

of an offensive or obnoxious character—the general manager has to give notice, in the manner prescribed by the regulations, that on a certain day and at a certain time those things will be sold unless the owner removes them and pays the expense involved. If he does not remove such articles, they will be sold and from the proceeds there will be deducted the costs of and incidental to the sale and the storage and handling of the articles, the balance, if any, being paid to the credit of the tramways or ferries revenue as the case may require.

Hon. E. Nulsen: What has been done in the past?

The MINISTER FOR EDUCATION: The position was covered by the Government Railways Act and the provisions of that Act applied. Those provisions are similar—in fact, almost identical—to what is in this measure. But when the tramways and ferries were severed from the Railway Department, no action was taken to incorporate the provisions of the Government Railways Act in the Tramways and Ferries Act. Hence the necessity for this measure. For those reasons I ask the support of the House and move—

That the Bill be now read a second time.

On motion by Mr. Marshall, debate adjourned.

*House adjourned at 9.35 p.m.*

## Legislative Council.

Wednesday, 20th September, 1950.

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

### MOTION—ADVERTISING COSTS.

*As to Action to Restrain.*

HON. G. FRASER (West) [4.33]: I move—

That the Legislative Council views with alarm the very high aggregate value of costs, including prizes in "Quiz" and similar contests given by manufacturers, and requests the Government to confer with other States and the Commonwealth Government in an endeavour to exercise some restraining influence over these high advertising costs.

I bring this motion forward in order to give members an opportunity to state their views on this particular form of advertising. I have been waiting patiently for a long time for some move to be made by either a State Government or the Commonwealth Government to exercise a restraining influence over these activities, but so far nothing has been done. This matter now appears to be reaching such alarming proportions that something should be done.

Hon. J. M. A. Cunningham: Alarming in what way?

Hon. G. FRASER: With regard to high costs, and so forth. Failing a move by any Government department, I thought the least I could do was to allow members of this Chamber to state their views. I have in mind that in past years we have stated definitely our attitude towards the giving away of prizes in order to promote the sale of some goods. I find on research that as far back as 1902 a measure called an Act to Prevent the Use of Trading Stamps was passed. The object was to deal with the position that arose when trading stamps were given to the purchasers of certain goods and, on receipt by the vendor of a certain number of these stamps, other goods were given in return.

As far back as 1902 it was considered by the Western Australian Parliament that some steps should be taken to stop that type of transaction. We find also that as recently as 1948 an Act repealing the 1902 legislation was passed. While based on the same principle as the previous measure, the later enactment went much further in carrying on what the 1902 legislation sought to achieve. Members will recall that when the 1948 Act was passed the manufacturers concerned were mostly in the soap trade, and peculiarly enough, they are mostly the ones about whom I am at present concerned. The 1902 and 1948 legislation was passed mainly, I presume, with the idea of protecting industries in this State. It is not necessary for me to emphasise the fact that with unlimited competition, from a price cutting point of view, by Eastern States industries, not many of our local enterprises could survive.

Thus, members in those earlier years considered it necessary to do something in Western Australia. Just to refresh the memories of members and to let them know how the legislature of 1948 desired that every avenue, with respect to trading stamps, should be closed, let me quote some sections of the 1948 Act. Section 4, which shows how much of a dragnet the legislation was intended to be, reads—

"goods" includes goods, wares and merchandise of all kinds, trading stamps, coupons and any tickets, checks, tokens, documents or orders directly or indirectly authorising or entitling any person to travel by any public or private railway, tramway, boat or conveyance, or to obtain meals or refreshments or to play or take part in any indoor or outdoor game or sport, or to be admitted into any theatre, concert hall, racecourse, cricket or football ground, circus or place of public amusement or entertainment or to obtain or receive any valuable consideration, or benefit or advantage of any kind whatsoever.

If members want a dragnet clause, then they have it there.

Hon. W. J. Mann: What Act is that?

Hon. G. FRASER: The 1948 Trading Stamp Act. I take that Act because it is the one which covers the giving away of prizes with goods. In another portion the Act states—

purports to promise that such person will or may receive, from the trader any money or goods free of cost or at a reduced or alleged reduced price.

I am mentioning portions of the Act to emphasise what members of that day had in mind regarding this particular type of competition. In another portion of the Act appear the words—

entitling or inviting the purchaser or any other person to participate in any competition for any refund, gift, allowance, reward, valuable consideration benefit, or advantage of any kind whatsoever.

Later on the Act sets out—

the person on whose behalf any sale or free distribution of goods is made by an agent, assistant or apprentice shall be deemed to be the person who effected the sale or distribution; and the agent shall also be liable to the same penalty as the person on whose behalf the sale or distribution was made;

any agent or representative, in the State, of any person not resident in the State, shall be subject to the same liabilities under this Act, including any penalty, as that to which his principal would be subject, if resident in the State.

I mention those portions of the Act, which is on the statute book, to show members that we have legislation to prohibit this sort of thing, but over the last year or two a number of persons have offended against this enactment. Those persons must have been acting as agents for these particular firms who are conducting the competitions, which have for their objectives the giving away of goods. Further on the Act states—

No person shall, in the State, directly or indirectly—

(a) give or deliver; or

(b) either in writing or otherwise howsoever promise, offer, represent, or advertise, or purport to promise, offer, represent, or advertise, that he will give or deliver,

any money, goods, reward, benefit, valuable consideration, or advantage whatsoever.

Then further on in the Act it mentions—  
concerning, relating to, or in connection with any goods which have been, are being, or are intended to be, sold or distributed in the State.

There again, even if the article is manufactured in another State and distributed here, under the Trading Stamp Act of 1948 that person becomes liable. The last portion of the Act I intend to quote concerns an offence under this section committed by a company. It states—

the company may be charged in addition to any of the officers of the company responsible for the commission of such offence; and where an offence under this section has been committed by a firm or partnership, the members of the firm or partners may be jointly charged.

Any person who contravenes any of the provisions of this section shall be liable to a penalty of one hundred pounds for each offence.

That Act deals mainly with trading stamps; and whilst that may be the preliminary advance so far as the competitions are concerned, and does not come into the argument at the moment, the result of trading stamps is the same as that which happens today. Prizes are given, and that is the point about which I am concerned. We have only to turn on the radio, at any time of the day or night, to hear competitions being run by various manufacturing firms. If the manufacturing firms were giving away their own money, no-one would mind.

I suppose I shall be challenged and told that these people are giving away their own money. No firm gives away money that is not first of all obtained from the public. If it is money which belongs to the firm as a result of profits, then do not members think that it is time some Government inquired into the business to see

that those particular articles are either reduced in price to the public; or that greater amenities are provided for the employees of those particular firms? These prizes are not manna from heaven and the money to provide them must have been extracted from the public before the prizes could be distributed.

Let me mention one or two competitions that I have heard over the air. Probably members have listened to them also, but I intend to mention them to show just how much is involved in some of these contests and how much money is spent on advertising. There is one particular competition that starts off with a jackpot of £100. The contestant is first of all asked a question and if he answers it correctly he is given 10s. A further question brings him £1 for a correct answer, and so the amount is doubled from £1 to £2, and so on, until it reaches £32. If the contestant has gone that far, then he has a chance for the jackpot of £100. If the person fails on the question for the jackpot, the next jackpot starts off at £132.

If the contestant fails to answer a question after his prizes amount to £16, the next jackpot starts off at £116. In effect, the amount that the contestant receives, if he fails to collect the jackpot, is added to the next jackpot, and after a jackpot is won, it reverts, not to zero but to £100. There are something like half-a-dozen people at least quizzed during the night, and so it is possible for £1,000 to be given away each evening for that particular contest.

There is another quiz where the jackpot recently amounted to £1,100. There are other competitions as well, and the prizes for them are cash considerations. Refrigerators, electric washing-machines and all types of electrical goods and so on are given away as prizes. I remember hearing one night that the jackpot for the evening, after certain other prizes had been given away, was an electric refrigerator. Not only would this be given to the person who answered the question, but one would also be given to the person who forwarded the question. The jackpot was not collected on that occasion, and the next week, in addition to a refrigerator, the prize was a washing-machine to each of them. I do not know whether the jackpot was collected on that occasion or not.

