between the Christian Brothers' College site and Government House as a site for future Supreme Court buildings and for garden and park treatment. Until the land is required for this purpose, consideration will be given to the possibility of converting the unused portion into public open space. Inquiries have already been made regarding the best means of disposing of or covering up the hotel foundations to enable this to be done.

During the course of its inquiries, the committee held discussions with appropriate Commonwealth officers who agreed that they would be very willing to co-operate with State authorities to ensure that the design of the Commonwealth buildings will harmonise to the fullest extent possible with what the State has in mind. Further consultation will take place to ensure the co-ordination of any Commonwealth development design with plans for the eventual use of the adjoining State land. These plans will follow the recommendations in the Stephenson-Hepburn report to incorporate the layout of the grounds as verdant squares or rest gardens so as to introduce open spaces into the office areas of the city.

While the plan will initially cover the area down to Terrace Drive and between Victoria Avenue and Government House, in the distant future it is hoped the treatment can be extended right through to Barrack Street, taking in Stirling and Supreme Court Gardens and incorporating a co-ordinated layout with the highest standards of civic design. The first step in the plan is likely to be the construction of the Commonwealth buildings required for the Taxation Department.

Although the Chevron-Hilton Hotel Company failed to fulfil its obligations and has no further rights to the land set aside for the hotel site, our legal advice throws doubt upon the legal capacity of the Perth City Council to dispose of its portion of the land to the Commonwealth Government. By Act No. 20 of 1960 the agreement with Chevron-Hilton Hotels was given statutory force and the council was required to sell and transfer the subject land to that company after the excision of certain strips for street widening purposes.

The purpose of this Bill is to remove any doubt that the council as the legal owner of the land may now dispose of it to the Commonwealth Government instead of to the company.

Debate adjourned, on motion by Mr. Hawke (Leader of the Opposition).

CLEAN AIR BILL

Council's Amendment

Amendment made by the Council now considered.

In Committee

The Deputy Chairman of Committees (Mr. Crommelin) in the Chair; Mr. Ross Hutchinson (Minister for Health) in charge of the Bill.

The DEPUTY CHAIRMAN: The amendment made by the Council is as follows:—

Clause 24, page 16, line 19—Substitute for the word "may" the word "shall."

Mr. ROSS HUTCHINSON: The amendment concerns applications for scheduled premises and the second paragraph of the clause refers to the fact that the Commissioner of Public Health may refer an application to the council, and it, in turn, shall refer it to the committee for its advice. It was felt in another place—perhaps with some degree of justification theoretically—that the clause reposes too much power in the hands of the commissioner and it was considered that he should not make a decision of his own volition but should refer any application to the council for advice. I see no reason to oppose the amendment, and I move—

That the amendment made by the Council be agreed to.

Question put and passed; the Council's amendment agreed to.

Report

Resolution reported, the report adopted, and a message accordingly returned to the Council.

House adjourned at 10.7 p.m.

Legislative Council

Tuesday, the 3rd November, 1964

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The PRESIDENT (The Hon. L. C. Diver) took the Chair at 4.30 p.m., and read prayers.

USED CAR DEALERS BILL

Third Reading

Bill read a third time, on motion by The Hon. L. A. Logan (Minister for Local Government), and returned to the Assembly with amendments.

TOWN OF CLAREMONT (EXCHANGE OF LAND) BILL

Second Reading

THE HON. H. K. WATSON (Metropolitan) [4.38 p.m.]: I move—

That the Bill be now read a second time.

This is a small Bill which is designed to rearrange the boundaries of several acres of land in Claremont which are situated broadly at the rear of the junior Scotch College. The junior Scotch College is on the right of Shenton Road; and at the rear of the college down to Lake Claremont, which in the days of my youth was known as Butler's Swamp, there is quite a large area of land, the whole of which is zoned for recreational purposes. Part of this land is owned by the municipality of the Town of Claremont and part is owned by the Commissioners of the Presbyterian Church, under whose authority the land is used by Scotch College, and so on.

When speaking about land, and when trying to describe it, I find it much easier if I have a plan before me. Mr. Crommelin, who introduced the Bill in another place, has, for the convenience of honourable members, circulated a plan which will enable them to follow my remarks more clearly.

The whole of the land under discussion comprises lots 238 and 237, which are presently owned by the Town of Claremont; and also lot 236, which is presently owned by the Commissioners of the Presbyterian Church. Both owners have found that the present shape and size of their respective allotments are neither "fish, flesh, fowl, nor good red herring," and they have decided that the variation of the respective boundaries would be in the interests of the community and to the mutual advantage of both owners.

The land is not being sold; it is simply being exchanged. In other words, the boundaries are simply being redrawn, which is technically an exchange. The proposal is, reading from the map, that the land shaded diagonally, which at present belongs to the Town of Claremont, shall become the property of the church; and the land shaded vertically, which is at present owned by the church, shall be transferred to the Claremont Council. The plan also shows the use to which this land can be put upon the reorganisation of the boundaries. It will provide three ovals; namely, one large oval, which will be developed by the Town of Claremont; and two smaller ovals on the school property, which will be developed by Scotch College for its purposes.

The plan is designed to provide, in particular, a large playing oval for the Town of Claremont generally. At the moment there is only the main oval, and, although there are in the vicinity the Claremont High School, the Graylands Primary School and the Swanbourne Primary School, sporting facilities at the moment are limited. It is felt that with the development which will take place after this exchange there will be much greater facilities—provision for useful and admirable recreational facilities—for the youth of the district.

So far as I can understand, the Bill is necessary for the rather peculiar reason that although the Act which has established the Presbyterian Commissioners in this State provides power to buy, sell, or exchange land, the provisions of the Local Government Act merely give a municipality or shire the power to buy and sell land; it contains no power to exchange land. It is primarily for that reason that the measure has been considered necessary.

A minor reason for embracing the approval of the transfer in this special Bill is the provisions of section 29 of the Public Works Act which are, in brief, that when a town resumes land and subsequently sells land, the land which it proposes to sell shall first be offered to the person from whom the land was acquired.

The land in question was, in fact, resumed some 15 or 16 years ago, and I feel that neither the spirit nor the letter of section 29 of the Public Works Act should preclude this exchange; firstly, because section 29 merely relates to a sale of land; and, as I have already explained, no sale is taking place here—it is purely a reorganisation of boundaries; and, secondly, the whole of the land is, in fact, being used, or will be used, for the purpose for which it was originally acquired.

The Town Planning Commissioner has approved of this subdivision subject to both areas of land, as reconstituted, having access from made roads. If honourable members look at the map before them, they will see that the Claremont town oval will have an entrance from Gloucester Street, whereas the college oval will have an entrance from Fern Street. The entrance from Fern Street is through a square piece of land which is shown on the map, and which is the property of Scotch College.

On the whole the plan is calculated, as I have said, to improve the amenities of the district. No money is being passed. It is simply, as I have emphasised, a reorganisation of the boundaries. The areas being exchanged are not precisely the same. Some four acres will go to Scotch College as against some three acres coming from Scotch College. As against that, the land which is going to Scotch College borders on Butler's swamp and will require substantial filling in before any use can be made of it. I think I have explained the main purpose of the Bill, and I commend it to the House.

THE HON. L. A. LOGAN (Midland—Minister for Local Government) [4.50 p.m.]: I think the honourable member has covered every detail; and, as he has done that without the benefit of notes, it is obvious he has some knowledge of the situation. The matter concerned came before me something like 12 months ago when I dealt with it both from a town planning and a local government point of view. The proposal outlined by the honourable member seems to be the only way to solve what otherwise would become an impossible situation. The very fact that the proposal will be of benefit to the community, and in fact all concerned, is the main reason why I think it can be given a speedy passage. As far as I am concerned the proposal has my blessing.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

THE HON. H. K. WATSON (Metropolitan) [4.54 p.m.]: I move—

That the Bill be now read a third time.

I should like to thank the Minister and honourable members for giving this Bill such a favourable passage; and also for not asking me to elucidate the "R.O.W." which appears on the map. I do not know whether it is or is not one of those rights-of-way that is to be closed as a result of our recent labours.

Question put and passed.

Bill read a third time and passed.

LICENSING ACT AMENDMENT BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by The Hon. A. F. Griffith (Minister for Justice), read a first time.

Second Reading

THE HON. A. F. GRIFFITH (Suburban—Minister for Justice) [4.55 p.m.]: I move—

That the Bill be now read a second time.

This Bill, which comes from another place, has as its main purpose some suitable amendments to the Licensing Act in connection with the method of payment of licensing fees.

It may be recalled that one of the effects of the 1962 amending Act was a requirement for licenses to be payable in the future in advance instead of in arrears as previously. It now appears that some members of the Australian Hotels Association are having difficulty in financing their commitments as a consequence of this requirement.

As a result, the Government was approached and a request made that consideration be given by the Government to accepting payment of annual licensing fees in four instalments. This would be in lieu of the present provision requiring payment in two moieties. As the proposition seemed quite reasonable, it was given favourable consideration, and there is an appropriate amendment in this Bill making provision for payment of the annual licensing fees in four instalments.

It is a fact, nevertheless, that the business of the Licensing Court has been impeded frequently in the past owing to license fees not having been paid by the due dates. It occurs mostly when the second moiety, which is due four or five

months before the annual sitting of the court, is not paid. This situation seems likely to be aggravated by the proposed amendments contained in this measure under which the final instalments will, in some instances, become payable within one month only of the commencement of the annual sittings.

It is considered, therefore, that a penalty should be introduced with a view to ensuring, at least to some extent, that licensees comply with their obligations by the due date. This seems not unreasonable in view of the decision to accept payment in future in four instalments. The Bill provides for such a penalty to the extent of 10 per cent. of the amount payable in the event of late payment of fees. There is provision also for the cancellation of a license in the event of non-payment.

However, there is the further provision, to enable the Receiver of Licensing Revenue to defer the payment of an instalment where circumstances justify such an application; and the interests of owners of licensed premises are protected by a provision which permits them to pay the amount due and be issued with a license either in their own name or the name of their nominee, in the event of non-payment by a licensee other than the owner of the premises.

The few remaining amendments contained in this measure are of a minor nature but are necessary to correct omissions in last year's amending legislation. When the Australian wine and beer license was altered to include Australian spirits, a subsequent reference to "spirits" was inadvertently omitted. There is need also to substitute the term "limited hotel license" where reference is made to "hotel license" in order to tidy up amendments passed last year.

Debate adjourned, on motion by The Hon. F. J. S. Wise (Leader of the Opposition).

BILLS (3): RETURNED

1. Criminal Code Amendment Bill.
2. Cemeteries Act Amendment Bill.
3. Mining Act Amendment Bill (No. 2).

Bills returned from the Assembly without amendment.

BILLS (2): ASSEMBLY'S MESSAGES

Messages from the Assembly received and read notifying that it had agreed to the amendments made by the Council to the following Bills:—

1. National Trust of Australia (W.A.) Bill.
2. Clean Air Bill.

BILLS (2): RECEIPT AND FIRST READING

1. Pharmacy Bill.
2. Friendly Societies Act Amendment Bill.

Bills received from the Assembly; and, on motions by The Hon. L. A. Logan (Minister for Local Government), read a first time.

POISONS BILL

Second Reading

Debate resumed, from the 28th October, on the following motion by The Hon. L. A. Logan (Minister for Local Government):—

That the Bill be now read a second time.

THE HON. J. G. HISLOP (Metropolitan) [5.3 p.m.]: This is a most important Bill which calls for a considerable amount of study if one is to see whether there are any changes that might require to be made. The amount of work that would be required to go through the whole of the poisons listed in the schedules would take very much longer than the interval between Tuesday and Thursday. I have looked up quite a number of them, and I believe, so far as I have been able to ascertain, that these are in very sound order.

I think, however, that thought should be given to the appointment of a dentist to the advisory committee which the Bill proposes to set up. In the old days it was regarded that dentists merely pulled teeth and did very little else so far as the human being was concerned. As time has gone on, however, dentistry has taken on a different and greatly improved role in the health of the community. Not only must a dentist be well versed in the art of extraction, and in the various methods of conserving teeth, but he must also undertake a considerable and comprehensive course of study. The education of dentists has been extended very widely.

One might wonder what a dentist will do on such an advisory committee. I do not think he will do very much more than the other members who will constitute this committee, because it is more or less an instructional committee of those who are versed in such things as biochemistry and pharmacology. I think one must see what is required of a dentist in his education. It would be seen for instance that in the third year of the dentist's education he does a considerable amount of work in the study of therapeutics. The present situation is that he is required to undertake pharmaceutical preparations, methods of administration of drugs, and dosage. He must also be versed in the prescribing of drugs under the pharmaceutical Act and those under the Controller General

of Customs. This will alter the whole situation so far as dentists are concerned, and their only control will be under this measure.

When it comes to the instruction of dentists in regard to pharmacology and therapeutics—and I will not burden the House with a list of the drugs and what they can and cannot use; I will just make a brief statement of the basic course in pharmacology which is followed by applied pharmacology, and I will give a general idea of what is taught to third-year dental students—we find listed such things as local anaesthesia and general anaesthesia.

It is clear that dentists must know all the difficulties associated with anaesthesia, particularly if it is related to an individual who has been taking certain drugs. There are for instance drugs which control the blood pressure of patients, and there must be a large number in the community who are taking drugs for the reduction of such pressure, which would provide some difficulties so far as anaesthesia is concerned.

Of course general anaesthesia will be given by a qualified medical practitioner who is a practising anaesthetist. There may be times when the anaesthetist will give the anaesthetic for dentists, but it must be clear as to what dangers might arise from such anaesthetics. There are certain drugs that make anaesthesia difficult, and this is the teaching which is given to dentists in their third year. They study infectious diseases and allergy diseases, blood diseases, and so on, and they must be aware of the general condition of their patients. They are also trained in oral medicine and oral surgery.

