

Legislative Council

Thursday, 6th September, 1956.

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

QUESTIONS.

HOMES FOR THE AGED.

Number Awaiting Entry.

Hon. J. D. TEAHAN asked the Chief Secretary:

(1) What is the number of applicants awaiting entry to the Home for Aged Women at Mt. Henry?

(2) What is the number of applicants awaiting entry to the Home for Aged Men at "Sunset"?

(3) What is the approximate number of aged persons occupying beds at the Royal Perth Hospital who would otherwise be in these homes if room were available?

The CHIEF SECRETARY replied:

(1) Approximately 700.

(2) Approximately 300.

(3) 100.

ALBANY REGIONAL HOSPITAL.

Priority of Construction, etc.

Hon. J. McI. THOMSON asked the Chief Secretary:

(1) Has the Government any building priority for the regional hospitals proposed to be erected outside the metropolitan area?

(2) If so, what is the order of construction of the Albany regional hospital and where does it stand on the list?

(3) Has the proposed site at Albany been cleared. If not, when is this expected to be done?

(4) Has the Government obtained any quotes for the clearing. If so, has the successful tenderer been notified?

(5) As it is not necessary to wait until the clearing of the site to ascertain the various levels required for foundations and

sewerage works, has any attempt been made to plot the various levels to enable the draughtsman to commence work on a proper set of plans on which contractors can submit tenders?

(6) If so, when were the levels taken?

(7) If not, when does the Government propose having this essential work carried out, and a complete set of working plans and specifications prepared to enable the calling of tenders?

The CHIEF SECRETARY replied:

(1) and (2) Albany is the first of the regional hospitals proposed to be erected.

(3) No—when building construction commences.

(4) No.

(5) Sufficient levels taken when the land was first purchased are available for the present stage of the work, i.e. the preparation of preliminary designs. Additional closer spaced levels will be required when working drawings are being prepared.

(6) See answer to No. (5).

(7) When final draft plans have been approved and the necessary funds have been allocated.

BILLS (7)—FIRST READING.

1, Licensing Act Amendment (No. 1).

2, Bills of Sale Act Amendment.

3, Rural and Industries Bank Act Amendment.

4, Agriculture Protection Board Amendment.

5, Wheat Marketing Act Continuance.

6, Corneal and Tissue Grafting.

Received from the Assembly.

BILL—MARKETING OF POTATOES ACT AMENDMENT.

First Reading.

Received from the Assembly and read a first time.

Second Reading.

THE MINISTER FOR RAILWAYS (Hon. H. C. Strickland—North) [4.43] in moving the second reading said: The serious position threatening the orderly marketing of potatoes in Western Australia has caused the Government to bring down an amendment to the Marketing of Potatoes Act which it believes will give the board more control over the sale of potatoes.

It is well known that a serious shortage exists in the Eastern States as a result of disease and flood, and that the price of potatoes in New South Wales, Victoria, South Australia, and the other States has soared to very great heights. The consequence of the very big and attractive prices offering in the Eastern States has brought

buyers to Western Australia who are offering great inducements to Western Australian producers who sell their product to Eastern States buyers, with the result that a shortage of potatoes is now existent in this State.

Hon. H. K. Watson: What would be the extent of the shortage?

The MINISTER FOR RAILWAYS: It could be calculated on the basis that the State's requirements are in the vicinity of 800 tons per week; and at the present moment it is estimated that there are fewer than 2,000 tons of potatoes available from the last crop, or otherwise in store. This, of course, means that there are, with normal sales, approximately enough potatoes to meet that demand for about two and a half weeks. Now it is doubtful whether even that quantity is available.

Hon. Sir Charles Latham: Have you any idea how many tons are available?

The MINISTER FOR RAILWAYS: Yes, fewer than 2,000 tons are available at the moment in Western Australia for local consumption, and no more will be available until the next crop is dug some time early in October.

Hon. C. H. Simpson: What is the consumption per week?

The MINISTER FOR RAILWAYS: Approximately 800 tons per week, or 38,000 tons per year. The position is a serious one. It may not perhaps be so serious from the point of view of the potato as a food, because I am sure none of us would die if we did not eat a potato for a few weeks.

Hon. Sir Charles Latham: Quite obviously you are not an Irishman.

The MINISTER FOR RAILWAYS: However, there are different aspects that must be taken into consideration. The effect of a rise in the price of potatoes can be disastrous to Western Australia—both to the Government, which is the biggest employer in the State, and to private industry; because it is well known, of course, that where one person is employed by Governments there are six in private industry.

It is calculated by the statistician that every 1d. increase in the price of potatoes, spread over a full quarter, represents an adjustment in the basic wage of 10.33d. per week. So, when we take into consideration that each 1s. per week rise in the basic wage costs the Government alone a sum in the vicinity of £100,000, it can be seen that it represents an enormous amount of money.

Hon. H. K. Watson: The same process operates with beans from Carnarvon, does it not?

The MINISTER FOR RAILWAYS: The producers of those commodities take a chance. They will receive a good price for perhaps three months of the year and then their produce is valueless. It does not pay

the grower at Carnarvon because of seasonal conditions. The point I was going to make was that, if it costs the Government £100,000 a year for each 1s. rise in the basic wage, it costs private industry at least more than £500,000 each year, which has a tremendous impact on the economy of the State and the cost of production generally, apart from services. Therefore that is a very vital aspect of the position which is now existent in Western Australia and threatens to become a catastrophe. Several growers—originally perhaps 10 or a dozen, who I understand are foreigners or new Australians—have, I believe, been induced to sell on the blackmarket. I term it a blackmarket and it is a very lucrative one.

Hon. H. K. Watson: Is there anything illegal about it?

The MINISTER FOR RAILWAYS: There is something illegal. It depends, of course, on who the buyer is. In the Act itself the position is made quite clear in Section 22 (2) which provides—

On or after the appointed day—
that is the day that the Act came into operation—

—a grower shall not sell or deliver any potatoes to any person other than the Board and a person other than the Board shall not purchase or take delivery of any potatoes from a grower.

Hon. G. C. MacKinnon: Then this Act is not necessary.

The MINISTER FOR RAILWAYS: The hon. member means the Bill. It is necessary. With the Act as it stands, it is not possible to get around Section 92 of the Australian Constitution.

Hon. H. K. Watson: In other words, it is lawful at the moment.

The MINISTER FOR RAILWAYS: It is lawful to sell to the Eastern States, but it is not a very patriotic action, if I may put it that way. It is not a very loyal action to the consumers of Western Australia.

Hon. H. K. Watson: It depends on which end of the gun you are at: whether the barrel or the other end.

The MINISTER FOR RAILWAYS: I know the hon. member's end. He reminds me that at one time when I was working in a shearing shed a shearer lost his temper and gave a sheep a tap on the head with the handpiece and said, "There now; I hope it raises a big lump on your head like a football." The boss—the pastoralist—was walking by and he said, "Yes, my good man, with wool all over it." He did not mind how big the lump was so long as there was plenty of wool on it. I suggest that there are those in the community who merely look at how much money they can make for themselves—how much they can amass—but at the same time they forget about the consequences to the rest of the

community, particularly the community that has perhaps been responsible for their even being in the industry.

Without organised marketing there definitely would not be as many potato growers in Western Australia as there are. At present we have approximately 1,400 growers under the organised marketing scheme here, and they are all solvent. They are primary producers who, in fact, are anxious to increase their acreage and produce more. There are also many who are not licensed to produce who would welcome an opportunity to grow potatoes for the Potato Marketing Board of Western Australia.

Prior to organised marketing and the board coming into existence, there was some guaranteed price for potatoes. That applied during the war years. Prior to that again, there was no guarantee, and the market fluctuated from one extreme to the other. There was no guaranteed supply for Western Australia. Potatoes had to be imported annually from the Eastern States; but with a guaranteed price during the war years, the acreage and production doubled. Of course, there were many more mouths to be fed in Western Australia during those years because of the Forces and the shipping that came here.

