there is no reason why people in the country should not have facilities provided for them. According to some members, the mere fact of amending certain Acts would lead to the stamping out of the evil that has been spoken of. I would not be a party to supporting one law for one section of the community and another law for another section.

I opened my remarks by saying that I had no practical experience of the subject matter of the Bill and I am not interested in it in any way, but I cannot see the logic of stamping out what is described as an evil only when associated with a shop, while on the racecourse it is quite all right. I believe that the measure, if it does not lead to an improvement, will not worsen matters very much. Provision is made for the statute to expire in three years.

Hon. H. Hearn: You are not looking for it to cease.

Hon. E. M. DAVIES: I think the hon. member knows what is set out in the Bill. The Government has taken the responsibility of introducing this measure. Whether members support it or not is a matter for their own consciences. We have heard some very good speeches both for and against the Bill. I take no umbrage at anything that has been said, but I have no sympathy for those who speak about the moral standards of the people being affected by betting in a registered shop while betting on a racecourse is quite respectable. That does not appeal to me.

During my recent visit to Kalgoorlie, I took an opportunity to visit a number of places known as betting shops and did not see anything to which exception could be taken. They appeared to be conducted in an orderly manner; there was no one under the influence of intoxicating liquor; there were no young children about. In one of the shops, I saw a woman, and in another shop I saw three women. There was no congregation of people outside the shops, and I believe that such a system would be far better than allowing betting as we know it today to continue.

We were told by Mr. Watson and Dr. Hislop of what they saw during a visit to Tasmania. Mr. Watson said that he entered premises in a back lane past some latrines, and Dr. Hislop said he heard bookmakers calling the odds. Well, bookmakers can be heard calling the odds in very loud voices on the racecourse, and I cannot see anything very detrimental in that. I, too, have been to Hobart and I took the opportunity to visit those places, and my experience was vastly different from that of the two members I have mentioned. I do not say that their statements were not correct—the conditions might have been different on the two occasions—but I found that operations were being carried on in a very orderly manner. I entered premises from the main street and not through a back lane. I saw no children about, and I saw no women on the premises.

Anyhow we have this problem of betting which has existed over a long period of years, which everyone has discussed and which nobody has attempted to deal with. The Bill is a genuine attempt by the Government to do something to improve prevailing conditions. If members believe that some amendments can be introduced to improve the measure, they will be quite at liberty to move them in Committee.

In conclusion, I trust that, if the measure becomes law and a board is appointed to control and regulate betting on and off the racecourse, it will be the means of bringing about an improvement on the conditions that exist today. With those thoughts in mind, I support the second reading of the Bill.

On motion by Hon. Sir Charles Latham, debate adjourned.

House adjourned at 10.31 p.m.

Legislative Assembly

Tuesday, 30th November, 1954.

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

QUESTIONS.

EDUCATION.

(a) As to Classroom Accommodation and Ground Improvements, Waroona.

Mr. MANNING asked the Minister for Education:

(1) Is it proposed to erect further classroom accommodation at the Waroona school?

(2) If so, when will this accommodation be provided?

(3) When is it intended to effect improvements to the school grounds at Waroona?

The MINISTER replied:

(1) Yes.

(2) It depends on allocation of further loan funds.

(3) Owing to shortage of loan funds for urgent building requirements, expenditure on ground improvements must be deferred.

(b) As to School for City Beach, Commencement.

Mr. NIMMO asked the Minister for Education:

(1) Further to my question of the 15th September, 1954, can he give any additional information regarding the commencement of the new school at City Beach?

(2) If there will be any appreciable delay, what is the reason?

The MINISTER replied:

(1) No.

(2) Departmental correspondence with the Perth City Council concerning the selection of a site for City Beach school dates back to 1939, but it was only in December, 1952, that any progress was made in the matter, the council then making available a plan showing the proposed site of approximately 7½ acres. The Public Works Department now finds that the work of erecting a school cannot commence because—

(i) the area is not surveyed; and

(ii) there is no road approach.

The council advises that work on the road approach will commence in January, 1955. Therefore the work of erecting a school cannot commence until June next.

ELECTORAL.

As to Enrolments.

Hon. A. F. WATTS asked the Minister for Justice:

(1) What are the latest figures of the total number of electors enrolled for the following areas under the provisions of the Electoral Districts Act, 1947—

(a) the metropolitan area;

(b) the agricultural, mining and pastoral area?

(2) What are the latest figures of the number of electors enrolled for the Metropolitan, Suburban and West Provinces respectively?

The MINISTER replied:

(1) Enrolment on the 30th September, 1954:—

(a) Metropolitan area, 198,251;

(b) Agricultural, mining and pastoral area, 132,117.

(2) Metropolitan Province, 14,814, Suburban Province, 27,404; West Province, 11,336.

BUILDERS REGISTRATION ACT.

As to Conditional Registrations.

Hon. D. BRAND asked the Minister for Works:

How many conditional registrations have been granted under the amendment made last year to the Builders Registration Act?

The MINISTER replied:

There have been 1,076 registrations.

DAIRYING.

(a) As to Artificial Insemination and Departmental Research.

Mr. HEARMAN asked the Minister for Agriculture:

(1) Can he say if any dairy cows will be artificially inseminated by the Department of Agriculture in the year 1954-55?

(2) Can he say how it is intended to spend the £3,000 shown in this year's Estimates of Revenue and Expenditure, page 74, item 13?

(3) Can he tell the House what arrangement or understanding, if any, exists between the C.S.I.R.O. and the Department of Agriculture as to the general areas in which their respective research activities are to be concentrated?

The MINISTER replied:

(1) Plans envisage commencing artificial insemination in time for the general mating season, 1955, but may not commence before the 30th June, 1955.

(2) Essential buildings and yards.

(3) The C.S.I.R.O. is not associated with the Department of Agriculture in the scheme for introducing artificial insemination.

(b) As to Respective Research Spheres.

Mr. HEARMAN (without notice) asked the Minister for Agriculture:

I would like to point out to the Minister, in connection with a question I have on the notice paper, that it not only relates to artificial insemination but is designed to prevent duplication of research and so forth. Originally, all these questions were put under one heading, and they could quite easily be made three separate

questions. I would be glad if the Minister would read the three questions carefully and supply any information that he can.

The MINISTER replied:

There was no doubt in my mind, and in that of the department as to what the hon. member was trying to get at. We both agreed that he was referring to the subject matter of the preceding question. Now that he has explained the information he requires, I will endeavour to have a statement made available.

WATER SUPPLIES.

As to Availability of Geological Advice.

Mr. HEARMAN asked the Minister for Agriculture:

Will he consider making geological advice available to farmers to assist them in locating underground supplies of water?

The MINISTER replied:

The Mines Department does render geological advice to farmers as far as it is able. At present, however, that department is extremely short of geologists and is, therefore, greatly restricted in rendering this type of help.

TRAM AND BUS SERVICES.

As to Carbarn Extensions.

Mr. YATES (without notice) asked the Minister for Transport:

(1) Is it the intention of the Government to proceed with the extension of the carbarn?

(2) If so, will tenants have to vacate homes in the area held by the department to make way for new buildings?

The MINISTER replied:

The question of extending the carbarn, and the workshops attached to it, has been under consideration for some years, and land in the area has been resumed for that purpose. Until the report and recommendations of Professor Stephenson are made available, no attempt will be made to enlarge the carbarn or to extend the workshops section.

PIG IRON.

As to Request to B.H.P. Regarding Supplies.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The member for Mt. Lawley asked me certain questions as to whether I was aware that on Government files there existed a request to B.H.P. not to sell pig iron in Western Australia. At the time, I said that I did not know such a letter existed; but I find there are two letters which may have some bearing on the questions asked. One letter, dated the 13th February, 1948, written by the then Premier, Hon. Sir Ross McLarty, and addressed to Mr. Essington Lewis, managing director of the Broken Hill Pty. Ltd., reads as follows:—

> You will be pleased to learn that the Wundowie Charcoal Iron Plant is now in production and is expected to be capable of supplying this State's requirements of practically all grades of pig iron.
>
> I wish again to express our appreciation of the valuable assistance given to the project by technical officers kindly made available by your company. The excellent advice received from the officers concerned, particularly Mr. J. Young, is mainly responsible for the success of the pig iron production section of the plant.
>
> Knowing the difficulties which you are experiencing at the present time in maintaining steel production, you will, no doubt, appreciate the prospect of being relieved of supplying pig iron to Western Australia.
>
> In view of the difficult shipping position to Western Australia, considerable benefit will be derived by this State by the fact that available shipping space from Kembla and Newcastle can, we hope, in future be utilised for the transport of much needed steel products in preference to pig iron.

Although the letter in reply has no further bearing on the question, I think it should be read. It is addressed to the Premier, at the Premier's Department, signed by Mr. Essington Lewis, dated the 17th February, 1948, and reads as follows:—

> Dear Mr. McLarty,
>
> Thank you very much for your letter of 13th February, from which I note that the Wundowie charcoal iron plant is now in production.
>
> I also note that you expect that this unit will be capable of supplying Western Australia's requirements of practically all grades of pig iron, and that you will therefore not require further pig iron from our company.
>
> I thank you, too, for your kindly reference to the technical assistance we were able to render in connection with the establishment of the project.

MOTION—STATE FORESTS.

To Revoke Dedication.

THE MINISTER FOR FORESTS (Hon. H. E. Graham—East Perth) [4.42]: I move—

> That the proposal for the partial revocation of State Forests Nos. 21, 22, 28, 33, 34, 36, 38, 51 and 55 laid on the Table of the Legislative Assembly by command of His Excellency the Governor on the 26th day of November, 1954, be carried out.

Last Friday I laid on the Table of the House a document which contained plans and descriptions of areas which it is proposed shall be excised from State forests. The motion for this purpose is one of those formal, but at the same time important, matters brought forward regularly practically every year. As is generally known, the State forests of Western Australia are so jealously guarded that when they have been set aside for forestry purposes then, only by consent of both Houses of Parliament, is it possible for any of the areas to be excised or interfered with in any way.

The present set of proposals comprise ten areas totalling almost 675 acres. The principle behind them, as hitherto, generally speaking, is to give a better alignment of State forests boundaries, in some cases making exchanges with settlers for certain areas that are better suited for forestry purposes, and, of course, returning to them some adjoining forestry lands that are better used for purpose of agriculture. I will now give a brief description of the areas concerned.

Area No. 1 is situated about six miles west of Greenbushes, and it comprises approximately 20 acres of poor forest country not required for the permanent growth of timber and applied for by an adjoining landholder as an extension to his property. Needless to say, in this, and in all other cases, the value of the land and its potentialities are fully examined by competent forestry officers.

Mr. Hearman: Do you know the name of the applicant?

The MINISTER FOR FORESTS: No. Area No. 2 is about three miles south-west of Kirup. It comprises approximately 13½ acres situated between private property and a main road. It has been applied for by the adjoining landholder as an extension to his property and to give him main road frontage. The landholder is to surrender a small area of about three-quarters of an acre of his property beyond the road which extends into the firebreak system.

The third area is situated about ten miles north of Nannup and consists of approximately 8¼ acres situated between private property and a road, and has been applied for by the adjoining landholder as a holding paddock for stock.

About seven miles north-west of Jarrahwood we have area No. 4. It comprises approximately 50 acres of poor forest country recently cut over and applied for by the adjoining landholder as an extension to his property and to give him frontage to the new alignment of the Busselton-Jarrahwood road.

Area No. 5 is about 12 miles south-west of Yornup. It is approximately 216 acres in area and embraces the Donnelly River sawmill and existing buildings and houses, and provides for extensions. The area is to be declared a townsite.

The next area is No. 6 which is about six miles west of Pemberton and comprises approximately 42 acres which has been applied for by the holder of an adjoining location as an extension to his nursery. An equal area of the same location is to be surrendered for inclusion in State forests in exchange.

Area No. 7, which is about 14 miles south-east of Manjimup consists of about 13 acres of cut-over country between private property and a main road. It has been applied for by an adjoining landholder as an extension to his property and also to give him a main road frontage.

About 12 miles south-east of Manjimup is Area No. 8 which is approximately five acres. It is to be exchanged for about 8½ acres for inclusion in State forests.

Area No. 9 is about 1½ miles west of Contine siding and is approximately 137 acres in area. It is to be exchanged for about 100 acres of adjoining private property for inclusion in State forests. The larger area is poor forest country, more suitable for agriculture, whilst the areas of a private property to be surrendered for exchange are better mallet country. The exchange will considerably improve the firebreak system in this vicinity.

Area No. 10 is about 24 miles south-east of Manjimup. It consists of approximately 170 acres embracing the Tone River sawmill and existing buildings and houses and provides for extensions. The area is to be declared a townsite.

On motion by Mr. Wild, debate adjourned.

BILL—WHEAT INDUSTRY STABILISATION.

Second Reading.

Debate resumed from the 23rd November.

MR. PERKINS (Roe) [4.50]: All members should be interested in this Bill because it deals with an industry the prosperity or otherwise of which has probably a greater bearing on the general level of prosperity in the State than almost any other industry. In the times which most of us can remember, the wheat industry has had considerable ups and downs.

I, and many other members, have a very vivid recollection of the difficult times the industry experienced in what was known as the depression period of the thirties. During that time it was necessary to assist those engaged in the industry by various comparatively small subsidies from Consolidated Revenue. That period carried on into the early years of the recent war. Because of the ravages of war, and the need for foodstuffs towards the end of hostilities and in the period following, all food prices, particularly those for wheat on the open markets of the world—if there

was such a thing as an open market at that time—rose to a very high figure indeed.

However, following the war, as I think most members know, the price of wheat to consumers in Australia was kept down to a figure very much lower than that at which the wheat could have been sold on the international markets. To further complicate the position, what was known as the International Wheat Agreement was negotiated; and that, in the light of subsequent events, proved to be an instrument of benefit almost entirely to the consuming countries of the world—those countries that were importers of wheat. During that period the growers returned to the consumers of Australia very many times the amount of assistance they had received at an earlier stage.

Members will recall that towards the end of the forties there was considerable discussion about the future organisation of the wheat industry; and with a view to carrying on an orderly marketing scheme, with the Australian Wheat Board as the sole selling agency for Australian wheat overseas and also in Australia through its various agencies, it was necessary that Commonwealth and State legislation should be passed. That legislation has provided the framework under which the industry has operated in recent years.

I thought that, in introducing the Bill, the Minister made quite a reasonable survey of the position as it has existed in the immediate past, and I think that if members read his speech, they will have an idea of the background which must be taken into account in considering this legislation. In deciding whether we should have a stabilisation scheme along the lines envisaged in the Bill, consideration should be given to the fact that the proposed legislation has been submitted to the wheat-growers by referendum, and that referendum was carried in the affirmative by an overwhelming majority.

It was only natural that that should be so, because in the immediate postwar years, when the growers would have received some considerable benefit from a freer marketing organisation, in order to obtain something closer to world export value, that was not possible. Now, when the worst of the ravages of war have been overcome and wheat production in some countries at least has built up to a high figure, it is only natural that the growers should be looking to Governments to underwrite, to some degree at least, the uncertainties that the market may have for a few years to come.