It will be seen, therefore, that it will be extremely useful to the dentists to have a representative on this committee, and I trust the Minister will seek the views of the Minister in charge of the Bill and ask whether he will be prepared to accept amendments to allow a dentist to be appointed to the advisory committee in question.

There are one or two questions I would like to ask in connection with the schedules. One such question has been brought to my notice by the firm supplying the drug in question. I refer to the drug called diethylpropion or tenuate. This appears in the fourth schedule, being the eighth one on page 50. This is a potent drug which is designed for the reduction of weight. It reduces the appetite and thus controls the weight. In my opinion, and in the opinion of many others, this drug does not have any stimulating effect at all. I can quite well see however that the drug called amphetamine, which appears in the second schedule should not be allowed to be sold willy-nilly to the public, because of its stimulating effect which can be very dangerous in certain conditions.

We have heard of bus drivers and truck drivers maintaining their long hours of driving by taking these drugs. They certainly do stimulate and keep an individual awake, but retribution follows; and if these were freely sold either by a chemist or store, it would be very unwise.

When we have drugs which are not stimulating—such as the one I mentioned earlier—and which are only taken for the reduction of weight, I think they can be removed to the third schedule. I refer particularly to diethylpropion. We would then do justice to the drug, to the firm, and to the people who buy it.

Without going into the strict biological terms of this drug I would say it is very closely allied to a drug called lucophen, which has a very similar action, and no stimulating effect. So far as I can gather this drug—lucophen—does not appear in any of these lists. Accordingly I think that since diethylpropion has similar characteristics to a drug which is not under control, it might well be taken off the list.

This is far too large a measure for anyone to look through and make certain that he is talking with complete authority, because many of the drugs listed are almost impossible to find in the ordinary pharmaceutical lists. If my suggestion is followed I think it will be all to the good. If this cannot be done—and I cannot see exactly how it can be done except by regulation—the advisory committee should be given authority to remove drugs from group to group. I take it that would be one of the authoritative actions of the advisory committee. If this were done, and if the manufacturers of these drugs were able to advise the committee, and have their advice accepted, it would make the measure a very useful one, and serve a useful purpose so far as the health of the public is concerned.

The only other aspect I wish to mention in connection with drugs is that dealing with arsenic. On page 55 of the Bill we find listed arsenic and preparations containing arsenic when used for agricultural, pastoral, or horticultural purposes. This is contained in the sixth schedule. If we turn to that schedule we will find the substances that are required to be readily available to the public for agricultural, pastoral, horticultural, or veterinary purposes, or for the destruction of pests and vermin, and for industrial purposes.

The stock firms are not quite certain that they can continue under this Act to sell sheep dip, yet it would seem to me that under the sixth schedule that could be quite possible. They believe some difficulty exists because in the second schedule is the following concerning arsenic:—

> ARSENIC in substances containing the equivalent of 0.5 per cent. or less of arsenic trioxide, except when

prepared and packed to comply with the requirements of Schedule 6.

When we look in the sixth schedule we will probably have to find the requirements within this measure. However, I think it might well be looked at to see whether it is not being excluded from sale by the stock and station agents.

The Hon. L. A. Logan: I think we are giving the commissioner discretionary power in a case such as this.

The Hon. J. G. HISLOP: That will be all right as long as that is done. I maintain this is a very good measure and those are the small items one might criticise. This Bill is a necessity and is obviously an indication of the times in which we live.

I did my apprenticeship as a pharmacist, without sitting for the final examination, way back 50 years ago when my father was a pharmacist in Windsor, Victoria. The only cupboard we had for the control of poisons was a very small one which would not house 1 per cent. of what is mentioned in these schedules. Since then medicine has become so complicated, and the drugs related so much to biochemistry and biophysics in the treatment of human beings, have become so vitally necessary, and as so many of them are dangerous, that it is essential some control of this nature be exercised.

I think the request for this Bill goes back to the time when Dr. Cooke was Commissioner of Public Health. He was very keen that a measure of this sort should be introduced. If I remember rightly the Minister at that time was not inclined to give the power to the Public Health Department. Subsequently, however, it was in Dr. Henzel's mind, and Dr. Davidson pursued the matter to its conclusion.

There is no doubt of the necessity for this measure and I agree it will do a considerable amount of good in lessening some of the ease with which certain of these drugs have been sold in recent times.

In conclusion I would add a further word to the Minister. I think some more control than is contained in this Bill should be exercised over antihistamines, because a lot of them have a sedative effect and others have a stimulating effect. That is why more control should be exercised than will be under this measure. I support the Bill.

THE HON. F. J. S. WISE (North—Leader of the Opposition) [5.19 p.m.]: Parliament is asked to accept a very great responsibility in the passing of a measure of this kind. A Bill of this nature, highly technical in its descriptions, and highly specialised in its application, places upon lay people—members of Parliament—the responsibility of giving very great authority to committees, and to a committee in particular, answerable to the Department of Public Health. Involved in that responsibility is the responsibility on the officers of the Department of Public Health in submitting to Parliament something for it to approve, because within the schedules of this Bill are no details of very poisonous and dangerous substances which are described and mentioned in the schedules. We have, therefore, to accept a Bill of this kind on the understanding that it has been so carefully prepared that all of the drugs coming within the various categories of the several schedules, are not only correctly designated, but put within their correct classifications.

Honourable members who have looked at this Bill will find the classifications of the various types of poisons—some of which are available only from chemists, some from storekeepers, and some from merchants—and they may, particularly those having an agricultural use, be obtained by the hundredweight. Many people have lost their lives at the hands of persons intending to murder someone, scraping together the elements of ant poison which is deadly stuff of itself and is available readily at 50 or 60 merchants within the cities of Fremantle and Perth. It is I think a matter of intent to use for improper purposes poisons readily available. It is an almost uncontrollable act.

The Hon. A. F. Griffith: *Arsenic and Old Lace.*

The Hon. F. J. S. WISE: *Arsenic and Old Lace* is a typical example, but for anyone who wishes to engage in wholesale murder of animals—human or otherwise—the means are available almost without hindrance. This applies not only to arsenical poisons for weeds, or other poisons which have an arsenic content, but also to strychnine, for the killing of vermin, which is readily available at many places. Strychnine in sufficient quantities to kill a community is available to any reputable person at many places throughout the State.

Therefore, although, as the honourable Dr. Hislop said, this Bill vesting the authority in a committee, subject to the direction of the Public Health Department, is an excellent move, I am simply drawing attention to the fact that poisons will be readily available for unlawful purposes if people are unlawfully minded. However, for use, and value of use, within the community, ready access is a necessity, whether the poisons be required for the treatment of crops, weeds, pests, or the like.

A very dangerous poison is ant poison which can be purchased by the hundredweight if so desired. Most of the drugs in schedule six are not understandable to the layman, nor is their use or purpose. Indeed, the effects of a lot of them are still unknown even to the medical profession. Therefore the rigidity in control

of the drug side of poisons is to be a very important part of the responsibility of the authority created by this Bill.

The side-effects of very many of the drugs now used are still an enigma to those who propounded and first created them. We still do not know the complete effect of the constant use of cortizone. I know that the effect of the sustained use of that drug is very dangerous and the results immeasurable. But it is prescribed.

The Hon. J. G. Hislop: We know a good deal, but not all.

The Hon. F. J. S. WISE: Then we have the case of those drugs, the use of which shocked the world. The resultant effects, on child birth, of their use by our womenfolk were too dreadful to contemplate. So I repeat my first assertion that there is a very great responsibility on the authors of this Bill, and on Parliament in believing that those who prepared it are giving to us in other words an assurance that all it contains is something we can validly pass and firmly believe in and adopt as a law in the future.

I know that the regulation-making power of this Bill gives a very wide authority. There can be a great rigidity in controls. However, all the co-operation of the vendors—whether they be chemists or country storekeepers—will be necessary on the poisons with which they are dealing.

As the Public Health Department and its authorities and experts have submitted through their Minister this proposal, endorsed by the Government, to improve the circumstances now obtaining in the control of poisons, we must rest on their assurance because I feel sure we are not going to advance the unlawful use of deleterious substances in passing it, but we may have a greater rigidity of control under the authority of the committee. I support the Bill.

THE HON. L. A. LOGAN (Midland—Minister for Local Government) [5.29 p.m.]: I thank the honourable Dr. Hislop and the honourable Mr. Wise for their contributions on this measure. I readily appreciate, and I think most of us do, the almost impossible situation of endeavouring to control poisons to the extent that they are not available to the general public. Therefore, because they are available to the general public they can be subject to abuse. I do not see how we can avoid those circumstances. The Bill, of course, is an endeavour to increase the control of the pharmaceutical council and make it an advisory body. I do believe that the members of that council will appreciate their responsibility.

Dealing with the question raised by the honourable Dr. Hislop, I have to admit that I have not given any thought to the inclusion of a dentist on this committee. However, I think we can continue with the Bill and I will consult the Minister during the tea suspension. If necessary, the Bill can be recommitted.

The question raised regarding sheep dip is already covered by an amendment on page 26 of the Bill which reads—

> A person shall not, except pursuant to a licence issued by the Commissioner . . .

That gives a discretionary power, I have been told by the Minister, which covers the question of sheep dip.

The other question raised was that diethylpropion appears in the fourth schedule and it was suggested that it should appear in the third schedule. I will take that matter up also with the Minister. I quite agree that this Bill is a difficult one and no-one would understand the names appearing in the lists. I agree with the honourable Mr. Wise that just reading the names would give no indication as to what poison they refer to.

Honourable members can rest assured that this Bill has been in the hands of the officers for some time and I am certain they have given every consideration to it. I am not saying they could not have made a mistake; there is always the human element. A lot of thought has been given to the measure and it has been sought to safeguard the public wherever possible.

Question put and passed.

Bill read a second time.

In Committee

The Chairman of Committees (The Hon. N. E. Baxter) in the Chair; The Hon. L. A. Logan (Minister for Local Government) in charge of the Bill.

Clauses 1 to 7 put and passed.

Clause 8: Constitution of Poisons Advisory Committee—

The Hon. J. G. HISLOP: I do not want to amend this clause, but I had hoped that a specialist physician could have been elected by a group of practising physicians rather than by the Australian Medical Association. Paragraph (c) reads as follows:—

> two shall be medical practitioners, one of whom is a specialist physician, nominated by the body known as The Western Australian Branch of the Australian Medical Association (Incorporated).

Unfortunately, not all of our physicians are members of the Royal Australian College of Physicians, and if this appointment was made from a group of specialist physicians I think we would have a much more acceptable appointment.

The Hon. L. A. LOGAN: I should imagine that the A.M.A. would ask the specialist physicians to nominate somebody.

The Hon. J. G. Hislop: I had hoped it would.

Clause put and passed.

Clauses 9 to 19 put and passed.

Clause 20: Declaration of poisons or hazardous substances—

The Hon. J. G. HISLOP: I would like to raise a point of interest here. Paragraph (c) reads as follows:—

(c) Third Schedule: Substances that are for therapeutic use, and—

(i) in respect to which personal advice may be required by the purchaser concerning dosage, frequency of administration, and general toxicity;

(ii) with which excessive unsupervised self-medication is unlikely; and

(iii) for which there may exist such urgent need that the supply thereof on prescription only would cause hardship;

Who is going to supply the personal advice? I am not certain that the clause makes it essential that the drug shall be supplied by a chemist.

The Hon. J. Dolan: Would it be possible to get it elsewhere?

The Hon. J. G. HISLOP: I should think so. If we turn to page 46 we find listed the drug ephedra, alkaloids of, both natural and synthetic and their salts, except in substances for external use containing less than 1 per cent. of the alkaloids. I assume they are able to be used in a mixture. It is commonly known that the vast majority of cough mixtures contain ephedra, and they are not all sold to the public at chemist shops.

We are all familiar with the names of cough medicines, and they are sold in chain stores, and so on. Nearly all of them have a small percentage of ephedra in them, and it is thought desirable that they should continue to have it; and those cough mixtures, which the public use in such quantities, can still be supplied under this Bill, because the amount of ephedra is exceedingly small. The manufacturers do not want to remove the ephedra from the cough mixtures, because even a small amount provides relief. The cough mixtures would, without the ephedra, be sold under the same names, but would not be in the nature of the present products.

The Hon. F. J. S. Wise: A lot of them are in that category anyway.

The Hon. J. G. HISLOP: Yes; but the public like a lot of them because they do give relief. However, if ephedra is taken out I doubt if they would be of any use at all. But the mixtures would still be sold. Therefore, my question is whether the third schedule will permit the present cough mixtures to continue to contain ephedra. I believe it will.

The Hon. L. A. Logan: I think so too.

The Hon. J. G. HISLOP: Some believe that will not be the case. The third schedule contains substances for which personal advice concerning dosage may be required by the purchasers. I do not know how they will get that advice from chain stores. However, I cannot see that the cough mixtures will be stopped from being sold.

The Hon. L. A. LOGAN: After a quick glance at the Bill I would say they would not be stopped, but I will check with the Minister concerned.

Clause put and passed.

Clauses 21 to 48 put and passed.

Clause 49: Prohibition against selling by automatic machines—

The Hon. F. J. S. WISE: Since it will be found that in the fourth schedule nicotine is a poison, and a deadly one, does this clause in any way refer to cigarette vending machines?

The Hon. L. A. LOGAN: I should say the amount of nicotine in any one packet of cigarettes would not constitute a poison, and therefore this clause would have no effect upon cigarette vending machines.

Clause put and passed.

Clauses 50 to 64 put and passed.

Appendix "A" (first to eighth schedules) put and passed.

Appendices "B" and "C" put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

POLICE ACT AMENDMENT BILL (No. 2)

Second Reading

Debate resumed, from the 28th October, on the following motion by The Hon. L. A. Logan (Minister for Local Government):—

That the Bill be now read a second time.

THE HON. J. G. HISLOP (Metropolitan) [5.49 p.m.]: I have practically nothing to say about this Bill. It is based on the measure we have just passed, and that Bill makes this one essential. I support the second reading.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by The Hon. L. A. Logan (Minister for Local Government), and passed.