It is a great credit to the board, to the Act and to the organised marketing scheme that, since the war ended in 1945, production has been kept up to 50,000 tons per annum, which is equal to the quantity of potatoes produced here during the war years when the population of the State was much greater, I would say, than it is today.

Instead of importing from the Eastern States, Western Australia has, for the past four or five years, been in a position to export. It has had a surplus. The target of 50,000 tons, aimed at by the board, is not all required for consumption in Western Australia. It makes allowance for losses through drought, flood or crop failure from some other cause, and it also leaves a margin for export. The surpluses have been sold on the Eastern States markets; and of course they have turned our balance of trade from import to export, so far as potatoes are concerned; and that is very good.

Hon. H. K. Watson: That is what you are trying to stop at the present moment.

The MINISTER FOR RAILWAYS: The reason the Government is anxious to prevent it—I would say that the great majority of growers also are very anxious to prevent a shortage of potatoes in this State—is the effect it would have on the basic wage and on the State's economy. From the growers' point of view, those growers who have been producing for a number of years and who know and appreciate the conditions which this legislation has given to their industry, do not desire the present position to be broken

down. They do not want to take advantage of the very high prices now and, in other words, be disloyal to the board, because they know that as long as this legislation is in existence they will always be assured of a profitable and a sound business.

The present arrangement is organised marketing, regulated according to the requirements of the State. A price is fixed which is fair to the grower and also to the consumer. There are periods each year when it could be said, with justification and without fear of contradiction, that the consumers in Western Australia subsidise the growers in Western Australia. There is no doubt about that, because when potatoes are in full supply in the Eastern States, and also in Western Australia, there could be a drop in price, since when they are over-supplied in the East they could be dumped here.

Is it not fair that an attempt, at least, should be made to bolster up this Act and vest all the potatoes that are grown in the State in the Potato Marketing Board? The object of the Bill is simply to do that. It is to give to the Potato Marketing Board full control of all potatoes grown under licence in Western Australia. At the present time the Act does not do that. The board has control only when the potatoes are delivered to it; but the position will be different if the Bill is accepted by the Chamber, as it should be.

I am sure that every member here is interested more in the welfare of the State than in a few people making a lot of money in a little while. Surely that is logic. I know there are some who like to make big money; but, after all, by the time they meet the grim tax-gatherer, half of their profit is for him. That is usually the way these boom periods affect a grower, and even a merchant.

There have been many merchants, I suggest, making considerable profits from the quantity of potatoes that have been shipped, railed or trucked out of Western Australia in recent weeks. Until quite recently, the grower was being offered amounts of up to £30 per ton over and above that paid by the Potato Marketing Board. That represents a very lucrative business. It is quick money. It is a great inducement for any grower to accept such an offer when a man says, "Here is some quick money for your potatoes. Spot cash with no receipts. There is no income tax to be paid on this money." Unfortunately, quite a few growers fell for it and what represented a small trickle a few weeks ago, has now swelled to a great river; and unless the Act is tightened, it will develop into a torrent, with disastrous results to the economy of this State. The great majority of potato growers are in favour of the Bill.

Hon. H. K. Watson: How do you know?

The MINISTER FOR RAILWAYS: I met two of the men representing the potato growers on Tuesday, and they expressed that opinion. Therefore, I would say that they represent the majority of the growers in the industry. One of our retired members sent a message to me today stating that he was sorry he was retired, and that he would be very glad to be here in this House today to assist me in getting this legislation passed. He is a potato producer.

Whether he is an actual producer or whether his land is leased I do not know; but he is vitally interested in this matter. He told me that all the fair-minded growers—and they are in the majority—are of the same opinion as he is, namely, that the export of potatoes from Western Australia through the back door instead of through the medium of the board, should be arrested.

Organised marketing goes by the board while such conditions are allowed to continue. What is the use of an Act if it does not do what it was intended to do? The Act was framed to control the potato from when it is planted until it is sold. However, at the moment that is not so. Therefore, the Bill now before the House has as its objective a tightening of the Act so that the board will be able to control all the potatoes that are produced in this State under licence.

Hon. J. M. A. Cunningham: It will not be very comforting to the flood-stricken Australians in the Eastern States though, will it?

The MINISTER FOR RAILWAYS: I should not think the price which Australians in the Eastern States are now paying for potatoes is very comforting, either. The few thousand tons of potatoes that are consumed here have to be met with the 2,000 tons of potatoes or a little less that are available at present. That requires careful handling of the situation to ensure that the consumers of this State are kept supplied during a period when there will not be one potato available unless the present position is arrested.

What does the distribution of 2,000 potatoes among the people in the Eastern States mean compared with their distribution among the population of this State? It means nothing! The people in the Eastern States are held to ransom on the price of potatoes because of their nearness to one another. They cannot implement their legislation in the same way as we can in Western Australia. We have the advantage of being isolated.

Hon. J. M. A. Cunningham: What has been the surplus tonnage that has been exported to the Eastern States in recent weeks?

The MINISTER FOR RAILWAYS: About 2,000 or 3,000 tons of potatoes have been exported to the Eastern States in recent times, sometimes at a higher price and sometimes at a lower price than that ruling in Western Australia, but still at a profit; and, instead of that money being wasted, as it were, it goes into the pool and the profits are distributed among the participants in that pool.

Hon. A. F. Griffith: Surely the Minister is not serious when he says that Western Australia has an advantage by reason of its isolation?

The MINISTER FOR RAILWAYS: I said that it has so far as the potato marketing legislation is concerned, as the hon. member would have known, if he had been listening to me carefully, which I think he was. The question that this House has to consider is whether the people of Western Australia are to be left without potatoes, or whether they will have a supply to meet their requirements over the next few weeks until the early crop is dug in October. Surely it is the responsibility of the Parliament of Western Australia to ensure that that will be the position. It is no use saying, "What about the £300 or £400 that each grower could make in the meantime?" because the quantity of potatoes is not there for a start. If all the 2,000 tons of potatoes that are surplus were exported, what would it mean?

Hon. Sir Charles Latham: Money!

The MINISTER FOR RAILWAYS: Yes, of course it would mean money! However, it is the downfall of many, not only of those who receive it but also of those from whom it is taken. It is the responsibility of Parliament to make sure that the present alarming position is arrested, and that the producers and the distributors in Western Australia are assured that their organised marketing system will not fail and that the Government will not let them down. The Act was provided not only for the grower, but also for the consumer.

Hon. H. K. Watson: You think the grower's nose should be kept well to the grindstone.

The MINISTER FOR RAILWAYS: I do not think anything of the sort, but I do not think he should be exploited, either. I do not think he should be given £10 a ton for his potatoes by perhaps some wandering Jew who will make £100 or £200 a ton on them. I think that the primary producer, the man who produces this commodity, is entitled to everything he can get for it; and I also believe that he should not keep three or four others riding on his back.

Further, where the potato producers have a guaranteed price and an assured income under an organised marketing

scheme in Western Australia, they should be prepared to say "I am satisfied with my stable price. I do not want to get rich quick this week or this month and perhaps get nothing at a later stage." The majority of the growers are willing to accept that state of affairs, and they support an organised marketing scheme. Therefore, this legislation cannot be delayed. It is legislation that is most desirable, and it is a measure which I hope this Chamber will accept and support. I move—

That the Bill be now read a second time.

HON. F. D. WILLMOTT (South-West) [5.12]: On looking at the Bill, I think one's first reaction to it is to deplore the necessity for its introduction. However, if the Government considers that it requires this measure to be passed to control the situation that has arisen in this State in recent weeks, I feel that we cannot justifiably refuse to accede to its request. Nevertheless, I can only express the hope that this legislation will do all that the Government hopes it will do. In my mind there is serious doubt that it will achieve its object.