I believe that although at present there may be some difficulty in marketing the surpluses that have been built up, we will fairly rapidly arrive at the position where the world supply and the world demand will largely level themselves out. Anyone who studies the reports of the United Nations Food Organisation must be impressed by the concern of the experts who prepare those reports regarding the food supplies of the world. World population is increasing at a more rapid rate than has been the case for a very long time; and as there are no entirely new areas in the temperate regions of the world that can be opened up for food production, it is necessary, in order to meet the growing demand of an increasing population, to make more efficient use of the areas already developed. Although surpluses may be evident at the moment, if one takes a long-range view, one must come to the conclusion that in the not too distant future the world will again be looking for food supplies wherever they can be obtained.

Hon. Sir Ross McLarty: Has there not been an increased demand for wheat overseas recently?

Mr. PERKINS: Yes. But I think that that is more of a short-term fluctuation, and may be governed by the fact that Britain has used up the reserve stocks that were created during the war and in the postwar period. Now that those reserve stocks are not available, the market has returned to what we have been accustomed to regard as a normal trading position.

If members have studied the financial columns of the local Press, they will have noticed that, because of the dock strike in Britain and the fact that Britain transferred its reserves from within the country to the exporting countries of the world, millers found themselves in a very difficult position indeed, in that there was a temporary shortage of wheat available for gristing at mills in Britain. That may have taught the British millers something of a lesson, and we might find that in the future rather larger stocks will be carried than have been held in recent months in the British Isles. I was not thinking so much of the short term fluctuations, as the overall position.

I wish to make the point that the most expert body that we have in the world—the United Nations Food Organisation—recognises that food reserves should be maintained wherever possible. If that is to be done, it is necessary to look at the food producing industries within our own borders; and, of course, the wheat industry is one of the most important. Therefore, it seems to be sound policy, even though under the terms of this legislation the Commonwealth may find it necessary to take some money from revenue in order to live up to the terms of the guarantee, for us to keep our food producing industries in good order.

Those countries which are members of the United Nations Organisation, and which are exporters of food, must also take steps to see that their various food producing industries are maintained in

sound condition. The point must be self-evident that if the price of wheat in Australia falls below the cost of production, it will have a serious effect on the industry in every State. From time to time I have heard statements in this Chamber that the present cost of production is an extremely generous one for the wheatgrower. That may be so in regard to the well established farmer, but if we are to extend the industry in this State, then we must move out into what are known as the marginal areas.

It is only natural that under less favourable conditions the cost of production will be higher. The Minister must know—I have had many discussions with him on this subject—that a great many men are attempting to establish themselves as wheat farmers on virgin land in the outer areas. I know from personal knowledge of their operations, that the cost of production figure is not a generous one so far as they are concerned. It will be many years before they are in an affluent position. I rather fear that some of those who are working under less favourable conditions, may not make the grade and that we will have abandoned farms on our hands.

Mr. May: That also refers to the reduction in wool prices.

Mr. PERKINS: The wool industry has, probably, been the most prosperous of our primary industries in recent times, but there again, the recent fall in prices is having severe repercussions, but I know, Mr. Speaker, that you will not allow me to discuss these aspects on the Bill. The principle behind this measure has been approved by the growers at a referendum, and I am hoping that members will accept the general principles contained in the Bill.

So far as the machinery is concerned that is provided in the measure, I understood the Minister to say, when replying to an interjection, that the Bills in all the States were identical. I have not had an opportunity to see those introduced in the other State Parliaments, but I presume the Minister has either examined them himself, or has arranged for the Crown Law Department to do so. Some of the drafting of the measure that is before us seems to be rather involved, and I would like the Minister when replying to elaborate on the point as to the need for uniform provisions. I would be glad, too, if he would tell us whether the Crown Law Department has actually checked this Bill against the measures that have been introduced in the other States.

The Minister for Agriculture: Have you in mind any specific provision that you are in doubt about?

Mr. PERKINS: I have in mind the wording of the clauses dealing with the setting up of licensed receivers. One would think that a clause just providing for licensed receivers would be sufficient. If the Minister has a look at the Bill, he will see that the end is arrived at by a rather roundabout means. While I am not questioning what the Crown Law Department has done, I wish to ensure that the Bill achieves what we expect it to.

The Minister for Agriculture: The Bill, compared with the 1948 stabilisation Act, has one omission, and I shall be correcting that in Committee along the lines you are mentioning with regard to licensed receivers.

Mr. PERKINS: That may clarify the position somewhat. I find one provision in the Bill to be rather obnoxious. On page 8 it states that the Commonwealth Minister may give directions to the board concerning the performance of its functions and the exercise of its powers, and that the board shall comply with those directions. I am not enamoured of that provision, and I would like the Minister to give some explanation of the need for its inclusion. Obviously, if the provision is interpreted literally, the Federal Minister in charge of the legislation will have almost unlimited power to do as he pleases in the administration of the Act.

The growers have some rather unfortunate recollections of what previous Federal Governments have done in the exercise of their powers under wartime legislation. We remember the postwar concessions that were extended to New Zealand, for instance. It took some considerable time to stop that arrangement. We also recall the attempts that were made to make the wheatgrowers bear the cost of the transport of wheat for consumption in Tasmania. If members think back, they will recollect that there was a rather heated debate in this Chamber on that subject. While we retain some control of this legislation within the State Parliament, the growers in Western Australia have some opportunity of expressing their desires regarding it.

If the Commonwealth Minister is to be given such overriding powers as are suggested here, our growers will have no opportunity, so far as I can see, to curb any of his actions, whether they be for party or other reasons, that are entirely obnoxious to them. The wheatgrowers have certainly subsidised the rest of the community enough, without leaving further loopholes for other impositions to be placed upon them. Unless the Minister can give some good reason for this provision, I shall feel inclined to move for its excision.

The Minister for Agriculture: You might as well vote against the Bill if you do, because the Commonwealth will not approve. You have it in your hands to have stabilisation, and, as far as I am concerned, you please yourself what you do.

Mr. PERKINS: I cannot see that this provision is necessary. Obviously the Commonwealth has some liability under the stabilisation scheme, but the liability is

limited by the terms of the legislation. The measure is fairly detailed, and if members look at it, they will see that if the export price of wheat is above the cost of production, then money is taken out of that particular portion of the price which is above the cost of production and paid into the Federal stabilisation fund until the fund reaches the figure of £20,000,000. Surely that safeguards the Commonwealth reasonably well.

The Minister for Agriculture: The Commonwealth does not think so.

Mr. PERKINS: I want to know what this particular provision is designed to do. If the Minister can give some reasonable explanation of the difficulties the Commonwealth may encounter, and if he can show that this provision will safeguard the Commonwealth, then quite obviously what he says will be a strong argument for the acceptance of the provision, but on the face of it, it looks as though the Commonwealth is safeguarded in every possible way both in the Federal and the State legislation. At this stage I cannot see why any further safeguards are necessary.

The Minister for Agriculture: You refer to the Commonwealth, but I refer to the taxpayers. It is the taxpayers who require protecting.

Mr. PERKINS: I maintain that the taxpayers are already protected under the terms of the legislation. If the Minister can show me where they are not protected, I will be ready to listen to him.

The Minister for Agriculture: What about when the £20,000,000 cuts out, if it ever does?

Mr. Ackland: Why is it necessary to make the Bill so much more drastic, in this regard, than the previous one?

The Minister for Agriculture: They both mean the same.

Mr. PERKINS: I am unable to find any similar provision in the previous legislation. When the Minister replies, I hope he will deal with this point, because it is extremely important to the wheatgrowers. If unlimited powers, such as are contained in this clause, were made available to a Federal Minister there would be grave temptation for him to take action which would be convenient from the Commonwealth Government's point of view, but which could be obnoxious and unjust to the wheatgrowers. We have already had experience of these matters and they are very pertinent points—the concession sales to New Zealand and the question of the wheatgrowers paying the freight on the wheat sold in Tasmania. If the Federal Minister had had that power without having to go back to the States, I feel certain that the wheatgrowers would be meeting those imposts.

The Minister for Agriculture: That power has been in the Act since 1948.

Mr. PERKINS: I do not think it has. The Minister will have an opportunity of examining the point and of making his explanation when replying to the debate. The legislation is at this stage very important from the growers' point of view and we cannot delay it very much longer because the new seasons wheat is already being received, and arrangements have been made for the first advance to be paid. It is therefore undesirable that any uncertainty should remain longer than necessary.

Members, I think, realise that this measure is to some degree restrospective, because if last seasons wheat returns more than the cost of production, the stabilisation levy will be deducted from the proceeds as well as from those of the current crop and the next three crops. I believe the growers realise that something like this is necessary in order to achieve unanimity between the various States and the Commonwealth. In the circumstances I think the Bill is as good as we could get from the States and the Commonwealth and the feeling of the growers is that it should be enacted as quickly as possible.

For that reason I hope it will pass through this House, with the exception of that one provision to which I have made special reference. I hope the Minister will also clarify the position in relation to the other point I raised. He has already indicated that he intends to move an amendment. I support the second reading.

MR. ACKLAND (Moore) [5.20]: It is my intention to vote for the second reading of the Bill, but I wish to make it clear that I will do so with no personal enthusiasm. I think it is known to members that I have always been a consistent opponent of Commonwealth wheat stabilisation because I believe it has worked to the disadvantage of the growers in this State, in particular. Of course, it has never been a wheat stabilisation scheme, but an equalisation scheme in which, on paper, the Federal Government has carried some responsibility, while, in fact, it has been a scheme that has built up a fund which would prevent the Federal Treasurer from being called upon to make any contribution.

I do not think it is necessary for me to enlarge on that aspect. I have done so on several previous occasions and my reason for voting for the second reading is that I believe in private ownership. I believe the product of the producer belongs to him, subject only to his just debts, and by an overwhelming majority the wheatgrowers of the five mainland States of Australia have voted in favour of a continuation of this so-called Commonwealth wheat stabilisation.

Under the provisions of this legislation the Wheat Board has powers to receive, store and sell wheat both within and without the Commonwealth subject, of course,

to some well defined conditions. Those conditions have been itemised in this measure and have been set out in the legislation with one notable addition—an addition of which the growers were not advised and which was not given to the Federal Minister prior to the ballot being taken. It is well to remember that in the parent Act of the Commonwealth those conditions are clearly laid down in Subsections (1) and (3) of Section 13. Subsection (1) reads as follows:—

> The board may, subject to any directions of the Minister, for the purposes of the export of wheat and wheat products, the interstate marketing of wheat and the marketing of wheat in the Territories of the Commonwealth, or for the purposes of, or purposes incidental to, any international agreement to which Australia becomes a party—
>
> (a) purchase or otherwise acquire any wheat, wheaten flour, semolina, corn sacks, jute or jute products;
>
> (b) sell or dispose of any wheat, wheaten flour, semolina, cornsacks, jute or jute products purchased or otherwise acquired by the board;
>
> (c) grist or arrange for the gristing of any wheat, and sell or otherwise dispose of the products of the gristing;
>
> (d) manage and control all matters connected with the handling, storage, protection, treatment, transfer or shipment of any wheat or other things purchased or otherwise acquired by the board or sold or otherwise disposed of by the board; and
>
> (e) do all matters which it is required by this Act to do or which are necessary or convenient to be done by the board for giving effect to this Act.

Subsection (3) states—

> Nothing in this Act shall be deemed to prevent the board from exercising any capacity, power or function conferred upon it by any State Act.

The wheatgrowers voted with an overwhelming majority of 94 per cent. for and only 6 per cent. against Commonwealth wheat stabilisation, and they did so knowing that there was an Australian Wheat Board consisting of 14 members of whom nine were direct representatives of, and elected by the wheatgrowers of the Commonwealth. Section 7 of the Commonwealth Wheat Industry Stabilisation Act says—

> The board shall consist of—
>
> (a) a chairman;
>
> (b) a person engaged in commerce, with experience of the wheat trade;
>
> (c) a finance member;
>
> (d) a representative of flour mill 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) two wheatgrowers representing wheatgrowers in the State of South Australia; and
>
> (j) two wheatgrowers representing wheatgrowers in the State of Western Australia.

Realising that the Australian Wheat Board was so composed and that its powers were limited to protecting the people of Australia, the wheatgrowers of the Commonwealth by an overwhelming majority agreed to this legislation by referendum; but what was not known to them when the referendum was conducted was the intention of the Minister to put into the Bill Subclause (2) of Clause 13. I say definitely that the Minister cannot show us, in the previous Acts which have allowed the Australian Wheat Board to carry out the functions enumerated in this legislation, any place where this is done.

It is true that the Commonwealth Minister has power of veto over any action that the Australian Wheat Board may contemplate if it is against the best interests of the State, and as the Commonwealth Treasurer does carry some responsibility under certain conditions, I believe it would be unwise if some power of veto did not exist. This makes the Australian Wheat Board nothing but a puppet of the Commonwealth Minister for Agriculture and I am sure the provision was not inserted with the knowledge of Mr. McEwen, who was in Europe when the legislation was being printed and when it was introduced in the Federal Parliament. I cannot conceive him doing such a thing as this, because it turns the Australian Wheat Board into nothing but a socialistic concern when any Minister can do what the member for Roe has indicated.

Under that provision he could compel the board to act against the best interests of the people they have been elected to represent. We all know what has transpired in relation to the New Zealand wheat deal, which was mentioned by interjection, and we know of several other things that have been done, greatly to the detriment of the wheatgrower, under certain provisions. Although I wish to see the legislation placed on the statute book on

somewhat similar lines to those which obtained previously, I would be prepared if it were necessary—I do not believe it is—to see the measure lost rather than this provision should remain in it.

The wheatgrowers have done more than enough for the people of Australia. In the 13 years, from 1939 to 1952, the Australian Wheat Board received 1,815,423,000 bushels of wheat, at a loss to the members of the wheatgrowing industry, which represented a subsidy to Australia as a whole and, in part, to the rest of the world through the International Wheat Agreement, of £308,479,103, which, during that period, represented 3s. 4¾d. a bushel.

We in Western Australia have contributed considerably to the people of the Eastern States by way of subsidy. In 1948-49, from the No. 12 pool, the subsidy paid by Western Australia to the Eastern States amounted to £1,948,390; in 1949-50—No. 13 pool—it amounted to £3,091,359; in 1950-51—No. 14 pool—it was £4,513,958 and in 1951-52—No. 15 pool—it amounted to £4,083,333. The particulars for later years are not readily available.

That is old history. I am sorry that I have not more recent figures with me this afternoon. Although it is quite true that, up to 1940, the wheat growing industry received approximately £26,000,000 by way of subsidy from the people of Australia, the wheat farmers have, in the interim, contributed about £300,000,000 by way of selling wheat below its actual value. I am not at all willing to agree to the clause which gives the Minister complete control over the actions of the Wheat Board, and therefore I hope the Minister will look at the position in a reasonable light in the way that some of us at least will view the clause.