POLICE ASSISTANCE COMPENSATION BILL

Second Reading

Debate resumed, from the 29th October, on the following motion by The Hon. A. F. Griffith (Minister for Justice):—

That the Bill be now read a second time.

THE HON. F. J. S. WISE (North—Leader of the Opposition) [5.53 p.m.]: The Bill, amongst other things, seeks to provide for compensation to be paid to persons who are injured when assisting a policeman in carrying out his duties. The necessity for the measure has been brought about by some very serious and unfortunate happenings of a dreadful and vicious kind from time to time. There is today, unfortunately, a lessening by some people of respect for any authority, especially the law.

Objection to control and authority is something that is latent in almost everybody, but at times, when there is some incitement, there develops in some people more than excitement of the latent type; we find arising all sorts of other human traits which result in very sad and difficult behaviour by otherwise normal human beings.

It has been said in the Press and by many people that the lack of control, whether it be parental control or guidance of some other sort, has brought about a deterioration of the better qualities in many people; and the complaints that have been raised have been made against the younger people who, because of some form of excitement, intensified by their own behaviour, do things that are abnormal and which are certainly improper and wrong.

I do not think anyone can defend the actions of people who, whether they have become excited as a result of drink or whether through showing-off or attempting to be big people for the time being, misbehave in such a serious way as to threaten the well-being of other people, particularly those who are the custodians of the law—police officers. Such actions and attitudes, especially if they have resulted from excitement brought about by stimulants of some kind or another cannot be excused in any sense whatever, no matter what may be the cause or where the fault lies.

Such actions must be curbed; and if civilians who have a respect for the law are induced by the invitation of a police officer to assist in preventing a mob attitude and action; to prevent punishment and vicious attack on an officer of the law, then such people should be protected in any way that Parliament might provide in a reasonable manner.

I think the provisions of the Bill should cover adequately what the measure sets out to do, but I am a little concerned about the phrasing whereby some features and authority within the Workers' Compensation Act are being incorporated in this legislation, and whereby we are adding to the responsibilities of the State Government Insurance Office; because we are providing in this measure for certain charges to be met under the Workers' Compensation Act and under the State Government Insurance Office Act.

Whether compensation can be provided for in any other manner, I do not know; but honourable members will find that the Crown is providing for a rate of reimbursement or recompense to an injured person, and the Crown accepts liability, through the Minister for Police, for any injury to a person, subject to the Workers' Compensation Act. A little later in the Bill we find that the State Government Insurance Office is authorised to do certain things.

I know it would be difficult to provide for compensation other than in the Bill, but it is obvious that the Crown will have the responsibility, on the passing of the measure, to advise the Workers' Compensation Board on all the happenings or possible effects as a result of this legislation. The Bill contains provision for the Crown to accept responsibility for the charges, but it will be necessary for the persons in charge of the implementation of the Workers' Compensation Act and the State Government Insurance Office Act to be advised of their added responsibilities under those Statutes.

It is obvious from the provision in the Bill that premiums and other expenses will be paid out of Consolidated Revenue, so those offices will not lose anything. In the application of this law, I draw attention to the fact that there is a responsibility towards those entities by the Crown.

I think all honourable members agree with the principle of the Bill. I care not whether a man claims he was under the influence of drink or anything else, there is no excuse for him if he misbehaves in a fashion which renders him incapable of controlling himself or of answering to authority. He should be punished, and any person who assists an officer in the administration of the law should not go unprotected. I support the Bill.

THE HON. F. R. H. LAVERY (West) [6.1 p.m.]: In supporting the Bill I wish to draw attention to something which has been exercising my mind since the Bill was printed. Following upon the previous speaker, who gave such an enlightening address, I was wondering whether this laudable attempt to compensate people who assist a police officer and who, in the

course of such action, suffer either injury to themselves or damage to their property—

The Hon. A. F. Griffith: Would the honourable member please speak up a little; it is rather hard to hear him.

The Hon. F. R. H. LAVERY: I was wondering whether this legislation, which seeks to provide compensation for injury to those persons who come to the assistance of a police officer, or for damage to their property, will bring about a similar result to that which has occurred under the administration of the third party insurance legislation. When I have concluded, Mr. President, you will probably think that what I have said is of no consequence, but I believe it is of consequence to draw attention, at this point of time, to the fact that there are many people in our community who are wrongdoers in the use of their vehicles because they know they are covered by third party insurance. To use a term that is commonly heard in these times, they do not give a "heck" about what may happen to anyone else, because they know that the third party insurance will cover any damage to either limb or property, including the other vehicle that may be involved.

Very often such people gain enjoyment from damaging other people's property, or committing other irresponsible acts, and it takes from them any semblance of responsibility they might previously have had. Perhaps, Mr. President, this does not come within the province of the Bill, but in my opinion, in accordance with the provision contained in clause 8, it does. This provision leaves it open to certain people who do not care, because they know they will not be responsible for payment for any damage or injury that may be caused by them.

I have been unable to find in the Bill mention of any person, insurance company or body responsible for paying compensation being recouped the amount payable from the person who has caused the damage. This is just a point which I think worthy of consideration by the powers that be.

THE HON. A. F. GRIFFITH (Suburban —Minister for Justice) [6.4 p.m.]: I am grateful to the honourable Mr. Wise and to the honourable Mr. Lavery for the support they have given to the Bill. In common law it has always been a misdemeanour for any person to refuse to assist a police officer when called upon so to do. This is reflected in section 176 of the Criminal Code which reads—

> Any person who, having reasonable notice that he is required to assist any sheriff, under sheriff, justice, mayor, or police officer, in arresting any person, or in preserving the peace, without reasonable excuse omits to do so, is guilty of a misdemeanour, and is liable to imprisonment for one year.

I understand the principle of this goes back to the old days when the sheriff held the right to form a posse to go out to search for some outlaw. In the town he was able to call the men together and say, "You, you, and you shall come and help to catch this outlaw and so prevent him from perpetrating any more crimes in the community."

The Hon. F. J. S. Wise: That would be in the days of *Tombstone Territory*.

The Hon. A. F. GRIFFITH: I do not get much time to watch TV these days, but I think that even further back in English history this principle could have applied. However, the Bill provides for payment of compensation to a person who is injured when called upon to assist a police officer in carrying out his duty. That person may be paid compensation—there is no "shall" about this—for damage to his property if the police consider that his claim has sufficient merit.

Like the honourable Mr. Wise I regard very seriously indeed the action of people who interfere with the liberty of others, and I also regard most seriously those people who interfere with a policeman or officer of the law in the conduct of his duty. In recent times we have had some very sad cases of this nature taking place. The State Government Insurance Office will be empowered, under the Bill, to accept responsibility for payment of compensation provided in the schedule to the Workers' Compensation Act, and in order to cover this possible payment a premium will be paid to the State Government Insurance Office from Consolidated Revenue.

The premium which has been assessed is more or less on trial to ascertain how the administration of this legislation will function, and it can be reviewed at a later date. Following upon the advice of my officers, so far as I could see this was the only practical way a cover could be effected, and the premium rate, on a trial basis, was agreed upon by the State Government Insurance Office and the Government.

The Hon. F. J. S. Wise: At this time it will only be a stab at it.

The Hon. A. F. GRIFFITH: Yes, it is a rough stab at it, and the stab is made more difficult because there is little or no legislation of this kind in other parts of the world. As a result of inquiries I started to make on the subject over a year ago, I found on the file this comment by one of my officers—

> I can find no comparative legislation in other States, nor in England, on matters of compensation of civilians injured whilst assisting the police. The Police Department was contacted

and advised that each claim for compensation was dealt with on its merits and ministerial approval was obtained for payments made.

In other words, as I said when introducing the Bill, in the past any recompense made to a person who was injured whilst assisting a police officer was done through the medium of an *ex gratia* payment. So it appears that we are leaders in the field with this type of legislation, and I think it is a good thing that we are. I only hope that the State Government Insurance Office will not be called upon to pay any compensation, my hope in that respect being registered in the interests of those people who might be injured whilst assisting the police, as a result of which they would have to be paid compensation.

Sitting suspended from 6.10 to 7.30 p.m.

The Hon. A. F. GRIFFITH: I think the only point remaining for me to make some comment upon is that raised by the honourable Mr. Lavery; and if he would be good enough to look at clause 7, he will find there is a process described to do the very thing he questioned me about. The marginal note to clause 7 is "Remedy against wrongdoer," and the clause reads as follows:—

> Subject to the terms of any relevant policy of insurance issued pursuant to section eight of this Act, where compensation has been paid pursuant to section five of this Act, if the personal injury, damage or destruction in respect of which the compensation was paid, was caused under circumstances creating a liability in some person, other than a police officer, to pay damages in respect thereof, the Minister for Police as representing the Crown, may take proceedings . . .

and so on.

The Hon. F. R. H. Lavery: Yes.

The Hon. A. F. GRIFFITH: I think the point is covered.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by The Hon. A. F. Griffith (Minister for Justice), and passed.

REAL PROPERTY (FOREIGN GOVERNMENTS) ACT AMENDMENT BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by The Hon. A. G. Griffith (Minister for Mines), read a first time.

JUDGES' SALARIES AND PENSIONS ACT AMENDMENT BILL

Second Reading

Debate resumed, from the 29th October, on the following motion by The Hon. A. F. Griffith (Minister for Justice):—

> That the Bill be now read a second time.

THE HON. F. J. S. WISE (North—Leader of the Opposition) [7.39 p.m.]: This Bill is to amend the rates of salary and the provisions made for pensions for judges of our Supreme Court. Like all Bills dealing with salaries that are fixed by Statute, this measure is of a somewhat controversial kind in the minds of many people. The Minister in introducing the measure stated that in comparison with the salaries paid to judges of other States since the passing of the last Bill to amend their salary range, there is a discrepancy against this State, almost of the volume to which the salaries are adjusted in this case. The amounts vary from State to State; and it is a very difficult matter for those in Parliament, as well as to those outside Parliament, to make any suggestion as to the best manner of approaching this difficult subject.

It will be recalled, that when a review of parliamentary allowances was made in this Chamber two years ago, I had quite a lot to say on the subject to try to clarify the minds of people towards the responsibilities, as well as the difficulties, associated with this problem—and it is a problem. It may be recalled that in the case of allowances for members of Parliament I advocated that a tribunal consisting of a judge of the Supreme Court, a representative of members of Parliament, and a prominent citizen well versed in the responsibilities of members should be the tribunal to consider what may be the proper approach in the case of members of Parliament; and I hold the view very strongly that a labourer is worthy of his hire. Because of the responsibilities and prejudicial matters associated with those who are in receipt of statutory fixed salaries, there should be some medium, State and interstate, of an ordered character to make a well considered presentation of the case; that is, the responsibilities, and the emoluments to be paid.

In this case, the judges are men highly qualified in the legal profession. Indeed, they are men outstanding in their profession who, from time to time, become the elect of successive governments to fill vacancies that may occur on the judicial bench of the State. I know it is a difficult matter to select, recommend, and swear in a judge. I have been in governments that had the responsibility and privilege of creating five judges of this State, and I

know the consideration that governments are forced to give in the selection of people appropriate to the position.

It may be said by some people that the Bill provides for a substantial increase and that the amount of £7,000 to be paid as salary to one of our judges is an extraordinary one, but those people do not give this matter sufficient consideration. There are men practising in the legal profession in this city who earn more than that; and the men concerned in this measure, if it were not for the fact that being a judge is the summit of their profession and something to which they aspired from an early age, and for a very long while, would be brilliant lawyers. Instead of that, these people make not only a monetary sacrifice, but other sacrifices as well. They become in the nature of recluses dissociated from their former close friends; people who are not accessible; people who live unto themselves to a considerable degree for obvious reasons. In short, the greater the ability of those who are appointed to a judicial position, the greater the responsibility and the greater the sacrifice in a worldly sense and in other senses.

We have in this State—and have had —men of very great capacity; men who have vied with those of other countries in their learning and capacity. This, of course, applies also to other States. Australia has produced some remarkable men in its judiciary.

The Commonwealth Government at present pays its Chief Justice £10,000 a year. It pays its Senior Puisne Judge £7,500, and the Federal judge in bankruptcy, £7,000. A judge of the Supreme Court in the Australian Capital Territory is paid £7,000.

One of the difficulties associated with fixation of salaries by Statute, as in this case, is the fact that for the very reason that we are lifting salaries to meet the circumstances of other States by way of this Bill, so other States will say, in the very near future, "Why, we were £2,000 above Western Australia until recently; so we must have our salaries reviewed."

Therefore this measure will not correct anything at the moment but a local anomaly; because it will set in motion in at least three States a review of judges' salaries to make sure that the difference between the salaries of Western Australia and other States is a consistent difference. That, I think, is the wrong approach.

The Hon. A. F. Griffith: It has been that way for a long time, of course.

The Hon. F. J. S. WISE: It will always be out of plumb. I understand the Leader of the Opposition in another place has advocated on this occasion, as he has done on others, that although other States may not wish to get around a conference table on this and kindred matters, that is the only solution.

We should not have a situation of the dog chasing its tail. We should not have States being out of gear because there are differences in their payments compared with other States. There should be some comparative basis. There is very little difference in the requirements, capacity, ability, and responsibility of men serving as judges in Tasmania, South Australia, Western Australia, or Queensland; and surely there is a case to be made, and a case to be listened to, for equity and justice in this matter, of salaries being fixed by Statute, and there should be common understanding between all States.

Unless something of this nature is done, we will find that in two years from now a move will be made in this State for another increase; because, as sure as the sun rises, there will be increases in other States as a result of this move on our part to bring about, as we think, a levelling of the situation.

A thought for the tribunal in assessing the values for salaries fixed by Statute should be that once salaries have been reviewed by an appropriate tribunal—whether it be the salaries of judges or of members of Parliament—they should remain unaltered for a stated term of, say, six, eight, or 10 years, apart from a variation as a result of what statisticians produce as being the changing value of money.