The present position in regard to potatoes is due very largely to mistakes made by the W.A. Potato Marketing Board earlier this year. The first mistake it made was last June, when the Potato Growers' Association of this State requested that its executive should meet the board to discuss, not a rise in the local price of potatoes, but the question of exporting a percentage of the crop to the Eastern States through the correct channels and in such a manner as to ensure that all the growers could take advantage of the high prices ruling in the Eastern States at the time. I am of the opinion that had the executive of the Potato Growers' Association been able to meet the board at that time and discuss the position, that would have gone a long way towards preventing this situation from arising.

The second mistake that the board made was when it felt, a little later in the year, when this situation started to develop, that it was necessary to come out and make an announcement to the potato growers that it would review the position with the idea, perhaps, of exporting a portion of the State's potato crop to the Eastern States, even if it meant restricting the consumers of this State to 75 per cent. of their normal consumption. If that had been done, it would have brought about an equitable state of affairs. The growers and the public of this State would have accepted that quite happily. All the growers would have benefited from the export of a portion of the crop. At the board meeting, an announcement that it would

do something along the lines I have outlined would have largely arrested the present drift, and the export would have been carried out on a basis equitable to all the growers.

I only hope that this legislation will not prove eventually to be the greatest blunder of the lot. I say that because I think there is a serious possibility that this legislation will be upset under the notorious Section 92 of the Constitution. Many attempts have been made in the Eastern States to get around that section, but none has been successful. There is no doubt that this Bill is aimed directly at preventing the export of potatoes to the Eastern States. I am no lawyer, but I consider there is a great possibility that, if challenged in court, the Bill will be overridden by Section 92.

The Chief Secretary: Leaving that out, how do you view the Bill?

Hon. F. D. WILLMOTT: I shall come to that later. This House cannot refuse to pass the Bill. I do know that a marketing arrangement between the States and the Commonwealth in regard to potatoes was discussed at the last meeting of the Agricultural Council, but the negotiations broke down because of difficulties, and particularly those arising out of Section 92. I think the same difficulty will arise in this instance.

One thing which strikes me very forcibly is the seemingly incomprehensible reluctance on the part of the Government to allow the growers an opportunity to discuss this Bill in full before it was introduced. When introducing the measure, the Minister said that the growers were very much behind such legislation, but I doubt that they are as much behind it as he would lead us to believe. I do know that the growers view with a great deal of concern the threat to their marketing system, and that has been exercising their minds. They will do almost anything rather than have that system upset.

The Minister for Railways: This Bill will improve the system.

Hon. F. D. WILLMOTT: I hope it will. I think it could very easily do the opposite; but that remains to be seen when the Bill becomes law. I hope for the sake of the growers, the consumers, and everybody else that it will be a success; but I seriously doubt that. The important feature about this measure is that a virtual acquisition of all potatoes will be made by the board. Such a method will run smoothly while potatoes are in short supply but what will be the position when there is a large surplus in this State?

The Minister for Railways: Export them.

Hon. G. Bennetts: And at a reasonable price.

Hon. F. D. WILLMOTT: Export them for what we can get. That is the time when the scream will start. The growers will contend that the board has acquired their crops; and that if it was fair for the board to do so, it should pay a flat rate for the lot. I am quite sure that argument will develop later. I may be wrong, but I can see that argument coming up.

The Minister for Railways: Acquired in the same way as wheat is acquired?

Hon. F. D. WILLMOTT: I do not intend to oppose the second reading; but during the Committee stage I do intend to move an amendment limiting the operation of the Act to the 31st December, 1956. I hope that this House will see fit to agree to that amendment. The reason I intend to move it is that in spite of what the Minister has told us, I am not at all satisfied that growers do approve of the Bill. If it becomes law until the 31st December, 1956, the Government, the Potato Marketing Board, and the growers will be given a breathing space in which to consider the legislation and to make up their minds as to whether or not they want the legislation to continue.

Hon. G. Bennetts: It will be six months before the Government can again bring forward legislation.

Hon. F. D. WILLMOTT: That is not correct. Legislation can be brought down later on in this session. The growers will then have considered the legislation and made up their minds. If we try to force the issue beyond that date, we will run into trouble with the growers themselves. The Government would be wise to accept my amendment. By its so doing, the legislation would be made much more acceptable to the growers who are opposing it today. We know that many growers do not like compulsion; so if the Act operates until the 31st December, 1956, there is more chance of the controls under it being accepted. Although I am not a potato grower I would not like to see the marketing of potatoes revert to the system which prevailed before orderly marketing came into operation.

In the period from the 1st April until last week, there were approximately 20,000 tons of potatoes to be disposed of. Had 2,000 tons been exported through correct channels, and not by merchants and others who are getting the profit instead of the growers, the weekly supply available for consumption in this State would have decreased from approximately 850 tons to 750 tons per week. That would not have created a very great shortage in this State, and it would have been nothing which the public would not have accepted. We would have had enough potatoes to satisfy the demand until the end of November when the new crop came in. Had that been

done, it would have meant an overall increase to the growers of somewhere around £10 per ton instead of a few growers benefiting by blackmarketing.

In my opinion, many of the potatoes which found their way to the Eastern States did not benefit the growers at all, but only the merchants and dealers. I am convinced of that. Had the board exported 2,000 tons, and had all the growers come in, it would have meant an increase of £10 per ton to all growers, with no increase to the consumers in this State. Furthermore, the present situation would not have arisen.

The increase in consumption in this State during that period rose considerably, or apparently so; but I think that much of that increase was made up of leakages in exports to the Eastern States. There is no increased consumption in this State at all. Over those months, the supposed increased consumption was some 4,000 tons. I am certain the bulk of this quantity found its way through the merchants to the East.

I repeat that the merchants, in many cases, are the ones who have benefited, and at the expense of the growers. That is a poor state of affairs. That position could have been checked and the money could have been put into the pockets of the growers, had the board acted wisely at the time. Even if this legislation is passed, there are aspects which would be difficult to police. I do not know how the Government expects to deal with them, but I presume it has some ideas.

I do not want members to think from the remarks I have made that I do not consider that the Potato Marketing Board has done a good job in the past. In my opinion it has done a great deal of good for the consumer. I am quite sure that no one—neither growers, consumers, nor others—would like to see a return to the catch-as-catch-can period, before the introduction of this marketing system. If this legislation were not carefully administered, it could lead to disharmony, disruption and dishonesty in the industry, even to a greater extent than exists today, because there would be many attempts to get around the provisions. If people succeeded in getting around them, I am afraid that could sound the death-knell of orderly marketing in this State, because at present tempers are beginning to flare over these things.

I do hope this legislation will be administered in such a way as not to intensify but rather to quieten the situation for a while, so that the growers will not in a hurried moment bite off their noses to spite their faces by knocking the board out. If that happened, it would be a sorry day for the growers of the State. Such a situation is quite on the cards in view of the feelings of the growers. That is the danger.

I cannot help feeling that in some measure the board must have been subjected to pressure in acting in the way it did. It is inconceivable to me that this board which, since the introduction of the scheme, has done a very sound job, should suddenly fall down so badly in the last few months. I cannot help asking myself why; and the only answer I can supply is that it was subjected to pressure. If that is so, I think it is a very bad thing for the smooth and correct operation of the board, and I hope that such tactics will not be used in the future. The board should be allowed to operate in the best interests of the growers.

The Minister for Railways: They have not been practised.

Hon. F. D. WILLMOTT: I am bound to accept that from the Minister, but I cannot see any other explanation for the board acting in the way it did.

The Minister for Railways: There was economic pressure, if that is what you mean.

Hon. F. D. WILLMOTT: I can only say that the board never had its ear to the ground as it should have, and was not awake to the position like other people. Even a fool like myself—and I am not a grower—could see what was happening, and how it could be corrected before the position reached the present stage. Why the board did not take action, I do not know. I hope that in the future it will be wide awake.

The Minister for Railways: What action would you suggest?

Hon. F. D. WILLMOTT: It should have met the growers and exported the potatoes through the correct channels, instead of leaving black marketeers to do the exporting.

The Minister for Railways: We can all see it now.