Hon. G. Bennetts: I think it was.

Hon. G. FRASER: If the question had not been answered on that occasion, I suppose the prize would have been a refrigerator, a washing-machine and something else.

Hon. H. K. Watson: It might have been free medicine the following week!

Hon. G. FRASER: If it had been free medicine, it would have been worth while, because everybody would have received something out of it. Under this system, that is not so.

Hon. W. J. Mann: The people put a lot more into it than they get out of it.

Hon. G. FRASER: Another prize was a trip to England.

Hon. H. Hearn: I would have liked to win that.

Hon. G. FRASER: For that particular contest, the firm was giving away over £4,000. It was some jingle contest, I think, and altogether the prizes amounted to £4,100. I have no objection to these prizes because I am quite pleased to think that in many cases the prize-winners would never have been able to afford refrigerators or electric washing-machines. In one contest, a motorcar was given away, and I think it was won by somebody in Victoria Park.

Hon. H. Hearn: Como.

Hon. G. FRASER: Somewhere in that area. There was another contest—it was not an Australian one—which illustrates the extent to which these things are growing. I saw in the Press that a man and his wife were in Australia. They had both won contests in America—separate contests—the prize for each of which was a trip to Australia. I mention that to show how these things can get out of hand. I am not worrying so much about the prizes that are given away, because I realise that a number of people who receive them will be securing something which, in the ordinary course of events, they would not have the cash to buy. But there is, in addition the terrific cost of running the contests which, I suppose, would be much greater than the value of the prizes made available for competition. For instance, these contests over the air could not be held without someone to compere them, and in the Press recently we have read of at least one man getting something like £33,000 a year. I believe that is the highest so far.

The Honorary Minister for Agriculture: Look at the taxation he would pay!

Hon. G. FRASER: There is another person running a contest, and he is getting something in the vicinity of £20,000. Those are only two examples—there are numbers of others whose remuneration, I dare say, is smaller. But the two I have mentioned are receiving, between them, £50,000 to £60,000 in salaries. Added to all that expense is the cost of the time on the air, which hon. members who have conducted elections and have used the radio for the purpose will know is pretty costly. So, first of all we have the cost of the prizes; secondly, the salaries of those who are running these programmes; and, thirdly, the cost of the time over the air. It will be realised, therefore, just how high this expenditure must be.

This is a comparative innovation in Australia, these quizzes having sprung into prominence in the last couple of years. But within that short space of time they have reached alarming proportions. If this tendency is allowed to continue, I do not know where it is going to end. This type of advertising and the costs involved must be affecting the cost of living; and that is where we come into the picture. I mentioned earlier that if it was the money belonging to the companies which was being given away, nobody would have any objection. Least of all would I raise any protest. But the throwing away of these amounts daily is bound to affect the industry of this State, and the manufacturers here would find it impossible to stand up to competition of that description.

In 1902, Parliament took into consideration the necessity for protecting our industries here, but if one considers what was given away in those days—for example, a glass bowl—it will be seen that the awards in the olden days were chicken feed when compared with those provided today. I make no apologies for moving this motion, as I would like to hear members express their opinions on the subject. If we are not to permit this sort of thing to continue, then something must be done to amend the Act. There is no point in having a law and allowing people to ignore it. On the other hand, if it is considered in the best interests of the State to have that law on the statute book, it must be policed, and present-day advertising must be taken into consideration. As I have said, when the Act was passed the prizes consisted of a glass bowl, or perhaps a glass jug. We have stopped that, but have shut our eyes to the type of advertising indulged in, and the prizes available today.

The Honorary Minister for Agriculture: Is there any way of stopping this?

Hon. G. FRASER: It could be made an offence, and at least penalties could be provided.

Hon. J. M. A. Cunningham: You would then be penalising the public.

Hon. G. FRASER: The hon. member will recollect that I mentioned someone had received a motorcar from one of the Eastern States competitions.

Hon. L. Craig: Was not that a Commonwealth broadcast?

Hon. G. FRASER: Yes, but there must be someone acting as agent in this State.

Hon. W. J. Mann: For the sale of their goods.

Hon. G. FRASER: For the distribution of the prizes, if for nothing else. I am complaining about that, and other phases as well. I have quoted the Act, which says that if certain things are done an offence is committed. There has been some agent in this State to receive that motorcar from the firm in order to hand it to the person who had won it.

Hon. W. J. Mann: You do not object to his getting the motorcar, but to someone handing it over?

Hon. G. FRASER: The firm is the main offender.

Hon. W. J. Mann: You are talking about the agent.

Hon. G. FRASER: The agent of the firm would be the only one we could catch.

Hon. W. J. Mann: I think you had better turn your attention to starting-price betting; we will get somewhere then.

Hon. G. FRASER: The hon. member is at liberty to take it on if he wishes to do so.

Hon. W. J. Mann: I do not want to take it on.

Hon. G. FRASER: I want to deal with anyone it is possible to catch. If the hon. member does not want to do so, I certainly want to give our industries here a chance to expand, if possible, but this competition in advertising will have a very bad effect on industries in this State.

The Honorary Minister for Agriculture: I am surprised at your listening to the programmes if you do not like them.

Hon. G. FRASER: There are so many of them on the air that it is not possible for one to do otherwise.

Hon. J. M. A. Cunningham: They must be popular and be a source of entertainment.

Hon. G. FRASER: Some of the questions could be answered by any child in a kindergarten.

Hon. J. M. A. Cunningham: If the hon. member had been on the stand and tried to answer some of those questions he would find that they were more than kindergarten standard.

Hon. G. FRASER: I have heard a number that a child could answer. I admit that some of them are difficult, and there is no entertainment until a difficult question is asked.

The Honorary Minister for Agriculture: There is something in that.

Hon. G. FRASER: What makes it popular is the eagerness of the public to hear whether or not people can answer the questions and obtain money or goods by so doing. That is the sort of entertainment offered. Whether it be S.P. betting or a quiz, it is the gambling value which is important to listeners in this State. I am putting it to members that our local industries should be protected. I merely wish to amend our own Act to bring it up to date to cover this particular practice. There is another part of my motion which requests the Government of this State to confer with other States and the Commonwealth Government to see what check could be put on this form of advertising, and by doing so I think it may be possible in some way to limit the practice.

**HON. H. K. WATSON** (Metropolitan) [4.59]: I hope the House will not waste very much time in discussing this motion, and that it will not be carried. As a citizen, I am amazed at some of the prizes that are offered for these quiz sessions; but I do not think that is any reason why a motion should be brought before this House to express alarm at the size of those awards. As a citizen, I am amazed when I read in the paper that a man goes on a racecourse and punts to the tune of £5,000 and £10,000. But, similarly, I say that is no reason why I should come to this House and move a motion deploring such a fact. As a citizen, I am surprised when I pick up the paper and read that an ex-Labour politician has died worth £500,000; but then again, that is no reason why one should come to this House and, as a member of Parliament, move a motion deploring the fact.

It was a very wise man who said that for everything there is a season, and a time for every purpose under Heaven. I suggest that there is a place for every purpose under Heaven, and that is not the function of this House still further to poke its nose, as it were, into matters which are not of real national concern or the concern of this Parliament. Let us look at the motion itself. It begins this way—

That the Legislative Council views with alarm the very high aggregate value of costs,—

Had the motion stopped there, we could at least have had a discussion upon certain questions which are the concern of this House—such as the general cost of living to which Mr. Fraser referred. We could have had an inquiry into the causes of the rise in the cost of living during the last 10 years. We know, of course, that that increased cost of living is due not to any one cause but to a variety of causes.

First and foremost, it is an aftermath of frenzied wartime finance which, of necessity, took place in this country as in other countries throughout the world. It is also, in part, an aftermath of the attempt by Mr. Chifley and Dr. Coombs and Dr. Lloyd Ross to bring about in the postwar years the Golden Age, to provide Australia with a land flowing with milk and honey, and with circumstances in which one would do as little work as possible and get as much for it as one possibly could. We find, however, that instead of producing the milk and honey, we have, in the main, increased the note issue from £30,000,000 to over £200,000,000; extended bank credit in unlimited directions; and so forth.