There should not be some mythical yardstick, but something which is real and appropriate to changing circumstances, and economically practicable, in connection with the value of money. Then, in my opinion, we would get somewhere.

We would achieve the fixing of a range of salaries which, in the intervening years, would not become less because of lessened purchasing power, but which would be equitable and on a level. I would assume that salaries of this magnitude—I do not know, because I have not looked into this aspect—would be subject to income tax at the rate of between 10s. and 11s. 6d. in the pound.

The Hon. L. A. Logan: It could be a bit higher.

The Hon. F. J. S. WISE: There would not be very much gained by the individual if we are going to bring him into another bracket where his overall payment will mean another couple of shillings in the pound in income tax. Although our purpose is to bring the salaries of judges into line with those in other States, if that is the basis and the only basis for this measure, then I submit it is not wholly satisfactory. It can be gathered, from what I have said, that I have a very high regard for the judiciary. I think we must retain that regard. We must believe in those people who have that very great responsibility.

Therefore, believing as I do that they are the best people selected from those within the profession, although the salaries seem high they are not out of reach of what they could earn if they were not judges. Indeed, some of them could double their salaries in their field of practice in this and other States.

One could make a comparison to the effect that the Government had introduced this measure to level the salaries of highly paid people and had opposed persons in other walks of life from receiving an additional payment of more than 3s. 2d. per week. However, I take the view that provided the arbiters of such matters are sound and are prepared to act without prejudice, then they are aware of their responsibility to the community in determining the rates of pay which men and women should receive. However, I would say emphatically that the 3s. 2d. recommended was wrong and certainly not sufficient.

No matter how we might care to analyse and review what is contained in the Bill, we have no alternative but to pass the measure in the hope that something of the kind I have mentioned can be evolved between the States to bring about a better state of equity regarding the judiciary.

THE HON. A. F. GRIFFITH (Suburban —Minister for Justice) [7.56 p.m.]: I thank the Leader of the Opposition for his remarks. This is probably the first time I have had the responsibility of making a recommendation to the Government in respect of judges' salaries. If my memory serves me correctly, this is not the first time I have introduced Bills in this House relating to increases in judges' salaries.

The Hon. F. J. S. Wise: There was one in 1962, I think.

The Hon. A. F. GRIFFITH: The previous occasion was in 1962; and I have listened to Ministers occupying the position I now hold introducing Bills of a similar nature. The file in front of me—and I do not propose to quote from it—reveals that for the period covered by the file the basis for increasing judges' salaries has been the one on which I based my recommendation to the Cabinet. The file contains comments similar to those I put in my Cabinet minute to the effect that a comparison of judges' salaries in other States shows this, that, or the other thing. The only real endeavour to bring the States into line has been to take the average of salaries paid in other States and to apply it to Western Australia.

I have heard this formula applied to salaries which affect honourable members in this Chamber and in another place. I have heard it said that one of the reasons why salaries of members of Parliament should be increased is because members in other States were getting more than we were getting here.

I do not say for one moment that the suggestion put forward by the honourable Mr. Wise is not worthy of examination. It is; and, in fact, some examination has already been started upon those lines. But the only way it can be done is for all States to do something collectively, so that if the salaries of judges rise in Western Australia they must correspondingly rise in the other States; because if they did not, we would have exactly the same situation about which justifiable complaint is now being levelled.

I think that is all I can say at this point. We should, however, recognise the necessity for these increases. I agree that other States may, in the near or not so near future, raise the salaries of their judges even further. They may use, as a basis for their argument, that Western Australia has increased the salaries of its judges. That is an argument which I used when putting forward my recommendation to Cabinet.

I have regard for the remarks of the honourable Mr. Wise. I think it would be desirable if some method of arbitration, or some authority, could be determined to fix the salaries so that there perhaps might not be the necessity for coming back to Parliament each time to have it done. I have heard this said in connection with the salaries of members of Parliament. However, I appreciate the points put forward by the honourable Mr. Wise and I appreciate his support of the Bill.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by The Hon. A. F. Griffith (Minister for Justice), and passed.

PHARMACY BILL

Second Reading

THE HON. L. A. LOGAN (Midland—Minister for Local Government) [8.3 p.m.]: I move—

That the Bill be now read a second time.

The deletion of certain parts of the Pharmacy and Poisons Act which relate to poisons control leaves that Act in an untidy state. This Bill, therefore, proposes to re-enact our existing laws which deal with the practice of pharmacy and the supervision of the profession. At the same time advantage is being taken of the opportunity to incorporate several modifications, most of which are sought by the Pharmaceutical Council.

Part I, clauses 1 to 5 of the Bill, comprises introductory provisions and definitions. There is no significant departure from the present law.

Part II, clauses 6 to 19, deals with the establishment of the controlling body to be known as the pharmaceutical council of Western Australia. The council has come to be known by, and has used, this title for many years, although its official title has been The Council of the Pharmaceutical Society of Western Australia.

Clause 10 provides for the election of a deputy president, as well as a president. The council feels that this will assist its operations. Power is given to the council to summon and examine witnesses when an inquiry is being made into a complaint against a pharmacist.

Part III, clauses 20 to 25, reflects the changes in pharmaceutical training already adopted in Western Australia. The apprenticeship system terminated in 1963. All future students will be required to undergo at least 2,000 hours formal instruction under suitably qualified instructors.

A new feature of the Bill is the requirement that all premises used as pharmacies must be licensed. This is a measure now adopted, or under consideration by other States, and is a suggestion that originates from the profession. A few pharmacies are ill-equipped and maintained and should, therefore, be kept to a desirable standard.

The council is conscious of the need for cleanliness and proper facilities in pharmacies, and proposes to lay down standards along the lines now prescribed in Queensland. This move will not entail the shouldering of an onerous burden by pharmacy proprietors. It will be a protection for the public and an endorsement of the great majority of pharmacists who are jealous of their professional standards.

Part IV, clauses 26 to 35, deals with the practice of pharmacy. Several amendments have been incorporated. Firstly the council is empowered to register a pharmacist to practise subject to conditions. A foreign person with satisfactory qualifications may have insufficient command of the English language. A pharmacist may have received treatment for a nervous disorder. In either case the council might decide that the public would be best served if such a person worked under supervision for a period.

A minor change authorises the removal of the name of a pharmacist from the register if he fails to re-register and does not respond within three months of written notice being sent to his last address. The existing waiting period is six months.

Two features are incorporated in clause 32 which are new. Firstly the council is authorised to deal with a pharmacist for professional carelessness or incompetence. Under the Pharmacy and Poisons Act the council could take action for minor and major offences, but the intermediate offences which could be ascribed to carelessness or incompetence were not subject to its jurisdiction. Secondly, the council is empowered to deal with pharmacists who engage in unethical or improper advertising. Regulations will be made specifying prohibited forms of advertising, as in the case with other professions. Again it is anticipated that the pattern followed by the Queensland authorities will serve as a base.

The council will be authorised to fine an offending pharmacist up to £20 as an alternative to other penalties which it has been empowered to impose. There is a right of appeal against the findings of the council.

Clause 36 of the Bill contains a change. Hitherto the right to own pharmacies has been reserved to registered pharmacists, companies which operated pharmacies prior to 1937, and to friendly societies supplying medicines to members and, since 1956, to the public.

The restriction on the operation of pharmacies by companies was introduced to prevent the introduction of chain store operators whose only interest in the field was the prospect of profitable investment. This proved to be a wise move as it has permitted the attraction of a good class of student to the profession and has maintained high professional standards. At the same time, this policy has meant that many individual pharmacists can make a living. It is pointed out also that a doctor cannot operate a pharmacy. This is all intended to ensure high ethical standards in the conduct of pharmacies.

It is now proposed to restrict the operations of friendly societies pharmacies by confining their operations to the premises they now occupy, without in any way interfering with the rights and privileges of existing members and dispensaries. An amendment inserted in the Legislative Assembly provides an additional concession to ensure that if friendly societies dispensaries can demonstrate to the Minister sufficient necessity to remove from their place of business, then they may, with the approval of the Minister, make a transfer of business to another place within the immediate vicinity of their former established business.

In a complementary amendment to the Friendly Societies Act the operations of two of these pharmacies, which were opened with doubt as to their legality, will be validated; and a further concession is proposed which will have the effect of permitting the new pharmacies to trade with the public generally. At present six of the 10 friendly society pharmacies have the right to trade as open chemist shops. The other four have not. They will be given the same rights as the others.

There are several reasons for this proposal. Basically it is necessary to protect the practice of pharmacy from the

inroads of company interests and chain store dispensaries, and to retain the individuality of the pharmacy retail business.

I think it must be reported that the Commonwealth Government was so disturbed at the trend which developed in the friendly society dispensary movement that it amended the National Health Act, with effect from April of this year, to terminate certain privileges formerly enjoyed.

A system is now developing which neither the Commonwealth nor the State could agree to. It was never anticipated that these dispensaries would be used unfairly to compete with the good order and individual management of retail pharmacy. In addition, I wish to take honourable members' minds back to 1956 when Parliament gave open trading rights to the then existing friendly societies dispensaries.

It is quite clear on reading *Hansard* that the understanding of Parliament then was that no more friendly societies dispensaries would open. That was the condition under which open trading rights were given—rights which had previously been refused by Parliament over a number of years. If there is any doubt about this—and I claim there should not be any doubt—it is certain that Parliament never intended that a set of circumstances could develop by which more shops could be opened without authority or registration.

This unfortunately is the situation for the reason that in 1956 no honourable member appreciated the fact that the then existing dispensaries were registered years ago under section 8 of the Act, and, I am advised by the Crown Law Department, erroneously so. Furthermore, no-one drew attention to the fact that the constitution and rules of the main dispensary, namely the Perth Friendly Societies Dispensary, were framed in such a way as would permit the opening of other dispensaries in a different locality and without registration.

No honourable member was concerned in any event as by *Hansard* the Friendly Societies Council had given an undertaking that they were not going to expand anyway. This undertaking was accepted and in the light of dropping membership of lodges because of the Commonwealth's national health and social services legislation it was only to be expected that this would be so.

The facts are, however, that the amendment of 1956 did not carry out the intentions of Parliament. It left loopholes by which—intentional or otherwise—certain irregular practices have been able to develop and which, I believe, were not known, and even now are not fully known, to the general body of the friendly society movement.

The Perth dispensary has quietly opened two more shops because of the weakness in the law which I have mentioned. Its rules permit it to do so; but, because of the amendment in 1956, the lawful activity in respect of these shops is restricted to the dispensing of medicines to members and dependants only. However, these shops are open trading, their shelves being packed with all lines similar to their other dispensary.

The Fremantle dispensary then opened two additional shops, one at Bunbury and one at Willagee, with doubt as to the legality of their opening. They too are open trading and their shelves are packed with all lines.

With this activity developing there has been a campaign of recruiting of a new type of member, not of a lodge but of the dispensary itself. The methods employed to seek this membership have been the cause of much complaint at Commonwealth and State level, and they certainly strike at the root of pharmacy generally and, for that matter, other businesses.

Certainly no friendly society activity was intended to operate in this way by using the image of friendly societies and pharmacy as a means of developing a "chain store" commercial business enterprise, which our pharmacy and poisons laws have been designed to prevent.

At this stage complaints were not only developing at State level through the Department of Health and the Pharmaceutical Council, which is the statutory body responsible for the registration of pharmacists, their supervision, conduct, good order, and pharmacy discipline, and more importantly in the control of drugs, but also with the Pharmaceutical Guild and at Commonwealth level through the Commonwealth Health Department.

Concern was such that from the Commonwealth's point of view it has taken action, as of April of this year, to take away the concession which previously had been available to members of lodges and the like; i.e., the right of having a prescription dispensed for a fee of 1s. 6d. in lieu of the 5s. which applies with regard to the general public.

The Hon. J. G. Hislop: The existing members can.

The Hon. L. A. LOGAN: Yes. As from April any new member will now pay 5s.—old members as of that date will still pay 1s. 6d. Moreover, I am advised, the right of these four additional shops to dispense medicines under the free-medicine scheme is not permissible by the Commonwealth unless the State law permits them to do so.

Therefore what we propose by this legislation is to get back to where we were in 1956 in respect of the six dispensaries

then operating, when we gave them open trading rights on the understanding that no more dispensaries would open.

The proposal now is that we give these rights to the 10 dispensaries now operating, but at the same time ensure that the law will prevent any more dispensaries opening and so conform in principle to the action taken by the Commonwealth when it applied the 5s. fee on any new members after the 28th April, 1964. We are saying in this Bill that any dispensaries existing at that date—all 10 of them; there have been no more since—shall have open trading rights.

The existing law permits a pharmacist to employ three unqualified persons to assist in dispensing medicines to each qualified pharmacist. It is considered that one qualified pharmacist cannot adequately supervise three unqualified assistants. With the termination of the apprenticeship system, which provided partly trained assistants, the position has worsened. Clause 39 of the Bill therefore fixes the ratio at two assistants to each pharmacist.

Debate adjourned until Thursday, the 5th November, on motion by The Hon. F. J. S. Wise (Leader of the Opposition).

FRIENDLY SOCIETIES ACT AMENDMENT BILL

Second Reading

THE HON. L. A. LOGAN (Midland—Minister for Local Government) [8.15 p.m.]: I move—

That the Bill be now read a second time.

This Bill amending the Friendly Societies Act is related to the amendments contained in the current Pharmacy Bill. In explaining this measure, I shall refer, initially, to the homes for aged or distressed members of friendly societies. Since friendly societies were authorised to establish such homes, they have developed to the stage where it is now usual for them to have a hospital wing attached for the care of sick residents. Friendly societies now ask that the additional authority to establish hospitals be written into the Act, and this authority is contained in clause 3 of the Bill.