Hon. F. D. WILLMOTT: That was obvious as soon as the position started to arise. The growers could see it, and asked for a meeting with the board to discuss the export of a proportion of the crop.

Hon. H. K. Watson: One did not need to have as many eyes as a potato to see that!

Hon. F. D. WILLMOTT: The growers asked for a meeting with the board and were refused. That was very foolish on the part of the board.

The Minister for Railways: Why did they not ask their representatives, and why did their representatives not ask the Minister? Why were questions not asked here?

Hon. Sir Charles Latham: The House was not sitting.

Hon. F. D. WILLMOTT: I do not know.

The Minister for Railways: No, of course not! We can all see now, I agree. I myself can see.

Hon. F. D. WILLMOTT: The growers could see it then. I am not a grower and did not get mixed up in the matter until it boiled up. But the growers could see what was happening, and asked for a meeting to discuss the matter. Had the board had enough sense to accept the proposal of the growers, it would have had the position put to it then. That is what the growers wanted to discuss. I tried to make it clear that they did not want to discuss any price rise in this State, but the exporting not only of surplus potatoes but a portion of our normal requirements. I tried to make that clear.

The Minister for Railways: I got that point. But it is strange that everybody was so silent about it for so long.

Hon. F. D. WILLMOTT: Subject to the amendment which I propose to move at the committee stage, and which I hope the House will accept, I support the second reading.

HON. SIR CHARLES LATHAM (Central) [5.34]: As a member of a party that stands for orderly marketing, it is only natural that I propose to support this legislation. But for the life of me I cannot see how the present situation came about. If the board had administered the law as it exists, this position should not have arisen. I am at a loss to know who is doing the exporting of potatoes in Western Australia. If it is being done by private individuals outside the board, then the board has failed to carry out the law. Members should know what the law stated when the measure was put through this House in 1946. Section 22 reads—

- (1) The board may by public notice fix a day (in this section called "the appointed day") on and after which every grower shall comply with the requirements of this Act as to the sale and delivery of potatoes.
- (2) On or after the appointed day a grower shall not sell or deliver any potatoes to any person other than the board and a person other than the board shall not purchase or take delivery of any potatoes from a grower.

That is very definite. Was that power exercised, or was it not? I will admit that the penalty for infringement is very moderate, considering the value of currency today. The maximum penalty is £100. The Act contains an instruction to the growers that they are not to sell any potatoes at all except through the board, and nobody is to buy except through the board. That gives the board the same control as the wheat board has over wheat. So all potatoes were vested in the board, and the only sales that could be made were to be made through the board.

The object of the legislation at that time was twofold. One aim was to see that a reasonable price was available to growers that would return them something more than the cost of production, and enable them to meet the seasonal conditions that prevail from time to time. The other object was to see that the consumers were able to purchase that important commodity at a reasonable price, having in view the cost of production.

That was a very wise piece of legislation, and I hope it will remain on the statute book for a long time. I have said in this House before that Western Australia has taken the lead in this class of marketing. The first legislation of the kind passed in Australia concerned the control of the supply of milk in the metropolitan area at a time when the price was 8d. per gallon for the producer and he was in competition with people who could not really pay their way at that price. Parliament thought something should be done; and from that seed which was sown, all the marketing legislation has grown.

I examined the Bill and I cannot see how it will improve the present position. It might give me a little consolation if the Minister can tell us who is exporting potatoes to the Eastern States. Who is acquiring them? The Act says that the board alone is allowed to sell. If growers are doing it, they should be prosecuted under this Act; and the maximum fine is £100.

Hon. G. Bennetts: And expelled from the board.

Hon. Sir CHARLES LATHAM: It might not be a member of the board. I would not suggest that it is. Evidently, judging by rumours, some of the growers have done this exploiting; but why the board did not take action, I do not know. Some inquiry should be held. I will assist in the passing of the measure if it will help the Government to hold the position, because otherwise I can see that there will be no potatoes for Western Australian people at all in a short time, and I can see the growers being exploited. I do not know what is being paid for these potatoes.

Perhaps the Minister could explain why, a very short time ago, potatoes were almost unobtainable in the city and were being more or less rationed. If all these potatoes were in the State, then why were there not sufficient to meet requirements? I understand from the Minister that there are still 2,000 tons here. In this morning's paper I saw a picture of potatoes being exported by ship to the Eastern States. There were indications that the potatoes must have been in the bags for a long time or that there must have been a terrific lot of rotten ones included. I am told that when one rotten potato is put in a bag, the rest become rotten in a

short time. There must be something wrong. Somebody is exporting the potatoes. Is the board doing so?

The Minister for Railways: I am not sure. No, not the board.

Hon. Sir CHARLES LATHAM: I am going to show the Minister where there is a loophole. I do not know whether the board supplies the wholesalers or delivers direct to the retailers.

The Minister for Railways: To the merchants.

Hon. Sir CHARLES LATHAM: Once the merchants get hold of them, they may be able to export them without a permit. I do not know whether that is so or not. I do not think this legislation would prevent that.

The Minister for Railways: The Act itself will.

Hon. Sir CHARLES LATHAM: Then I want to know how they did this. What actually happens is that individuals come from the Eastern States—so I understand—and go from place to place where there are potatoes for sale and buy up bags until they have the required number. I have been informed that they then pick them up and store them in a suburban area. Subsequently they are loaded and taken to the Eastern States. This Bill will not stop that happening. The board has the control of the sale of potatoes; and when it finds that Bill Brown, who usually gets eight bags a week, or a month, suddenly wants three or four times that number, the board should become suspicious and immediately inquire what is being done with the potatoes.

In the past when there has been a surplus, the board has exported it to the best markets available. Sometimes the potatoes have been sent to Singapore, sometimes to the Eastern States, and sometimes to other parts of the world not far removed from here. That has been the custom for a long time. In the present instance, if there had been any exportable surplus after local requirements had been met, and the board had given effect to the Act as it stands, there would have been a sum of money available in kitty to meet contingencies when the price fell below the cost of production. That is the idea behind the pooling system under which everybody is able to share in the profits made by the sale of the exportable surplus.

The board has fallen down very badly on the job and is to blame for the present position. The Minister should have a look at the board unless this House agrees to appoint a select committee later to find out what the position is. I do not think the growers know the position. I met some of them this morning, and they are divided in their opinion. After all, Parliament has a responsibility to see that the laws are observed; and if there are defective laws, it is our responsibility to correct

them. That is what the Government is trying to do in this case, and I therefore intend to support the measure.

But I want the Bill limited in its operation to the end of this year; and in the meantime the Government should investigate the whole position and bring down a Bill to correct this sort of thing. It seems to me as though the law is quite safe, as a matter of fact, but there has been a lack of proper administration somewhere.

Reading the Bill, I notice that it makes use of different verbiage from what applied previously. It refers to bailees. It is stated—

Every licensed grower of potatoes becomes the bailee in possession on behalf of the board.

In the past there has not been sufficient storage available for the board; and in some districts, where the potatoes are grown later than in other districts, they have been stored on the farmers' properties in sheds and such places. It looks to me as though the Crown Law Department has advised that the potatoes cannot be handed over to anybody but the board; and if this Bill is passed, it will make the growers bailees, and then they will be only holding the potatoes on behalf of the board. The Bill goes on—

... in possession on behalf of the board of all potatoes produced by him, except such potatoes as he may require for his own use, and continues as such until he delivers the potatoes whether by one or more than one delivery to the board ...

So he will hold temporarily, until the board is able to take delivery, 100 tons, 500 tons or whatever it may be, which are still in his possession. Paragraph (d) goes on—

A person, other than the board or other than a person who does so pursuant to written authorisation mentioned in paragraph (b) of this section, shall not buy or receive any potatoes from a grower who is such a bailee.