We also find that, as part of the feud by Mr. Chifley against the banks in 1947, the Commonwealth Bank engaged in an

extensive advertising campaign, one no less expensive than that of which Mr. Fraser has made mention.

**Hon. E. H. Gray**: It had good results, though.

**Hon. H. K. WATSON**: The Commonwealth Bank undertook a campaign to encourage people to indulge in hire purchase transactions and to make their hire purchase arrangements through the Commonwealth Bank. In the space of two or three years the bank has already lent well over £20,000,000 in hire purchase advances, all tending to increase the currency, to extend credit, and to create pressure of demand over supply, thus causing prices to rise. Therefore, in the main, the position that we are experiencing today is simply the inevitable result of shortsighted and unwise policies that were started some years ago and of the effects of which the persons inaugurating them were warned at the time. In addition, we find that devaluation last year played its part in increasing prices; and, to come right down to the present day, we discover that the extraordinarily high prices of export commodities, particularly wool, is likewise aggravating the position, which is now really acute.

The real reason for the present high cost of living I suggest is not to be found in the fact that soap companies are running expensive advertising campaigns but is set out in this report by no less a person than Dr. Coombs himself—a wiser Dr. Coombs, I suggest, than the Dr. Coombs who, four or five years ago, was running what was described as the Postwar Reconstruction Department. Dr. Coombs, as Governor of the Commonwealth Bank, in his annual report for the year ended the 30th June, 1950, which was released yesterday, said this:—

The upward trend of prices and costs continued to be a matter of concern . . . . While retail prices and wage rates increased at about the same rate as in the previous year, wholesale prices rose much more steeply. Part of the increase in prices was directly or indirectly attributable to higher prices for imports and exportable products but most of it appeared to have been due to the continued pressure of internal demands on domestic production operating largely through increased pressure for, and willingness to grant, wage increases.

That is the considered view of no less a person than the Governor of the Commonwealth Bank, as formally presented to the nation in his report which was released yesterday. This question was also very dispassionately and expertly discussed in the August issue of "Review," a pamphlet issued in Victoria by the Institute of Public Affairs. In the course of a discussion

on this matter, the following statement, which I commend to the consideration of members, appears:—

Most people have deplored the sliding value of the £, but they seem to have been singularly unaware that they have any responsibility themselves for arresting the slide.

The main explanation of this is to be found in a deep-seated fact of economic psychology. While the average person has a great dislike of high prices, he has an even greater liking for a plentiful supply of money in his pockets. We all like our purses packed to capacity with notes, even if that involves, as involve it does, high prices for the things we purchase. Money for money's sake has an irresistible psychological attraction. It is pleasant to feel the notes crackling in one's pocket or to have a tightly packed wallet, even though the notes may not be worth very much. This fundamental fact of economic psychology, "the money illusion," as the late Lord Keynes called it, has been the root obstacle in the way of any effective action to stabilise the Australian £.

I suggest that had Mr. Fraser confined his motion to the first few words, there may have been some merit in it, because the question of arresting the inflationary trend in Australia is one that deserves the greatest consideration.

Hon. G. Fraser: Do you think that supporting these contests will help to stop that trend?

Hon. H. K. WATSON: These contests have nothing whatever to do with the inflationary trend. The motion does not stop at the point I mentioned. It goes on—

including prizes in "quiz" and similar contests given by manufacturers, and requests the Government to confer with other States and the Federal Government in an endeavour to exercise some restraining influence over these high advertising costs.

It is the right of any manufacturer or any wholesaler to determine how and when he shall do his advertising. Some companies undertake very little advertising on the air or in the newspapers. They confine their advertising to the employment of hundreds of salesmen whom they send around from door to door to sell their wares. Others have started these quiz competitions to which the hon. member has voiced objection. But I think it is interesting to recall that—if my memory serves me aright—the idea of holding quiz competitions and offering prizes of £100, £200, £300 and up to £1,000 was inaugurated by Mr. Chifley when he was Prime Minister, in conjunction with his loan savings campaign.

Hon. G. Fraser: Does that make it all right?

Hon. H. K. WATSON: No; but apparently the idea appeared to the manufacturers to be a pretty good one! We come next to the question as to whether such competitions increase costs. It is an age-old subject of discussion to whether advertising increases prices; but I think the general consensus of opinion is that advertising promotes sales, and insofar as it does that, it reduces the cost of production because the larger the turnover the smaller the cost of production. That, in turn, enables a reduction in the selling price, to the ultimate benefit of the consumer. I think we should bear that in mind and remember that manufacturers are paying these amounts out of profits or, if not, they are coming from amounts that would otherwise be paid in income tax.

Hon. E. H. Gray: That is it! They are dodging income tax.

Hon. H. K. WATSON: The money so disbursed is paid to someone else and the recipient pays income tax.

Hon. E. H. Gray: What about the effect on local industry?

Hon. H. K. WATSON: In my judgment it has no effect at all on local industry.

Hon. G. Fraser: The manufacturers did not think so a few years ago.

Hon. H. K. WATSON: Mention has been made of the fact that one of the artists engaged in this business of conducting quizzes receives a salary of £33,000. I do not know whether Mr. Fraser has any more information than I on this question; but I would imagine that that item of £33,000 is simply the contract price paid to that entrepreneur for producing and presenting the show and paying for the time occupied on the station for the whole programme. That may be the gross payment, and I would be greatly surprised if it were the net figure. After paying the assisting artists and for incidentals such as station time, he would probably end up with about £5,000 net. I think that is a much more reasonable inference to draw than to assume that the payment of £33,000 is net. I might charge a client £300 for an audit, but that would not be my net fee. Out of that I might pay £299 in expenses such as staff salaries.

Hon. G. Fraser: And you might not.

Hon. H. K. WATSON: It is the net and not the gross figure that counts. At all events, if a man can make £33,000 a year, it is not for us to envy him. I say, "Good luck to him! Let him make his £33,000."

Hon. J. M. A. Cunningham: I think Mr. Menzies would get a fair bit of it.

Hon. H. K. WATSON: The Attorney General in the British Labour Government makes no less than £30,000 a year and the

Solicitor-General there is paid no less than £20,000 per annum, but I do not envy them. I say, "Good luck to them!" and admire the ability that enables them to earn their large incomes.

Hon. G. Fraser: I dealt with it as adding to the cost of the goods to the public.

Hon. H. K. WATSON: Picking on this particular item and suggesting that it has any real bearing on the major problem that is concerning us all today, is like a man trying to solve his financial worries by robbing his children's money box. It is simply forsaking the real problem for something that is of no moment at all.

Hon. G. Fraser: Would you give some assistance towards controlling costs generally?

Hon. H. K. WATSON: Would we increase costs by controlling them?

Hon. G. Fraser: You have reduced them by lifting them.

Hon. H. K. WATSON: The hon. member has raised the question of these large salaries, which may reach £100 or £200 per week, but we must not forget that as an advertising cost such a salary is Australia-wide. It is the figure for selling to a population of 8,000,000. Assuming it amounted to even £500,000, that would be a negligible figure on the over-all view. If the hon. member does want to get at something that is affecting the price of commodities, what about sales tax, which involves £40,000,000 per year? That is the amount collected annually from the public of Australia in sales tax, and there we have something really to complain about. If we try to help the financial conditions of the country by reducing the salary of Bob Dyer or Jack Davey, I think we will be losing all sense of proportion, and this House will be merely wasting its time.

HON. H. HEARN (Metropolitan) [5.20]: Unfortunately I was not in the Chamber when Mr. Fraser commenced his speech, but I feel that had he evinced the same amount of concern when the Labour Government abolished subsidies as he did on this occasion, members might have been more in sympathy with him. We must base our attitude on the fact that there are certain fixed principles of business which have to some extent been outlined by Mr. Watson. I refer particularly to advertising. There is no doubt that the people sponsoring these quiz competitions are under some form of price control.

I know what the members of one party think of the operation of the present price control, but I can assure them that, from a business point of view, it is quite efficient. In moving his motion, Mr. Fraser should have given figures illustrating the increase—if any—in the cost of these commodities to the public owing to this form of advertising. He should not have placed so much importance on the mere fact that such a large sum is spent on advertising.