The further amendment in clause 3 increases the total sum for which a member may be covered for benefits. Similar action has already been taken in several other States so it is proposed to increase the total amount permissible here from £500 to £3,000. An amendment moved by Mr. R. Davies, M.L.A., ensures that the £3,000 ceiling insurance figure has application to any number of societies.

Clause 4 is closely related to the Pharmacy Bill. It deals with the complicated situation involving Friendly Society Pharmacies. In the existing Act, pharmacies operating as at the 31st October, 1956, are entitled to carry on with any member of the general public the business and trade ordinarily carried on by a pharmaceutical and dispensing chemist and druggist.

Prior to 1956, these dispensaries were limited to the dispensing of medicines to members and dependants only. At that time, Parliament passed a Bill to give open trading rights to all dispensaries operating as at the 31st October, 1956, on the understanding that there would be no new dispensaries opened. However, since that time, other dispensaries have opened and two of these apparently without legal authority. This Bill will validate their opening and also remove doubts as to the legality of the existing registration of all dispensaries. This is necessary because registration has been effected under section 8 of the Act instead of the more appropriate section 7.

To sum up this position, four additional dispensaries have been opened since 1956. In respect of all four dispensaries and in addition to the validation of the two already mentioned, it is proposed by the Bill to provide for open trading rights as applying to the six opened as at 1956. Under the Pharmacy Bill, friendly societies are to be limited to operating the pharmacies they now own.

It has been submitted that under the circumstances which exist, it would be unreal to continue the restriction on four of these shops to trading with members only when the other six have open trading rights. The date of operation of this concession is fixed at the 24th April, 1964, as this coincides with the date chosen by the Commonwealth to terminate certain privileges previously enjoyed by those pharmacies.

The next amendment deals with the registering of rules. Each friendly society, as is known, operates under a set of rules which are lodged with the Registrar of Friendly Societies. Any society may amend its rules. It is considered that there is need to ensure that any rule or amendment conforms to the scope and intention of the Friendly Societies Act. Clause 6, therefore, provides that the Minister's approval shall be obtained before rules are registered. I should mention here that clause 7 is complementary to the amendment dealt with in clause 3.

Finally, the Bill provides for the repeal of the Friendly Societies Act Amendment Act of 1930. That Act was passed to allow lodges to waive fees of distressed members during the depression years. It is of no value today as each lodge has a benevolent fund from which funds are available to deal with individual cases of distress. There is this further aspect, also, that the principal Act cannot be reprinted to incorporate its provisions because of the peculiar drafting of the amendment.

Debate adjourned until Thursday, the 5th November, on motion by The Hon. F. J. S. Wise (Leader of the Opposition).

COMPANIES ACT AMENDMENT BILL

Second Reading

Debate resumed, from the 29th October, on the following motion by The Hon. A. F. Griffith (Minister for Justice):—

That the Bill be now read a second time.

THE HON. H. K. WATSON (Metropolitan) [8.20 p.m.]: The importance of this 48-page companies Bill is not necessarily to be measured by the length of the Bill or by the omnipotence of its authors. Probably the most important provision in the Bill is that which states that a holding company and all of its subsidiaries shall have a uniform balancing date.

In the commercial world companies do in fact, so far as is practicable, try to have a uniform balancing date, for pretty obvious reasons. However, since the average holding company acquires its subsidiaries from time to time by purchase it must take them as it finds them. So that over the years it is not unusual to find a holding company balancing on one date and its subsidiaries balancing at dates different from that of the holding company; and, indeed, different from those of each other.

Under this Bill it will be obligatory, subject to a dispensation by the registrar, for the holding company and its subsidiaries to balance on the same date. That will mean that some of the companies will have to change their balancing dates. That change will be subject to the provisions of the Income Tax Assessment Act which provides that a company shall not change its balancing date except with the permission of the commissioner; and the commissioner, as and when he feels disposed to permit a company to change its balancing date for income tax purposes, does so on terms.

The position is that where a company has a balancing date earlier than the 30th November—say the 31st August—and wants to alter its date up to a date not later than the 30th November, the commissioner grants permission on conditions which are fair and equitable; and the balancing date so approved up to the 30th November is accepted by the Commissioner of Taxation in lieu of the tax year ending the preceding 30th June. But we run into difficulty when the company which balances on, say, the 30th November wants to change its balancing date to the 31st December. In those circumstances the commissioner insists, firstly that the return for that year ending the 31st December shall be accepted for the succeeding 30th June, in lieu of the preceding 30th June; and he imposes conditions which, briefly stated, mean that a company could have to provide for two years' tax on 18 months' income.

In many cases that makes it impracticable for a company to change its balancing date. So it can be seen that this provision in the Companies Act that they shall change their balancing date so that the holding company and all its subsidiaries balance on the one day, could be in direct conflict with the Income Tax Assessment Act, which says they shall not change their balancing date without the consent of the commissioner.

However, I understand, that with this uniform Companies Act being applied throughout Australia, the Commissioner of Taxation is having another look at the whole matter with a view to easing the conditions which he has hitherto imposed, and I trust that in the circumstances he will ease the conditions to an extent that will make it easy for holding companies and their subsidiaries to comply with the provisions of the Comanies Act without undue hardship under the Income Tax Assessment Act.

In connection with the holding company which desires for some reason or another not to change its balancing date —it may be because of taxation, or it may be on account of a seasonal balancing date being the appropriate date on which to balance—power is given under the Bill for the registrar upon application by the company to permit it not to change its balancing date.

On page 41 of the Bill it will be seen that where a company applies to the registrar for permission to have staggered balancing dates it pays an application fee of £10.

The Hon. A. F. Griffith: Clause 33.

The Hon. H. K. WATSON: That is so. I submit that £10 is a pretty stiff fee to pay for an application to continue balancing at odd dates. But that is not all. I would like the Minister's assurance on the point I am about to make, and in respect of which I have tabled an amendment. The point is that the £10 which is paid by the holding company should cover the whole application. For example let us take a holding company with 10 subsidiaries, with the holding company balancing on the 30th June, and all its subsidiaries balancing on the 31st May.

That is not an unusual set of circumstances because it is very handy to have all the subsidiaries balancing a month before the holding company, in order that the holding company may readily prepare its final accounts and have a month's grace to do so. When an application like that goes in I trust that the fee is £10 and £10 only; not £10 in respect of each of the 10 subsidiaries—otherwise that would be a fee of £100.

The Hon. A. F. Griffith: There may be 10 or more good reasons why a holding company would have 10 or more subsidiaries.

The Hon. H. K. WATSON: I would not say that. Many large companies have a great number of subsidiaries, and I know of one which has 15 subsidiaries. If by any chance that company had to apply on behalf of its 15 subsidiaries, I suggest all the applications could be made in the one letter, but the company should not have to pay £10 for each company. It should be £10 for the one simple, overall application. It should be made quite clear that an application by a holding company, whether it be in respect of one or 10 subsidiaries, should carry a charge of £10. I would like the Minister to look into this point before the Bill is dealt with in Committee.

Another feature in the Bill provides that a trustee for debenture holders in respect of notes, etc. shall be a company which is at arms' length from the borrowing company. In my opinion that is an elementary requirement, and it could well have been included in the original Bill. Even under the new provision a position could still arise where the trustee could not be held at arms' length from the borrowing company, because it is provided that the trustee may be a creditor of the borrowing company to the extent of 10 per cent. of the amount being borrowed.

In today's *Daily News* can be seen a report relating to a well-known company which is borrowing £10,000,000. The trustee for the debenture-holders in that case could be a creditor of the borrowing company to the extent of £1,000,000. It is not clear to me how a trustee company can be said to be at arms' length from a borrowing company when, in one way or another, it may of its own right be a creditor of the borrowing company to the extent of 10 per cent. If the trustee is to be at arms' length he should be so without qualification. However, the Bill proposes that a trustee may be a creditor to the extent of 10 per cent. of the amount being borrowed.

Another clause seeks to impose certain statutory duties on the trustee, and sets out various questions in respect of which the trustee may apply to the court for directions in and about the administration of the trust. In his opening remarks the Minister implied that the Bill had been submitted to the Bar Association and the Law Society. Having regard to the manifold journeys to the courts which are possible under this Bill, I am not surprised that it has received the approval of those two bodies.

The Hon. F. J. S. Wise: You think it might provoke litigation.

The Hon. H. K. WATSON: The Bill also provides for a borrowing company to make quarterly returns, and furnish half-yearly accounts to the trustees. I think that is a wise provision; yet in some cases it could be an onerous requirement. After all, a company goes into business for the purpose of carrying on its activities, and it has many other things to do than the lodging of returns to the Registrar of Companies and to trustees. On the whole the Bill will certainly keep the trustee more up to date with the affairs of the borrowing company. Some of the added duties and responsibilities imposed upon the trustees under this Bill are such that trustees will not be tumbling over themselves to accept the positions in respect of many borrowing companies.

The Hon. F. J. S. Wise: That might not be a bad thing either.

The Hon. H. K. WATSON: Quite so. Another provision in the Bill relates to the application of borrowed moneys. As the Minister explained when he introduced the Bill, the new section is designed to ensure that where the borrowing company borrows from the public moneys for a purpose stated in the prospectus, those moneys are, in fact, applied for the stated purpose; and if they are not so applied then it is provided that those moneys shall be forthwith repayable to the persons who paid them to the company; and the trustee is charged with the duty of overseeing that moneys borrowed for a stated purpose are, in fact, applied for that purpose. Although that is a very admirable requirement it can be readily evaded by a company not stating in its prospectus any purpose for which money is being raised. The clause only applies to a stated purpose, and can be avoided by the sharpshooter.

The Hon. G. C. MacKinnon: Would those prospectuses attract funds under the circumstances?

The Hon. H. K. WATSON: Yes, they would. I can give a good illustration. The Minister mentioned that this Bill has been brought in on account of the lessons learned in respect of the failure of the Stanhill Group. Let me refer to the prospectus which that company issued four years ago. I studied it, and it struck me as such a wonderful work of art that I preserved it. I find these publications come in handy sometimes when I have to address myself to a Bill of this nature.

In reply to the comment of the honourable Mr. MacKinnon, I would point out that the prospectus which the Stanhill Finance & Development Company issued in 1960 for 3,000,000 ordinary shares of 5s. each, and £2,000,000 of 7½ per cent. registered unsecured notes, consisted of a number of delightful pictures and the broad general statement as to the purpose for which the money was being raised. The prospectus stated that the company would finance on a wholesale basis special projects; domestic, commercial and industrial home units; office buildings; departmental and retail stores; shopping centres; factories; and general development propositions. It stated that in particular the company would provide

finance for industrial undertakings to purchase property, acquire sites, and erect buildings on a lease-purchase arrangement, etc.

When we come to the statutory requirement as to how the £2,000,000 was to be applied, the answer in the prospectus was that that amount was required to be provided in respect of each of the matters set out. The purchase price of any property purchased, or to be purchased, which is to be defrayed in whole or in part, out of the proceeds of the issue, was nil. That is my point. The working capital—which means anything—was to be £1,937,000. The prospectus which the Stanhill Group produced in 1960 could, with impunity, be put out again after this Bill has been passed, with no obligation on the company to apply its moneys for any particular purposes. I suggest that the Minister should bear this point in mind.

The Bill also sets out in a rather commendable manner to prevent investors from being misled by the high-sounding phrase of mortgage debenture, as against debenture and unsecured note. It provides that henceforth a debenture shall not be described as a mortgage debenture unless it is secured by a first mortgage over land and the value of the advance against the land does not exceed 60 per cent. of the value of the land as valued by a competent valuer; in other words, it gets back for the first time to what, in trustee circles and generally, is understood to be a mortgage—a first mortgage up to two-thirds or thereabouts of the value of the property.

Previously a document could be described as a mortgage. It could purport to give a first mortgage over the assets of a company subject to certain qualifications which enabled it to give a prior mortgage to a bank for any amount. So that the alleged mortgage debenture was, in effect, a second mortgage, a third mortgage, or a fourth mortgage and, not infrequently, not worth the paper it was written on. So to that extent it does ensure that a security which is issued as a mortgage debenture is truly a mortgage debenture. In respect of the next type of security which is a debenture, there is still room to mislead an unsuspecting public; and then the third type of security is classified as an unsecured note, which is fair enough. A person buying an unsecured note should know that his investment is unsecured.

A further provision in the Bill is that relating to specified borrowing companies which are exempt from all the provisions of the Act in relation to the matters I have been discussing and, indeed, in relation to the issuing of a prospectus. There is one curiosity here on which I would like the Minister to enlighten me when he is replying. On page 5 of the Bill are listed the prescribed corporations which are exempt from all these provisions of the Act. It exempts a banking corporation and any subsidiary of a banking corporation, provided the subsidiary is guaranteed by the parent. It exempts a pastoral company and any subsidiary of a pastoral company, provided the subsidiary is guaranteed by the parent. Then it exempts a life insurance company and also a subsidiary of a life insurance company—period. No provision is made whereby the subsidiary of the life insurance company shall be guaranteed by the parent. Therefore a subsidiary of a life insurance company with a capital of £2, and not guaranteed by its parent, could conceivably be exempt from all the provisions of the Act.

It is true that all the prescribed companies enumerated on page 5 of the Bill receive their dispensation by approval of the Governor, and it is unlikely that any such subsidiary companies of a life insurance company would be given exemption under this clause. Nevertheless the same argument applies with equal force in respect of a banking corporation or a pastoral company, and I offer the suggestion that if it is good enough to say that the subsidiary of a banking company must be guaranteed by the parent, why not make the subsidiary of a life insurance company guaranteed by the parent company? I would like the Minister to enlighten me on that point when he is replying.

The most salutary clause in the Bill is clause 30 which confers on the Supreme Court the power to declare that a person is personally responsible for the payment of a debt without any limitation of a liability if that debt has been incurred at a time when there was no reasonable or probable ground of expectation that after taking into consideration the other liabilities of the company, the debt would be paid. I should think of all the deterrents contained in the Act against fraud or near fraudulent practices, this clause would certainly act as a deterrent. The Bill also contains some alterations in respect of inspectors and the appointment of inspectors, and it is proposed under this Bill to clarify the position in respect of costs incurred by an inspection.