I believe that if the wheatgrowers of Western Australia, at any rate, had known of that provision in the Bill, the voting at the referendum would have been 6 per cent. for the legislation and 94 per cent. against it. In other words, I believe that the voting would have been completely reversed if the wheatgrowers had known that such a provision had been contemplated by the Commonwealth Government.

The Minister for Agriculture: I do not think it would have been.

Mr. ACKLAND: I think I know the wheatgrowers better and more intimately than does the Minister. I think I can speak with a great deal more conviction and knowledge on the matter than he can.

The Minister for Agriculture: You are more often wrong than right.

Mr. ACKLAND: By interjection, the Minister said that the defeat of this subclause would mean the defeat of the Bill. I want to take the Minister's mind back for about three or four years, to 1950 or 1951—I am not certain which year it was—when some of us in this House who were supporting the party now in opposition, rebelled against the then Government for passing legislation which made wheatgrowers responsible for the payment of interstate freight on wheat.

Mr. Nalder: How did the Minister vote on that occasion?

Mr. ACKLAND: On that occasion the Minister was a most enthusiastic supporter of those who adopted that attitude and we were not then seeking to defeat a subclause, but the second reading of the Bill. On that occasion we were told that we had ruined the wheatgrowers; we were told that because of our action we had prevented the wheat stabilisation scheme from coming into operation, and for two or three days there was much running hither and thither.

But we found that a Bill still existed. We found that we had a wheat stabilisation scheme and in this Bill we find that the Commonwealth Government has seen fit to insert a clause that takes care of the interstate freight by sea to Tasmania and, of course, in the previous case, to Queensland as well. The wheatgrower, in common with the rest of the community, will meet his share of the cost of that freight to which we do not object, but we do strongly object to running the risk of an irresponsible Government, very likely advised by a far more irresponsible civil servant—and there are some irresponsible ones in the Department of Commerce at Canberra, in the opinion of wheatgrowers of Australia—implementing a clause such as this.

We are not prepared to see another New Zealand scheme; we are not prepared to see concessions being made to sections of the community at the expense of one section only—in this case, the wheatgrowers. I have the greatest sympathy for the pig breeders and the poultry farmers at present. I am quite agreeable to the community, of which the wheatgrowers comprise one section, doing something to make their lot better, but I am not prepared to let any irresponsible Minister have complete control in this matter, and I believe that all wheatgrowers, irrespective of their party political opinion, would agree with me on this point. I feel that the Minister wants to cast his mind back three or four years when he realised the justification of the action that was taken by some of us who were on the other side of the House then and who are on this side of the House now—

The Minister for Agriculture: What is the point you made on that? Let us have it again.

Mr. ACKLAND: I will be accused of repetition. It has already been explained to the House on two occasions now.

The Minister for Agriculture: Are you talking about interstate freight?

Mr. ACKLAND: I am glad to hear the Minister say that he is going to rectify what was an omission in the Bill, and therefore there is nothing for me to talk about on that score. His amendment will be supported by every member on this side of the House. Apart from the clause which gives the Minister complete control and which will make the Australian Wheat Board nothing else but 14 puppets dancing to his will, if he so desires, I support the second reading of the Bill.

MR. MAY (Collie) [5.39]: I do not altogether agree with some of the remarks made by the member for Roe or by the member for Moore. The member for Roe outlined the history of the industry since the depression days to date. Nobody knows better than I do the position of the wheat industry in the days of the depression. I noticed that some members who represent the farming community very conveniently forgot one of the aspects of the position in those days, namely, the amount of money that was given to the farmers under the Farmers' Debts Adjustment Act.

Mr. Ackland: A matter of £26,000,000.

Mr. MAY: The farmers who were assisted in those days, at a later stage very conveniently forgot to repay, when they were in a position to do so, the moneys that were loaned to them. How many members representing the farming community have spoken about that?

Mr. Ackland: What are you referring to? You cannot give something, and then ask for it to be repaid!

Mr. MAY: But that money was not given to them. It was loaned to them on the understanding that it would be repaid when their conditions improved. Members should read the figures relating to the number of farmers who have repaid the amounts that were loaned to them during the depression days. In my opinion, they are a disgrace. However, I do not want to make a big mouthful of the matter, but when the member for Moore quotes figures and refers to the fact that the farmers have contributed a great deal to the Australian people in regard to the interstate freights, it is just as well to refer to the other side of the question.

It should also not be forgotten that if a farmer repaid 20 per cent. of the loan advanced to him under the Farmers' Debts Adjustment Act, the balance of his loan would have been written off. But how many farmers did that? Members should read the report by the Rural & Industries Bank, and they will soon realise that the number fell far short. I do not think the farmers realise their obligations in regard to the amounts that were granted under that legislation, especially at the time when they were receiving extremely high prices for their wheat.

I do not think the wheatgrowers in this State have had much to growl about since the depression days, when we take into consideration the price of wheat that has been obtained by them during the postwar years. I know the story of some of the wheat farmers who have obtained those high prices. I know that the member for Roe and the member for Moore would not like me to mention the names of some of them in this House. I believe in everybody getting a fair return for their produce, and that applies to the wheat farmer too. However, I also believe that when the members of an industry are assisted in their time of difficulty, it is up to them to realise their obligations and, when they receive top prices for their products, repay the amounts loaned to them.

Mr. Ackland: Do not you think that they have already repaid those amounts by contributing £3,000,000 of their money?

Mr. MAY: These loans were granted to them purely on the understanding that they were to be repaid.

Mr. Nalder: How much was given to them?

Mr. MAY: If the hon. member will look at the Rural & Industries Bank report, he will find out what the amount was. I have noticed that the representatives of the farmers in this House have very conveniently overlooked it.

Mr. Nalder: If the people you represent contributed to the State as much as those we are talking about, they would have something to be proud of.

Mr. MAY: If the people the hon. member is talking about had contributed to the State as much as the people that I represent, this State would be in a much better position at present.

Mr. Yates: You are patting each other on the back.

Mr. MAY: I am not opposed to the farmers of this State. Do not believe that.

Mr. Ackland: It is a good thing you told us.

Mr. MAY: The hon. member thinks that I am opposed to farmers, but he is wrong. Sooner or later, every primary producer, including the wheat farmer, will come to realise that the prices for their commodities must come back to normal, which is the cost of production plus a reasonable return for labour. That will represent the normal price of a primary product. Surely, no farmer will assume that the price of wheat is going to remain at the very high level it has stood at in the postwar years. It is too stupid for words for any farmer to expect that.

Mr. Ackland: I expect that.

Mr. MAY: I know the hon. member is sitting back and feeling happy in his position. I do not blame him for that. We must realise that sooner or later the price

of wheat and wool will come back to a reasonable level. Under this Bill, it is proposed to advance to farmers a sum of 10s. 4d. for every bushel of wheat delivered to silos. What would be the position of the majority of the farmers of this State if they took their wheat to the silos, and there was not 10s. 4d. a bushel waiting for them?

Mr. Ackland: There would be plenty of empty stomachs in Perth.

Mr. MAY: The hon. member had his say, so he should be quiet! With a very large surplus of wheat left over from last season, what would happen to the struggling farmers who are developing their holdings? They would not be in the race to meet their commitments. I contend that the farmers of this State have to be thankful for the Comomnwealth Government advance of 10s. 4d. per bushel from taxpayers' money in order to tide small farmers over.

Mr. Ackland: There is not a word of truth in that statement.

Mr. MAY: I am not asking the hon. member to believe me.

Mr. Ackland: I am telling you what are the facts.

Mr. MAY: Is it not a fact that the Commonwealth Government is subsidising every wheat farmer to the extent of 10s. 4d. a bushel at the moment? Can that be denied?

Mr. Ackland: Of course it is not right.

Mr. MAY: Where does the money come from?

Mr. Ackland: The money is borrowed and the farmer pays interest on it.

Mr. MAY: I agree that the farmers will eventually pay the money back.

Mr. SPEAKER: Order! The member for Moore has had his opportunity to advance his views.

Mr. MAY: I thought he got a very good hearing. It is all very well for the member for Moore to sit back now because of the high prices he received for his products in postwar years, and not worry about farming at all these days. Over those good years, he had enough commonsense to realise that what he was getting for his primary products would not last for ever, and he hung on to his profits.

Mr. Ackland: Get on with the Wheat Pool.

Mr. MAY: I am talking about the small farmer who has just started, and is trying to develop his property. What will happen to him if the 10s. 4d. per bushel is not made available when his wheat is delivered at the silo?

Mr. Perkins: He would walk off his proerty.

Mr. MAY: He would be shoved off. Who is supplying the 10s. 4d. to the wheat farmer?

Mr. Perkins: It is borrowed money.

Mr. MAY: It is money borrowed from the taxpayers.

Mr. Perkins: The taxpayers will get interest on it.

Mr. MAY: They might get it back. I gave an instance where in the past farmers were advanced money from taxpayers' money, but the taxpayers did not get it back. Assuming that the present cost of production is 10s. 4d. a bushel—

Mr. Ackland: It is a lot more.

Mr. MAY: I also produce wheat. Obviously, the 10s. 4d. is assumed by the Commonwealth to be the cost of production, and any amount over that will depend on the price at which the wheat is sold. The member for Moore dealt with the stabilisation scheme and said he was not in favour of it; but had it not been for that scheme, he would not be sitting as pretty today.

The Premier: You mean so comfortably.

Mr. MAY: That might be more appropriate.

Mr. Yates: He might be broke, for all we know!

Mr. MAY: The majority of wheatgrowers in this State will not be able to carry on if this Bill is not passed. As one who is interested in the wheat industry, though not as large a producer as the member for Moore or some other members, I say that the wheat farmer should be grateful for the assistance provided by this Bill. Clause 13, to which the member for Moore has taken so much exception, has been inserted by the Minister for Agriculture at the request of the Commonwealth Minister.

Mr. Ackland: So was the interstate freight provision, which you helped to put through.

Mr. Nalder: How did the member for Collie vote four years ago?

Mr. SPEAKER: These interjections must cease. The member for Collie must address the Chair and not pick on individuals.

Mr. MAY: The wheat farmers of this State would be well advised to support this Bill which is complementary to the Federal legislation. I realise that it is the only solution and the only salvation for the small wheatgrowers in the State. It is a scheme backed by the taxpayers of Australia to ensure that the wheat farmer will at least get 10s. 4d. a bushel to enable him to carry on. I am not losing sight of the fact that the amount of 10s. 4d. has been received from the last season's crop up to date. I am aware of the struggle which some farmers will

face by having to wait until the wheat is sold before they will get any further payments.

Mr. Ackland: The wheatgrowers do not get this amount. There are deductions.

Mr. MAY: I know all about that. I know very well that farmers do not get 10s. 4d. and that deductions have to be made; but the amount they will receive will enable the majority to carry on until such time as the world wheat situation rights itself. By that time, the farmers will receive the normal price, with which I hope they will be satisfied.

THE MINISTER FOR AGRICULTURE (Hon. E. K. Hoar—Warren—in reply) [5.55]: I wish to reply to one or two points raised by members opposite. They did not, and I did not expect them to, attack the Bill, except the member for Moore who bitterly opposed any idea of stabilisation; so much so that I am wondering whether his reference to this clause, which gives so much power to the Minister, was brought up with the intention of encouraging other people to wreck the Bill. If that is so, I must certainly oppose him.

As in other years, and also during this year, I am much more concerned about the welfare of the farmers than are some members opposite. It would be a most retrogade step to take notice of the member for Moore or the member for Roe, other than to accept their fair criticism, but not any criticism that would result in this Bill failing to pass through Parliament. If that should eventuate, we would have a situation in which the Commonwealth has passed legislation, but with one State standing out, it could flatly refuse to continue assistance along the suggested lines.

I feel sure that farmers will accept this Bill in good faith because they know that, with the situation that could easily develop within the next three or four years, this is the time, once more in the history of the wheat industry, to vote for stabilisation. It is perfectly true that Western Australia has the machinery at its command to market wheat on its own account, but it would be inadvisable to attempt to do that. This is the day for stabilisation, and these things come around in cycles. In this case, we have been lucky.

Regardless of the fact that Labour Governments are not supposed to support wheatgrowers or farmers generally, we have evidence that five Labour Governments out of six have come to agreement on the matter of arranging a marketing Bill, in the first place to cover an emergency period of three years, and subsequently to transform it into a stabilisation scheme for all wheatgrowers in the Commonwealth. If anyone suggests that Labour Governments do not support the men on the land, then he will find an answer in this legislation.

Mr. Ackland: There was some trouble with the Victorian Labour Government.

The MINISTER FOR AGRICULTURE: Yes. We must expect trouble when six or seven State Governments are dealing with such legislation, and we cannot expect them all to act alike. In the long run, this Bill and the scheme it covers to apply throughout the Commonwealth, will benefit the wheatgrowers. With regard to this clause, advice was given to me today which came from a reliable source. While the Commonwealth Government has all the control and direction of the Wheat Board, nevertheless it is only prescribing something which has been in the Act since 1948 by putting the legislation into plainer words and using different phraseology.

Mr. Ackland: Veto is included in the Bill, and not control.

The MINISTER FOR AGRICULTURE: The words "at the direction of the Minister" were included in the 1948 legislation, just as they are in the Bill. This is the directive word which gives action to that subclause. There might be some argument about one being a stronger word than the other, but in law they operate and mean the same. We have only to read what the 1948 Act says. That measure states the position clearly, namely, that the board may, subject to the direction of the Minister administering the Commonwealth Act, etc.

Mr. Ackland: Read the whole of the context and you will find that it gives the power of veto.

The MINISTER FOR AGRICULTURE: The whole of the powers under Section 7 of the Act are subject to the direction of the Commonwealth Minister and all of those powers are included in the Bill. The only difference is that the language employed in the Bill has been altered somewhat, but not the sense. My information is that the meaning of the two provisions is identical. Whether that is so or not does not matter. A provision similar to that in the Bill has been passed by the Commonwealth Parliament and this is complementary legislation which must be in conformity with the Commonwealth statute or, in the eyes of the Commonwealth, it will have no value. It would not matter if we deleted Subclause (2) because it would still be in the Commonwealth Act and the Commonwealth Parliament is the only body that could alter it.

Mr. Ackland: That was not your approach when you assisted to defeat the whole Bill three or four years ago.

The MINISTER FOR AGRICULTURE: I am not sure whether the hon. member is referring to the 1½d. freight to Tasmania

or the allowance of 3d. per bushel, but neither would rank as an important matter in the eyes of the Commonwealth in comparison with this. The Commonwealth Minister contemplates that £20,000,000 will be provided by the contributions of growers, but the price of wheat might fall so far below the cost of production that £20,000,000 would not be sufficient to bridge the gap, in which case the taxpayers would have to make up the difference. No Commonwealth Minister would permit the Wheat Board to have complete power to market the wheat at whatever price it chose if it necessitated the taxpayers' providing large sums of money to make up the difference. From the political point of view, he would not dare to do it. Both Mr. McEwen and Senator McLeay knew of this. We discussed the matter at several meetings of the Agricultural Council to ensure that there should be power along those lines.

