legislation and gave representation to the people engaged in the industry, and now we find another composite Government representing the same parties but under different names —they are now known as the Liberal Party and the Country and Democratic League— indulging in a complete volte face and proposing to establish a board comprising men of no practical knowledge of the industry at all. Whether or not that will prove successful, no-one can say definitely. One of the weaknesses of the old board—I want to emphasise this point—was the fact that although the retailer of milk was taxed, he had no representation. Time and time again his organisation tried to secure representation on the board, but failed to do so.

Another point in the Bill that has been referred to by the member for North-East Fremantle is that it gives the chairman of the board an appointment of seven years. If there is any good point in the Bill at all, it is that one, because the chairman will bear heavy responsibilities and he will be given a better sense of security if his term of office is made longer. But while the Bill gives the chairman seven years' tenure of office, it goes to the other extreme so far as the other two members are concerned. I consider the period of three years which they are to be given is too short. They should have the same sense of security in regard to their services that it is proposed to give to the chairman and their term of office, in my opinion, should be five years instead of three.

The principal part of the Bill is that which gives the board power to take control of the distribution of milk under certain circumstances. We can visualise what those certain circumstances might be. We have already had one example, when the community was held up owing to an industrial dispute, a dispute that could have been easily avoided had the Government of the day displayed a little more backbone and taken upon itself the responsibility of settling it, and not left it altogether to the board, which had had a hard row to hoe before. The Government now intends to take full charge of the distribution of milk if certain circumstances arise. The member for North-East Fremantle pointed out the odd position of a Government with anti-socialistic leanings, a Government never tired of trying to blame members on this side of the House with having all kinds of socialistic tendencies, a Government which is now taking upon itself in full measure the socialisation of an important industry! Whether it will be successful or not I do not know.

I would rather have seen the Government leave that phase alone and reconstitute the board, making it fully representative of all those engaged in the industry. Failing

that, the Government might have gone to the length of nationalising the industry altogether; a half measure of this kind is neither one thing nor the other. It is neither fish, flesh nor good red herring. Another fault I see in the Bill, one to which the member for North-East Fremantle drew attention, is the power which it is proposed to vest in the board to compel the production and retention of the books of accounts of those engaged in the industry. That is going a little too far. Were the people engaged in the supplying of milk doing that and nothing else, were they interested in no other business, there might be some justification for that power to be vested in the board, but many of them have other interests and no doubt the one set of books includes all their transactions. The handing over of information relating to their other business is unnecessary.

The Government is going to extremes in asking that such powers should be vested in the board. The trouble is that a penalty of £50 is provided should any person engaged in the industry not comply with this provision. Another feature of the Bill I do not like is that the decision of the board shall be conclusive. Up to a particular stage of the proceedings there is no appeal. The exercise of this power would in no way help to run the industry on smooth lines. It is possible that the Bill may become law, although I am not very enthusiastic on the point. Should it survive the second reading, it may be possible to improve it in Committee. For that reason I am inclined to support it, although at present I am not very much in favour of it.

MR. FOX (South Fremantle) [10.9]: I am very much surprised that the Minister, who is a prominent member of the dried fruits industry, should bring down a Bill of this description. I wonder how he would like a similar measure governing his industry. As the member for North-East Fremantle has said, when Labour was in office we had railings from Opposition members about the paucity of producer representation on boards. Yet tonight the members of the Country and Democratic League are silent; they have not spoken a word on the measure.

Hon. A. A. M. Coverley: They are not allowed to.

Mr. FOX: That is evidence that they are being dragged at the heels of the Liberal Party. If anything is to be done about the milk industry, the Government should have brought down a Bill vesting all the milk in the board. Milk is something absolutely essential to the health of the people. Why, it has even been suggested that a bull—

The Minister for Education: Do you mean us to take the bull by the horns and get the milk?