It is proposed that the inspector may, if he thinks fit, and shall if the Minister so directs, include a recommendation as to the terms of the order which he thinks proper in the light of his investigation to be made by the Governor under this section, and the order as to by whom the costs shall be paid. I would have thought that having regard to the nature of these inspections, the costs would be paid, as the Act originally provided, by the Crown or by the person making the application. But now it is provided, and made very clear, that although the Crown is responsible in the first instance, it may either of its own motion or by this rather peculiar

device which I read out, putting it on the inspector, say by whom the Crown shall have its expenses defrayed.

I think this question wants pretty serious thought because otherwise if it is going to be paid by the company, and particularly a company which has already suffered loss, we could well find it developing into a heresy hunt with the inspector being paid fees comparable to the fees the honourable Mr. Wise mentioned earlier this evening. It would then be a moot point and of poor satisfaction to the creditors of the company to know that the remaining assets of the company, or a substantial portion of them, had been absorbed in fees by an inspector producing a report of no practical purpose.

We then come to clause 26 of the Bill, subclauses (5) and (6) which refer to the powers of an inspector and the obligation of a person being questioned by an inspector in connection with the affairs of a company. Subclause (6) of clause 26 provides that except where expressly provided in subclause (5) any person is entitled to refuse to answer a question on the ground that the answer might tend to incriminate him.

We then go back to subclause (5) which provides that even if the answer to the question does incriminate him, or tends to incriminate him, he must still answer it, but if he has raised the point the question shall not be used in any subsequent proceedings against him. That, of course, is a restatement, and a restriction, of the very ancient rule of law that when the Crown institutes proceedings against anyone, it must prove its case, and a man need not answer questions which incriminate him. This breaks down that law to that extent; and in connection with this, section 422 of the Criminal Code reads—

> It is a defence to a charge of any of the offences hereinbefore in this chapter defined—

They are offences relating to companies—

> —to prove that the accused person, before being charged with the offence, and in consequence of the compulsory process of a Court of justice in an action or proceeding instituted in good faith by a party aggrieved, or in a compulsory examination or deposition before a Court of justice, disclosed on oath the act alleged to constitute the offence.

That is a very old section of the Criminal Code. It has probably been in there for 50 or 60 years, long before the companies legislation provided for inspectors and for the unlimited powers of examination of persons by inspectors. We find the position therefore that an inspector under the Companies Act, and an inquiry which he makes, is on all fours with the class of inquiry and the set of circumstances contemplated by section 422 of the Criminal Code; but it is not, in fact, included there.

I would suggest for the consideration of the Minister that in view of the powers conferred upon an inspector by the Companies Act, section 422 of the Criminal Code should be amended and enlarged so as to include "a compulsory examination or deposition before a court of justice or before an inspector under the Companies Act," because there is really no substance in the difference between the two inquiries.

The Hon. A. F. Griffith: Not necessarily so. The inspector has not the powers of the police.

The Hon. H. K. WATSON: The inspector has the power to put the man on oath and to examine him; and Mr. Korman of Stanhill has just been to the Privy Council and been told by the Privy Council that he must go back and answer every question put to him by the inspector; and to that extent it is an inquiry of a profound and solemn nature, no different to an inquiry by a Royal Commissioner or a judge.

The Hon. A. F. Griffith: Yes; but the policeman is the only authority with the power to commit the man for trial.

The Hon. H. K. WATSON: No.

The Hon. A. F. Griffith: Not the inspector.

The Hon. H. K. WATSON: No; the inspector has not the power to commit him for trial. But the policeman should not be permitted to try to have him committed for trial on something in respect of which he gave evidence on oath; and that is the whole purpose of section 422.

The Hon. A. F. Griffith: But the policeman does not. He proves the case in his own right.

The Hon. H. K. WATSON: Yes; but on the strength of the earlier report.

The Hon. A. F. Griffith: He has to get the basis of complaint from somewhere.

The Hon. H. K. WATSON: That applies equally in section 422 of the Criminal Code. While discussing this point, I would suggest that in the Companies Act—goodness knows how many pages of it there are; 600 or more—there will be found on every page that something is an offence for which there is a penalty of six months or several years' gaol, and a fine of £1,000.

The Hon. J. Dolan: Not enough for some of them!

The Hon. H. K. WATSON: I suggest that any offences in connection with the Companies Act be dealt with under the Companies Act and not under some obscure section of the Criminal Code.

There is one outstanding point in the Bill: that from the beginning to the end it is designed to protect one class of creditor of a company; namely, depositors, debenture holders, and noteholders. Only

in one spot of the whole 48 pages; namely, at the foot of page 20, do we find any regard for, or reference to, all other creditors. That is the clause which provides that the trustee for the holders of debentures shall do various things and that the Minister may make an order stopping the company from doing various things, and that the court, on the application of the trustee, may also do various things, but in making any order the court shall have regard for the rights of all creditors of the borrowing corporation.

I am pleased to see that creditors other than noteholders and debenture holders are at least mentioned in one part of the Bill; because the ordinary trade creditors—the persons who supply goods to a company; the persons who supply service to a company in the ordinary course of its trading; and the workmen who run up claims for long service leave and who may have substantial unpaid wages—to my mind deserve consideration greater than that extended to investing creditors, for this reason: The investor in notes and debentures is little different from the investor in preference shares.

It is only because of the taxation alterations that were made several years ago and that rendered it expedient for companies to issue notes rather than preference shares that the issuance of notes and debentures became prevalent. Twenty years ago we would never see unsecured notes or debentures issued. Nine times out of 10 there would be an issue of preference shares. But when the Federal Government amended the Income Tax Act to tax the company and the dividends as well, and when there were heavy income taxes imposed upon the profits of companies and the distribution to holders of preference shares was not an allowable deduction, but the distribution of interest to noteholders was an allowable deduction, we found that the whole method of capital raising over the years changed.

The noteholder, not unlike the shareholder, is in part an entrepreneur.

We have the ordinary shareholder and preference shareholder, and today we have the noteholder and debenture holder. But they are not creditors in the true practical sense of the word. The company has share capital and loan capital. That, in my submission, is the proper approach; and I do feel that in respect of the question of protecting creditors from companies which go broke through gross mismanagement or bad luck or straightout common or garden fraud, the ordinary creditor—the person who has supplied goods or services, or who has run up wages or workers' compensation or long service leave claims —is entitled to some consideration.

Last year this House in its wisdom passed a Bill which was designed to give such persons in Western Australia, at any rate, reasonable protection from what has become in my opinion a practice which cannot otherwise be described than a sharp practice or fraudulent trick; and that is the device of a large Eastern States company buying the shares of a Western Australian company—a company to which local merchants, local manufacturers, and local suppliers have supplied goods expecting to be paid for them; and a company whose credit was hitherto unquestioned.

What have such merchants found? They have found that the shares of the company which had hitherto been held by local reputable citizens have been purchased by a large company in the Eastern States, and that no sooner has the purchase gone through than that the local company, by direction of its parent, has executed a guarantee in favour of the parent company and, in respect of that guarantee, has given a mortgage over the local assets in favour of some operator in the Eastern States for £1,000,000, £2,000,000, or £3,000,000, with the result that the local creditors have simply been squeezed out by this internal manipulation between the company and its subsidiary.

The Minister at his leisure can look into this matter. As I say, this House passed a Bill which would have rectified this position, but the measure failed to meet the approval of the Government and, indeed, of some honourable members of the Opposition, in another place, and it did not become law. On that occasion I gave various examples of what could happen; and during the last 12 months what I suggested could happen has in fact happened. I invite the Minister at his leisure to study the position which has arisen in connection with Neon (Australia) Ltd., and of the Western Australian companies which were taken over by that company.

Notwithstanding the opposition of some Attorneys-General in the Eastern States, and notwithstanding the opposition which was raised by the Minister to the Bill which passed this House 12 months ago, I say he will find ample evidence in the cases I have mentioned to justify the introduction of a measure containing the provisions which appeared in the Bill which, unfortunately, in my opinion, did not see the light of day, or did not reach the Statute book last year. This point may not worry the Minister, but it worries me, because it is unfair to the merchants, to the manufacturers, and to the suppliers in Western Australia.

The Minister concluded his remarks by saying it had been claimed on behalf of many reputable and well conducted companies that are directly affected by this measure that it is too far reaching and that compliance will involve the companies in unwarranted trouble and expense. I think that is a pretty fair statement. It is the old, old story: All these restrictions are imposed on companies which, in the main, do not require them anyhow because

they conduct a legitimate business. It is the old, old story of penalising the many in order to protect the few.

The Hon. A. F. Griffith: I think you should read the qualification that I made to those remarks.

The Hon. H. K. WATSON: Yes. The Minister did go on to say—

> Again there are other people mindful of the shocking disclosures in the recent huge company failures, who think and say that there are many other restrictions, controls, and requirements that, in the circumstances, ought to be imposed on all companies that have borrowed substantial amounts from the public.

The Hon. A. F. Griffith: Mindful of the many small people who have lost their entire fortunes because of the activities of some of these companies.

The Hon. H. K. WATSON: This Bill will not help or protect those people. We cannot stop people from investing in wildcat schemes, and we cannot legislate against fraud. Some companies will always be going broke, either through fraud, mismanagement, or sheer bad luck. For example, when the oil strike was on, more than one person put up a plate outside an office and before long there were queues of people waiting outside to invest their money, and, eventually, to send it down the drain. No legislation will protect improvident and unknowledgeable investors from investing in unworthy organisations.

The Hon. A. F. Griffith: But you can try, from the source, to prevent this sort of thing happening.

The Hon. H. K. WATSON: Yes, but as I say, the Minister by imposing all these restrictions on 90 per cent. of the community is after only 10 per cent. of the community.

The Hon. A. F. Griffith: Don't all penal laws do the same?

The Hon. H. K. WATSON: Not necessarily.

The Hon. A. F. Griffith: Of course they do!

The Hon. H. K. WATSON: The penal laws do, but in that instance the Act does not apply unless one offends. With this legislation the Minister is making the honest trader do all the things that are required of the dishonest trader. In other words, the Minister starts off with a proposition that all companies are fraudulent and dishonest, which is wrong.

The Hon. A. F. Griffith: That is not so.

The Hon. H. K. WATSON: It is, on the Minister's interjection.

The Hon. A. F. Griffith: No.

The Hon. H. K. WATSON: However, subject to the remark I have just made—

The Hon. A. F. Griffith: You think the Bill is all right.

The Hon. H. K. WATSON: —I support the second reading of the Bill.

Debate adjourned, on motion by The Hon. F. J. S. Wise (Leader of the Opposition).

GOLDMINING INDUSTRY: STABILISATION AND EXPANSION

Appointment of Parliamentary Committee: Assembly's Resolution

Debate resumed, from the 29th October, on motion by The Hon. G. C. MacKinnon to concur in the Assembly's resolution as follows:—

> That in view of the refusal of the International Monetary Fund at its meeting in Tokyo last week to agree to any increase in the world price of gold, and bearing in mind the tremendous importance of the gold mining industry to Western Australia and the difficulties which the industry is facing due to rising costs of production, an all-Party Parliamentary Committee be appointed with the object of examining and exploring means by which the industry in Western Australia can be assured of stabilisation and expansion in the future.
>
> The committee shall consist of two members nominated by the Premier and one member nominated by the Leader of the Opposition from the Legislative Assembly; and that the resolution be transmitted to the Legislative Council for its concurrence, and the Legislative Council be requested to appoint a similar number of members to the committee, making a total of six members.

THE HON. A. F. GRIFFITH (Suburban —Minister for Mines) [9.18 p.m.]: In my opinion, the debate on this subject, in the main, has been objective. I am pleased to say that no-one has endeavoured to lay any blame at the door of anyone in particular. I am also pleased to say that no-one has endeavoured to lay any blame at my door as Minister for Mines, and I recognise, with some gratitude, the kindly remarks that were made by some speakers about my efforts towards assisting the mining industry in this State. When I say that, in the main, the debate on the motion has been objective I think that is true until I come to the remarks made by the honourable Mr. Dellar. The honourable Mr. Willmott has, to some extent, dealt with the honourable Mr. Dellar's remarks—

The Hon. D. P. Dellar: With no knowledge at all.

The Hon. A. F. GRIFFITH: —but I feel I should also have something to say, particularly when I listen to the interjection that has just been made by the honourable member. The honourable Mr. Dellar felt very unhappy about the whole matter.

The tenor of his speech was to take me to task; to say that this was being dealt with as a political issue; that he had asked me a question without notice, as to when the motion would be dealt with, because he considered the industry had been made a political football.

The honourable member also said that he thought I was not happy about the question without notice and, generally, he went on to criticise the tenor of the debate without adding very much by way of constructive thought—as other honourable members did—on what could be done to improve the position. I was unhappy about the question without notice—

The Hon. D. P. Dellar: I was not far wrong, then.

The Hon. A. F. GRIFFITH: I was not unhappy about being asked a question without notice because, when the honourable member has been here a little longer he will realise that it is very simple for a Minister who does not want to answer a question merely to say to an honourable member, "You put the question on the notice paper." However in this instance I did not do that, because there was neither necessity, nor desire, on my part to do that. The question put to me was: When is Order of the Day No. 13—I think it was, at the time—going to be dealt with? I answered to the effect that I had not brought it up on the notice paper because I did not feel there was any real hurry to have it dealt with and that, in the event of the committee being appointed, it would seem obvious to me it could not commence its investigations until after the conclusion of the session, and therefore there was no undue haste.

Nevertheless there were many occasions when the debate on this motion could have proceeded had those honourable members who wanted to address themselves to it at the time been present to do so—

The Hon. D. P. Dellar: Well, I did.

The Hon. A. F. GRIFFITH: —and sometimes, when a certain hour had been reached and it seemed obvious to me, as Leader of the House, that nothing could be gained by staying here for half an hour after tea, I adjourned the House before tea for the convenience of honourable members representing country provinces.