I would like to see that part of the Bill amended. I do not want to worry the Minister about it; but I think he might give consideration to the fact that a person might buy potatoes from somebody for the purpose of exporting, and he will have to be careful that he does not interfere with Section 92 of the Constitution. Perhaps it could be provided by regulation—the board has power to make regulations—that the growers shall not supply to a man in excess of his immediate requirements, whether it be a merchant, or a retailer in the city. If a sale is to be made outside the State, we have to watch that we do not infringe Section 92 of the Constitution, and the only way to do it is to say that the board shall make that sale. I think something to cover that aspect should be included in the measure to make the position clear.

We have been very fortunate with most of our marketing legislation, and we have placed the man on the land in a far better position because of it than otherwise would have been the case. I have said in this House before, and in other places too, that it is a dreadful position for anybody to be placed in when he produces an article and then has to go to people and say, "What will you give me for it?" That is the position our farmers were in before we had orderly marketing. We would watch the markets closely, but we could not get a penny more than the market price because there was no competition in the buying of the product.

The farmer always had to go to the intermediate man and say, "What will you give me for the article I have produced?" whether it was butter, cheese, or anything else. But since we have had orderly marketing, the position has been very different. Unless the board does its job properly, I do not see how this piece of legislation will be worth the paper it is printed on.

The Chief Secretary: Where does it fall down?

Hon. Sir CHARLES LATHAM: If the board had said that no potatoes shall be sold, except through the board, as the Act now says, we would not have had the mess that we are now in. I hope we can stop these sales. But if a man has bought 1,000 tons of potatoes, and they are awaiting shipment, I do not think we can stop him from exporting them, because under Section 92 of the Constitution he has a right to do that.

The Minister for Railways: Can you sell wheat to another State?

Hon. Sir CHARLES LATHAM: The farmer does not handle his own wheat. I could not give the Minister a bag of wheat from my farm.

The Minister for Railways: What happens to Section 92 of the Constitution in that case?

Hon. G. C. MacKinnon: That is covered by the Act. It is quite different.

Hon. Sir CHARLES LATHAM: The Federal Government passed an Act in regard to that point. The system is Australia-wide in regard to the marketing of wheat.

The Minister for Railways: But it still does not override the Constitution.

Hon. Sir CHARLES LATHAM: We export from one State to the other, but only through the Wheat Board. Tasmania buys its wheat.

The Minister for Railways: That is the object of this Bill.

Hon. Sir CHARLES LATHAM: But the wording is not the same.

The Minister for Railways: But the object is the same.

Hon. Sir CHARLES LATHAM: I think it was quite clear in the original Act, but the board did not attempt to put it into effect. The board should have been the body selling the potatoes.

Hon. C. H. Simpson: Does not the wheat board sell wheat at the highest possible price?

Hon. Sir CHARLES LATHAM: Yes. But before the board was established it was a question of the individual saying, "Please, sir, what will you give me for it?" I know, because I have gone from one buying firm to the other to see if I could get an extra $\frac{1}{2}$ d. Unless a firm wanted the wheat to top up a shipload, and wanted it quickly, it would not give anyone anything extra. In the case I instanced, a producer might get a little extra. There was very little competition; the market determined what should be paid, and that is what the grower got. Under an orderly marketing system the grower gets something over and above what it costs him to produce his goods.

I support the second reading, and I shall move an amendment along the lines I have outlined. I hope the Minister will give the closest possible attention to this matter during the next month or so to see what effects the legislation has had and whether it is necessary to bring down a further amending Bill to strengthen the position.

HON. R. C. MATTISKE (Metropolitan) [5.51]: I am not a potato grower; but I have, in the limited time at my disposal, been able to make certain inquiries into aspects of this problem. I have also had the opportunity of hearing certain potato growers, and getting their angle on various aspects. From my inquiries, two points are very evident. The first is that the people in the Eastern States are suffering an acute shortage of potatoes, we do not know for how long, but it is there at the moment.

The second point is that there appears to have been some mishandling of the position by the potato board in this State. I understand that in June the potato board in this State was fully aware of the production figures of the local producers and was also fully aware of the disastrous effects of the floods in the Eastern States. But apparently nothing has been done until now, when we are faced with this rushed legislation to try to patch up the position in a hurry.

The potato growers themselves were fully aware of the problem confronting them and the State, and they themselves endeavoured to bring it to the notice of the board. But from what I can gather, and from what previous speakers have said, the board refused to meet them to discuss suggestions emanating from the growers so that the matter would be

handled in an orderly way and the Eastern States could receive a certain just proportion of our output to relieve their hunger.

I feel that in that regard there is something which warrants inquiry—as to why the potato board did not act before this. However, it is useless looking for scapegoats or excuses. We have the problem in front of us now, and we have to try to face up to it and find the solution. I think that, in finding a solution, there are three possible things which can be done; but they must be done by the potato board. I cannot, for the life of me, see how this legislation will give the potato board any more power than it has at present.

At the moment the board has complete control over all potatoes grown, after they are grown. This legislation will enable the board to get the potatoes during the period of their growth. I can see the intention behind it—it is to prevent the potatoes from being sold during the course of their growth. But I cannot see how that can be completely watertight in view of the Constitution.

If the Government is relying upon this measure to block the sales of growing crops to buyers in the Eastern States, I think there is some litigation looming, because I am certain that some of these Eastern States buyers will not simply accept the results of this measure without having a test case. That is something which we must face up to. So it comes down to the fact that the potato board itself must put its house in order; and the first and foremost point in that putting of the house in order lies in the closest co-operation between the growers and the board.

I understand that in the past they have worked well together, and that the growers have a very high regard for the board, and everything has functioned properly. I understand also that the growers have no great cause for complaint about anything that has happened in the past; in fact, they are quite happy with the situation generally so far as the price and the unloading of their goods is concerned. Therefore it is necessary and incumbent upon the board to ensure that that happy relationship continues to exist, and that nothing is done to put the growers against it.

The second point is that I think we must definitely arrange, through the potato board, for a proportion of our crops to be sent to the Eastern States. Immediately after the war we were short of various building materials, and the manufacturers of certain lines in the Eastern States made a voluntary apportionment of their output among the different States.

Hon. G. Bennetts: After they had supplied their own needs.

Hon. R. C. MATTISKE: As a result, this State was able to get supplies of steel products, C.I.P.E. ware and many other things which were not produced here. Even when there was a shortage of shipping space, those producers kept stocks in store for us in the Eastern States and eventually let us have them as the shipping space became available. There are many other instances of where Eastern States producers have done the right thing by us and now that the boot is on the other foot, I think we must definitely honour our obligations to them, as we would wish them to do unto us.

Apart from that moral obligation to assist them, I think this will be of great benefit to the State as a whole. We have already heard that Eastern States buyers are offering up to, and in some cases over, £100 a ton for potatoes as against, in round figures, the £30 a ton available locally. Therefore, for every 1,000 tons of potatoes which we can spare to send to the people in the Eastern States, this State as a whole will receive an additional £70,000 in purchasing power; and at a time when, from all the discussions we have had about unemployment, our finances could well do with some stimulation. So I repeat that the State as a whole will benefit from any export of potatoes to the Eastern States.

The price we would have to pay for that benefit would be to go a little short ourselves. As certain speakers have said previously, we would not die if we were to go short of potatoes for a while. Therefore, let us take a broad view of the situation so far as our exports are concerned and ask ourselves, "Are we prepared to give them a few potatoes and let that money come into the State so that we may all derive benefit from it somewhere along the line?"

In introducing the Bill, the Minister said that certain buyers from the Eastern States would go to growers here offering money which he thought would not be shown on income tax returns. I venture to say that that is doing a great injustice to the Taxation Department because, having had a close association with the officers of that department, I have the greatest respect for their ability, particularly that of the investigators. Anything of this nature would be chicken-feed to them. They would very soon pick up any understatement of income by a grower, because they already have plenty of knowledge about what the producers get. They would soon find out—and they have plenty of ways of finding out—how a producer was disposing of his surplus money, if he were, in fact, getting it. Therefore I think it is unjust to the Taxation Department to suggest that that money could be hidden from it.