Mr. Ackland: The Wheatgrowers' Federation knew nothing about it.

The MINISTER FOR AGRICULTURE: Every State Minister knew all along that this principle would be embodied in the Bill, although the actual wording of it was not known. As a similar provision has been the law since 1948, I cannot see what there is to argue about. If members associated with the wheat section of the Farmers' Union feel any real fear, they should approach the Commonwealth Government and seek an amendment. We cannot make any amendment, but if the Commonwealth did so, I would advise our Government to do likewise. If members do not intend to wreck the Bill, they must support it as printed.

A point was raised by the member for Roe regarding licensed receivers of wheat and I pointed out by way of interjection that the Bill, in my opinion, is not complete in that respect. On page 8 of the Bill, there is a subclause providing that where a licence to receive wheat on behalf of the board was in force immediately before the coming into operation of this measure, the licence shall be deemed to have been granted under this measure. In Committee I intend to move to strike out that subclause and insert what is contained in the 1948 Act and was effective under the emergency provisions of the three-year scheme and also under stabilisation. It is something that has inadvertently been omitted from the Bill. The amendment would make the position of a licensed receiver clear and enable Western Australian growers to be recouped for new cornsacks in respect of the relatively small quantity used in this State. This amendment will tidy up the Bill.

Question put and passed.

Bill read a second time.

In Committee.

Mr. J. Hegney in the Chair; the Minister for Agriculture in charge of the Bill.

Clauses 1 to 6—agreed to.

Clause 7—Licensed receivers:

The MINISTER FOR AGRICULTURE: I intend to move to strike out Subclause (3) with a view to inserting in lieu provisions which were included in the 1948 Act and which it was never intended should be removed. If my proposals are agreed to, there will be a consequential amendment to Clause 12. The amendment will restore a privilege that the growers have enjoyed and which should not be taken away from them. I move an amendment—

That Subclause (3) be struck out and the following inserted in lieu:—

(3) An authority, authorised under the provisions of any other Act to receive wheat, shall by force of this subsection be regarded as licensed by the board as a licensed receiver with the powers and subject to the duties conferred and imposed by those provisions.

(4) When the licensed receiver receives from a grower wheat in new cornsacks, the licensed receiver shall—

(a) credit the grower with the weight of that wheat;

(b) pay the grower an amount equal to the market price of the new cornsacks when received.

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

Clause 8—Powers of board:

Mr. PERKINS: I move an amendment—

That after the word "may" in line 7, page 8, the following words be inserted:—"subject to the direction of the Minister administering the Commonwealth Act."

No difficulty has been experienced with the section of the Act and I see no reason why different wording should be adopted in the Bill. If those words are inserted, I shall move to delete Subclause (2) which reads—

(2) The Commonwealth Minister may give directions to the board concerning the performance of its functions and the exercise of its powers, and the board shall comply with those directions.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. PERKINS: The words in my amendment are the same as those included in the Wheat Industry Stabilisation Act of 1948. If the amendment is agreed to and Subclause (2) is deleted, this measure will read exactly the same as the 1948 Act, as

regards this provision. I take it that the wording in the Bill means that if the board desires to take any action which, in the opinion of the Federal Minister, could endanger the Federal position, the Minister could veto the proposed action. In other words, a permissive power is provided but Subclause (2) could give the Federal Minister far-reaching powers. The board might desire to take some action but the Federal Minister could issue a direction which would prevent the board from doing what it thought necessary. That could be dangerous and could extend to, for instance, the concession sales to various bodies.

I take it that the purpose of the legislation is to enable growers to get as much as possible for their wheat. If they get more than what the Federal Government guarantees, it is all to the good. I would imagine that the main interest of the Federal Minister would be to see that the Federal Treasury was not endangered. My amendment should enable that position to be covered and therefore I hope that the Minister will accept it. Apparently the 1948 legislation has been satisfactory, but now we have a far-reaching proposal, such as is contained in this measure, thrown into the ring, and I do not think we should accept it.

The Minister has said that the provision in this measure is the same as in the Federal Act and therefore that must prevail. That is not necessarily so. All sorts of provisions can be inserted into Acts of Parliament, particularly those that relate to an agreement with some other party. The provisions of this legislation can have force only on those Acts which come within the ambit of the powers of the other party to the agreement. If any provisions in the Federal Act go further than those in the State Act, I take it that the Federal Act will not be enforceable, otherwise why is it necessary to pass a State Act? The fact that it is necessary, indicates that the Federal Act can extend only so far as the provisions of the State Act permit it. Therefore I believe that we should refuse to grant this far-reaching power to the Federal Minister because he will be able to exercise his powers only so far as they come within the limits of the State legislation.

Looking at it from all points of view, I think it highly desirable that at this stage we should not sign away any rights that we have. If my amendment is agreed to, it will not make the Act unworkable and I do not think it will in any way endanger the working of the stabilisation scheme. If we agree to the Bill as it stands, I fear that at some future stage the wheatgrowers may have great cause to regret our action.

Mr. ACKLAND: I want to remind the Minister that the wording in the amendment appeared in the 1948 Act and, in my opinion, that Act had a great deal of virtue in it. It was introduced by a Labour Minister for Commerce and Agriculture and during the intervening years it appears to have given a good deal of satisfaction. Whereas it gave the Minister a power of veto it was, in fact, a negative power, inasmuch as it enabled the Australian Wheat Board to be prevented from doing something which was not in the best interests of Australia, but it could not compel the board to carry out a direction of the Minister for Agriculture. But that is what this Bill intends. In speaking to the second reading, I said that had the full information been available to the wheatgrowers a different result would have been obtained from the ballot taken. The Minister challenged me on that point.

The CHAIRMAN: I would like to draw the hon. member's attention to the fact that we are dealing with an amendment to insert words "subject to the direction of the Minister administering the Commonwealth Act." I think the hon. member should confine his remarks to the discussion as to whether the amendment should be agreed to. He cannot discuss the subject matter of the clause now.

Mr. ACKLAND: I am trying to give reasons why the amendment should be accepted and I want to give members some information about the growers' attitude. An article appeared in this morning's issue of "The West Australian" headed "Wheatman Says Growers Were Deceived." I do not intend to read the whole article but portion of it states—

> The addition of a significant subclause to the Commonwealth wheat industry stabilisation legislation was strongly criticised yesterday by the president of the Australian Wheatgrowers' Federation (Mr. D. W. Maisey).
>
> It meant that the Australian-wide ballot of growers on stabilisation had been conducted under "false pretences," he said.
>
> It provides that the Commonwealth Minister may give direction to the Australian Wheat Board concerning the performance of its functions and the exercise of its powers, and the board shall comply with those directions.
>
> This, said Mr. Maisey, could only be interpreted as meaning that the complete socialisation of the industry had made a gigantic stride forward.
>
> The failure of the Federal Government either to inform the industrial organisations of its intention to include this power in the legislation, or to make available copies of the proposed legislation before the ballots were held, was a distinct breach of faith with the industry.

It allowed the ballot to take place and growers to reject the orderly marketing plan in favour of the new stabilisation plan without permitting growers to know that the principle of trusteeship of the Australian Wheat Board would be destroyed and the board, in effect, would become a rubber stamp for the Minister.

That is why the member for Roe and I, and others on this side, have taken the attitude we are adopting. We feel—although the Minister does not agree with me because he says that this Bill is the same as the other legislation—that this measure is a big departure from anything that was enacted in 1948. I trust the Minister will see the reasonableness of our attitude and I do not think he need have any fear that this legislation will be destroyed if the amendment is accepted.

Hon. A. F. WATTS: I presume the Minister proposes to make some comment on this amendment and on that assumption I propose to place a few points before him. In replying to the second reading, he said the language of the 1948 Act and that used in the Bill amounted to the same thing. If he meant they mean exactly the same thing, I see no reason why we should not accept the amendment and put to rest the fears of those supporting it. I do not agree with the Minister; I do not think they mean the same thing at all. I think they mean something entirely different, and anybody who applies himself to the question will agree.

If the Minister has been correctly advised and believes that advice, then the changed phraseology as suggested by the member for Roe, will not make any difference to the Bill, nor will it affect the powers of the board in the slightest degree. I have always understood that the words in the 1948 Act which are similar to those the member for Roe desires to put in, namely, "subject to the Minister"—

The Minister for Agriculture: Subject to the direction of the Minister.

Hon. A. F. WATTS: —have a very definite meaning, namely, that the Minister could prevent the board from doing something to which he objected on any ground, but particularly I suppose on the ground that it would be harmful to the wheat industry. He cannot, under that phraseology, say to a statutory body like the Wheat Board, "You shall do things which you think, as the wheatgrowers' representative, are inimical to the industry." The difference in this Bill is that the words embodied in it do give him that right.

The board might have made up its mind to do or not to do something. In the first case the Minister would say, "You shall not do it" and in the second, "You shall do it." It says the board shall comply with those directions. So there is no escape for the board. I think the phraseology in the Bill is unnecessary and undesirable and if taken out, would not affect the powers of the board at all. If the board were going to do something wrong. the Minister could stop it; he could not compel it to do something which, in its considered opinion, and perhaps unanimous opinion, was injurious to the wheat industry of Australia.

It is not generally known, but Subsection (2) in the Commonwealth Act was taken exception to when the Bill was debated in the Senate. Amendments were moved to rectify the error. It was considered by the mover and his supporters to be an error, as I consider it to be an error, to have these words as they are in the Act. Unfortunately, the amendment was not carried in the Senate. The phraseology is entirely new. There is no such phraseology in the other marketing legislation; there has been no such phraseology in the wheat marketing legislation hitherto. It is dangerous and could place the board in an invidious position. I support the amendment, believing that if it is carried, it will not affect the measure or the powers of the board, but will prevent, at some future time, an unhappy occurrence.

The MINISTER FOR AGRICULTURE: It is not very often the member for Stirling enters into a debate without taking particular care as to what he is going to talk about.

Hon. A. F. Watts: I took particular care this time.

The MINISTER FOR AGRICULTURE: He has not taken care on this occasion.

Hon. A. F. Watts: I certainly have.

The MINISTER FOR AGRICULTURE: He is under the impression that the amendment moved by the member for Roe is subject to the Minister.

Hon. A. F. Watts: He is going to strike the rest of it out.

The MINISTER FOR AGRICULTURE: But does not the hon. member understand that he wants to insert something in the first part?

Hon. A. F. Watts: If this amendment is passed, he will endeavour to strike something out.

The MINISTER FOR AGRICULTURE: I do not think the hon. member knows what he is going to do.

Mr. Perkins: That is exactly what I propose to do.

The MINISTER FOR AGRICULTURE: The hon. member says there is no difference between the one and the other.

Hon. A. F. Watts: You said that.

Mr. Ackland: That is right. You said it.

The MINISTER FOR AGRICULTURE: Usually in Acts of Parliament we have such words as "subject to the approval of the Minister." It means simply what the member for Moore and others are trying to apply to this Bill, but unfortunately for their argument, it does not say, "With the approval of the Minister," but "Subject to the direction of the Minister." That is entirely different.

Hon. A. F. Watts: You said it was the same thing.

The MINISTER FOR AGRICULTURE: The Minister cannot direct policy, but he can refuse to sanction it. In the 1948 Commonwealth Act and in this Bill, there is no such reference; it is subject to the direction of the Minister. Only recently, the Commonwealth Government had a full scale debate on this very matter. It was led by Senator Seward and he said it was wrong to give the Minister so much power. I do not argue whether it is or not; I am arguing from the point of one who represented the State, with others, at the wheat conference when we came to the conclusion that we would give unanimous support to the Commonwealth legislation along these lines. If that were not so, there might be some reason for believing that what the hon. member wants could be achieved. Senator Seward had eight Country Party supporters, but the amendment was defeated.

Hon. A. F. Watts: No, he did not.

The MINISTER FOR AGRICULTURE: That is what I am informed. The Commonwealth Government refused to accept the amendment moved by Senator Seward. Opposition members here are endeavouring to obtain the same sort of amendment, but they will not approach the matter in the proper way, namely, through the Wheatgrowers' Federation to the Commonwealth Government. They want to destroy the legislation brought in recently to protect the growers in a scheme of stabilisation. If that is their purpose, then, thank heaven, they are not in power today. Western Australia has already given its pledge, with other States, not to do anything to destroy the legislation which I understand was proclaimed only today, and it would be quite wrong for us to do anything to the contrary.

Mr. Ackland: Would you tell us why you did not inform the Australian Wheatgrowers' Federation that this clause was in the Bill?

The MINISTER FOR AGRICULTURE: The Wheatgrowers' Federation should have known as much as I did about the acceptance of this principle. I did not know the kind of phraseology that would be used, but I did know that this gives power to the Minister to protect the taxpayers of Australia in the event of wheat being sold so low on the market that the £20,000,000 in the stabilisation fund would not be sufficient to equate it.

As Minister for Agriculture, I agree with that principle, but I had no idea of the form it would take. I do not know whether Country Party members are playing with this, but they are not doing a service to the wheatgrowers of this State. If the members of the Liberal Party decide to follow the lead of the member for Stirling and his colleagues, there will be chaos, and Western Australia will be out of the run of things. To do so, would be running contrary to Commonwealth legislation, which we agreed to support.

Mr. PERKINS: The Minister has made no reply whatever. He has not set out the reasons why he cannot accept my amendment. He has made reference to phraseology used in some other Bills which says, "With the approval of the Minister." I am not seeking to insert those words.

The Minister for Agriculture: I was replying to the member for Stirling.

Mr. PERKINS: I thought the Minister was explaining why he could not accept my proposal. The amendment I want inserted is, "subject to the direction of the Minister administering the Commonwealth Act." I am quite prepared to accept that phraseology. It has worked reasonably well in the past, and I think the Minister should make out a case as to why he cannot accept that wording. We are not attempting to take reasonable power of direction from the Federal Minister. But what we object to is the extremely far-reaching power contained in Subclause (2). The Minister has not explained why he cannot accept that wording.

The Minister for Agriculture: Did you not hear me say that that very argument was raised in the Commonwealth Parliament and the proposal was flatly refused?

Mr. PERKINS: I do not know whether it was raised.

The Minister for Agriculture: Yes, you do.

Mr. PERKINS: I do not think that amendment was discussed.

Mr. Ackland: It was not. I have a copy of the amendments.

Mr. PERKINS: I do not think it was. However, the Minister has not made out a case.

The Minister for Agriculture: I am not going to make out any more; that is good enough for me.

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

Ayes	19
Noes	20
Majority against	1

Ayes.

Mr. Abbott	Mr. Nalder
Mr. Ackland	Mr. North
Mr. Cornell	Mr. Oldfield
Mr. Doney	Mr. Perkins
Mr. Hearman	Mr. Thorn
Mr. Hill	Mr. Watts
Mr. Hutchinson	Mr. Wild
Mr. Mann	Mr. Yates
Mr. Manning	Mr. Bovell
Sir Ross McLarty	*(Teller.)*

Noes.