In every phase of business there is a certain fixed percentage that is recognised as legitimate expenditure on advertising.

The more one advertises, the larger one's turnover becomes. I am well aware of the startling information presented by the Press with regard to the salaries paid to some of these persons who run quiz competitions, but I disagree with Mr. Watson, who said that a salary of £33,000 would include the cost of station time. Station time for such a programme would cost far more than the salary mentioned in the Press. The real point to which we should direct our inquiries is whether such a quiz competition increases to the public the cost of the commodity advertised.

Hon. G. Fraser: It could not decrease the cost to the public.

Hon. H. HEARN: If Mr. Fraser desired support for his motion he should have gone into that aspect of the question, because the more one advertises, the greater one's turnover, and consequently the lower becomes the cost of producing the goods. I feel that in dealing with this matter Mr. Fraser has gone up a little lane instead of following the broad highway that is facing the Commonwealth, consideration of which should be larger than any particular party feeling. Today some parties are trying to make political capital out of the increasing cost of living which, after all, cannot be laid at the door of any particular Government. Like Mr. Watson, I do not think we should spend too much time in considering this motion.

HON. G. BENNETTS (South-East) [5.24]: I support Mr. Fraser's remarks because throughout the State there is at present a great deal of criticism about the high salaries paid to those running quiz shows.

Hon. H. Hearn: Do you not wish you were one of them?

Hon. G. BENNETTS: No, I am quite happy where I am, representing the working class people. My job is to look after the man on the basic wage, who is the person most affected by the high cost of living today. I heard someone mention starting-price bookmakers recently. A Royal Commission inquired into that question, but not much has been done about it. Working class people have not the money with which to go to racecourses but, if they have a few shillings that they desire to wager, I think they are entitled to spend it as they wish and place it with a starting-price bookmaker.

Many people get a great thrill out of listening to radio broadcasts and depend on radio programmes for their amusement. They are paying for their entertainment when they pay their wireless licenses, but now they are being asked to contribute again through the higher cost to them of commodities that are being advertised in that way. If a firm can spend such

huge sums of money on giving a couple a free trip to the Old Country, with full wardrobes and fares and all expenses paid, together with a "Vanguard" motorcar in which to tour round, it must be making excessive profits. On quite ordinary radio sessions companies are giving away washing machines, refrigerators and so on. Other firms run quiz jackpot sessions.

When they can afford to spend such a great deal of money in that way, firms must be making an exorbitant profit out of the commodities they are selling. Instead of paying such large lump sums to a few people, they should reduce the cost of the commodity to the public, thus letting everyone partake of the sum that they are willing to spend in that way. About a dozen quiz comperes are being paid salaries of from £5,000 to £10,000 per year.

During his speech, Mr. Watson said that it pays to advertise and that this is the only method of advertising used by some firms. But those firms still have crowds of salesmen running around and they also advertise through the Press, just as other firms do. I saw an article in a shop the other day and I know that its cost is 9s. 2d., but it is being sold at 35s. There are many such lines and it is time something was done to check up on the excessive profits some firms are making.

Hon. H. S. W. Parker: Does the firm to which you referred advertise much?

Hon. G. BENNETTS: I do not know. I saw the same article in another shop marked at £2 5s.

Hon. H. Hearn: Then the other firm was selling the article at a lower price.

Hon. G. BENNETTS: Yes, but all this shows the huge profits some people are making on the lines they manufacture or sell. I cannot see that it costs more today to grow vegetables than it did five or 10 years ago. I know of some market gardens in my own district where all the work is done by members of the family. The water used still costs the same and the cost of living of the market gardeners has not risen in comparison with the rise in the return they receive for what they grow.

Hon. E. H. Gray: What about the increased cost of artificial manure?

The Honorary Minister for Agriculture: Not every market gardener a family of children to help him in his work.

Hon. G. BENNETTS: That might be so, but it is time that there was a check up on the cost of living and the charges for many other commodities which are being produced today. I hope that this motion will result in bringing some pressure to bear on these large firms to reduce the prices of their goods.

On motion by Hon. E. H. Gray, debate adjourned.

## BILL—PUBLIC TRUSTEE ACT AMENDMENT.

Received from the Assembly and read a first time.

## BILL—MARKETING OF EGGS ACT AMENDMENT (CONTINUANCE).

*Second Reading.*

**THE HONORARY MINISTER FOR AGRICULTURE** (Hon. G. B. Wood—Central) [5.32] in moving the second reading said: This is a Bill to continue the provisions of the Marketing of Eggs Act for a further five years. The existing measure expires at the end of this year. During the last 20 years many attempts have been made to place a Marketing of Eggs Act on the statute book. The first unsuccessful attempt was, I think, made 20 years ago by the late Hon. W. D. Johnson in another place, following which the member for Fremantle also failed in a similar effort.

Owing to the agitation among egg producers for some form of orderly marketing of eggs I made a further attempt in 1938, which was successful, and the Act was placed on the statute book. That legislation provided for a poll, but owing to intense propaganda by certain people, the poll, on two occasions, was not conducted. However, the Act remained on the statute book until about 1944 when a member in another place introduced another Marketing of Eggs Act Amendment Bill which provided for the repeal of the 1938 measure.

Strange to say, although that measure was passed in another place, nobody in this House saw fit to introduce it and it therefore lapsed. In 1945, the Government of the day introduced the present Act. I have noted that there was practically no opposition either in this Chamber or in another place to that Bill and it passed the second reading stage in both Houses without a division. As I proceed I am sure I will convince members of the great success of the Marketing of Eggs Act during the past five years. I believe I shall be able to prove that it is highly desirable that the legislation should be continued for a further five years. The Act was proclaimed and the board constituted on the 22nd March, 1946, and it has been amended by statutes Nos. 19 and 50 of 1949.

During the earlier stages of the operations, Commonwealth control, under the National Security (Industry) Regulations, was still in existence and the board was appointed as agent for the Controller of Egg Supplies on the 1st July, 1946, which state of affairs continued until the 31st December, 1947, when Commonwealth control of the industry ceased. On the 1st January, 1948, the board assumed full control of the marketing of eggs in the area proclaimed under the Act which embraced, approximately, the South-West Land Division.



However, as to exports, the board became subject to the direction of the Australian Egg Board, a Commonwealth body set up under the Egg Export Control Act, 1947, (a Federal statute) principally to protect the shipping of the whole of the Australian exportable surplus under a Government to Government contract which will continue until June, 1953, with a review on the 1st January of each year. This contract provides an assured outlet for the whole of the surplus production, but, in addition to the British market, valuable markets have been developed in Malaya, Persian Gulf and Colombo. I will refer to the Singapore market later.

The Egg Board made a very wise move when it sent the secretary of the board, Mr. Gibson, to Singapore and other Malay States to seek export markets. If we do not have such markets, then the egg producers will, at some time of the year, have on hand more eggs than we can consume ourselves. At no stage during the operations of this board has the market in Western Australia been depleted on account of eggs being exported overseas, particularly to Singapore. The following figures will show that the exports to Singapore alone are a valuable asset to this State. They are as follows:—

#### Export Market.

Year Ended 30th June.	Singapore. (in dozens).
1947	145,140
1948	210,180
1949	541,350
1950	644,280

It is interesting to note the increase in the 1950 figures which followed the visit to Malay States, including Singapore, by the secretary of the board.

Hon. E. H. Gray: Those are exports from this State?

The HONORARY MINISTER FOR AGRICULTURE: Yes. The 1950 exports represent £90,592 in value, which is indeed a valuable contribution to this State. The total exports to the United Kingdom, Singapore and other places for the year ended the 30th June, 1950, represent a value of £372,307. By way of comparison it will be noted the value of exports to Singapore have jumped from £12,168 in 1947 to £90,592 in 1950. The total value of this industry to Western Australia is £1,000,000.

I say, without fear of contradiction, that the credit for this, and the prosperity in the industry generally, can be laid at the door of the Egg Board. By its methods of orderly marketing it has built up this huge market for the State, to which the figures can fully testify. However, production has not increased to the same extent as have our exports. The direct sales of producers and others have de-

creased from 1,969,056 dozen eggs in 1947 to 1,609,000 dozen in 1950. That, of course, is probably the answer to people who growl about the high price of eggs.