Mr. FOX: No. The Honorary Minister for Supply and Shipping was going to do that. I am not suggesting that we do that at all. My view is that all milk should be vested in the board, as it is in New Zealand and in certain parts of New South Wales. We should not talk about socialising the industry when we speak about vesting all the milk in the board because, as I have said, milk is absolutely essential to the health of the community, especially the children. It should be handled as little as possible and distributed by the board. I am sorry that producer representation has been eliminated from the board. I have had communications from milk producers in the district I represent, and I intend to vote for producer representation on the board. I am not prepared to make the vesting power as contained in the Bill a weapon to deal with a branch of the industry. The sole reason why the Minister has included this particular provision in the Bill is to make it a strike-breaking measure. He mentioned that producers were to be brought under its provisions, but I do not see how he can accomplish that. The producers simply would not produce milk if they decided to hold up the industry.

The Minister for Lands: But the producers did not decide to hold up delivery of the milk.

Mr. FOX: The Minister could not bring the producers under that provision unless he vested all the milk in the board and paid for it. The Minister brought this Bill down as a strike-breaking measure in case the vendors held up the milk supply again. I am not going to be a party to anything of that nature. I believe a strike should be the last thing that should be allowed to take place, because we have conciliation and arbitration measures providing machinery for the settlement of disputes. The Minister should have recourse to those statutes,

instead of vesting the milk in the board and cutting out the producers for the time being. When he has brought them to their knees, he will bring them into the industry again. Let the board deal with the whole industry. When the Bill is in Committee, we shall be able to make provision for representation of the producers on the board. I am not so much concerned about the retailers, indeed, I am not concerned very much about middlemen in any case, but I think the producers should get full value for their product.

Member: Put a woman on the board.

Mr. FOX: I am not concerned about that either. I am concerned about the people who are being dragged at the heels of the Liberal Party, the members who are sitting quietly and not protesting against the elimination of producer representation from the board. I have said, and I still maintain, there is more affinity between the Country Party and the producers in the State than there is between the Country Party and the Liberal Party. We have had another instance of it tonight. I do not know whether the meeting which the Premier attended some time ago; and at which he was castigated by the Leader of the Liberal Party, Mr. Downing, was responsible for some of the legislation he has been bringing forward recently. I have no doubt that one piece of legislation debated here the other night was inspired by the trouncing the Premier got over socialistic legislation.

The Minister for Works: To what measure are you referring?

Mr. FOX: The Premier had to appease Mr. Downing by giving the bus owners a seven years' lease.

The Attorney General: To which measure are you referring and with what clause are you dealing?

Mr. FOX: Perhaps I was getting away from the Bill, but I hope that when the measure is in the Committee stage members on this side of the House will show their sympathy for the producers by endeavouring to obtain for them some representation on the board.

MR. SHEARN (Maylands) [10.16]: As a previous speaker said, the member for North-East Fremantle addressed himself at length to the Bill and dealt with all the important aspects associated with the milk industry. I find myself in entire agreement with his view that this Bill is a puerile effort—if it can be termed an effort—to correct a situation in which the Government did very little to distinguish itself a few months ago, when the public suffered a hold-up in supplies of this most important commodity. On a number of occasions since the board was established amending legislation has been before the House. The main point raised by speakers in opposition to it—I was one of them—was that the board should be made wholly representative of those in the industry. The Minister of those days, of course, did not agree with that, although that was the attitude adopted by most of the members who today sit on the Government side of the House.

What do we now find? Apparently the only solution the Government has for the correction of the situation that developed some months ago, is to reconstitute the board with, as the Minister said, three experts. Members have not been given the remotest idea—from the Minister's speech—in what connection the three shall be expert. As has been pointed out in connection with every Bill concerning an industry since this Government took office, the Government has been at great pains, very rightly, to see that all sections of industry were given full representation. Had it set out to incorporate in this Bill the principles its members advocated when they sat on the opposite side of the House, the present proposition would not have been put forward. I have grave doubts whether the measure will be received with satisfaction by any section of the industry and I have equal doubt whether it will work satisfactorily. However, that is a matter for which the Minister and the Government must accept responsibility.