The third point which I think should be given serious consideration by the potato board is the necessity to stimulate the production of potatoes. Potatoes do not take years and years to grow; and from all the reports we have had, there is nothing to indicate whether this is going to be a short-term or a long-term problem. From what certain potato growers have said themselves, however, it might appear that seed potatoes in the Eastern States are going to be extremely short; and if that is to be the case, Eastern States growers will not be happy about paying £150 or so a ton for seed potatoes.

So the problem could be of longer duration than the next month or two. Accordingly I think we should, through the potato board, ascertain as accurately, and as quickly, as possible the duration of this shortage. If it is going to be a reasonably long-term one, then certain steps should be taken immediately to encourage the increase of production in this State.

As I said earlier, I cannot for the life of me see how this legislation will give any power to the potato board which it does not already possess. But if in the opinion of the Government it will do so, then I will have much pleasure in supporting the Bill and giving it a trial. Like two previous speakers, however, I would strongly recommend that it be given a trial only until December, 1956. In that time we would have had an opportunity of sorting things out, and of discovering whether it would contravene the Constitution, and whether it would provide the complete answer to our problems.

HON. H. K. WATSON (Metropolitan) [6.4]: I must confess that I know very little about the potato industry.

The Chief Secretary: That is when you make your best speech!

Hon. H. K. WATSON: But I do have an appreciation of the general principles. I do not know, however, whether any of the speeches—particularly the speech made by the Minister when moving the second reading—put forward any valid reason why the Bill should be given a second reading. I am not prepared at this stage to say that I am going to vote against the measure; but I must confess I have not been able to see any good reason why one should vote for it.

In moving the second reading, the Minister advanced as the principal reason why we should pass this Bill the fact that if it were not passed the price of potatoes would be increased; and that when the price of potatoes is increased 6d. a pound, the learned justice who presides over the Arbitration Court solemnly increases his own salary by 6s. a week; he increases our salaries by 6s. a week, and he increases the salaries of the general community by 6s. a week.

That may be a striking commentary on the futility of our existing "C" series index, and it is strange that we should hear of this being done by the President of the Arbitration Court in relation to automatic adjustments which apply in consequence of the "C" series index. It has nothing at all to do with the Bill now before the House; because as I understand it, whether these 2,000 tons of potatoes, which are the subject of dispute, are or are not exported to the Eastern States the price of potatoes in Western Australia will remain precisely as it is today. I do not think there is any suggestion that the case will be otherwise.

Clearly if the 2,000 tons were exported, it would not affect the price here. It would mean that we would have no potatoes. That reminds me of a remark that was passed about a company formed in Victoria to produce cement. It never reached the stage of producing cement, however, and the papers commented that while cement was hard, it was harder still to have no cement at all. So all it would amount to here would be a case of "Yes, we have no potatoes." But it would not affect the price, or the basic wage, and therefore I think the reason advanced by the Minister is quite invalid.

The point that is exercising my mind is that this Bill is apparently rendered necessary through the comparatively miserable tonnage of 2,000 tons of potatoes which some growers desire, in the perfect and legitimate exercise of their rights and the laws of the land, to export to the Eastern States. As Mr. Willmott mentioned, the potato board exists for the purpose of conducting orderly marketing; but it does seem to me that during the last few days it has produced a state of disorderly marketing.

Just how this shortage came about and the board came to get into this position is not quite clear to me, and I think it is extraordinary that on the 29th August—today is only the 6th September—someone did suggest to the Minister that there was likely to be a shortage in Western Australia on account of the export of potatoes and the Minister for Agriculture denied the fact. He said—

There is no truth in the rumour whatsoever. At various times we have people—and I am sorry to say that in some cases they are merchants—who, for reasons of their own, make alarming statements and cause such rumours to circulate. I have been in touch with the Potato Marketing Board today because I also heard this rumour, and I was informed that there are plenty of potatoes in country districts. There is no intention on the part of the board to ration potatoes; and if there is any slight shortage—which is doubted even at this moment—it could

be on account of growers planting and cultivating potatoes for the next crop during which period they are sometimes reluctant for a day or two to get their stored potatoes in transit. But there is no shortage whatsoever, and no intention to ration potatoes.

That was a week ago; and today we are asked to put this Bill through. Some members may be more informed on the subject than I am, but I would certainly like a few days to consider it and see what has happened during the week to create this position.

Hon. Sir Charles Latham: It shows how far Ministers are out of touch with affairs.

Hon. H. K. WATSON: Even men in the street knew the export of potatoes was going on and likely to become vigorous in the ensuing weeks; yet last week the Minister denied any possibility of such a thing happening.

The Minister for Railways: That is right. It had happened in the meantime.

Hon. Sir Charles Latham: Someone must have slipped.

The Minister for Railways: The board has no power, and that is what we are asking for.

The PRESIDENT: Order!

Hon. H. K. WATSON: On general principles I do not know that I subscribe to the view that we should attempt to prevent the export of goods to the Eastern States. One picks up the paper almost every day and one sees that the Premier is deploring our adverse balance of trade with the Eastern States. So why worry about the potato grower or, in fact, any other grower who is tempted to sell his products in the Eastern States? I say good luck to any producer who is prepared to exert his energies in primary production and find a market where he can. Surely that is the very essence of developing the State; and if the potato board policy is simply to produce the minimum number of potatoes, I think it should have another look at its policy.

Hon. F. R. H. Lavery: That is not its policy.

Hon. H. K. WATSON: Well, how is it that a miserable 2,000 tons has created this position. That is what I cannot understand.

Hon. F. R. H. Lavery: It is the end of the last crop.

Hon. H. K. WATSON: I heard a rather extraordinary story during the week, and I would like the Minister to look into it. It is the story of a man at East Narrikup. He has 400 acres of swamp land on which he spent £10,000 in reclamation and drainage. He produced 400 acres of ideal potato-growing land equal to anything in the State, and in such a manner that he could

control the water supply and water level below, and therefore could grow potatoes four seasons of the year.

He applied to the potato board for a licence, but it refused to grant him one to grow potatoes for sale in Western Australia. He said, "Well, I am about to go ahead and take the risk myself and grow potatoes for sale to the Eastern States. Will you allow me to do that?" The board said, "No." And it said, "What is more, we will not even give you a permit to buy seed potatoes."

Here is a man prepared to put in 400 acres, not to flood the local market or upset it, but simply to sink his own money in exporting to the Eastern States. Just looking back on that today, it would have been a good thing for Western Australia and a very profitable thing for that individual who was prepared to sink his money if the permit had been given, because that 400 acres would have produced this miserable 2,000 tons we are talking about at the moment.

However, the board in its wisdom refused him the permit and even refused him permission to purchase seed potatoes; and I think we should bear this in mind: The power in the Act under which the board refused him permission to buy the seed potatoes was vested in the board by an amendment which Parliament placed in the Act in 1949. Up to 1949 the board had no power over seed potatoes, but in 1949 power was given it for this purpose only. Parliament was assured that the board would not preclude or prohibit the dealing in or disposal of seed potatoes but would use that control only for the purpose of collecting a levy.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. H. K. WATSON: In order to inform my mind on the operations of the Potato Marketing Board in this and previous years, I have referred to the latest report, which is for 1954. This prompts me to mention in passing that the State Electricity Commission, probably the biggest organisation in the State, can produce its annual report three months after the close of the year; yet we find that the last report of the Potato Marketing Board, tabled in the House, is for the year ended the 30th June, 1954.

I notice in that report that 12,000 tons was, in that year, exported to the Eastern States. I find it extremely difficult to understand why, when it must have been obvious to anyone in the industry, that there would be a good export market in the Eastern States at profitable prices, the board did not lay its plans accordingly and take advantage of that market for the benefit of the State and the growers.

There is no question of increasing the price in Western Australia. Let the local market be supplied at the present price.

Why the board simply closed its eyes to the opportunities offering in the Eastern States, I do not know. Whether it was indifference or what the reason was, I do not know, but I cannot understand why it should have acted thus and then have asked for the introduction of a Bill, because individual growers were more alert to the opportunities.