Personally, I do not think the price is high; it is a very cheap product indeed and the prices overall are extremely even throughout the year. This is more evident when one compares the cost of that commodity in the old days at, say, 6d. a dozen one month and then, at another period of the year, as high as 3s. or 4s. a dozen. At present, I do not think the difference in price amounts to more than 6d. at any time of the year, which is, in my opinion, a rather fortunate position. The price does not vary like that of cauliflowers which, a month ago, according to a "Daily News" report, were being dug into the ground, but which, today, are priced at about 3s. each. In mentioning that aspect, however, I am not suggesting that we could have orderly marketing for cauliflowers.

Hon. G. Bennetts: They were 4s. 4d. each in Kalgoorlie a couple of months ago.

The HONORARY MINISTER FOR AGRICULTURE: Yes, that was about the time when they were being dug into the ground. I only mentioned cauliflowers to illustrate the desirability of having an even price for eggs throughout the year and a certain amount of control.

Hon. G. Bennetts: In Kalgoorlie people are allowed to buy only three eggs at a time.

The HONORARY MINISTER FOR AGRICULTURE: Although they are getting only three at a time there, that does not necessarily mean that there is a shortage in this State. The Egg Board always stores enough eggs away to avert a shortage and the retailers can obtain their quota. There may be some occasions when a customer buys too many which necessitates the retailer cutting down the supplies to another purchaser. The retailers, however, always get a 100 per cent. quota, which I think is a feather in the cap of the people who are administering this business.

Hon. J. M. A. Cunningham: In Kalgoorlie, during one Christmas, the people could not even get one.

The HONORARY MINISTER FOR AGRICULTURE: That was probably because they were obtaining eggs from South Australia, and were not patronising the producers in this State. Thus, when the supplies from South Australia were running short, they had to suffer in consequence. The average gross price paid to producers by the board over a period reflects the benefits arising from a stabilised market—a direct result of the board's marketing

policy. Members will observe from the figures that the price does not fluctuate very much. The figures are:

Year.	Average gross price per doz. (all grades)
1947	1s. 8.26d.
1948	1s. 10.79d.
1949	2s. 3.82d.
1950	2s. 8.28d.

Producers contend that it is not profitable to produce eggs at 2s. 8d. per dozen owing to increased costs. In England the price has been raised to 5s. per dozen to the producer.

Hon. H. Hearn: In England you have a socialist Government.

**THE HONORARY MINISTER FOR AGRICULTURE:** Perhaps I would not object to that. The British Government subsidises the industry, and the price to the consumer has been 3s. 3d. per dozen. The egg producers in this State consider their position to be so bad that they are making representations to the Commonwealth for the payment of a subsidy. Whether they will get it, I do not know.

Hon. E. H. Gray: They can put up a good case for it.

**THE HONORARY MINISTER FOR AGRICULTURE:** I think they can. I know that there are egg producers who are going into the whole-milk business because they consider that the production of eggs is not a profitable line. A man does not change his activities in that way unless he has good reason for so doing. I mention these matters to counteract some of the criticism that has been indulged in recently.

Hon. A. L. Loton: What does it cost to produce eggs here?

**THE HONORARY MINISTER FOR AGRICULTURE:** I do not know. I think our producers are basing their costs on the decision of some board of inquiry in the Eastern States, which arrived at a figure of 2s. 8d. per dozen. I do not know whether our producers have set up a body of their own to work out their costs, but they declare that they are not doing at all well in the industry. When they read of the huge profits being made by the producers of wheat, wool and meat, no doubt they feel that they are not receiving a fair deal.

Hon. H. L. Roche: They are operating on cheap wheat.

**THE HONORARY MINISTER FOR AGRICULTURE:** The wheat is cheap compared with the overseas price, and poultry raisers are lucky to get it at the price. At the same time, it is a lot of money for those producers to pay for wheat.

Hon. A. L. Loton: You do not believe in their getting that cheap wheat?

**THE HONORARY MINISTER FOR AGRICULTURE:** The hon. member cannot draw me into an argument on that point. By the introduction of a price

stabilisation scheme during the export season of 1948, that is, June to December, the industry was returned an additional 1.013d. per dozen averaged over all grades received during that period. The scheme was carried on in the 1949 export season and returned an additional 1d. per dozen approximately, and an extension of the scheme this year will add a further 1½d. per dozen to the producers' price.

Price stabilisation was accepted by the board as a medium towards offsetting to some extent the ever-increasing cost of production over which the industry has no control, and a fundamental of the scheme is a charge varying from 1d. to 4d. per dozen made against producers and deducted from the gross wholesale price fixed by the board. The money received from this charge is returned to the industry in the form of an increased price averaged over all grades received or sold progressively, with fortnightly payments. The board's policy of stabilising prices is of undoubted benefit to producers and consumers alike, and removes the tendency towards violent fluctuations in prices according to the varying periods of production.

Another important aspect of the board's operations is the steady improvement effected in the quality of eggs and egg products—mainly frozen pulp—for the home and export markets. Only eggs of first quality are marketed in the form of "shell," and this is made possible by individual examination on grading machines and by experienced operatives. The introduction of stamping provides a safeguard for the consumer, and reports from overseas show that the Australian egg has reached a high standard, mainly through control of quality, together with the adoption of a comparatively new machine-oiling process. Modern equipment installed in the pulping plant at Robb's Jetty has added greatly to the efficiency of handling the product both in savings effected and retention of quality at world export standard.

The board's policy of providing full grading facilities in country areas where production is sufficient to warrant an extension has met with universal approval and, apart from a depot at Narrogin which was already in existence, grading floors have been established at Bunbury and shortly will be installed at Geraldton, whilst receiving depots, operated under permit, have been sponsored at Northam and Geraldton. The board has, meanwhile, purchased the Narrogin depot property to safeguard tenure, and has acquired land at Fremantle, on which is being erected a modern grading floor to give improved marketing facilities to producers in that area.

An extension of the delivery service to retailers has recently been developed by the provision of a specially constructed insulated wagon, together with a smaller

van, and shortly, for the convenience of housewives, eggs will be marketed in attractive cartons, each holding one dozen eggs. Each carton will be stamped with the date, as near as practicable, on which the eggs were laid. The board has overcome to a large extent the shortage of eggs during late summer by cool-storing sufficient quantities when supplies are plentiful, thus ensuring reasonable quantities to supplement production for the local market. Here again the oiling process has enabled the board to market a high quality product for the protection of the public.

Now I wish to refer to the expenditure of the board. The exercise of careful control over expenditure has enabled the board to handle the product at a minimum of cost. I should like members to listen particularly to these figures because there has been some criticism of the board's costs by people who do not know the facts. The overall marketing charge of 3d. per dozen, covering receiving, grading, handling, selling and the provision of packing materials—such as cases, fillers, tins and cartons—cartage and cool-storage costs for the export and local markets is the lowest in Australia.

Hon. H. L. Roche: What other deductions does the board make?

The HONORARY MINISTER FOR AGRICULTURE: That amount covers the lot.

Hon. H. L. Roche: Is there any deduction for equalisation?

The HONORARY MINISTER FOR AGRICULTURE: The marketing charge also provides funds for normal price stabilisation, as well as administrative costs, which compare favourably with those of any other comparable organisation. The following are the figures—

1948	.....	4.3 per cent.
1949	.....	2.4 per cent.
1950	.....	2.9 per cent.

Hon. H. L. Roche: That is the total taken from the producer?

The HONORARY MINISTER FOR AGRICULTURE: Yes; but, with the stabilised price, he gets something back out of the 3d. These percentages are based on the gross value of eggs sold by the board since it has been operating on its own account, but the year 1948 does not bear a true comparison as this covered the period from the 1st January to the 30th June of that year during which receipts were dropping to the lowest point, whereas administration had to be carried on for the whole 12 months.