Mr. Andrew	Mr. Lapham
Mr. Brady	Mr. Lawrence
Mr. Graham	Mr. McCulloch
Mr. Hawke	Mr. Moir
Mr. Heal	Mr. Norton
Mr. W. Hegney	Mr. Nulsen
Mr. Hoar	Mr. Rhatigan
Mr. Jamieson	Mr. Sleeman
Mr. Johnson	Mr. Styants
Mr. Kelly	Mr. May
	(Teller.)

Pairs.

Ayes.	Noes.
Mr. Court	Mr. Tonkin
Mr. Nimmo	Mr. Guthrie
Mr. Brand	Mr. Sewell
Mr. Owen	Mr. O'Brien

Amendment thus negatived.

Clause put and passed.

Clause 8 to 11—agreed to.

Clause 12—Price to be paid for wheat:

The MINISTER FOR AGRICULTURE: It is necessary to make an amendment in line 29, in order to provide means by which a licensed receiver can be recouped his outlay in respect to the payment on new cornsacks. I move an amendment—

> That after the word "including" in line 29, page 10, the following words be inserted:— "unless payment is made for the cornsacks by a licensed receiver under paragraph (b) of Subsection (4) of Section 7 of this Act in which case the board shall reimburse the licensed receiver the amount of the payment,"

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

Clause 13—Payment by board:

The MINISTER FOR AGRICULTURE: One word has been omitted from line 40, page 13. I move an amendment—

> That after the word "Fertility" in line 40, page 13, the word "Research" be inserted.

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

Clauses 14 to 23, Title—agreed to.

Bill reported with amendments and the report adopted.

BILL—PETROLEUM ACT AMENDMENT.

Second Reading.

Debate resumed from the 23rd November.

MR. WILD (Dale) [8.10]: This is a most important piece of legislation which could, without doubt, affect the future economy of this State. For a number of years Ministers for Mines have been endeavouring to induce companies with sufficient capital to come to this State to explore for oil. I think members will recall that in 1949 we had in Western Australia representatives of the Anglo-Iranian Oil Co., who are here now with the refinery, together with representatives from the Zinc Corporation and one of the vast American oil companies—I do not remember its name—which went over the country, which is the subject of this legislation, but unfortunately submitted an adverse report.

Members may not realise the fact, because the publications would not come to all of them, that is was published in most of the oil journals of the world that this country in Western Australia was not considered likely to be territory in which oil would be found. So the impression was created among the oil people from overseas that this was an unsuitable area.

Prior to 1951, when the company that has staged a large-scale financial attack on the North-West to see if oil is available came here, attempts had also been made by the previous Minister for Mines to persuade other large companies to come here, but the result was negative. So when Ampol Exploration—which, as members know, is the Californian Texas Co. of America, which holds 80 per cent. of the paid-up capital—came to this country, it wanted to be very certain that it was going to be given a really good look at the North when it made its first approach to spend £1,500,000 to satisfy itself whether there was or was not oil in Western Australia.

So legislation was put on the statute book to amend the Petroleum Act which met with the general approval of the representatives of that company at the time. I think it would be as well to read to the House the remarks of the Minister for Mines at that time, Hon. C. H. Simpson, when he introduced the legislation in another place, as he was the Minister responsible for the negotiations at that time. The point I am going to make is that this company, particularly at that time, because it was the only one interested, was really assured by the Minister of the day, on behalf of the Government, that it was going to be given every inducement to set up house in Western Australia in order to see whether we had oil in this State.

This is what Mr. Simpson had to say when introducing the measure—

> The activities that would commence as a result of the approval of this Bill by Parliament may be a milestone in the economic and industrial progress of Western Australia. The measure is introduced following discussions that have taken place between the Government and representatives of Ampol Petroleum Ltd., of Sydney, and the California Texas Corporation of New York. I have no doubt members are aware that the Ampol Co. has for several years held titles to explore for petroleum in the north and north-west areas of this State. During this time the company has conducted exhaustive aerial and geological surveys employing in the work some of the most prominent oil geologists of the United States.
>
> In its operations the Ampol concern has received the utmost collaboration of both the State and Federal Governments. The expense incurred by the company in this work has been very high, but it has been revealed that the sinking is warranted of a deep bore-hole to test the stratas. The Ampol organisation has submitted all information it has gained to the California Texas Corporation. This information has been checked by the corporation's experts who, towards the end of last year, made an examination of the areas. In April last, several directors flew from the United States to inspect the areas and to meet Government and departmental representatives. As a result of these discussions, California Texas has indicated that it is prepared to co-operate with Ampol in the sinking of a bore-hole, at an estimated cost of £1,500,000, to test the country at depth, on condition that certain amendments are made to the State Petroleum Act.
>
> The California Texas Corporation is one of the very influental American oil organisations with world-wide ramifications and a highly trained technical staff. Its petrol distributing organisation in Australia is Caltex. In the main these amendments are of a minor nature. They are the result of long experience gained from the search for oil in other countries, and they are intended to give the operators the protection warranted by the huge expenditure involved. The company's representatives explained that while their principals were entirely satisfied that the administration of mining laws in Western Australia was sympathetic and reasonable they had, in view of the large amount of capital to be risked and the valuable technical assistance they were able to provide, thought their shareholders would require assurance that they were protected against any possibility of fiascos such as had occurred in Mexico and Persia.

He wound up by saying—

> Unless the Bill is passed in its present form, which I have indicated is the desire of the companies concerned, these concerns will hesitate to venture the large sums of money at stake, particularly in view of the Queensland experience. If the Bill is passed as drafted, it is expected that the companies will commence operations with the minimum delay. The Government has given the utmost consideration to the proposed amendments and considers that they are warranted. It therefore asks for the early and sympathetic passage of the Bill through Parliament, so that the intensive search for oil in Western Australia can proceed. It is hardly necessary for me to remind members of the great advantages that would accrue to this State, and to Australia, both from the economic and defence angles, should oil in quantity be discovered. By agreeing to the amendments asked for by the operators, we will ensure the complete and efficient investigation of this possible oil-bearing area.

It was evident at that time that the representatives of the California Texas Co. required certain amendments to be made to our Petroleum Act before they would return to America and tell their organisation that they were satisfied that they were going to receive a "fair go" if they invested capital in this State to see whether or not there was oil here. I am not saying there is a lot wrong with the proposed amendments, because it is very difficult for members of Parliament to be able to judge the position. One can think of many other industries where one can ask, "What has been your experience?"

We can go to a man in the coal industry or someone in the gold, sheep or wheat industry and ask his experience, but we are handicapped in regard to oil because I suppose that nowhere in Australia can we find anyone who really knows anything about searching for oil. When one makes such research as is possible into what has occurred in other countries, the position again is very difficult because it is hard to find any two oil-bearing fields that are the same.

In California and Texas we find small areas of ground—as small as three square miles—that have from 10 to 12 holes sunk in them, and on the other hand we can go to Saudi Arabia, Persia and North Africa where there are vast areas with probably only one or two holes. It is difficult to arrive at a conclusion as to whether any amendments that we may make will serve Western Australia whether any action that has already been taken in the past, is really in the interests of the State.

The recent visit of members of Parliament to Exmouth Gulf showed them that oil exploration can be undertaken only by a company with a tremendous amount of money at its disposal. It is not a venture that can be undertaken by people with a limited amount of capital. So, when the California Texas Co. came to this State in 1951, I venture the opinion that very few of us in this Chamber envisaged that it was prepared to spend an amount of £20,000,000 before the end of 1956.

Members know that in Western Australia one or two oil companies—the Freney Co. comes readily to mind—have, over the years, with only a small amount of capital, played around looking for oil in the North. How far did they get? I come back to the point that whatever we do in regard to the Petroleum Act, I sincerely hope it will be in the interests of persuading the California Texas Co. to remain here rather than spend only in the order of £3,000,000, as they have done now, and then find that in midstream their course has been diverted so that they will have to go back to their people in America and say, "It is not safe for us to go ahead and spend the other £15,000,000 or £16,000,000 to continue the search for oil in Western Australia."

At times I cannot help thinking that it might have been unfortunate for the State that oil was discovered in the first hole at Rough Range. The discovery created a fictitious boom throughout the State and it may—I do not say it has—have prompted the Mines Department to put up these amendments. I am only a layman, but I can see one or two points in the Bill that savour of a certain amount of danger. I am fearful of frightening away the company that we have taken so many years to get to this State, and which is prepared to spend such a tremendous amount of money in searching for oil.

Large sums of money, such as £20,000,000, are not very much to firms of the size of California Texas because events over the years have shown that in Turkey, Alberta and Syria it has spent hundreds of millions of pounds in looking for oil, but this is the type of company that we must have in Western Australia if we are to prove whether or not there is oil in the North-West.

I do not intend to deal with all the subjects referred to by the Minister in connection with the 39 amendments included in the Bill, because many of them are reasonably inconsequential. I would like, however, to touch on a few; particularly two that give me cause for concern, because of the effect they could have, not necessarily on this company but any other that may have ideas of spending a few million pounds in Western Australia in searching for oil.

The first amendment referred to by the Minister was that dealing with going offshore, but within territorial limits—that is, up to three miles—in the search for oil. At the present time the rights extend only to the foreshore. Here again we must be guided by the experience of other places. It is now known that oil is found beneath the sea-bed, so it is quite reasonable to assume that it may be found here in the same conditions. I consider that amendment to be quite reasonable.

A further amendment seeks to delegate certain authority given to the Under Secretary for Mines. In the past he has been the warden—that is, the warden for the purposes of the Act—and has had to hear all the cases himself. He has either had to go to the area concerned or to hear the applications in Perth. With such distant places as the Kimberleys and Rough Range it would be physically and humanly impossible for him to undertake that work. I feel, therefore, it is certainly wise and proper to delegate that authority to wardens who would be situated in the area.

One can visualise, particularly in the case of pastoralists, that where there has to be agreement between the explorer and the pastoralist, there must be someone on the spot to make a decision, because there would be a lot of wasted time if one had to send to the city to get a decision from the Under Secretary for Mines.

The deletion is sought of the section which deals with the disfigurement of an area. I suppose it was originally inserted in the Act, because of open cuts and such like operations. It must come out if we are to have a search for oil because, as the Minister has said, if the search goes on in the South-West, and if in the area concerned there are small orchards and other such properties, the search could not be continued if this provision were to remain in the Act.

A further important amendment, which was dealt with by a number of members on both sides of the House two or three months ago, has reference to notification to the Minister of any important discovery that may take place from time to time. Members know that when oil was struck at Rough Range there appeared to be a considerable delay in making the fact known, although certain people seemed to know that oil had been found. That position was possible because the Act provided that they had to notify within 30 days after each quarter day, and that gave them anything up to four months before informing the department that oil had been found.

The Minister has also included an amendment dealing with the period of the licences to prospect. At the moment, licences are for four years with two recurring one-year periods that the Minister may grant, and the amendment seeks to reduce that to two years, with three

single yearly periods, giving a total of five years instead of six. I think that is a reasonable amendment. It is only logical that people who take up this country should be made to do something with it, and the amendment would allow the Minister to keep his finger on the pulse of the oil search and at the end of the period tell the people concerned that they must do certain things if they desire a renewal of their leases.

There are two provisions which are to some degree related and which cause me concern. The first has reference to notifying the Minister of any discovery. Having made a discovery, the party concerned has to go to the Mines Department and disclose his plans and tell the officers everything he knows about the discovery. He has also to declare the area that he desires to have on lease and it is then cut in half so that the Government of the day, or the State, can retain half for itself.

The Minister for Mines: That applies only to the licence to prospect.

Mr. WILD: That is so, but if companies are to go out and undertake this work, which costs hundreds of thousands of pounds, I do not think that provision will encourage them. If the Bill becomes law, this provision will come into force from the 1st January, 1955. I feel that we should give these oil companies every inducement if those that are here are to remain, or if we are to encourage still others to come here.

While it is probably fit and proper that the State should retain some measure of control over these leases, we must not forget that the companies concerned are bringing millions of hard-to-get dollars into the country. They are bringing their geologists here, and their gravity meter parties, and their seismological parties, following which they collate the information thus gained and determine where to put down a bore. As members know, it costs a small fortune to put down even a comparatively shallow bore. Having spent all that money to gain the information, they are apparently to be forced to go to the Mines Department, tell what they have discovered and then declare which half of the lease they desire to retain.

I might add that this provision ties up with another clause which provides that the area in the lease must be parallel to the meridian and that the width must be twice the depth. Without seeing it on paper, it is difficult to appreciate what that means. However, one could possibly envisage a field of oil which the geologists considered lay at an angle of 45 degrees to the meridian and in that instance, when the company went to apply for an area—of which it could retain only half—it would be placed in the position of having to say, "Eenie, deenie, dinie do" in order to make up its mind which portion to keep.

Members are aware of the position today at Rough Range. The first bore put down struck oil but that has now been almost ringed around by other bores, none of which has proved successful. If the company were asked to pinpoint its area there, in accordance with the provisions of this measure, I think the geologists would find it extremely difficult to make up their minds. In such circumstances, I am convinced that, were the company allowed to retain the whole of the area, it would be able to go forward with its work much more confidently.

Mr. Hutchinson: Or even if it could retain three-quarters of the area.

Mr. WILD: That is so. In regard to the provision that the leases shall be parallel to the meridian and that the width shall be twice the depth, one could take two formations which the company in question is operating at the moment, and each is different from the other. I understand that in the Kimberleys the possible structure, as the geologists have advised the company, runs on an entirely different bearing from that at Rough Range. If it happened to run east and west, they could easily take up an area of 100 or 200 square miles, knowing reasonably well—although it would not be certain until the holes were down—that the position would be all right.

But what would happen if the oil-bearing structure ran at an angle of 45 degrees, from south-west to the north-east, for instance? It seems to me that these provisions need further examination. As laymen, we find it difficult to assess the possible effect of such amendments, but I would draw the attention of the Minister to these two provisions as they could affect the future investment of the present and other oil companies in this State. Are we to say to them, "Having induced you to come here and having promised you all possible co-operation and assistance, now that you have spent millions of pounds, have brought in some of the greatest oil technicians in the world and have made a start, we have changed our minds and have decided to make the conditions much more stringent"?

I know the Minister will reply that Wapet is reasonably protected because it has a 15-year term under the agreement, but that is only for the leases the company has at the moment. Members will recall that the company told us, when we visited Exmouth Gulf, that they were prepared to bring in more money and explore for oil in other parts of the State. If our attitude is to be as I have stated, will not the company then say, "While the leases which we have at the moment and which have been renewed are all right for 15 years, any other area we might look at will now be subject to the provisions of this Bill"?

Would they not also say to their financial principals in America, "Are we safe in spending more money in Western Australia in view of the fact that the Government there, having once changed its mind, might do so again"? Knowing how many countries there are in the world in which oil is being found today, such companies might easily turn their faces elsewhere. The Minister laughs, but I hope that these big companies do not adopt that attitude. The Minister knows that the spending of £3,000,000 or £4,000,000 is nothing to a company such as California-Texas.

The Premier: Does the hon. member know the area covered by the permits which it has now?