It would have been fairer had the Minister, when introducing the Bill, explained in detail what he meant by his reference to the recent dispute and the necessity, arising from it, for some of the amendments contained in the Bill. I would remind him that the retailers, for whom I hold no particular brief, did not in fact ask for an increased margin per gallon. What they repeatedly asked for, but did not succeed in getting, was an independent inquiry into their undoubtedly rising costs. At their

own expense they sought advice and had a comprehensive investigation made and a report submitted by a firm of public accounts, Morris and Paton, who are well know to the Government. That report was submitted to the board, but for some extraordinary reason it was suggested that the figures were not comprehensive enough for it to deliberate on. They then approached the Honorary Minister for Agriculture in another place, and I am advised that he told them, after listening to their view, that he thought they had made out a case for an increase in price and that if the legislation he had in mind was not passed he would discuss with the chairman of the board the prospects of giving them the increase they asked for. At the time when the trouble occurred, if this matter had been accepted as the responsibility of the Government—which in the final analysis it unquestionably was—a hold up in milk supplies need never have occurred.

The Minister for Lands: What would have avoided it?

Mr. SHEARN: Commonsense on the part of the board and the Minister not avoiding his responsibilities.

The Minister for Lands: I think you hold a brief for the retailers and would make the public pay more for the milk.

Mr. SHEARN: There were a number of conflicting and extraordinary statements made by the Premier, the Honorary Minister for Agriculture, and several other members of the Government. What they said did not square up into one precise story. On the one hand the Minister was telling the public one story when in fact on the other hand—

The Minister for Lands: You were telling them another.

Mr. SHEARN: —the chairman of the board was telling another story, and I could never discover which was correct. Despite the Minister's interjection I again say that responsibility for the continuity of the supply of milk to the community cannot be shelved by the Government and put on to any board. It is the responsibility of the Government and therefore I think this measure is a very feeble effort to overcome the difficulty by a threat to a particular section of the community. That is not the right way in which to face up to the situation and I would not have expected this Government to support such an idea. The problem should be tackled from a fundamental point of view whereas this measure, if passed, would only experiment with the situation. There is no necessity to make any alteration in the constitution of the board to rectify the existing dissatisfaction, but I do suggest that the representation on the board up to date has not been that foreshadowed by the parent Act.

The Minister for Lands: Are you referring to the producers?

Mr. SHEARN: Had the Government taken a more realistic view of this matter it could have reconstituted the board without bringing down legislation of this kind. Even had it been necessary to bring down legislation for the purpose it could have been legislation to make the board fully representative of all the interests concerned, and in that case it would have been possible to mete out justice to all those engaged in the industry while at the same time giving adequate protection to the community with regard to the price and quality of the product. Considerable efforts have been made to get the board to supply to the industry—as is supplied to it in similar circumstances in the other States and in England—a comprehensive report and balance sheet.

As the Minister probably well knows, in England there is an annual meeting called of all concerned in the industry. It is called by the board and the whole of the transactions for the year are openly discussed. Much has been said about the small consumption of milk in Western Australia, but can one wonder at it? Every bit of publicity given to milk in this State seems to make some reference to the T.B. infected herds. I think the psychology to be developed in that regard should be to educate the public with regard to the commendable efforts being made to eradicate the disease and thus instil into the people some confidence with regard to the commodity. In New South Wales and other States a great deal of time and money have been devoted to desirable publicity in relation to milk. Practically nothing has been done in that regard in this State.

I agree that those engaged in the industry should be compelled to submit facts and

figures to the board, but the proposals incorporated in one of the provisions of the measure are not only ridiculous but also absolutely alien to what one would expect to find in legislation of this kind. With other members, I hope that will be rectified when the Bill is in the Committee stage. As the member for North-East Fremantle has dealt so fully with the measure I will not debate it further, but would express my disappointment that the Minister has brought down a Bill of this character when the trouble could have been dealt with better by a greater measure of tolerance and commonsense on behalf of the Government and the board in the past.