It is interesting to note that under Section 32 (4) of the Act, the board may deduct up to 10 per cent. of the proceeds of the sale of eggs for administrative costs. Yet it has required only 2.9 per cent., which is a very commendable result. The board received from the Commonwealth Control

Scheme a proportion of the profits made by the Federal organisation amounting to £39,982. This was appropriated as follows:—

Working capital	.....	£6,106
Building fund reserve	.....	£24,424
Price stabilising reserve	.....	£9,492

The £24,000 for building fund reserve will be spent on the Fremantle building, a statement that I am sure Mr. Gray will be interested to hear. With an accumulated surplus of £18,863, most of which was received when the board acted as agent for the Commonwealth Controller of Egg Supplies, this places the board in a sound financial position. The value of the board's assets has risen from £52,164 in 1947 to £103,666 in 1950, the latter total including the £40,000 previously mentioned. I claim that the board has achieved a great measure of success during the five years from the points of view of stabilising the industry and giving the public a service of sound marketing.

During my speech on the Address-in-reply debate, I referred to recent criticism of the board. Some people believe, no doubt honestly through being misinformed, that such boards set out to restrict production in order that prices may be raised. I give the lie direct to that statement; it contains no truth at all. While that might have happened once in relation to milk, it does not happen now. The Egg Board is not controlled by the producers. The numbers are three and three. I wish to compare the constitution of the Egg Boards in the various States. The details are—

South Queensland.—Five elected producers (one of whom is chairman) and one Government nominee representing consumers.

New South Wales.—Five elected producers (one of whom is chairman) and two Government nominees representing consumers.

Victoria.—Four elected producers (one of whom is chairman) and one Government representative.

South Australia.—Three producers and two consumers' representatives and a chairman, none elected, all Government nominees.

Western Australia.—Three elected producers; two consumers' representatives and the chairman, Government nominees.

Therefore I claim to have proved my statement that the board here is not controlled by any particular section. It might be an improvement if we had another producer on the board, but I do not suppose that Parliament would agree to that and, at the moment, I am not asking for it. Whatever my views on that point might be, I say without fear of contradiction that we have a well-balanced board doing very good work. I move—

That the Bill be now read a second time.

**HON. G. FRASER** (West) [6.0]: I have one or two questions to ask the Honorary Minister in connection with this measure. First of all, it is a Bill to continue the operations of the board for another five years. As the board has already been established for five years, has the Government given consideration to making it permanent because after five years, the board should have shown whether it should go out of existence or be appointed permanently?

The Honorary Minister for Agriculture: You can move an amendment, can you not?

**Hon. G. FRASER**: I never like taking the business out of the Government's hands. I have another point to raise. I remember that some years ago I brought this matter forward and was given some explanation, but it did not seem to me to be a full explanation. I refer to the stamping of eggs. Although eggs are stamped, the members of the general public are not in a position to know, from the stamp on them, whether they are fresh or stale. I know the Minister will say that each month or week a different colour is used, but that does not help the general public. I previously asked why it was not possible to put the date on each egg when it was stamped. Apparently it could not be done, but now I see the board is going a little along that way by putting the eggs in cartons of a dozen and dating the cartons.

The Honorary Minister for Agriculture: The date stamp will be on the carton.

**Hon. G. FRASER**: That sounds all right, and is satisfactory so far as the general trader is concerned; but some merchant might buy more eggs than he needs and, if he has to keep them longer than he should, there is nothing to say that he will not take them out of the carton to get rid of them.

The Honorary Minister for Agriculture: I do not think the price would allow him to do that.

**Hon. G. FRASER**: No date stamp is put on the egg. There is a coloured stamp on it, but it does not mean a thing to the average man in the street. Is there any member, apart from egg-producers, who can tell me what particular week or month a green stamp refers to? Of course not! If we do not know, how can we expect the average member of the general public to know? Is it not possible to have the date stamped on the egg itself and not on the carton?

**Hon. H. S. W. Parker**: Identify the egg with the carton.

**Hon. G. FRASER**: Someone laughed when I talked about dishonest traders, but we know that, as well as honest traders, there are dishonest ones throughout the State, and the mere fact of the

eggs being in a carton would not prevent their getting rid of them. They would get rid of the carton first of all.

The Honorary Minister for Agriculture: I do not think they could make any profit that way.

**Hon. G. FRASER**: I understand that would be so if the price of eggs dropped but not if it went up.

The Honorary Minister for Agriculture: It goes up only 1d. at a time.

**Hon. G. FRASER**: He would still not be losing. If he lost one way, he would gain in another. I want an explanation. I do not understand the position, and I am sure the public does not.

**Hon. L. Craig**: This is a conversation between you and the Minister!

**Hon. G. FRASER**: I am sorry. The hon. member can join in the conversation if he wishes to. The eggs should be stamped with the date so that everyone could see whether they were fresh or stale. I support the second reading, because I believe the board has done a reasonably good job, but I do not know why, after five years, it has not been made permanent.

On motion by **Hon. H. L. Roche**, debate adjourned.

## **BILL—BULK HANDLING ACT AMENDMENT.**

### *Second Reading.*

**THE HONORARY MINISTER FOR AGRICULTURE** (**Hon. G. B. Wood**—Central) [6.5] in moving the second reading said: This is a small Bill which deals entirely with the tolls collected by Bulk Handling Ltd. from farmers. A toll must be paid by the farmer for the handling of his wheat, and it must be collected in one way or another. At present, the company, in order to get the toll, raises a debit against the wheatgrower. This is rather a nuisance, and is unpopular with the growers because they have to make out a cheque or obtain stamps or a postal note for a small amount, and post it to the company. This small sum could be deducted quite easily from the farmer's proceeds before they are paid into the bank.

The Bill makes provision for the toll to be deducted from the total proceeds; and that is all it seeks to do. The present method provides for preparing a debit statement, posting statements, writing receipts, posting receipts and entering payments to the grower's credit. Although a considerable number of growers pay promptly, quite a lot of additional work is involved in preparing reminders and posting them to those who do not pay. Some people, of course, do not pay at all, and that is not fair to those who do.

The cost of all this work is a debit against the wheatgrowers themselves, and the new method, as set out in the Bill, would save unnecessary work and expense. I maintain that growers who do not pay their toll are obtaining an unfair advantage over those who do. I suppose that not many growers want to dodge these payments intentionally, but I know what farmers are, and when they get a small account, they say, "It does not matter."

Hon. A. L. Loton: And there is 1½d. stamp on it, too.

The HONORARY MINISTER FOR AGRICULTURE: Yes.

Hon. L. Craig: What is the maximum toll for any one man? Would it be £5?

The HONORARY MINISTER FOR AGRICULTURE: It would be that much only for a big grower. I have not that information now, but will get it for the hon. member. Before the war, when wheat was handled by the merchants, they used to make these deductions, and everybody appeared to be quite happy. We are only asking for a return to pre-war conditions. I think members will agree that this is quite a reasonable request, because the wheatgrowers have to pay the toll some time—except those who dodge it. I have never heard of any being prosecuted for non-payment, although I suppose some never do pay it.

Hon. G. Fraser: Has any request been made by farmers' organisations for this method?

The HONORARY MINISTER FOR AGRICULTURE: The C.B.H. is a farmers' organisation and is run by farmers. The eight or nine directors of Co-operative Bulk Handling Limited are elected by the farmers. I suppose if this were put to the growers, probably 98 per cent. would say it was the right thing to do. I have no hesitation in making that statement.

Hon. A. L. Loton: I think that is right, too.

The HONORARY MINISTER FOR AGRICULTURE: This has been asked for by C.B.H.; it is not my suggestion. When it was put to me and I was told the reasons, I thought it was desirable to introduce the legislation, and I hope members will agree with me. I move—

That the Bill be now read a second time.

HON. A. L. LOTON (South) [6.10]: I support the Honorary Minister in this matter. It is a considerable nuisance to a producer, several months after he has delivered his wheat, to get a small account for 10s., 15s. or 30s., and then to have to make out a cheque, which is the present procedure. Under the proposal in the Bill, the amount will be deducted from his proceeds. That will make things a

good deal easier for C.B.H., and also for the producer. I have pleasure in supporting the Bill.

On motion by Hon. E. M. Davies, debate adjourned.