Mr. WILD: I appreciate that it has large permits to explore, but we must not forget that before this company came here, we tried all over the world to get similar organisations to take an interest in this State, and were not successful. Now, at long last, we have got here a company which has spent £3,000,000 or £4,000,000 on a search for oil, and which said two or three months ago that it was prepared to spend up to £20,000,000 before the end of 1956.

The Minister for Mines: Of course, that has been amended.

Mr. WILD: I suppose it will, in the light of the circumstances, be amended further as work progresses in the area. I am fearful that it might be amended further in the wrong direction. We know that all sorts of mushroom firms have grown up in this State in the last 10 or 12 months, but I would be surprised if any of them, apart from Freney's—I doubt whether even it can do it without heavy American backing—could do the work that Wapet has undertaken.

Next I will refer to the provision relating to royalties. While it does not touch Wapet, because that company is covered under its agreement for 15 years, the provision seeks to raise the royalty at the discretion of the Minister by between 5 per cent and 15 per cent. Here again, I want to issue this note of warning. Merely because this company came to Western Australia and struck oil in one hole, it seems to me we are immediately reaching out and saying, "We are going to have a little bit more of this." But are we not tending all the time to frighten these people away?

The Minister for Mines: No, we are not.

Mr. WILD: I am not too sure. I hope we are not because, as I said earlier in my speech, probably none of us in this Chamber or even the State, has any knowledge of what these amendments could mean to the future of oil exploration in Western Australia. So, after only a few months of this company's striking oil in this State, we are going to say by this Bill, "We want a bit more." The emphasis today should be on endeavouring to get as many of these companies as we possibly can into this State to invest capital or we should offer every inducement to the one that is already here to continue its activities.

For my part, I do not think any of us denies that if oil is found in commercial quantities in the north-west of Western Australia, it will have such a tremendous effect on the economics of the State that anything could happen. The future is wide open to us. I am frightened of the fact that this company was induced to come here under certain conditions and yet, after only 12 months, we are, in effect, saying to it, "We think you are getting too much of the pork chop; give us a bit more."

Mr. Bovell: Do not you think that the company would have had something to say on that?

Mr. WILD: The Minister has said that the company is quite happy about the position, and I hope it is. However, the men that are here are only the representatives of the large oil companies in America and when the facts are brought home to the executives in that country and they realise that after only 12 months of their company's starting operations in this State the conditions relating to oil exploration are being changed, they might take an entirely different view from that of the administrative officers who are here at the moment. I utter these words of warning to the Minister. He says that the representatives of the company are quite happy about it.

The Minister for Mines: You can check on that, of course.

Mr. WILD: I only hope that they are. The future of this State in regard to oil exploration will be tremendous if we are only fortunate enough to discover it in commercial quantities. I, for one, would be the last to deter this company from continuing with the great activities it has already commenced in this State. I support the second reading.

THE MINISTER FOR MINES (Hon. L. F. Kelly—Merredin-Yilgarn—in reply) [8.48]: It was obvious, from the remarks he made, that the member for Dale showed he was completely in accord with the amendments in the Bill. In fact, he found little to protest about. He said that the previous Government offered every inducement to this company to come to Western Australia. In the eyes of many countries, and in the eyes of the people about whom he has spoken, it is realised that the inducement was terrific.

I do not wish to detract in any way from the negotiations that have taken place. Nevertheless, it is recognised by all oil men—and there have been a tremendous number of them in this State during the past two years—and it has also been acknowledged by Wapet itself, that the conditions under which it came here were very attractive.

Notwithstanding the fact that the finding of oil in Western Australia has not been very successful in the past, and bearing in mind that Freney's has been searching for oil for approximately 25 years in this State—although it could be more or less termed in the nature of sending a boy on a man's errand—it has been frequently acknowledged that the conditions held out to this company were such, together with the tremendous resources it has, that it was prepared to take a flying stab to discover what oil prospects the State had.

It was a mere bagatelle for a company that had a financial standing of approximately £9,000,000 to spend £1,500,000 in this State when we take into consideration that it was given one-third of the State over which to engage in its activities. In any country that holds out a prospect of oil being discovered, that is something unprecedented. I have been in consultation with the representatives of the company for many hours discussing the merits and demerits of what was given to them and they were quite happy with what they received from a Liberal Government. There is no doubt in my mind that the conditions—

Hon. A. V. R. Abbott: Yet those leases were thrown up by other companies.

The MINISTER FOR MINES: The same thing applies in many other countries. I understand fully what the hon. member means, but I still say that in many other countries where the search for oil has proved for many years to be abortive, no company has been given one quarter of the enticement and inducement that this company obtained in this State. I am not finding any fault with the endeavours made to bring capital into the country, because it was extremely necessary. However, the £1,500,000 the company undertook to spend in this State was not a very great amount when we take into consideration that it is a £9,000,000 company. So whilst its success in the early stages was spectacular, it was perhaps unfortunate that it struck oil so early in its search. All those factors have been taken into consideration. This legislation has not been decided upon hastily. Every aspect has been considered.

Mr. Hutchinson: It is a pity that it was not introduced earlier in the session.

The MINISTER FOR MINES: The reason why its introduction has been delayed is that the company has been fully considered and has been consulted on every feature of it. Not only that, but it had a preview of the Bill. That is something that is not always done when a Government proposes to introduce legislation. However, because the Government desired perfect harmony and because we wanted something that would be workable and reasonable from the company's point of view as well as from the State's point of view, the company was given every consideration.

Hon. A. V. R. Abbott: Has the company a lease of the whole of the areas that you describe?

The MINISTER FOR MINES: No, the company has not any leases. It has permits to explore which at present cover an area of over 200,000 square miles, and which originally covered over 300,000 square miles.

Hon. A. V. R. Abbott: And this Bill will not apply to any one of those areas?

The MINISTER FOR MINES: No. Whatever has been done in the past, or whatever was agreed upon to 1955, is not affected by the Bill. However, the company still has over 200,000 square miles of country under permits to explore for another 12 months.

Mr. Hutchinson: Its exploration work is most important, because it supplies all the information that it obtains to the Mines Department.

The MINISTER FOR MINES: Is not that reasonable?

Mr. Hutchinson: When you mention the size of the area, you should also mention the extent of its activities, too.

The MINISTER FOR MINES: Does not the hon. member think that that was taken into consideration? Does not the hon. member think that that is what prompted the Government to grant the company permits to explore over an area of 200,000 square miles?

Hon. A. V. R. Abbott: It cannot possibly explore that area within 12 months.

The MINISTER FOR MINES: Its permits to explore will be renewed at the end of 12 months after the Government has taken into consideration its activities over that period.

Hon. A. V. R. Abbott: But this Bill might apply to portion of that area.

The MINISTER FOR MINES: Of course it might. It will apply to licences to prospect and, through them, to the leases that are granted.

Hon. A. V. R. Abbott: So you are wrong when you state that it would not apply.

The MINISTER FOR MINES: I did not say that it would not apply.

Hon. A. V. R. Abbott: You said so just now.

The MINISTER FOR MINES: I said it would apply after January, 1955. Anything that has transpired up to the 1st January, 1955, as far as licences to prospect are concerned, will remain unaltered.

Hon. A. V. R. Abbott: The company will not get the rights that were originally promised to it.

The MINISTER FOR MINES: Of course it will. The rights that were originally granted to it under the Petroleum Act in regard to permits to explore could have ceased on the 22nd October, 1954.

Hon. A. V. R. Abbott: They could have, but it was led to believe that it was searching for oil under the terms of the original Act.

The MINISTER FOR MINES: The Act clearly provides that it was subject to the two-year period in regard to the permit to explore. However, after 12 months that permit was reviewed and can be extended for a further 12 months and 12 months after that if necessary.

Hon. A. V. R. Abbott: But you are altering the Act to provide that the Government can take half of anything it finds, if it so desires.

The MINISTER FOR MINES: The Government could have refused the company permits to explore under the Act as it stands now.

Hon. A. V. R. Abbott: Legally but not morally.

The MINISTER FOR MINES: Who led the company to understand that it would be granted anything apart from what is in the Act? Did the Leader of the Opposition tell the company that there were provisions in the Act that would allow it to have something as a right?

Hon. A. V. R. Abbott: I think the company was led to believe that the Act might not be altered.

The Premier: It could not believe that.

Mr. SPEAKER: The member for Mt. Lawley had an opportunity to speak on the second reading and can speak again in Committee.

The MINISTER FOR MINES: Those are normal tactics of the hon. member, Mr. Speaker. I must say one or two words about this "terrible thing," according to the member for Mt. Lawley, relating to the Government having a say in the future oil industry in this State. What this State is doing for oil companies is far more favourable than anything experienced in other parts of the world.

Hon. A. V. R. Abbott: I suppose you refer to Persia.

The MINISTER FOR MINES: I am referring to any other part of the world, without reservation.

Mr. Bovell: You know why, because no oil has been found in the southern hemisphere up to date, and that is why every opportunity should be given to companies to explore.

The MINISTER FOR MINES: Every opportunity has been given to this company, and it will continue to receive consideration in relation to its future activities. As I said when moving the second reading, whatever is contained in this Bill has been brought about after many hours of discussion with the company and by agreement with its representatives.

Mr. Bovell: You know that no oil has been discovered in the southern hemisphere in commercial quantities.

The MINISTER FOR MINES: I said that during my second reading speech. I do not know whether the hon. member was asleep. The clause dealing with the granting of licences to prospect on and after the 1st January, 1955, is a perfectly legitimate one and contains better terms than would be granted in any other part of the world under similar circumstances. The Government is not only giving the company the choice of 50 per cent. of the area for which it holds licences to prospect, but it will also give the company the option of taking over the other 50 per cent. at par value at the time when the Government decides to revert it either by agreement, by public auction or by tender.

Hon. A. V. R. Abbott: Or the Government decides to run the industry itself.

The MINISTER FOR MINES: There has been no indication of that by the Government. That seems to be an idea of the hon. member.

Mr. Hutchinson: Can you tell us what other countries adopt the 50 per cent. area method?

The MINISTER FOR MINES: Saskatchewan, Alberta, Edmonton, throughout Canada, and Bahrein, but not in this particular form. Some have taken every consecutive area, where the country is divided into a grid system and where the areas are very much smaller than in this State. To put the matter clearer, the application for a licence to prospect can cover 200 square miles, but it need not. A company might apply for 25 to 150 square miles. Whatever structure the company would encompass measures the amount it would apply for.

The granting of that area is the end of the matter for all time so far as the State is concerned, from the standpoint of becoming interested in any way in the entire area of country within the licence to prospect. If 200 square miles is the area applied for, which is the maximum laid down in each licence to prospect, it could be divided into from one up to 50 leases, and those subdivisions would be granted. The Government feels that is wrong; it feels the State should have some control of a portion of those structures.

Hon. A. V. R. Abbott: Why did you not raise this question when a similar Bill was last introduced?

The MINISTER FOR MINES: Many of the clauses introduced by the last Government would have no bearing on the oil industry today.

Hon. A. V. R. Abbott: We recommended an Act to govern the industry, and the then Leader of the Opposition said not a word.

The MINISTER FOR MINES: The last Government only introduced a few amendments in 1951, and that was done under duress. The company then told the Government that it would not spend the £1,500,000 unless the Government agreed to certain things.

Hon. A. V. R. Abbott: Is that not why you are introducing the present amendments?

Mr. SPEAKER: Will the member for Mt. Lawley refrain from making interjections.

The MINISTER FOR MINES: The company not only has the right to apply for as many licences as it desires, but it also has the first option after the division of the lease has been granted, and after it has selected its half. In fairness to the Government and in refuting some of the inferences of the member for Dale, I would point out that the Government has already agreed to 21 licences which have been given unconditionally to this company in recognition for its good work in exploring for oil and for its financial interest in such large proportions.

It has already been granted those 21 licences which could easily encompass all the oil-bearing country in Western Australia. It holds those areas under the concession rate of 5 per cent., although the Government could have imposed 10 per cent. under the existing Act. Some 4,500 square miles of territory, reputed to be the best oil-bearing country in this State, is included in the 21 licences to prospect.

The member for Moore will agree that this is a very excellent reward to the company for coming here with £1,500,000 to spend, as first envisaged. He and other members will admit that the measure of treatment and the generosity which the State has extended to it could conceivably cover the majority of the oil concessions that are worth while in this State.

Mr. Wild: The company has to spend a lot of money to find out if there is any oil in those 4,500 square miles.

The MINISTER FOR MINES: Let us see what would be the position if oil were found under any of the 21 licences. It is envisaged that by the end of this year the company will have spent £5,000,000, of which £2,500,000 will be expended on plant and is realisable. A good portion of the remainder is also tied up in realisable assets.

It is admitted that some of this money has drifted into various channels of State. The Government considers that the company has done a good job, but that it has also been rewarded. Any qualms or doubt respecting the provisions in the Bill are groundless, because the company concerned was a party to the agreement and is satisfied with the Bill. It is the members opposite who are raising the bogey.

Another point I wish to make relates to the expenditure of £20,000,000 referred to by the member for Dale. That amount has been amended for various reasons. The company found that it could not carry out part of its programme because of various factors. What was proposed to be spent in 1955 at Rough Range was £8,100,000, but that has now been reduced to £4,000,000. The company found it had over-estimated and that it would not be able to spend the amount anticipated. The amount to be spent up to the end of 1956 is estimated at £16,000,000. The point I wish to stress is that before the amount was budgeted for—that is £20,000,000—this legislation had been discussed and agreed upon by the company.

This Bill is not a major alteration to the Act. One or two of the amendments were referred to by the member for Dale as a variation of the existing Act. The Bill seeks to bring the conditions into conformity with those operating in other parts of the world. I envisage that, before many years have passed, it is quite conceivable that this House will alter the existing Act considerably.

With the oil exploration undertaken by Wapet and other companies from time to time, this State will be placed in a similar position to Alberta or other countries which have benefited very materially by the finding of oil, and in which very stringent legislation has been introduced so that the rights of the people in those countries can be preserved in order that they will get something out of the discovery. That is what the Government is doing, but instead of going the whole hog, it considers that, under the present conditions, the legislation contained in the Bill will meet the requirements.

Mr. Ackland: The legislation is not ungenerous either.

The MINISTER FOR MINES: It is not ungenerous. If the Government had gone the whole way and had not taken into its confidence those most concerned, I would not be able to defend what I am presenting to the House as a reasonable Bill.

Mr. Hutchinson: Was the company in favour of the 50 per cent. clause?

The MINISTER FOR MINES: Yes. That was arranged by negotiation. In the first place the Government claimed that the 50 per cent. would consist of what had been applied for and that the parties would divide the structure into two, either

laterally or longitudinally, and the company would take whatever half it desired. The company pointed out, and the Government agreed, that a structure of the longitudinal type, more or less oval in construction would enable one party to take the half with all the oil-bearing country. The modification was that the company would be able to take up, irrespective of shape, so long as it was on the rectangle and covered by the licence to prospect, the half it desired. That would still leave the State with a position block and something worth while.