The Hon. D. P. Dellar: And we appreciated that.

The Hon. A. F. GRIFFITH: The honourable member will realise this as time goes by. Other honourable members usually come over to me and ask, "When am I going to have my question dealt with?" and I supply the answer. I am mentioning this purely as advice to the honourable member. He castigated me because I had asked the President of the Chamber of Mines whether he—the president—thought the chamber should have a member on this committee. The honourable member also suggested to me that because I have a telephone at my disposal which the Government pays for, I was able to make a telephone call free of charge, whereas private members were not able to do so. He went on to say that was the reason why I was able to approach Mr. Elvey. Statements such as that do not warrant any examination.

The Hon. D. P. Dellar: I think you read my statement wrongly.

The Hon. A. F. GRIFFITH: Very well. I will read it again.

The Hon. D. P. Dellar: Read it right through.

The Hon. A. F. GRIFFITH: It is not interesting enough to read it right through. If I am wrong I withdraw the remark. However, for the information of the House, the statement made by the honourable member was—

> At least the Minister did something by his approach to the President of the Chamber of Mines, but he is a little more fortunate than private members in that he can make telephone calls to any part of the State without having to pay for them, whereas we, as private members, have to pay the cost ourselves.

The Hon. D. P. Dellar: Keep going.

The Hon. A. F. GRIFFITH: All right; the honourable member's remarks continue—

> My first thought in this regard would have been the cost factor involved and, secondly, I would have thought it was not the right way to approach the problem. I think the Chamber of Mines should have been approached by way of a letter to the secretary. That letter would then have been placed before the chamber which meets in Kalgoorlie every week.

Does the honourable member want me to read any further? The purport of this statement was that I was able to do something which other honourable members did not have the opportunity to do. The honourable Mr. Dellar knows that he is in Kalgoorlie every week-end of his life. He leaves for Kalgoorlie every Friday night, and he has a better opportunity than I have to approach the President of the Chamber of Mines.

The Hon. D. P. Dellar: Did you ring the secretary of the chamber?

The Hon. A. F. GRIFFITH: I told the honourable member that I rang the Secretary of the Chamber of Mines and I told him that he gave me a letter from the president which, in effect, said that he did not want the chamber to be represented on the committee. As a result of reading the honourable member's speech—

The Hon. H. C. Strickland: What about adjourning the House and having the argument outside?

The Hon. A. F. GRIFFITH: No, this is the place to have the argument. I again communicated with Mr. Jennings, the Secretary of the Chamber of Mines, and I said to him, "There are some members of the Legislative Council who still feel that your chamber should be represented on the committee", and in view of the fact that I have not had any direct communication with the chamber, I think there is an obligation upon the Chamber of Mines to express an opinion. I received a letter today to the effect that the council of the chamber had a meeting and had passed a resolution that, for the reasons the president had given to me previously, it did not want to be represented on the committee. The council supported the move as proposed in the motion, but wanted to be free to make its submissions to the committee, and to continue putting forward its case to the Commonwealth Government with an unfettered approach in the interests of the goldmining industry.

The council of the Chamber of Mines is going to write to me to confirm in writing the resolution that was passed. I think that ought to clear that matter up. The State Government has always been very conscious of the position in regard to the price of gold and its effect on the goldmining industry. When I say "the State Government" I do not merely mean the present Government, because governments in the past have always shown consideration for the goldmining industry. Whenever it has been in trouble successive State governments have rendered whatever assistance has been within their power to ensure not only a continuance of present operations in the goldmining industry, but also, wherever possible, to foster the expansion of the industry.

However the great obstacle—as every honourable member has told us when speaking to this motion—to gold producers of this State is the static price of the commodity. All efforts that have been made to date to have the price of gold increased have been unsuccessful, although Australia, with some of the other major gold-producing countries of the world, has done whatever it could in the interests of having the price of gold increased, and has exercised pressure on the International Monetary Fund, which is more or less the arbiter in the price of gold.

Gold is still used as international money even though its function is no longer strictly the gold standard of the last century. Nor does it nowadays form part of the domestic currency for circulation in any individual country. Gold has become much too scarce for that purpose today. However, with the huge movement of trade and incomes, and with the aid of the technology of the 20th century, the need for gold and the demand for it as a bulwark for international payments has far outgrown the ability of geologists, mining engineers, and mining experts to produce the metal at the ground price of 35 dollars an ounce.

One would think that as gold is still accepted and known as the ultimate ore officially secured to monetary value; and as paper currencies when used internationally depend upon gold backing with key countries in the world such as the United States of America and Great Britain, those countires would want to do everything they could to encourage production. But they appear to think appropriate action in one direction may lead to harmful action in another. In other words, they tend to think that an increase in the price of gold would bring with it attendant difficulties and problems. The result is that the price of gold has remained unchanged for an endless time, there being no alteration in the price since 1934.

The industry, supported by the State Government, in the year 1954 sought and obtained Commonwealth assistance by way of subsidy; and this, with the installation of new methods of mining, new metallurgical methods, and new plant, which has reduced operating costs, has enabled our larger mines to at least keep going, notwithstanding the fact that not only are costs constantly rising, but there has been a declining average of gold recovered from each ton of ore.

The Hon. H. C. Strickland: Can the Minister tell us why governments opposed to price fixing become subject to it?

The Hon. A. F. GRIFFITH: I cannot see the relationship between price fixing and a fixed price for gold which Australia does not determine.

The Hon. H. C. Strickland: I thought you might be able to tell us how it is.

The Hon. A. F. GRIFFITH: I get the trend of the honourable member's interjection.

The Hon. H. C. Strickland: You don't believe in it, but you are subject to it.

The Hon. A. F. GRIFFITH: I was attempting to say that the declining average of gold being recovered from each ton of ore means that the industry is suffering at both ends of its operations. I repeat what I have previously said in this Chamber: The trouble is that our known reserves of ore have been reduced. Any mine is a diminishing asset. The Sons of Gwalia mine operated for 64 years as one of the major-producing goldmines of Western Australia. However, this asset has diminished, and it is regrettable to know that because of this situation it has been closed.

The Hon. D. P. Dellar: Rising costs really closed it.

The Hon. L. A. Logan: You cannot put super on it to make it grow again.

The Hon. A. F. GRIFFITH: While the ore bodies have declined, the costs of production have risen and the goldmining industry has been caught at both ends. During the last 15 or 20 years, wages have probably gone up five times what they were; and the cost of commodities connected with the industry has risen steeply, yet the price of gold has remained fixed for a long time. Notwithstanding all this, the industry in Western Australia is still the largest producer of gold in the Commonwealth. It still maintains inland towns and supports a considerable number of people; and it is still a very important customer in the purchase of plant, stores, and commodities of all descriptions.

I often think it would do a lot of private citizens good to go underground in a mine and see the amount of capital that is invested and the conditions under which the men work. I have frequently said that one of the things that has kept Western Australia producing gold is the understanding between capital and labour in the industry itself. As a result of this, Western Australia adds approximately £13,000,000 per annum to the total wealth of the State; and, incidentally, £13,000,000 to the Commonwealth of Australia. This can only be regarded as a very valuable contribution.

Unfortunately the old type of prospector who roamed far and wide over the auriferous areas of the State napping, splitting outcrops, and loaming, is now declining. There are still quite a number of them receiving assistance from the State, but by sheer necessity, the prospector is not able to play the same part in the scheme of things as he did. One reason is this: The early surface indications in existence in this country in the days of the gold rush 60 years ago are no longer in evidence.

The Hon. R. H. C. Stubbs: He did not leave much behind.

The Hon. A. F. GRIFFITH: No, he did not. More modern methods have to be used, such as geophysics and geochemistry; and people need a lot of money to search for minerals. This is the field into which we must move; and Western Australia has moved into quite a considerable extent. Honourable members of the North Province; honourable members representing the goldfields; and honourable members representing areas with a likelihood of mineral deposits will know that companies with knowledge, capital, and willingness are searching for minerals throughout Western Australia.

There is no doubt about it that a great deal of success has been achieved in the field of other minerals. Mention was made the other night of the Western Mining Corporation and its successful mining of the old Mt. Charlotte mine at Kalgoorlie. I think the particular ore body being worked is 3 dwt. This is an unusual operation, and there are many places in Western Australia where this type of undertaking would not be successful. But, as I have said before, the Western Mining Corporation has introduced diesel engines underground. The unions fought hard against this for reasons which they thought were good ones, but now a better understanding prevails.

The Hon. F. R. H. Lavery: Better engineering.

The Hon. A. F. GRIFFITH: The engines are better. Both the mines and the men working underground realise that these engines are successful. The big thing regarding the Western Mining Corporation is its diversified interests. It is interested in other minerals, with the result that today it has secured the first contract for the sale of iron ore from Western Australia to Japan. We have many big companies engaged all over the place in the search for various minerals such as iron, copper, tin, manganese, lead, and titanium sands; and all of these companies are using trained geologists and trained staff and are employing geophysic plant in the exploratory work, together with the use of helicopters and aeroplanes. They are using the latest methods available to them.

The State Government, associated with the Chamber of Mines, has done everything possible to ensure the profitable maintenance of the mines; and the Commonwealth Government has rendered considerable financial assistance to the mines, many of which would not be operating today if it had not been for the assistance the Commonwealth has given. Whether it is enough is another matter, but assistance has certainly been forthcoming. However, it is a constant battle to keep production going with gold at a fixed price.

I do not wish to say much more except to conclude by expressing the hope that the Parliamentary committee will, as a result of its labours, produce some fresh ideas from other avenues, which may be of benefit to the goldmining industry. I think this committee should first discuss its problems with the Chamber of Mines, which is an association of the major operators. The chamber is fully aware of the difficulties as it has been grappling with them for a number of years. It has been most active in its representations to the Commonwealth Government and, as I said a few moments ago, one of the things it asked me to express in the House was its desire to remain unfettered so as to be able to continue with its approaches to the Commonwealth.

The chamber is constantly pursuing avenues in order to improve the type of assistance it is getting; and it is currently working on submissions for a further approach to the Commonwealth Government. I think it would indeed be a great pity if this committee, unintentionally or

otherwise, cut across the plan produced by the Chamber of Mines and the industry itself.

The Hon. D. P. Dellar: It would not be a worthy committee if it did.

The Hon. A. F. GRIFFITH: I think it would be a mistake if it were done intentionally. However, I feel sure it will not be done intentionally. Both the industry and the chamber have worked in close co-operation with the State Government in their efforts to improve conditions in the industry itself. I repeat what I said the other night. I hope this committee will not attempt to take itself off to Canberra and make a direct approach to the Commonwealth Government, but will do this through the State Government and through the Chamber of Mines.

I have received a message from Mr. Elvey to say that the chamber is anxious indeed to give any assistance it possibly can to the committee; and I think the committee will find that the representatives of the Chamber of Mines will be willing to supply any information that is called for. The only real solution, of course, would be an international rise in the price per fine ounce of gold which would enable profitable production of a reasonable average grade of ore—and this we have got to have.

I do not think it is any use talking about highly improved methods which would enable people to treat ore of 2 dwt. or 3 dwt. grade. That surely cannot be regarded as a reasonable average grade of ore. It might be possible to treat this grade of ore in some cases, but only in very few. As this is not attainable, what can be done in addition to what is being done today to ensure the industry is maintained? I hope this committee can help to find the answer.

I support the motion and hope that some fresh thoughts will be forthcoming to further aid the industry in these difficult times.

THE HON. H. C. STRICKLAND (North) [9.45 p.m.]: In order that we may refresh our minds, I propose to read a portion of the motion which came from another place and which was introduced in this Chamber by the honourable Mr. MacKinnon. It reads as follows:—

> That in view of the refusal of the International Monetary Fund at its meeting in Tokyo last week to agree to any increase in the world price of gold, and bearing in mind the tremendous importance of the gold mining industry to Western Australia and the difficulties which the industry is facing due to rising costs of production, an all-Party Parliamentary Committee be appointed with the object of examining and exploring means by which the industry in Western Australia can be assured of stabilisation and expansion in the future.

That is a worth-while motion when one is conscious of the very serious position facing a very large population on the Western Australian goldfields.

Some of the thoughts which passed through my mind and which caused me to interject when the Minister was speaking concerned the unique position of the goldmining industry regarding the marketing of its products, and other primary industries. There is no limit on the world price for wheat, and woolgrowers would strenuously resist any limit being placed on a world price for their commodity.

When I compare the marketing of those commodities with that of the product of the goldmining industry, which could be termed a primary industry—although we do not grow our gold, we produce it—I am interested to know, and I wonder, why it is that a world price for gold has been fixed. I interjected and thought the Minister might have been able to tell me something about this. Does this take into consideration the Asian price for gold? We have read in the Press of people being caught smuggling gold on the Asian market.

The Hon. G. C. MacKinnon: It is a very limited market.

The Hon. H. C. STRICKLAND: I am pleased that the honourable member can tell me something about it. I do not know what prices are offering. However, I have heard, in goldmining areas in the far north, of prices such as £30 an ounce. I do not know whether such prices are correct.

The Hon. A. F. Griffith: I think it would be an illicit sale, in any case.

The Hon. H. C. STRICKLAND: I am not in a position to know what is the quantity or whether there is any limit. In the motion there is mention of a world price for gold. Are we looking at part of the world or the whole of the world? Are we looking at the western world, the non-Communist world? I would like to hear something about that aspect.

We have a Federal Government of years standing which is adamantly opposed to any form of price fixing. The State Government has been in office for almost six years and it has also strenuously opposed any form of price fixing. But both governments submit to a fixed world price for gold. That seems strange when we have communities of between 20,000 and 30,000 people who are solely dependent on the goldmining industry, which is barely able to keep its head above water.

Those are points which the proposed committee might discuss at Canberra. The committee may be able to obtain something substantial in the price of gold within and without the western world, on

an open and free market, the same as applies to wool and wheat but with a guaranteed minimum price.