## BILL—PLANT DISEASES ACT AMENDMENT.

### Second Reading.

THE HONORARY MINISTER FOR AGRICULTURE (Hon. G. B. Wood—Central) [6.12] in moving the second reading said: The Bill is a small one. The Plant Diseases Act makes provision for a charge of 6s. for the baiting of an orchard. The Crown Law authorities consider that the wording does not provide for a second baiting. Sometimes orchards have to be baited two or three times during a season. Although the Act states that it shall be 6s. per baiting, the Crown Law authorities are of opinion that that does not cover subsequent baitings, but provides only for the first baiting. To clarify the matter, we intend to include a provision that it shall be 6s. per 100 plants for each and every baiting. That will mean that every time an orchard has to be baited, there will be no argument; the charge will be 6s. for the first, second, third and even the fourth baiting. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

### In Committee.

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

Sitting suspended from 6.15 to 7.30 p.m.

## BILL—MINING ACT AMENDMENT.

### Second Reading.

THE MINISTER FOR MINES (Hon. C. H. Simpson—Midland) [7.30] in moving the second reading said: This Bill contains two amendments to the Mining Act, the first of which affects Section 92 which deals with the granting of exemption from the labour covenants of any mining lease. Paragraph (11) of this section states—"That the owner of several adjacent leases desires to concentrate on one or more of them the labour compulsory on such leases, and to obtain suspension of labour for the other leases." If the amendment is agreed to, the paragraph would then read—"That the owner of several leases within the same goldfields desires to concentrate on one or more of them the labour compulsory on such leases, and to obtain suspension of labour for the other leases."

This amendment arises from a request from Great Western Consolidated N.L. which is an offshoot of Western Mining Corporation and which was floated for the

purposes of mining at Bullfinch and other nearby centres in the Yilgarn Goldfield. The company has a very large capital, and has already expended considerable sums in exploring, drilling and developing mines at Bullfinch, and in erecting a modern, large treatment plant. It proposes a total expenditure of over £1,000,000 and the employment of a minimum of 300 men. The entry of this company to the Yilgarn area is of prime importance and its operations will undoubtedly bring great activity and prosperity to the field. The company proposes to operate the field as one organisation, both on account of the immensely increased capacity for prospecting which group operations allow, and the large production needed to enable the expected grade of ore to be mined profitably.

The experience of Western Mining Corporation, and other companies, has shown that the gold deposits in Western Australia, with a few notable exceptions, tend to be intermittent. It had been thought in the past that ore bodies cut out at shallow depths, but recently it has become evident that the outcropping ore shoots are not just isolated shoots, but each is one of a series in which the successive shoots are separated by gaps of indefinite size. The economic effects of these gaps have been very serious and, in the past, few mines succeeded in crossing them, with the result that they failed after the first ore shoot was exhausted.

This is the story of many of the abandoned mines of Western Australia. To maintain continuous production from such a series of ore shoots, there is needed both the technical and financial means of carrying prospecting and development across the gaps between the ore bodies. The company proposes to do this by operating groups of ore shoots together and thus enabling production to be maintained, even though one or more deposits in the groups are no longer providing ore. The extended prospecting of these deposits can then be financed as part of the normal development programme of the group. This entails no special demand for funds, and makes both time and facilities available to carry them over the necessary range.

A further factor is that the Yilgarn field is not of a high grade and can be operated profitably only on a large scale. The individual deposits are not large enough to justify the heavy expense of equipment, nor will they individually yield ore on the scale required. The group operation is, therefore, essential to maintain the high output required. Under such group operation it would not be possible always for the company to carry out simultaneously on each lease the labour covenants under the Mining Act, which require each lease to be manned by one man for each six acres. The company holds 110 goldmining leases along a line extending from 10 miles south of Southern Cross to five miles north of Bullfinch.

The company has requested an assurance that it could obtain exemption on any of these leases, on the understanding that it will have concentrated on some part of its holding sufficient men to comply with the labour covenants on the whole of its leases. It submits that operating in this fashion is not only to the advantage of the company but also of the State; promotes the stability of mining enterprises, and thus minimises the loss of money and human effort involved in the abandonment of towns and mines, which has so often happened in the past. This enables a lower grade of ore to be mined by virtue of the higher output which can be maintained. It also provides for much more widely spread and effective prospecting of the mineral resources of the State. I might add at this juncture that the company has already expended over £300,000 on the Bullfinch venture. The amendment contained in the Bill will meet the company's requirement.

The company will need to apply periodically for this concentration of labour through the Warden's Court, so that the Government will have ample proof of compliance with the Act before the concentration is approved. With the concentration the company can then shift its operations from area to area as found necessary without fear of the leases being subject to forfeiture applications. The second amendment is to Section 277 and provides for the creation of temporary reserves of a maximum area of 5,000 square miles, and the granting of occupancy of these solely for the purposes of searching for alkali and alkaline minerals. Such minerals comprise salts of sodium, magnesium, barium, calcium, strontium and potassium, which are assential items in regard to fertiliser manufacture and the heavy chemical industries.

This amendment arises as the result of an approach by one of Australia's best known mining companies, the Australian Mining & Smelting Company Ltd. This company controls subsidiary companies which operate fertiliser, cement and acid plants in Australia, and smelting and acid plants in Great Britain. It is, therefore, vitally concerned in obtaining an Australian source of these minerals, and recently brought to Australia a European expert versed in the search for and production of these minerals. After an examination of prospects in Australia he considers that most likelihood of discovery exists in certain areas in Western Australia. The cost of exploration will be high and will include a geological survey by competent and experienced geologists followed by drilling on sites soundly chosen.

Members will observe that the reserves do not prohibit prospectors from searching and obtaining titles for any other minerals. If economic deposits can be obtained they will provide Australian industry with vital constituents for fertiliser

manufacture, essential acids, etc. Similar provisions exist in regard to deep alluvial operations, and have been found not to interfere in any way with other mineral or gold operations. Once economic sources are located normal mining tenements must be applied for and worked in accordance with the present Act and regulations. These amendments are of prime importance to the future of mining in Western Australia. I move—

That the Bill be now read a second time.

On motion by Hon. L. A. Logan, debate adjourned.

## **BILL—RAILWAYS CLASSIFICATION BOARD ACT AMENDMENT.**

### *Second Reading.*

**THE MINISTER FOR RAILWAYS** (Hon. C. H. Simpson—Midland) [7.40] in moving the second reading said: This small Bill contains four amendments, only one of which is important, the other three being of a consequential nature. I propose to deal firstly with these minor amendments. The first two arise as a result of the appointment of a commissioner of three to manage the Government Railways in place of a single commissioner. The proposals are to replace the definition of "Commissioner" in the parent Act with an interpretation of "Commission," and to delete the word "Commissioner" wherever it appears and insert in lieu the word "Commission." The third small amendment provides the opportunity to remove an anachronism in the Act by deleting the word "Colonial" from the expression "Colonial Treasurer" in Section 23.

In dealing with the principal amendment I would inform the House that the main body of salaried officers employed in the Government Railways is governed as to salary, classification and working conditions, by awards issued by the Railways Classification Board, which is constituted under the principal Act, and which is composed of an independent chairman, representatives of the Railway Commission and the Railway Officers' Union. The only officers that do not come within the scope of the Classification Board are heads and sub-heads of branches and professional officers who are provided for by awards of the Commonwealth Arbitration Court. The purpose of the amendment is to give statutory authority to a practice that has unwittingly operated without such power for very many years.

Prior and subsequent to the inception in 1920 of the principal Act, it has been the invariable habit in the Railway Department, when a position has been classified, to declare that position vacant, advertise it through the usual channels, and fill it by appointing either the officer who occupied the position before the reclassification, or another person. I might add

that this procedure is followed whether the classification of the position is increased or decreased. There has never been any disagreement between the department and the Railway Officers' Union, both parties subscribing to the opinion that this was the most equitable system.

The fact that this system had no weight in law became apparent during the issue of a salary award in March, 1948, by the Classification Board. Of 268 appeals by the Union, claiming higher classifications than those granted by the award, 154 were approved by the board, while 10 of 14 appeals by the Commissioner for lower classifications were successful. The board's decisions on these appeals were issued in February, 1949, and they were retrospective to March, 1948. The usual practice to which I have referred was then adopted. All positions that were reclassified under either the award or the appeals were declared vacant and subsequently filled.