The matter of royalty was the final point touched upon by the member for Dale. The variation proposed in the Bill from 10 per cent. to a maximum of 15 per cent. would be brought into operation only if the particular leases on which oil was discovered were so productive that the company could meet that percentage. The minimum is 5 per cent. and in many instances the minimum will be the maximum. Only in very extreme cases where the flow was of a very high order would any Government think of imposing a percentage approaching 15. I explained, when moving the second reading, that many countries operate on a maximum of 16⅔ per cent., so we are still on the low side and are not extracting the last farthing. The proposed 15 per cent. is not altogether based on world practice, but it is within the limits of what has worked satisfactorily in other places.

Question put and passed.

Bill read a second time.

In Committee.

Mr. J. Hegney in the Chair; the Minister for Mines in charge of the Bill.

Clauses 1 to 9—agreed to.

Clause 10—Section 38 amended:

The MINISTER FOR MINES: An error has crept in that needs to be rectified. I move an amendment—

> That the word "prospects" in lines 32 and 33, page 6, be struck out and the word "properties" inserted in lieu.

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

Clause 11—agreed to.

Clause 12—Section 49 amended:

The MINISTER FOR MINES: A similar correction is needed in this clause. I move an amendment—

> That the word "prospects" in lines 30 and 31, page 7, be struck out and the word "properties" inserted in lieu.

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

Clause 13—agreed to.

Clause 14—Section 55A added:

Hon. A. V. R. ABBOTT: The Minister said he had been in negotiation with the company and I have a feeling that the company has not got what it wanted. The Minister has reached a decision which he considers fair, but he did not say that he had met the wishes of the company. I have a feeling that there might have been some duress. The Minister could have said, "If you do not like it, you can lump it."

The Minister for Mines: I am not at all like that.

Hon. A. V. R. ABBOTT: Quite so, but the company was dealing with somebody who held all the cards. While the Minister would not do anything unfair, his views and those of the company might not have coincided. The clause provides that if an oil structure be found, the finder shall have one-half and the Government the other half. I have no objection to that in so far as it might apply to any areas not already licensed. It would be tough if it were applied to Freney's.

The Minister for Mines: Freney's already has all the licences it can get.

Hon. A. V. R. ABBOTT: We have not yet found an oil field, and that is most disappointing. So far the result has been negative. It was a miracle that oil was found in the first hole.

The Minister for Mines: The company is not nearly so concerned as you are.

Hon. A. V. R. ABBOTT: Well, I am.

The Minister for Justice: How many thousands have you invested?

Hon. A. V. R. ABBOTT: Not much. It would have been more reasonable not to apply the new conditions to areas now held under licence by the company. Then nobody could have raised any objection. If any area were abandoned, there would be no reason why this measure should not be applied to it. I have not the same faith as has the Minister, though the outlook is more hopeful. Three important oil companies made some investigations and decided that there was no possibility of an oilfield existing here, and we cannot be sure that they are not right.

The company has taken up certain licences under the Act, which led it to believe that they could be converted into leases without any restrictions. That arrangement has been altered because the Minister doubtless would say that a company could claim only half of any oil structure. The Government considers that this is a fair proposition, but I am not sure whether that is the opinion of the company.

Mr. Norton: Whose interests are you looking after, those of the State or the company?

Hon. A. V. R. ABBOTT: Both. We do not want this Government to put a different construction on the understanding arrived

at with another Government. I assume that the Minister has considered this aspect. Legally, the Government could have refused to renew the licences, but not morally.

The Premier: The company has been very well treated.

Hon. A. V. R. ABBOTT: Of course, the Premier has a greater knowledge of the circumstances than I have, but the mention of negotiations and the fact that the old conditions are not to apply to existing areas seem to indicate some undercurrent.

The Minister for Mines: The company has all the licences, 21 in number, that it can apply for.

Hon. A. V. R. ABBOTT: Under the old Act?

The Minister for Mines: Yes.

Hon. A. V. R. ABBOTT: But that has to be done within one year.

Mr. Norton: That is under the old Act.

Hon. A. V. R. ABBOTT: Exactly, and then it is up to the Government to make up its mind as to whether it will allow the condition to remain.

The Minister for Mines: The one year applies only to permits to explore.

Hon. A. V. R. ABBOTT: The company has the 200,000 acres on that basis.

The Minister for Mines: Between now and the 1st January it can take over as many licences as it desires.

Hon. A. V. R. ABBOTT: But the licences after the 1st January will be under the new conditions.

The Minister for Mines: That is so.

Hon. A. V. R. ABBOTT: That is what I am pointing out. I am not sure that the company should not have the licences under the old conditions. After all that was what the company was led to expect.

The Minister for Mines: There is nothing to that effect on the files. We have only the Act to work on.

Hon. A. V. R. ABBOTT: When people say, "If you alter the Act in a certain way, we will come here," is not that an inference that they will work under that Act?

The Premier: No. You could not handcuff Parliament.

Hon. A. V. R. ABBOTT: I admit that.

The Minister for Mines: You have a very weak argument and you are putting it forward very weakly.

Hon. A. V. R. ABBOTT: The Minister for Lands has the patent rights to that interjection! I raised the point because I did not want to let the clause go through without some forcible protest being made and to make sure the Minister appreciates what he is doing.

The Minister for Justice: The company is perfectly happy.

The MINISTER FOR MINES: I want to assure the hon. member that there was no gun-at-the-head attitude adopted. The negotiations, if they can be called such, were carried out in a friendly atmosphere. There was no "or else" attitude at any stage, and when we intimated to the company that we intended to introduce legislation this session, it naturally asked what type of legislation it was. The company was given some indication and it asked that the matter be held up until representatives from America could be brought here to discuss the matter. We agreed and the legislation was discussed clause by clause. If there was any difference of opinion both sides had their say and finality was reached without any duress.

The company is prepared to acknowledge that it has been liberally treated and is quite happy about these amendments so long as the Act is applied in the same way as it has been in the past. I do not think the hon. member need have any worry about the way the company will be treated.

Clause put and passed.

Clauses 15 to 39, Title—agreed to.

Bill reported with amendments and the report adopted.

BILL—ELECTORAL DISTRICTS AND PROVINCES ADJUSTMENT.

Second Reading.

Debate resumed from the 23rd November.

HON. A. V. R. ABBOTT (Mt. Lawley) [9.38]: This Bill is to repeal the Electoral Districts Act of 1947 which provides for periodical adjustments of electoral boundaries when they get out of proportion. To understand the Bill I think one really has to work out a mathematical problem.

Mr. McCulloch: Hear, hear!

Hon. A. V. R. ABBOTT: I have had the benefit of seeing the Premier in many positions and if you will allow me, Mr. Speaker, to be a little unparliamentary, I will say I have seen Hawke as Leader of the Opposition, where he showed considerable ability; I have seen Hawke as Premier, and there again he shows a good deal of astuteness and ability; and now we see Hawke the conjuror, and here again he shows considerable ability because under this Bill he says, "Think of a number, do several other things and when you come to the end—" what do we find?

Mr. May: The answer is a lemon.

Hon. A. V. R. ABBOTT: No, it is not a lemon. We find that the Premier will preserve the mining and Goldfields seats,

which have been held from time immemorial by the Labour Party and which, under the existing Act, the party might lose.

The Premier: No, they would not all be preserved.

Hon. A. V. R. ABBOTT: Under this legislation, six of them will be preserved, but under the existing Act only four would remain. That is what comes out of the hat.

Mr. May: That is what the existing Act was for.

Hon. A. V. R. ABBOTT: When one starts to read the Bill one does not realise what will come out of it. One has not the vaguest idea. That is where I think it is very smart and astute. I do not know whether I should give all the credit to the Premier, or whether I should give some of it to a sub-committee of Cabinet which assisted him. But if he is responsible for this little bit of conjuring, he has done very well indeed.

Now let us try to understand the Bill but before doing so, to show that my statement is right, it might be just as well to deal with the position under the existing Act. Under that measure, the agricultural, mining and pastoral quota would be 5,081 and therefore if a seat has not that number of electors it is in serious jeopardy. Under the existing Act these are the seats which are in difficulty—

Eyre	3,205 electors
Hannans	3,983 electors
Kalgoorlie	3,674 electors
Murchison	3,005 electors
Boulder	4,108 electors
Merredin-Yilgarn	4,074 electors

All those seats are at present held by the Labour Party and if there were a redistribution under the old Act at least one and probably two of those seats would go out of existence. Of course, the Premier, being influenced, as he said a member was likely to be where he personally was concerned—I remember that little quip which the Premier made not long ago—he would naturally become interested. So he has to do what he can to save those two seats and make them safe for a number of years with what he hopes will be strong Labour support.

But let us have a look at what will happen under the Bill. I think the total number of electors for those six seats is about 22,000 and under the existing Act, with a quota of about 5,000, there would be room for only four seats. So two of the Goldfields seats would have to go. Therefore, the Premier says, "Well, we will create, first of all, an outer area and give it three seats. So that makes three out of the six that can be saved. We will create a new quota for the inner mining and agricultural areas and that will give us another three seats and so it looks as though I will have achieved my object of saving the six seats."

Let us now consider the workings of this Bill. It took me some time to understand their affect, which can only be appreciated by making use of the existing figures that were supplied in answer to a question by the member for Stirling.

Mr. McCulloch: Where did you get those figures?

Hon. A. V. R. ABBOTT: From the Minister's answer to a question this afternoon. The number of electors in the metropolitan area is 198,251 and the number of electors in the pastoral, mining and agricultural areas is 132,117, making a total of 330,368. The Bill provides that 23 seats will be allotted to the metropolitan area and 23 seats to the inner mining and agricultural area; three seats will be given to the outer pastoral and mining areas and three seats will be retained in the North-West.

To get the divisor by which we will ascertain how many members we will have in the metropolitan area and how many in the others, first of all we are directed to multiply the 23 metropolitan districts by three, which gives 69. That deals with the metropolitan area. Why we should do that I do not know. We are told to do it; why I do not know. That is a little bit of the conjuring that goes on! We are then directed to multiply the 23 agricultural districts by 1½, the answer to which is 34½. Lastly we are told to multiply the three outer mining and pastoral seats by one. The total is 106½. If that is divided into 330,368 we get the basic quota number of 3,102.

Let us consider the number of electors to be included in the metropolitan area. To ascertain this, we are told to multiply the base quota by 69, which gives us 214,038. To ascertain the quota for the agricultural and central mining area it is necessary to multiply the base quota by 34½, and the answer is 107,109. To ascertain the quota for the outer mining and pastoral areas, 3,102 is multiplied by three, and the answer obtained is 9,306.

In order to arrive at the quotas for the various districts it is necessary to divide the number of electors in the metropolitan area, namely, 214,038, by 23, which gives a quota for each agricultural and metropolitan district of 9,306. For the agricultural and central mining area it is necessary to divide 107,019 by 23 to arrive at the quota of 4,653. For the outer pastoral and mining area, 9,306 is divided by three, to obtain a quota of 3,102.

Hon. A. F. Watts: You come back to your starting point.

Hon. A. V. R. ABBOTT: That is so. From which point the Premier started, I do not know; but my nasty mind tells me that he started at the end! Ultimately he arrived at the complicated direction contained in the Bill. I want to make my attitude clear. I believe in minorities having

proper representation, and I have said so on many occasions; the Premier, on the other hand, has not. When dealing with local government he did not want any sectional interest to have reasonable representation; he wanted to throw them all into the melting pot.

But here, where there are six seats in the Kalgoorlie-Boulder area in the balance, it is different. Of course, he is only human like the rest of us. He feels this ought to be an exception and he has made it so in a very clever and astute manner. Let us consider how much out of balance the position will be. In the mining areas we find that there are at the moment 4,108 electors in Boulder, 3,983 in Hannans, 3,674 in Kalgoorlie, 4,074 in Merredin-Yilgarn, 3,005 in Murchison and 3,205 in Eyre, making a total of 22,049.

Mr. McCulloch: Where did you get those figures?

Hon. A. V. R. ABBOTT: From the Electoral Department, and I think the hon. member will find they are accurate. At the moment for the Kimberley, Pilbara, and Gascoyne districts there are a further 3,972 electors which gives a total of 26,021. Accordingly, we find that a little over two seats in the metropolitan area are going to have the same representation as nine seats that look after the mining and pastoral areas. That is out of all proportion, and I think the Premier would say so, if he were on this side of the House.

The Premier: That result came up under the existing Act.

Hon. A. V. R. ABBOTT: It might have.

The Premier: Your Act.

Hon. A. V. R. ABBOTT: That may be so. I admit it exists today, but when our Act came up, there were more people in that area.

The Premier: Not many more.

Hon. A. V. R. ABBOTT: There were more. I do not know that I ever heard the Premier have anything very favourable to say about the existing Act when sitting on this side of the House.

The Premier: You could not have been listening.

Hon. A. V. R. ABBOTT: I remember the Premier having a good deal to say about it when he was Leader of the Opposition and I do not think his remarks were favourable. I seem to recall that we had an all-night session and that the Deputy Leader of the Opposition at the time gave us a dissertation on three times three. However, bygones are bygones. But the ordinarily principle which the Premier adopts is adult suffrage; one man one vote throughout the community.

To some extent I agree with the point of view the Premier has put forward, but I think sectional interests of the community should have reasonable and proper representation. I suggest that this measure goes a bit too far. When we give nine seats to 26,000 electors, it takes a bit of justifying. Admittedly, they are carrying on their avocation in the outback, particularly in the North-West.

The Premier: The North-West has always had special consideration.

Hon. A. V. R. ABBOTT: I think that is deserved, but I feel it is too much to add a further six seats to the mining and pastoral interests.

The Premier: Your Government's Act took away a seat from the North-West.

Hon. A. V. R. ABBOTT: I think the North-West has reasonable representation now. If those nine members only voted on matters of interest to pastoral and mining areas, I would say "Why not?" But they do not; they have equal authority in this House with the city members. So we find that these 26,000 people will control the destiny of Western Australia, and that is very hard to justify. I am sure the Premier would not have done that had we been holding these nine seats.

The Premier: Would your Government have introduced a Bill to do it in 1947 if your Government had held Goldfields seats?

Hon. A. V. R. ABBOTT: What the Government of that day introduced was not unreasonable; it was a Bill that struck a happy medium and it gave particularly favourable consideration to the North-West by giving it three seats.

The Premier: It robbed it of a seat.

Hon. A. V. R. ABBOTT: Does not the Premier think three seats is a reasonable number with 3,900 electors? I do. Admittedly, they are some 1,500 miles from the centre of government. But who controls the North-West? Is it the real producer, the man who slaves in the back country? Of course not! It is the men who live in Carnarvon, in Derby and Wyndham. Those are the men who control the destiny of the North-West. It would have been fair had the Government said, "We want to give sectional interests real authority." How much say has the pastoral industry? It has very little, if any at all. The majority of electors in the outer areas are related to the mining industry.

Mr. Norton: In the North-West?

Hon. A. V. R. ABBOTT: I should say that the destiny of Pilbara is controlled by the asbestos mines. It is not the people in the far-flung areas that control the North-West. The people who control the Gascoyne are those who live around Carnarvon and grow bananas or work in the whaling industry.