There are goldfields with large tonnages of low-grade ore closing down one after the other. That has occurred in this State over the last ten years. Wiluna, Meekatharra, Big Bell, Cue, and Bullfinch have closed down. They have not closed down because of lack of effort on the part of the Federal Government in the way of subsidies and aids. They have closed down because an authority outside Australia has declared the price of gold to be a certain amount.

The Hon. A. F. Griffith: When did Big Bell close down?

The Hon. H. C. STRICKLAND: It may have closed down more than 10 years ago. Another big mine, based at Cue, has closed down. I understand that such mines had large tonnages of low-grade ore. No doubt the Minister was thinking that the time had been reached when the maximum effort had been applied to extracting the ore.

It is hard to cut down costs in that direction. With working conditions and the efforts made today by workers in the industry, it would be hard to produce the gold at lower cost. No saving could be found in that direction, and it is therefore necessary to look to the price for a favourable return for the commodity.

It is unique that gold should have remained at a fixed price for so many years —for 30 years—and yet all governments in Australia appear to be unable to alter the position except by direct subsidy. There is another angle which the proposed committee might look at. When speaking to the Address-in-Reply, I mentioned that there were three avenues through which the price of gold could be increased. One was through the international monetary fund; the second was by direct subsidy from the Federal or State Governments—at any rate, a subsidy—and the third was through the central bank. Nothing has been said about the central bank in connection with the price of gold; but all gold produced in Australia is bought by that bank. If all gold in Australia becomes the property—and it does, virtually—of the central bank, in the same manner as all wheat becomes the property of the wheat pool, why is it that the central bank is unable to relieve the position? Does it make any profit from handling the gold? I do not know. That is one angle which could be looked at.

Surely it does not handle it for nothing! Whether it handles it as an agency for the Commonwealth Government, I do not know. Does the Commonwealth Government make any profit out of buying and selling gold? What actually happens in that respect? I must confess that I am ignorant of those points. With those few inquiries, I support the motion.

THE HON. G. C. MacKINNON (South-West) [9.57 p.m.]: I should like to thank honourable members for their help and for their obvious support for the establishment of this committee. May I also take the opportunity of thanking a number of honourable members who said some very kind things about the original remarks that I made?

I thought that the subject in general was approached in a very friendly manner and in an extremely helpful way. Mr. Heenan made a comment to which I will refer a little later. A number of matters raised have been answered by various speakers. In a debate of this nature it is not incumbent on me to go through it and answer all points, because I know that in the main they were raised by honourable members for the consideration of the committee when it was established. It was quite evident from the very early speeches that the success of this motion was assured, and therefore the various points raised were made in a spirit of helpful co-operation.

I was a little disappointed that the motion was at one stage referred to as a political football. That was not my idea in introducing this motion, and I sincerely hope and believe that the majority of honourable members are assured in their minds that I did not move it with anything like that in mind.

Many of the points raised must be the subject of a considerable amount of examination. I took extensive notes; but really these things are not matters to be answered in terms of a general debate, but rather should be noted for future examination.

The information submitted during this debate has enlarged the knowledge of all of us with regard to gold. If one had listened to the whole of the debate in a completely objective way one might have felt a little perturbed about the possible future of the goldmining industry; and whilst we all hope something can be done, from what honourable members said the difficulties appear so great that one might be excused for thinking that the problem is going to be a very hard one to solve.

I might take it on myself to answer the question by comparing the situation here with the coal situation in America at the time of the Lewis agreement in 1956, I think it was. I am relying on my memory as regards the date, but John L. Lewis, the great Labor leader in America, negotiated a wage and working conditions agreement under the direct negotiation system, which is used in America, with the coalmining companies. At that time in America the position of the coalmining industry was disastrous. Certainly large coalmining areas in America are still suffering hardships, but at that time the entire coalmining industry was in an absolutely disastrous position.

John Lewis negotiated an agreement with the coalmining companies which, while giving labour on the coalfields a new lease of life, enabled the coal companies to land coal on the European seaboard cheaper than it could be produced on the Belgium fields. He negotiated a guaranteed wage and guaranteed production rates. He even guaranteed production in the face of wildcat strikes, and he absolutely revitalised a dead industry.

The situation in our goldmining industry is certainly far from as hopeless as the American coalmining industry was in those years; but it is things like that, which have been done elsewhere with other industries in other countries, which lead me to hope and trust that we may be able to find some avenue of effort which can help the goldmining industry in this State.

I am glad that a number of honourable members pointed out the very real co-operation that has existed on the goldfields between management and labour; because there is not much point in finding a theoretical solution to the ills of this industry unless we regard it in the overall, which does, of course, include those who work on the fields in whatever capacity it might be. The honourable Mr. Strickland read out the motion, which I had intended to do, and I thank him for doing so because I will not read it again except to point out that whilst it asks us to concur in the resolution passed by the Legislative Assembly, the actual motion we are considering, really, specifies that we examine and explore means by which the industry in Western Australia can be assured of stabilisation and expansion in the future.

I would like to add my word in this connection: I would not envisage this committee making trips to Canberra in order to negotiate direct with Mr. Holt, or any other authorities. I would feel it the duty of this committee, whoever may be appointed to it, to report back to Parliament if it considered that such an approach should be made.

The Hon. A. F. Griffith: I think the line of the committee should be to report to the government of the day which in turn would report to Parliament.

The Hon. H. C. Strickland. It would be proper for the Minister to introduce it.

The Hon. G. C. MacKINNON: That is so. The honourable Mr. Strickland did me the signal honour of asking me some questions on gold in the international sense. I did endeavour, in a somewhat humble way, to mention this aspect when I introduced the motion. He compared the marketing of gold with the marketing of primary products and asked certain questions about the fixed price, which he found unusual in a country that at the present time is controlled by governments opposed to price fixing. It must appear even more strange to the honourable member that America, which perhaps is more adamantly opposed to any form of price fixing than any other country on earth, is the main instigator of the fixed price for gold.

The Hon. A. F. Griffith: The greatest free enterprise country in the world.

The Hon. G. C. MacKINNON: As the Minister said, the greatest free enterprise country in the world.

The Hon. F. J. S. Wise: Which places terrific strictures on the production of many commodities.

The Hon. G. C. MacKINNON: I did not quite catch that interjection. This is a subject which would really call for the knowledge of an international financier but, as I said, I endeavoured to explain it when I introduced the motion. It would appear that there would be little value in a commodity as a basis for international exchange and international stabilisation if that commodity was subject to fluctuation of any kind. The commodity, namely, gold, has been picked with very great wisdom indeed, and it was picked thousands of years ago for much the same reasons as it is picked today. As I said originally, it is virtually indestructible; a fairly heavy weight can be packed into a small space; and it is reasonably difficult to locate. These are all advantages for a commodity which was used as the basis for currency and which is now used for international exchange and the adjustment of international finance.

The Hon. A. F. Griffith: Today it has removed itself into the field of being very difficult to locate.

The Hon. G. C. MacKINNON: Yes. Of course, it is essential that gold, in this context, should be stable in its price. I also said initially that I doubt very much, if gold were placed on the open market as anything more than a jewellery material, whether today it would be worth 35 dollars an ounce.

The honourable Mr. Strickland also asked questions with regard to the spasmodic markets—if we can put it that way—which do appear from time to time for jewellery, hoarding, or various other reasons. At times, particularly during a national calamity, there is a desire on the part of people to get gold; and we all know that at such times there is this tendency to obtain gold because it can be packed into a comparatively small space and will not waste.

I am given to understand—although I would like to stress that I am not an authority on this subject—from what reading I have done that we could take advantage of this market but it would be to our disadvantage. At the present time we can sell every ounce we produce—every ounce we can get we can sell immediately

for 35 dollars an ounce and, I understand, in the short term we could sell it at a higher price here and there.

The Hon. R. H. C. Stubbs: There is an arrangement.

The Hon. G. C. MacKINNON: I understand this is done through the central bank and we could actually get rid of it completely in larger quantities but we would have to forgo our stable market, and this other market would not last.

The Hon. R. H. C. Stubbs: They only get 6d. an ounce over the standard price now.

The Hon. G. C. MacKINNON: The honourable Mr. Stubbs has obviously done a tremendous amount of research into the gold industry and he has answered the honourable Mr. Strickland in more detail than I could have done. He has said that we are getting only 6d. an ounce over the standard price at the present time. As I said earlier, of course, this is subject to variation because in times of national calamity we find people prepared to pay anything for gold. I saw that sort of thing happening in Singapore, and I can assure honourable members that during such times people will pay heavily for gold.

The Hon. H. C. Strickland: The last war did not alter our price.

The Hon. G. C. MacKINNON: I was talking about the price paid for gold which is hoarded. In a rough way I have endeavoured to answer the queries put to me by the honourable Mr. Strickland. I am quite sure that next year those honourable members who become members of this committee will know a great deal about gold and will be able to tell the honourable Mr. Strickland, and perhaps every other honourable member, a great deal more about the subject.

The Hon. H. C. Strickland: That is why I asked you.

The Hon. G. C. MacKINNON: I would just like to reiterate my thanks to honourable members for their obvious support for the motion and for the many and well thought out suggestions that were made.

Question put and passed.

Nomination of Members
Point of Order

The Hon. G. C. MacKINNON: Shall I now move the other motion I have on the notice paper?

The PRESIDENT (The Hon. L. C. Diver): I think you had better seek the permission of the House to move the other motion.

The Hon. A. F. GRIFFITH: Mr. President, on a point of order, I ask you whether permission to move this motion is needed? This other motion has to be moved in order to complete the motion to which the House has agreed, and permission should not have to be sought to move it. The motion which the honourable member still has on the notice paper should follow immediately. Would you please acquaint me whether that is correct or not?

The PRESIDENT (The Hon. L. C. Diver): I concur with the observations of the Minister that it is necessary for the House to concur with the motion that is set out on the notice paper in Mr. MacKinnon's name. I was under the impression that unless leave had been granted to move a motion it could not be moved. That is a prerequisite to the moving of a motion by the Leader of the House.

The Hon. A. F. GRIFFITH: May I say that when an honourable member addresses himself to a Bill, to a motion, or to anything else—as happened in the case of this motion—no leave is asked or given? That was the case with the honourable Mr. Heenan who moved an amendment to the motion. He simply moved the amendment and then sat down. This is an addendum to the motion, which is the same thing.

The Hon. F. J. S. WISE: I think this is a separate motion of which notice should have been given in the ordinary way. In all cases it is necessary to give notice of motion prior to moving the motion.

The Hon. H. K. Watson: The notice of motion has been on the notice paper for a week.

The Hon. F. J. S. WISE: I am conscious of that, and I have read it.

The Hon. A. F. Griffith: In all the circumstances it might be a good idea if the honourable Mr. MacKinnon gave notice.

The Hon. F. J. S. WISE: We must be right.

The Hon. G. C. MacKINNON: I was advised that this was the normal procedure, but I am in the hands of the House. If the House decides it should be done another way then by all means let it be done that way. I sought the best advice possible in this matter and followed that advice.

The Hon. A. F. GRIFFITH: Might I respectfully suggest that if you, Sir, regard notice as necessary—and I agree with the suggestion made by the honourable Mr. Wise that this will be the best course to follow—the honourable member could give notice tomorrow?

The PRESIDENT (The Hon. L. C. Diver): My attention has been drawn to the fact that in the matter of the appointment of a Select Committee there is no necessity to give notice of motion. It usually follows the main question.

The Hon. A. F. GRIFFITH: I take it that leave of the House to give notice of this motion is not necessary.

The PRESIDENT (The Hon. L. C. Diver): It would appear not.

The Hon. N. E. BAXTER: I would refer you, Sir, to Standing Order 102, which I think covers the situation.

The Hon. G. C. MacKINNON: I gave notice openly, because I actually did give notice of this when I introduced my original motion. The advice I received, I followed to the letter.

The Hon. A. F. Griffith: The same thing was done in the Legislative Assembly.

The PRESIDENT (The Hon. L. C. Diver): In reply to the honourable Mr. Baxter I would say that I distinctly remember the honourable Mr. MacKinnon reading out this notice of motion immediately after he completed the main motion. I recall his having said, in anticipation of the main motion being carried, that he proposed to move this motion. So I think it is in order for the honourable Mr. MacKinnon to move the motion as it appears on the notice paper.

Motion

THE HON. G. C. MacKINNON (South-West) [10.22 p.m.]: I move—

> That the Legislative Council be represented on the committee by two members nominated by the Leader of the Government and one member nominated by the Leader of the Opposition in the Legislative Council, and that the Legislative Assembly be acquainted accordingly.

It is normal when moving the appointment of such committees to just move the motion and leave the matter there. I feel constrained, however, to say a few words tonight because of the remarks made by the honourable Mr. Heenan. He suggested that two goldfields members be appointed to this committee. The committee as requested in the message from the Legislative Assembly is an all-party committee. My motion suggests the appointment of one Country Party member, one Liberal Party member, and a member of the Opposition, which would mean that we would have every party represented.

I think this is desirable from the point of view of the goldfields, because we would get the greatest possible dissemination in Parliament itself, and bring the widest views to bear on the subject; and we would have the added advantage that goldfields members can advance evidence, and they would be certain of having at least one additional friend in any worth-while proposition that might be put forward. I therefore commend the motion to the House and hope honourable members will agree to it in as happy an atmosphere as they agreed to the previous motion.

Debate adjourned, on motion by The Hon. F. J. S. Wise (Leader of the Opposition).

BILLS (2): RECEIPT AND FIRST READING

1. Iron Ore (Mount Newman) Agreement Bill.
2. Iron Ore (Mount Goldsworthy) Agreement Bill.

Bills received from the Assembly; and, on motions by The Hon. A. F. Griffith (Minister for Mines), read a first time.

House adjourned at 10.25 p.m.

Legislative Assembly

Tuesday, the 3rd November, 1964

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