MR. YATES (Canning) [10.27]: Generally, when a Bill to alter the control of a Government institution is introduced, outbursts of criticism are heard. In this case if a Bill had not been brought down nothing would have been said and everything would have gone on in the same old way. Here we have a Bill dealing with the milk industry in Western Australia and consequently there are outbursts of criticism from all and sundry. I think most of that criticism is unjustified. Healthy criticism, of course, tends to mould a Bill into the best possible form before it reaches the third reading. A great deal of the information as to the milk industry of this State has in the past come from two factions, the producers and the retailers, each of which has been fighting against the other. When we have an organisation the secretary of which is a representative of the retailers and of the producers, I cannot find any criticism that should be levelled at the chairman of the board for holding the dual position of chairman and secretary of the Milk Board. The criticism seems to come from that particular angle.

The member for South Fremantle mentioned that the Bill is more of a strike-breaking measure than anything else. I fail to see anything in it that would tend to make any of the members of the milk industry, either the producers or the retailers, create strikes because the Government has brought it down. When we trace the progress of the milk industry in this State from its inception, we find that from the chairman of the board down there has been a great deal of criticism which has not been substantiated. Members can get up and blow a lot of hot air but nothing can be produced with any foundation regarding the work of the Milk Board.

Mr. Styants: You blew a lot of hot air the other night and then walked out of the Chamber without recording your vote on the measure under discussion.

The Minister for Lands: That is not in the Bill.

Mr. Styants: The hon. member should not blow any hot air.

Mr. YATES: I did not blow any hot air.

Hon. A. R. G. Hawke: The Premier blew some down your ear after you had spoken.

Mr. YATES: I suggest that the hon. member should read "Hansard." If members have finished their criticism on another night's activities I will proceed.

Hon. A. R. G. Hawke: We have not finished.

Mr. YATES: I mentioned that through past years the members of the Milk Board have endeavoured to bring the milk industry in Western Australia on to a higher plane than that in the other States. Investigations were made throughout Australia and oversea regarding the best types of treatment plants to be used in the industry in this State. In my own electorate I have quite a number of milk vendors and producers who have been improving their depots only because they must comply with the provisions in the Act.

If members will look at the back of the 1948 report of the Milk Board which has been tabled, they will see photographs of very old and disreputable milk depots which were in operation for a number of years prior to the board's making the proprietors fall into line by installing modern treatment plants so that clean and pure milk could be distributed to the people in the metropolitan area and other parts of the State. I have the greatest admiration for the work which the board has done. It is doing its utmost to secure the purest milk possible for the consumers. It is not the intention of the board to create strikes nor is it constituted to act as a mediator in strikes.

It comes to a sorry pass when a member of the Milk Board interferes in strikes without any authority from the board itself. Such an instance recently occurred when the disturbances in the metropolitan area were most active. Members should take time off

to check on the present members of the Milk Board to see whether they are truly representative of the milk industry of Western Australia. Would not a person who has been engaged for many years in the industry, and who might now be out of it, be a suitable man to be selected as a representative on the board to look after the interests of the producers?

Mr. Fox: If the producers wanted him.

Mr. YATES: In the unions there are men who are not directly interested in the industries they represent, but they must have the capacity to do the work otherwise they would be dismissed. So it is in other walks of life. It is not necessary to appoint a man who has knowledge of the particular type of work involved so long as he has the brains to take an overall view.

Mr. Fox: What about the wheat farmers?

Mr. YATES: We are dealing with milk at the moment and it is too important a subject to allow side issues to creep in. I wish to quote from the Milk Board's report dealing with the marketing of milk, as follows:—

> It has been the Board's aim to spread the advantages of controlled marketing as evenly as possible over all dairymen licensed by the Board. The contract system, the method of fixing maximum daily quantities and the granting of the Board's permission to sell milk in excess of maximum daily quantities have all been intended to ensure a regular supply of milk, and to recompense the summer producer. Unfortunately the Board has not received from some primary buyers of milk the co-operation which it is entitled to expect, in fact there has been a growing tendency by some treatment plants to break down the marketing system which has been built up. Over buying and under selling have been a feature of the activities of some of the major firms.