It has been rumoured pretty generally around the town that the board took the action it did by ministerial direction. I do not know whether that is so or not. If it is, then some further inquiries should be made. One other suggestion has been made, but I sincerely hope there is no truth in it. The suggestion is this: that when it comes to the renewal of the licences, the board proposes to get even with any grower who has sold to the Eastern States, by refusing to grant him a licence; by taking punitive action against him, even though he has not infringed the law in any way.

That, as I say, is merely a suggestion; and at the moment I refuse to believe that the board, as well as apparently being indifferent to the best interests of the growers, would be small-minded enough to take vindictive action such as that. If any such action is taken, I trust the matter will be raised promptly in this Parliament, and appropriate action taken to tell the board how to act.

Hon. G. Bennetts: If it did not do something like that, it would be encouraging the undermining of the Act.

Hon. H. K. WATSON: The board is there to administer the law, and this is a country where the rule of law is supposed to obtain; where a man can say, "This is the law, and I can act within it." And so long as he does, it is not within the province of Parliament or any tinpot dictator to tell him he shall do otherwise; or to attempt to penalise him if he does not do otherwise.

Turning to the Bill itself, I would like the Minister, when he replies, to enlighten me on a couple of points. The measure provides that the grower shall be a bailee; and that while he is a bailee, he shall be responsible to the board for the safe keeping, storage, and protection of the potatoes. In view of the general principle of the Act, which so far as I can see is that the board is to take all the potatoes and bear the full responsibility of any loss in respect to them while on a man's farm or property, inasmuch as the Act declares that the potatoes shall be the property of the board even while they are growing in the ground, I feel that the responsibility should be on the board or on the pool.

However, reading the strict provisions of the Act, even although it is not intended, it does seem to me that it could well be that if a man had 100 tons of potatoes on his property, and for some reason they became unfit for human consumption, or were destroyed, he would get no credit

for them, so that the loss would not fall on the board or on the pool, but on the individual grower. If the grower is to be hamstrung, then any loss with respect to potatoes on his property should be a pool loss, and not the grower's loss; yet, the Act says the grower shall be responsible for the safe keeping, storage and protection of the potatoes.

The other point on which I would like the Minister to enlighten me concerns the position of a grower who has made a forward contract for the sale of his crop or a portion of his crop to the Eastern States. We want to look pretty carefully at that position. Whether there are any such contracts, I do not know, but it is reasonable to assume that there may be. If there are, having regard to the fact that they have been made in good faith and in a perfectly legal manner; and remembering that by reason of this measure the grower may be disinclined to fulfil his contract, and so may be liable to an action by the Eastern States buyer for damages for breach of contract, what will be the position?

Hon. H. L. Roche: Under State law?

Hon. H. K. Watson: Under the ordinary common law of contract. We should have due regard for the sanctity of contracts. I would like the Minister to inform the House just what the position is in regard to contracts made for the future delivery of potatoes. He could tell us whether there would be a saving clause with respect to these contracts, or whether they would be breached; and if so, whether the grower would be indemnified by the Potato Marketing Board in respect of any action for damages which might be taken by the Eastern States purchaser. They are a few points which occur to me. Up to date I have not heard any good reason as to why one should support the Bill.

HON. G. C. MacKINNON (South-West) [7.11]: I would like to say some words in defence of a body that has been accused several times tonight, namely, the Potato Marketing Board. The Minister and many members this evening have gone to some lengths to explain that for several years it has done a very good job. Knowing the record of the men on the board, we must in all fairness admit that they are very intelligent people, and we are fortunate to have them there. It would, therefore, be rather unreasonable to suppose that in the first major crisis they should have failed lamentably. When it was suggested earlier that this was so incomprehensible as practically to force the conclusion that some pressure had been brought to bear, it was denied by the Minister.

Hon. H. K. Watson: You should never believe a rumour until it is denied.

Hon. G. C. MacKINNON: He asked if any definite statement could be made; and in support of the board, I would like to

make the definite statement that it approached the Minister in July with the request that some potatoes be exported to the East, but the request was categorically refused.

As Mr. Watson pointed out, the Minister, in presenting the Bill, used as an argument the statement that the basic wage would be increased if potatoes were allowed to leave the State. Mr. Watson quite adequately proved that that was not so. The balance of the argument in favour of the Bill consisted, in the main, of some statements to the effect that a considerable section of the growers was in support of the Bill.

I would like to mention that several members in this House have been in close contact with some fairly widely representative members of the potato growers in the South-West, and I think the Minister would be well advised to be somewhat cautious in his statements as to the amount of support which the growers feel they would give to the Bill. Opinion on the matter is somewhat divided; and whilst I feel there is no doubt that the majority would be loth to see the Potato Marketing Board go out, or even lose its power, I still think that the statement made here that the majority of growers are in favour of the Bill, should be received with some caution.

The Chief Secretary: You doubt it, do you?

Hon. G. C. MacKINNON: Yes, I do. Earlier, in answer to an interjection, the Minister was good enough to read a section of the Act which made it doubtful that this Bill would in any way add to the authority which the potato board already has. It also gives rise to the question as to why this measure was introduced. It has been suggested that, as the board already has adequate control, as provided in the Act, and because good management has not been exercised to circumvent this situation, perhaps the Bill has been brought down so that the Government can say, "Had the board been in possession of that power before, it could have prevented this situation from developing;" whereas, in fact, the board had the power, and if it had exercised it at the time, as mentioned by Mr. Willmott, this situation would never have developed.

The Minister has stated the board has estimated that 2,000 tons of potatoes are available in this State. That statement is also open to some doubt; and by those who should have some knowledge of the potato situation I am told that 1,000 tons would be nearer the mark. Therefore, this Bill can do nothing to relieve the gravity of the situation that already exists.

Hon. H. L. Roche: Will not the Bill relieve the position in regard to the October digging?

Hon. G. C. MacKINNON: Not unless we clarify the position in regard to contracts. That was pointed out very ably by Mr. Watson when he referred to the breaking of contracts, because there is no doubt that contracts have been made in regard to potatoes that are still in the ground.

Hon. H. L. Roche: It will provide plenty of work for the lawyers.

The Minister for Railways: Do you know of any contract that has been broken?

Hon. G. C. MacKINNON: How could I?

The Minister for Railways: I thought you were in close touch with the growers.

Hon. G. C. MacKINNON: We have had extremely little time to do anything in regard to this Bill, and that is why the growers are very wrathful. Mr. Mattiske referred to the shortage of potatoes in the Eastern States, and pointed out that they were a staple part of the people's diet. The Minister, however, mentioned that it would not do anybody any harm to go without a few potatoes. In this State that is a position that we can face with a certain amount of equanimity, because we have some substitutes for the potato. One of them is pumpkin. I am quite certain that many of us have often eaten mashed pumpkin, either by itself or mixed among mashed potatoes, and have been quite satisfied with it as a substitute for potatoes.

Hon. H. K. Watson: The Minister is on a diet, anyhow.

The Chief Secretary: You can keep it as far as I am concerned.

Hon. G. C. MacKINNON: I would point out that in Sydney they are also short of pumpkin, so we may find that the people in this State will also be faced with a shortage of pumpkin, because they are already paying high prices for it in Sydney. I am confident that men of the intelligence of those who are on the potato board summed up the position long ago, and that would apply to many of the potato growers also.

Had the board or the potato growers pursued the course they wanted to pursue, the present position would never have arisen. Had we taken an estimate of our requirements and cut them down to 60 per cent.—because we have adequate supplies of pumpkin to supplement our potato diet—we could have exported the surplus to the Eastern States markets and could have spread the profits among the participants to the pool.

Hon. J. M. A. Cunningham: What prevented them from doing that?

Hon. G. C. MacKINNON: The growers went to the Minister in July and asked whether they could export potatoes, but they were refused.

Hon. Sir Charles Latham: Was it not an individual who approached the Minister? I do not think it was the board which made the request.