A number of unsuccessful applicants then exercised the right of appeal. These appeals were made to the Promotions Appeal Board, which was constituted in 1945 to attend to all appeals by Government employees. However, the Public Service Commissioner, in his capacity as administrator of the Government Employees (Promotions Appeal Board) Act, would not accept the appeals, on the grounds that the positions for which the appeals were made were not vacant nor new as defined in the Government Employees (Promotions Appeal Board) Act, and therefore did not permit of any approach to the Promotions Appeal Board.

The matter was then referred to the Crown Law Department, where the Solicitor General and other legal officers agreed that the Railways Classification Board did not possess the power to declare vacant any reclassified position. The officer holding such a position could be removed only under Section 74 of the Constitution Act, 1889, or Section 68 of the Government Railways Act as vested in the Railways Commission, and neither of these powers had been conferred upon or transferred to the Railways Classification Board. The legal officers considered that a reclassification could not, and did not purport to, effect an abolition of a new position and the creation of a new position. As Crown law opinion stated that the Classification Board had no authority to declare vacant the reclassified positions, the Public Service Commissioner was within his rights in refusing to accept any submissions to the Promotions Appeal Board.

That is the position as it stands now, and the Railways Commission and the Railway Officers' Union have asked that steps be taken to legalise the procedure that has proved eminently satisfactory and suitable for a period of more than 30 years. The Bill therefore provides that where a position is classified or reclassified it shall be regarded as vacant for the

purpose of the Government Employees (Promotions Appeal Board) Act, notwithstanding that the position is occupied. The Bill also provides that if the occupant of the position is not appointed to it, neither his salary classification nor continuity of service shall be affected in any way. In order that the appeals refused by the Public Service Commissioner can be heard the operation of the amendment has been made retrospective to the 17th February, 1948, the date of the issue of the award.

In view of the fact that the system has proved so satisfactory over so many years and the department and the union wish it to continue, I have no qualms in submitting this matter to the House. I might mention that the reclassification prior to 1948 was in 1939. The system I have explained was followed, but as this was before the constitution of the Promotions Appeal Board, appeals by unsuccessful applicants were heard by the Commissioner of Railways. His decisions were acceptable to all parties and no complaints were ventilated. I move—

That the Bill be now read a second time.

On motion by Hon. E. H. Gray, debate adjourned.

**BILL — SUPERANNUATION, SICK, DEATH, INSURANCE, GUARANTEE, AND ENDOWMENT (LOCAL GOVERNING BODIES' EMPLOYEES) FUNDS ACT AMENDMENT.**

*Second Reading.*

**THE HONORARY MINISTER FOR AGRICULTURE** (Hon. G. B. Wood—Central) [7.49] in moving the second reading said: This Bill is introduced for the purpose of authorising organisations, such as health, vermin and water boards, etc., to provide superannuation or similar benefit schemes for their employees. The principal Act, which was passed in 1947, gave power to corporations to introduce these schemes in the interests of their employees, a corporation being defined as a municipality constituted under the provisions of the Municipal Corporations Act, and a board of a road district constituted under the provisions of the Road Districts Act.

In 1949, as a result of a request from the King's Park Board to be allowed to institute a superannuation scheme for its employees, the definition of corporation was extended to include boards appointed under the Parks and Reserves Act. Subsequently the Bunbury Municipal Council asked that the Bunbury Water Board be permitted to establish a similar scheme for its employees. Although in the majority of cases, the employees of health, vermin and water boards are also employees of road boards or municipalities, the boards themselves are constituted under separate Acts of Parliament.

The Crown Law Department, when asked for an opinion, stated that employees of vermin and water boards in particular could not participate in benefit schemes formulated under the principal Act, and that there was some doubt as to whether servants of health boards could do so. In order that these privileges could be extended to the employees of these bodies it was decided to amend the Act. Although the first legislation was enacted in 1947, it was necessary to effect an amendment in 1949. We now require another one, so it is, so to speak, a continual process.

In order to prevent the further continual amendment of the definition of "corporation" the Bill provides that the definition shall include such other persons as the Governor, by proclamation, may declare to be corporations for the purposes of the Act. Under the Interpretation Act the term "persons" includes a body corporate. It is quite possible that later on boards other than those I referred to may desire to cover their employees by means of benefit schemes and the Bill will enable this to be done without further legislative action.

The Bill also provides that should any organisation have a benefit scheme in operation when it is proclaimed as a corporation, that scheme shall be valid as from the date of its commencement, and also that any agreement entered into before the proclamation shall be valid as well. This provision is included to remove any doubt that may exist in regard to the legality of any scheme instituted by local authorities or their servants and which includes the employees of health, water and vermin boards.

Members may be interested to know that so far 25 local government authorities and the King's Park Board have developed superannuation schemes under the principal Act. Those schemes are required to comply with regulations promulgated under the Act and to be approved by the Minister. Although it was intended originally that the State Superannuation Board would administer these schemes the local authorities and their employees preferred to make other arrangements. As a result of these the A.M.P. Society, on behalf of six life assurance companies, is responsible for the administration and issues endowment and life endowment policies to provide benefits. The Government is required to provide no financial assistance whatsoever. This has been tried out since 1947. I do not think there is any doubt that it is desired to extend these benefits and not to prevent any further legislative action being necessary to bring in other corporations, which I think is very desirable. I move—

That the Bill be now read a second time.

On motion by Hon. E. M. Davies, debate adjourned.



# **BILL—FREMANTLE HARBOUR TRUST ACT AMENDMENT.**

*Second Reading.*

**THE MINISTER FOR TRANSPORT** (Hon. C. H. Simpson—Midland) [7.53] in moving the second reading said: The purpose of this small Bill is to amend Section 65 of the Fremantle Harbour Trust Act, this being the section giving the commissioners of the Trust authority to promulgate regulations for the proper administration of the harbour. The Bill seeks to permit regulations to be made for the purpose of limiting or exempting the Commissioners from liability for damage or loss suffered by any person in consequence of—

- (1) an act of God;
- (2) an act of war;
- (3) an act of public enemies;
- (4) strikes, lockouts or stoppage or restraint of labour from whatever cause, whether partial or general;
- (5) Riots and civil commotions;
- (6) the use for purposes of war or defence or training or preparation for war or defence of any of the property vested in the commissioners.

A glance at the marginal note of Clause 3 will indicate to members that the matters I have just referred to are similar to those contained in a British Act, the title of which is the Carriage of Goods by Sea Act, 1924. This Act was passed to give effect to rules relating to bills of lading, these rules having been agreed to unanimously by delegates to the International Conference on Maritime Law held at Brussels in October, 1922, and amended the following year by a committee appointed by the conference.

The necessity for the regulations proposed in the Bill became apparent in 1946, following two stoppages of work in that year by employees of the trust. The first strike, one by pilots, was settled speedily and satisfactorily, but it involved the trust in a small claim for compensation by shipboard employers. The other stoppage affected electricians and fitters required to attend to the bulk handling machinery and delayed the loading of a bulk wheat vessel for two days. All other industrial disputes on the waterfront have involved both the trust and the shipboard employers, and on these occasions the trust has not been faced with the responsibility of meeting any losses occurring to the shipowners. The solicitors to the trust and the Solicitor General agree that, at present, there is nothing in the Act to protect the trust against liability for any losses occasioned by the causes mentioned in the Bill.

I would like to point out that the Railways Department is protected under its regulations against liability for any loss to goods occurring as a result of industrial

disturbances at the wharves under their control. Although there has only been one stoppage of work by its employees involving the trust in a claim for compensation, which, fortunately, was small, it is possible that another strike or one of the other reasons enumerated in the Bill might face the trust with a substantial claim for damages. It is for this reason that I hope the House will agree to the Bill the object of which is to limit or exempt the trust from liability in the event of such an occurrence. I move—

That the Bill be now read a second time.

On the motion by Hon. G. Fraser, debate adjourned.

*House adjourned at 7.57 p.m.*

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