As with most other industries post war problems have also risen as well as difficulties in connection with the milk industry in this State and it is time that certain alterations were made to the Act.

Mr. May: To break up the monopoly.

Mr. YATES: The producers are doing better today than they have done before.

Mr. Fox: Thanks to Ben Chifley.

Mr. YATES: Not at all, it is thanks to the circumstances of the board being in existence and to this State being gradually brought into line with the other States. Can members point to any instance in which the milk industry in the other States has fallen down? In Sydney there are practically 1,500,000 people to be served and two depots controlling most of the milk. Ours is a small population compared with that of New South Wales. We have several depots ourselves, wonderfully well controlled, hygienic, and having modern equipment, and these are doing a good job in the distribution of milk.

Some 18 months ago a vendor in South Perth was very concerned with the handling of the industry in the metropolitan area under the new scheme. He was informed that he had the opportunity to select his own depot from which to purchase his milk, and that he would not be restricted. Even then he was not satisfied. A few months ago, however, I approached him and learned that in his opinion the scheme was working satisfactorily. The milk was delivered at his door and he had no worries about collections from railway sidings and did not have to go to the country for his supplies. After three months' trial he was satisfied that the distribution system was working better than it had done in the past. I regard the Bill as an honest endeavour further to assist the activities of the board and to help not only producers and retailers but also the better to serve consumers. I have much pleasure in supporting the second reading.

HON. A. R. G. HAWKE (Northam) [10.40]: It is exceedingly difficult to follow the reasoning of the member for Canning. He was quite fulsome in the praise he bestowed on the Milk Board and upon the work which it has carried out over the years in effecting very solid improvements in the milk industry. We would have thought that the logical course for him to pursue, in view of his beliefs, would be to support the continuation of that board on the basis on which it has been established during that period. He surprised me greatly by declaring in his last sentence that he favoured the Bill which proposes to make the most radical alteration to the constitution of the existing Milk Board.

Mr. Yates: I think for the betterment of it.

Hon. A. R. G. HAWKE: We can only guess as to the possibility of the board being a better one under the proposed new con-

stitution than it has proved to have been under the existing one. If the board has been as good in the past as the member for Canning would have us believe, and if it has effected all the major improvements in the production and distribution of milk, I suggest that members would be extremely unwise radically to alter its constitution in the hope that the new board, under a new constitution, might be as good as or even better than the existing one. If I remember rightly, I have heard members of the parties making up the Government, and especially members of the Country and Democratic League, advocating during the years a policy of producer-control in respect of matters such as the production, and especially the distribution of primary commodities.

The constitution of the Milk Board does not give producer-control but it does give producer-representation. The producers have one representative on a board of three, the other two representatives being the chairman appointed by the Government and a representative appointed by the consumers. The proposal in the Bill respecting the constitution of the board in future is extremely radical inasmuch as it not only fails to give the milk producers any representation, but absolutely black-lists them from appointment of any kind to available positions on the board. Insofar as consideration for appointment is concerned, it deliberately places on the black-list any person who is a dairyman, a milk vendor or the holder of a treatment license. That is to say, it puts every dairyman on the blacklist and declares, in black and white by law, that no dairyman shall even have the right to be considered for appointment to the Milk Board.

Mr. Yates: It does not exclude an ex-dairyman.

Hon. A. R. G. HAWKE: It does not exclude an ex-dairyman, or an ex-pugilist, either; but it does exclude any dairyman whose activities are covered by the Milk Board. I suggest to members and supporters of the Government that this part of the Bill represents a great insult to every dairyman in the State, as well as to every milk-vendor and every holder of a treatment license, because it declares that not one of any of the persons in those classes shall be considered for appointment to the board. Surely members representing dairying districts are not in favour of a provision of that sort! Surely no member believes that dairymen and others operating in the industry should be blacklisted so far as consideration for appointment is concerned!