The Premier: They are primary producers.

Hon. A. V. R. ABBOTT: Yes.

Mr. Norton: And workers.

Hon. A. V. R. ABBOTT: They are the ones who control the Gascoyne. This idea of the far-flung people who live in the hinterland controlling the situation does not cut much ice under the existing provisions. It is only a sop to them. The people who exercise control are those who live in the ports, and a few who live in concentrated mining areas.

The Premier: The people in the ports help to keep the pastoral industry going.

Hon. A. V. R. ABBOTT: Yes, the Premier is quite right. On the other hand, the hinterland has not much say. Are the people who dwell outback going to have much say? No! The places that will have the say will be those like Big Bell and Mt. Magnet. It might have been a good idea if we could have designed a Bill under which the town-dweller and the people who live under urban conditions were severed from those in the less densely populated places.

We would then sever a place like Collie, with 9,000 people, from the agricultural areas. Is it right that a place with 9,000 should have the same authority as one way down in the Stirlings? Then there is Albany where there is a concentration of 7,600 people; and Bunbury, with a concentration of 9,700 town-dwellers. Should they have the same voting capacity as people living in the outer area around Bunbury?

Mr. J. Hegney: They are removed from the seat of government.

Hon. A. V. R. ABBOTT: Then there are Kalgoorlie, Hannans and Boulder. People living there are treated much more favourably than those in, say, Subiaco. I do not know that there is any great reason for that. They are town-dwellers.

Mr. Moir: They are only 400 miles away!

Hon. A. V. R. ABBOTT: Yes, but it is possible to telephone them or travel to them by plane or train. If the hon. member were making a speech appealing for free plane travel for members representing those areas, I would be the first to support him. But this Bill is all out of balance. What is the main duty of legislators? It is to determine what Government is to be in power and to assist in passing legislation through this House. The mere fact that an elector lives in Boulder does not make any difference.

The Premier: It does not treat a person living in Boulder any differently from a person living in Bunbury.

Hon. A. V. R. ABBOTT: No; I do not say that Bunbury should be treated any more favourably than Boulder. I think that probably the proper scheme would be to put all town-dwellers on a similar quota. In other words, the metropolitan area, Bunbury, Geraldton, Albany and Collie, which have community of interests, should be treated on the one basis, and outer areas should have separate consideration. However, there is nothing like that in the Bill, though there might very well have been.

The Premier: It is complicated enough.

Hon. A. V. R. ABBOTT: I agree that it is too complicated, but it will definitely save two mining seats for the Premier.

The Premier: That would depend on the commission.

Hon. A. V. R. ABBOTT: No, it would not.

The Premier: Yes.

Hon. A. V. R. ABBOTT: No, because there are 22,000 electors in that centre, and it would not matter what the commission did. As the quota is 5,000, it has, under the existing Act, to take two away. Under the proposed measure, the Premier must save those seats because the quota is reduced to 4,000 odd. I have tried to work out some means whereby the commission could, with any logic at all, avoid allotting the Premier fewer than three seats in the inner mining centres. It just cannot be done, if the commission works in a logical manner.

There is another direction in which I feel that the Premier has allowed himself to be influenced by some suggestions that have been put to him. I refer to the Legislative Council adjustment, concerning which a very curious method is adopted. At present, there are 27,404 electors for the Suburban Province, 14,814 for the Metropolitan Province, and 11,336 for the West Province. On the metropolitan quota of 214,000 established under this Bill—and there are only 198,000 in the metropolitan area at the moment—some 16,000 will have to be brought into that area. One would have thought that when there was a readjustment and the Electoral Commission was given the duty of splitting up this new quota for the metropolitan area, the idea would have been to split it amongst the provinces in as nearly an equal number as possible. That is what one would have expected to find. Hon. R. F. Hutchison has 27,400 electors in her province, and the Chief Secretary has 11,336.

Mr. Norton: Is that with compulsory enrolment?

Hon. A. V. R. ABBOTT: No.

Mr. Norton: Do not you think that accounts for it?

Hon. A. V. R. ABBOTT: In the suburban area, there are 86,425 electors on the Assembly roll, and 33,342 electors for the West Province. That is a very big distinction. I am not suggesting anything, but this is a very curious way to deal with the matter. The Chief Secretary has a safe seat in the West Province, but the

figures for his province are not to be equalised. What is said is that he is to have the same boundaries as before, as far as is practicable; so the figures of 11,000 electors is to be retained for his province. The 16,000 extra electors for the metropolitan area are to be split equally between the three provinces. That will have a very curious result. The Suburban Province will have 32,704 electors, the Metropolitan Province 20,114, and the West Province only 16,636. That is the result of the redistribution proposed under this Bill.

What is the reason that the numbers were not evened up if it was not to preserve the West Province for the Labour Party? I remember that, when I introduced a Bill of this kind on one occasion a highly respected member of this House, the late Hon. A. H. Panton, took up the Bill turned to the Premier and said, "If this goes through, it will be goodbye to the West Province." I think that will be found in "Hansard." I remember it very well. That Bill never went through.

The Premier: This Bill follows your own Act in regard to the Legislative Council.

Hon. A. V. R. ABBOTT: I know. But does the Premier want to perpetuate something that is wrong?

The Premier: We can have a look at this.

Hon. A. V. R. ABBOTT: Yes, but that is what it does.

The Premier: Your Government did not tackle the problem of the Legislative Council.

Hon. A. V. R. ABBOTT: It tackled the problem, but not far enough.

The Premier: Not at all.

Hon. A. V. R. ABBOTT: Yes. If I did not introduce the Bill, I gave some consideration to it. That will be found on the files.

The Premier: The Legislative Council might have some ideas of its own on this matter.

Hon. A. V. R. ABBOTT: It probably will have; it is entitled to. I am the first to admit that the Legislative Council should have something to do with fixing the boundaries of the provinces. I am only saying that it is curious that there are 16,000 electors to be divided equally. So the condition, which I personally submit is unreasonable, of having 32,000 electors for the Suburban Province, and 16,000 for the West Province will be perpetuated.

The Premier: You would not put all the new electors into the West Province, would you?

Hon. A. V. R. ABBOTT: No. I would take it on the Assembly register and I would divide the number equally between the three provinces.

The Premier: If the Legislative Council is prepared to put something up by way of amendment, we will consider it.

Hon. A. V. R. ABBOTT: That at once cuts the ground from under my feet. Naturally having a somewhat suspicious mind, I wondered why this had been done.

The Premier: A playful mind would be more appropriate.

Hon. A. V. R. ABBOTT: Yes. I remembered a playful remark by Hon. A. H. Panton, for whom I had a great respect and who was a very wise tatician. He said, "If this Bill goes through, we will lose the West Province seat." The Bill did not go through, and that was that.

The Minister for Justice: I think you are a bit mischievous.

Hon. A. V. R. ABBOTT: No. I think this is a wonderful effort. If I had spent hours over it, I could not have worked out a formula that would have given me a result I wanted such as this—not as cleverly as it has been done in this case. I have made my position clear.

I believe in minorities having reasonable representation; I believe that the mining and pastoral industries are a minority and should have reasonable representation; I believe that the residents in the agricultural areas are a minority and should have representation, but when we give 26,000 electors nine seats and they represent two particular industries—pastoral and mining—I think it is too tough.

For my part, I think the existing legislation is fairer, and I hope the Premier will be able to tell us that he is not altogether dissatisfied with it. I wish to close with a little quotation from "Hansard" as follows—

> What the hon. member did was to study the figures very carefully and skilfully, and even cunningly. Then he and his colleagues worked out a plan which they were sure would be to the detriment of the Labour Party. They tried to put that plan into operation—

Hon. Sir Ross McLarty: Who said that?

Hon. A. V. R. ABBOTT: I will tell the Leader of the Opposition who said it and about whom it was said; it was said about me.

The Premier: That is right.

Hon. A. V. R. ABBOTT: That is why I remember it; and the Premier said it. I am just going to throw it back at him. I say that what the Premier did was to study the figures very carefully and skilfully, and even cunningly, and then he and his colleagues worked out a plan which they were sure would be to the detriment of the L.C.L. Party. They are trying to put that plan into operation, I will not have it, if I can stop it.

HON. A. F. WATTS (Stirling) [10.18]: While I reach the same conclusion as the member for Mt. Lawley, I must say that I do so substantially by another route. I cannot support the Bill. As I understood the Premier when introducing the measure, he claimed that it would, if it became an Act, improve the representation of the country areas. So far as I am concerned, it does not do that at all.

At the present time, out of 50 seats in the Legislative Assembly, the mining, agricultural and pastoral areas have 27; and the agricultural areas proper, have 21 of that number. Both the agricultural and mining areas under the existing law are entitled to the same quota of electors, no distinction being drawn, except in so far as the discretionary power of the commissioners to allow a margin of up to 10 per cent. is concerned, between the agricultural districts and the mining and pastoral areas. I have always regarded that as being perfectly fair.

It will be readily conceded that there are many places in both sections of these areas which are but thinly populated and considerably removed from the centre of government. In my electorate there are places which are well over 300 miles from the city, and in the mining area there are places which are just as far away. One can go into other parts of the agricultural districts and find places even further away. It always struck me that the quotas should be the same.

The Bill proposes to increase the number of members of the Legislative Assembly to 52. To that proposition, standing by itself, I would have no objection, but the effect of it is, so far as I am concerned, that the mining, agricultural and pastoral division, as the position is under the 1947 Act, will be reduced to a total of 26 seats out of 52. Instead of having 27 out of 50 it will have 26 out of 52.

The Minister for Housing: Twenty-nine.

Hon. A. F. WATTS: It will be 26. The other three are in the North-West. I am talking about the 1947 Act which excluded all the area, north of the 26th parallel. That portion of the State above the 26th parallel is a separate and distinct entity, and south of it there are two divisions—the metropolitan, and the agricultural, mining and pastoral. As I have said, under the 1947 legislation, the agricultural, mining and pastoral area has 27 seats out of 50 whereas under the Bill it will get 26 seats out of 52.

Naturally it will be said that under a redistribution in accordance with the 1947 Act, if one takes place this coming year as it should, there will be a gain by the metropolitan area of one seat, and a corresponding loss of one seat in the mining, agricultural and pastoral area. That may be so, although I have noticed from the figures given to me today and those I got last August, that the number of electors in the metropolitan area has shown a decrease of nearly 1,000. In consequence, today the metropolitan area fraction is only just over 20. Were there another similar diminution in the course of the next three or four months, the metropolitan area would not get an increased seat at all, because the fraction would not go above 20 and so it would not be entitled to the extra seat.

But let us assume for the moment that it is entitled to the extra seat under the 1947 Act and under any legislation that we might have in the future. The areas I represent would not lose the seat because it would be lost in the Goldfields area. The number of seats in the districts I am primarily interested in would at least remain the same. So, there is nothing in that aspect of the Bill which is going to give me any encouragement to vote for it.

Let us examine it a little further. I have already expressed the opinion that the quota for the agricultural, mining and pastoral area, being the same for every district, as is provided for in the 1947 Act, is reasonably fair, and if the Bill had stuck to that proposition, I probably would have had very different views about it because I did not approach it in the first instance with the idea of opposing it. It was examined with the greatest care, and those are the conclusions I have come to.

Now there is to be a central mining area with a quota similar to the agricultural districts, and there is to be an outer mining area which, as far as I can see, will constitute a sort of halo around the central mining area, because if there is not brought into the so-called outer mining and pastoral area under this Bill, those portions of the State which comprise the eastern portion of the Merredin-Yilgarn electorate—that is to say, between Coolgardie and the boundary of the Merredin Road Board—I cannot for the life of me find out where they are going to get even the 7,910 electors that are required as the minimum number to constitute the three outer Goldfields and pastoral seats which are given a special low quota by the measure.

For, be it remembered that while the commissioners are allowed a margin under the Bill in determining the area quota for the metropolitan area of 2½ per cent., and for the agricultural and central mining area of 5 per cent., they are allowed an area quota of the outer mining and pastoral area of 15 per cent. which is just three times that of the agricultural and central mining area, and six times that of the metropolitan area, In addition, the commissioners are allowed for every district a margin of 15 per cent. in respect of the district itself. So, in determining the area quota for the outer mining and pastoral district,

they do not need to have 9,306 electors—the figure the member for Mt. Lawley gave; and I think it is correct—but something in the vicinity of 7,910.

That is in respect of the area quota. When they come to apportioning the area quota among three districts, they get another margin of 15 per cent. so that it is possible, and, in my opinion, quite probable—unless they are going to make a specialty of this halo around the central mining area that I referred to—that we shall have three seats each with a total electoral population of less than 2,300.

Even that might not be so bad if the Bill made any provision for the abandonment of that idea if, unfortunately, the population of those areas continued to decline, as it has in recent years. But it does not. In the clause that provides for the subsequent adjustments of which incidentally, as far as I can see, the first could be postponed till about 1968 under the Bill, it goes on to provide that the area of the outer mining and pastoral section shall not be altered and therefore will still remain with three seats, irrespective of the number of the electors—

Hon. A. V. R. Abbott: For 12 years.

Hon. A. F. WATTS —so it would be possible under that provision, on the subsequent adjustment, for those particular areas to have virtually no electors at all and yet still have three members. It will be quite apparent, therefore, that there is nothing in that proposition to commend itself to me.

Had there been in the Bill a provision that the number of members for the metropolitan area should be increased straight out to 21, and the number in the outer mining and pastoral areas increased to a given number to make up a total of 52, or even if there had been an even distribution of the two extra seats between the two great sections, the metropolitan and the agricultural, pastoral and mining areas as we now know them, without tinkering with and making a special quota for this outer mining and pastoral area, I would have looked upon it with a great deal more favour.

But as the member for Mt. Lawley said, the provision seems to have been specially designed to preserve for a considerably long period of years the present representation of those areas, irrespective of what might be the effect on the other areas of the State which are to be reapportioned by the commission.

Lastly, I fully appreciate the comment of the member for Mt. Lawley on the proposed Legislative Council province adjustments. I cannot see why the three province areas, when they have been determined, should not be divided into areas with approximately the same number of electors. They would, it is true, be Legislative Council electors, and therefore the figures mentioned by the member for Mt. Lawley would need some amendment, but the principle is the same.

The additional electors brought in, whatever their number might be—qualified to vote at Legislative Council elections—should be added to the total and a fair apportionment made as equally as possible between the three provinces, following on a design which has always been approached as closely as possible—although, of course, there has always been some deviation—for Legislative Assembly seats. I cannot understand why that specific provision should be placed in the Bill, that the boundaries of the West, Metropolitan and Suburban Provinces, as far as practicable, should not be altered and that the electors brought in should as nearly as possible be equally divided between them, because that will preserve the present anomaly of having one province with two and a half times the number of electors of another province. I do not think that is a reasonable proposal. Without labouring the subject, and mainly for the reasons I have mentioned, I propose to oppose the second reading.

On motion by Mr. McCulloch, debate adjourned.

House adjourned at 10.35 p.m.

Legislative Council

Wednesday, 1st December, 1954.

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