I am completely at a loss to know what has possessed the Government in including a provision of this sort in the Bill. The Minister, when moving the second reading, did not supply nearly sufficient arguments to justify members in supporting this part of the measure. I want to know from the Minister, or from some other member of the Government, why it has been decided to make this very radical departure in respect to the constitution and personnel of the board.

The member for Canning indicated beyond any question that the Milk Board over the years has more than justified its existence. Why, then, should we have placed before us a proposal so radical as this? The proposal is so radical as to change fundamentally the basis of the board. It will absolutely prohibit from consideration for appointment a very large body of men most actively engaged in the industry and most concerned for its proper management, control and direction. Therefore I ask, "Why this radical departure?"

The Minister for Housing: Because 99 per cent of the people want it.

Hon. A. R. G. HAWKE: Now we have a most fantastic suggestion, excuse or reason why this radical departure from existing practice is proposed. The Minister's reason or excuse or suggestion is that 99 per cent. of the people want it. I do not know whether the Minister has taken a Gallup poll of his own; if not, I suggest that his imagination has galloped completely out of control. Obviously 99 per cent. of the people are not even interested in the matter, and I say that 90 per cent. of the people have not the faintest knowledge of the fact that this provision is being considered by Parliament.

The Minister for Housing: They are very keenly interested in the matter of milk distribution.

Hon. A. R. G. HAWKE: I should say that if the people were aware of the proposals in the Bill, a big majority of them would be opposed to this departure. The only suggestion I can make as to why the

Government is taking this extreme and erratic course is that the pressure from the vendors for representation on the board has become so extremely heavy and difficult that the Government has decided to escape by altering its constitution in such a way as to cancel completely representation on the board for any special interest.

The Minister for Housing: That is the modern trend.

Hon. A. R. G. HAWKE: If that is the excuse or reason actuating the Government in making this move, it should tell us so that we would be in a better position to understand where we are. The Minister for Housing, in effect, has admitted that this is the reason that prompted the Government to include this proposal in the Bill.

The Minister for Housing: No admission about it.

Hon. A. R. G. HAWKE: I consider that the Government's being incapable of standing up to this pressure from the vendors is not a sufficient reason to justify members of the House in voting for the proposal.

The Minister for Lands: There are two vendors on the board now, though they pose as producers.

Hon. A. R. G. HAWKE: I do not care whether there are three. All I know is that the Act provides that the board shall consist of three members, one the chairman appointed by the Governor and the others representing the dairymen and consumers respectively. So far as I am aware, the vendors, as such, have not the right of nomination; nor have they a representative on the board. If the dairymen, in their wisdom, or lack of wisdom, nominate a vendor, and if the consumers have a vendor appointed to represent them, that is their business. We are not concerned with whom the dairymen or consumers have on the board to represent them. What we are concerned with most of all is what the legislation lays down, and the present law lays down clearly that two of the three members of the board shall represent the consumers and dairymen respectively.

The Bill proposes that the dairymen shall be absoutely prohibited from even being considered for appointment and that certain other people directly interested and vitally concerned in the industry shall not be entitled to be considered for appointment. In my view, this proposal has nothing whatever to commend it. It will strictly limit the choice of the Government in respect of considering those who shall be appointed, and rules entirely out of consideration those who are actively concerned in the industry and those who should know a great deal about it and what can best be done to improve it, both from the production side and the distribution side. I do not propose to support the second reading.

On motion by Mr. Wild, debate adjourned.

Sitting suspended from 10.55 p.m. to 2.30 p.m. (Thursday).

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Conference Managers' Report.

The MINISTER FOR EDUCATION: I have to present the report of the conference on the Workers' Compensation Act Amendment Bill. The conference agreed to amendment No. 1 made by the Legislative Council. It was resolved also to agree to amendment No. 2. Amendment No. 5 it was agreed should be withdrawn. In the case of amendment No. 6 conference agreed to delete only the words "and mixed law and fact" in line 29 of page 21. In explanation may I say the Bill provided that the chairman of the board had to be a qualified legal practitioner and would determine questions of law, mixed law and fact, to both of which the Legislative Council objected. The position now is, with this report adopted, that the chairman will decide all questions of law. All reference to mixed law and fact was deleted. In regard to No. 13, this was the proposal of the Legislative Council that the amount which could be levied by the board in any year should not exceed £8,000 without the consent of both Houses of Parliament. It was necessary to point out that in another provision of the Bill, new Section 35 of the Act, the board was authorised to pay compensation to workers in the event of their not being insured. Although insurance is compulsory there are a few cases where the insurance is not effected and therefore the worker hitherto has not been covered. As this sum of £8,000 which was mentioned by the Honorary Minister in another place was the minimum amount it was anticipated the administration of the board would cost,

it was obvious that an amount of only £8,000 would not enable the board to pay any such claims if they arose. Therefore it was agreed to delete the proposed paragraph in the Bill, and instead of the Legislative Council's proposed amendment to insert the following paragraph:—

(d) (i) In any one year the board may levy contributions to the fund of an amount equal to—

the amount of compensation estimated as hereinafter provided as payable in that year pursuant to the provisions of paragraph (b) of sub-section (1) of Section 35 of this Act.

plus—

a sum of Eight thousand pounds—

but shall not levy contributions in excess of that amount unless authorised by resolutions of both Houses of Parliament.

(ii) For the period of the first year in which the Workers' Compensation Act Amendment Act, 1948, comes into and is in operation the amount of compensation referred to in the last preceding paragraph shall be estimated by the board and for each year thereafter the estimate of the amount of that compensation shall be based upon the amount of the compensation payable during the next preceding year.

That was the best arrangement we could make.

Amendment No. 18 was a proposal that a panel of names should be submitted by the British Medical Association. It was decided to delete that amendment and to insert this instead—

to be selected from time to time from a panel of names of medical practitioners supplied to the Board by the Medical Board constituted pursuant to the provision of the Medical Act, 1894-1946.

The Medical Board under that Act is in charge of the profession by statute and was considered to be the proper authority, if any, to handle this matter.

Amendment No. 19 was agreed to. This was the amendment to enable the board to provide facilities for the better medical and surgical treatment of workers.

Amendment No. 20 was not accepted, but instead of deleting sub-paragraph (iii) of paragraph (g), the sub-paragraph has been amended as follows:—

Insert before the word "providing" the words "formulating recommendations and preparing estimates for submission to Parliament of the cost of"

That is the cost of providing facilities for rehabilitation and re-employment of workers who have sustained permanent disablement. In order to give the board power of some sort to carry out these estimates, if acceptable to Parliament, an additional sub-paragraph has been inserted as follows:—

(iv) providing facilities for rehabilitation and re-employment of workers who have sustained permanent or temporary disablement from personal injury by accident within the meaning of the Act in accordance with the recommendations and estimates referred to in the last preceding sub-paragrph when those recommendations and estimates have been approved by resolution of both Houses of Parliament.

Amendment No. 21 which provided for accident prevention and other associated matters was agreed to, and Amendment No. 22 which was entirely consequential upon that was also necessarily agreed to. The point was taken regarding prevention of accidents is to which already, under such legislation as the Factories and Shops Act, there is ample power for inspection and direction and that the paragraph as proposed was, under those circumstances, unnecessary. While not subscribing entirely to that point of view, suffice it to say that in the circumstances which faced us the Legislative Council's amendment was accepted. I move—

That the report be adopted.

Question put and passed and a message accordingly returned to the Council.

BILL—GOVERNMENT RAILWAYS ACT AMENDMENT.

Conference Managers' Report.

The MINISTER FOR RAILWAYS: I beg to report that the managers met in conference, and after discussing the amendments agreed to same. I move—

That the report be adopted.

Question put and passed, and a message accordingly returned to the Council.

Council's Message.

Message from the Council received and read notifying that it had agreed to the conference managers' report.

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Council's Message.

Message from the Council received and read notifying that it had agreed to the conference managers' report.

House adjourned at 2.40 p.m.