Hon. G. C. MacKINNON: It was a grower, with the authority of the board, who approached the Minister. It was the decision of the board that that man should ask the Minister.

The Minister for Railways: Why did the board endeavour to prohibit the potatoes going to the Eastern States?

Hon. G. C. MacKINNON: I was not at the meeting. The Minister has all the information possible available to him and he could find the answer to that immediately. I am not endeavouring to exonerate the board. I think it has been weak in this matter. It should not have taken that refusal lying down, but should have taken more definite action, because it foresaw this difficulty and should have been more definite in its decision and advice to the Minister.

It would appear that so far as the dregs of this particular crop are concerned—if I might use that term—this Bill can achieve very little. I notice that the Minister nodded his head very sagely when I mentioned that there would be only about 1,000 tons of potatoes available in this State. That quantity of potatoes is not going to last us until the middle of October when the growers will start digging their new crop; so we are going to be short of potatoes in any case. It seems amazing to me that a Bill of this nature should be brought down, particularly when it provides for such vicious penalties as a maximum of £500 and a minimum of £50.

When the Minister replies to the debate, I would like him to clear up the question of potatoes in transit. On a rough guess I think that there could be anything up to 300 tons spread between here and Norseman and, with the extreme shortage of potatoes in the metropolitan area at present, that represents a considerable proportion of the supplies left in this State. Therefore, I would like to know what action the police intend to take in regard to those potatoes that are in transit.

I understand that, if the Bill becomes law, and a grower is well aware of this particular provision, he could drive a truckload of potatoes through his gate and they would then be regarded as being in transit. Therefore, some planning must be done to cover a situation such as that. It will be necessary to provide for control over all those potatoes which are in the State between here and Norseman, and which could be in transit.

The Minister for Railways: You know some shrewd heads.

Hon. G. C. MacKINNON: There has also been some reference to loyal growers, and no doubt there are some. I know one man who, whilst sorting his potatoes, watched several trailer-loads going past his property. That man was offered £100 per ton for his potatoes; but, in fact, he received only £34 5s. a ton for them. If he had accepted the offer made to him, he would have been able to make a trip to England. He is one loyal grower. However, many of the growers have been loyal only because they have no potatoes in their sheds.

The Chief Secretary: Yes, we have no potatoes!

Hon. G. C. MacKINNON: That is a point that the Minister should bear in mind. Many of these growers had their potatoes called in on an earlier date and therefore they have empty sheds. They can afford to stand up with their haloes shining brightly and claim that they are absolutely loyal to the board; but all the time being a little niggly that the board did not ensure that they got a chip out of these huge profits.

The position in this State at the moment is that we are now at the tail-end of our supplies, and by the end of the month, we will find that we are a potato-less State. All the old potatoes will have gone and the growers will start to dig the new crop. When they appear in the shops they will be small and obviously immature. That is the transition period.

That is the time when the growers say that any change in legislation must be introduced because that is when there are no potatoes available. At the present time many of the growers cannot take advantage of this situation, because they do not have the potatoes in stock and therefore they can say, with a perfectly clear conscience that they congratulate the Minister on his action, swear loyalty to the State, and send telegrams to that effect.

Hon. H. L. Roche: You do not think they are sincere?

Hon. G. C. MacKINNON: They might be sincere; but it is very easy for a man to be sincere at a time like this when he has an empty storage shed compared with a time when he has a surplus of potatoes and is offered £65 over and above the local price. Therefore, I would like members to bear that in mind, when the Minister—again in perfect sincerity—says that many of the growers are loyal to the State. Their loyalty must be examined in relation to the tonnage of potatoes that they hold at this moment in their sheds.

HON. C. H. SIMPSON (Midland) [7.58]: I think all of us have been very interested in the contributions to the debate, which have given us a great deal of food for thought concerning the potato industry generally. I confess at once that I do not know much about the marketing of

potatoes. I know a little about eating them, whether boiled, baked, chipped, mashed, in their jackets, or in the nude. I like them any way.

I can quite understand that this Bill is brought down to enable the Potato Marketing Board to deal with an emergency, and that the Government is asking for certain powers to be granted to that instrumentality so that it may carry out its duties as outlined in the Bill. My main complaint is that this is an emergency situation which has not developed suddenly. It was foreshadowed weeks and weeks ago—even as early as last June. The people concerned had a fairly good idea of what would be the position in regard to potatoes; what their local crop was likely to yield, and what the position was likely to be in the Eastern States.

A grocer in Bassendean told me that in a few weeks' time it would be very difficult to get potatoes and they would be very dear. I asked my wife several times whether she had made provision to overcome the shortage and to offset the high price, but she said, "No." She had received no hint from any of the retailers that such a position would develop. In view of what has arisen and of the demand for the suspension of Standing Orders to debate this measure, the Government has felt that immediate action should be taken to deal with the situation. But we all know that early in the session the Minister for Agriculture was asked some questions in regard to potatoes, and he can hardly plead ignorance of the situation.

The Chief Secretary: From whom would the Minister obtain the answers to those questions?

Hon. C. H. SIMPSON: Presumably from the Department of Agriculture and from the potato board. There would be no difficulty in obtaining the required information.

The Chief Secretary: Would he not give the information off his own bat?

Hon. C. H. SIMPSON: He would have a very fair idea, from a reading of the newspapers, of the position that would develop. A Bill, quite a small one, has been introduced. The operative clause is intended to be permanent, and it provides that the growers of potatoes shall become in effect agents of the board from the time that the plants are put into the ground. Beyond that they are given no interest or trust.

We know that to a certain extent the same position applies to the Australian Wheat Board, but that board deals with a commodity which is Australia-wide in scale and which has been developed over the years. It deals with a commodity in a very efficient way with a view to serving the grower and getting the highest prices for him and for the people of Australia.

In view of the developments that occurred I asked myself whether the potato board in this State has shown any enterprise and initiative in not taking advantage of the high prices offering in order to benefit the growers of this State. Obviously the answer is no. I asked myself further how far that was the fault of the board or the fault of the Government.

The Chief Secretary: Could it be that we are looking after the people of this State to see that they get the supplies first?

Hon. C. H. SIMPSON: Of the six members on the board, four are Government nominees. I presume what the board does, or what it likes to do is, to a large extent, under direction or governed by the known attitude of the Government. I cannot imagine a grower-controlled board losing the opportunity to take advantage of what is offering in the other States.

The Chief Secretary: Irrespective of local supplies?

Hon. C. H. SIMPSON: The board is there to govern the position. This is an emergency. Here we are in the abnormal position of having a good supply of potatoes—and, in fact, with every prospect of a surplus. The position in our sister States over East is that many of the people are starving for potatoes, and are willing to pay fantastic prices for them. From a humanitarian standpoint, it would be commonsense for us to ration the supplies in this State; and I am sure the people would agree to do it, so as to allow a proportion of our potatoes to be sent to our kinsmen in the Eastern States, particularly when the prices offering would benefit the growers here and at the same time help to redress the balance of trade which we have been told is very much against us.

For months the Premier has urged everyone to buy W.A. goods in preference to those from other States. The merchants have co-operated very fully, but in many cases at some degree of sacrifice. They have done this for the good of Western Australia. If they had not done that before it was because the Eastern States prices were more attractive. As merchants and businessmen, they took advantage of the lower prices offering. That was the reason. They were prepared to assist the Premier in bringing about a better trade balance between Western Australia and the other States.

In this case there was a golden opportunity; that is to say, there was a plentiful supply of potatoes here. We could protect our consumers as regards price and supplies, and the growers expressed themselves as being quite favourable. But at the same time we could send a proportion of our potato supplies to the Eastern States and cash in on the very good prices offering. Thus in a different way to what the Premier suggested, we would

arrive at exactly the same result—that is, drawing money from the Eastern States, instead of sending money away.

The Minister for Railways: Do you still think the growers will send all their potatoes to the board?

Hon. C. H. SIMPSON: The advice we received from the growers we met this morning was that they were very dissatisfied with the way the board was treating them.

Hon. F. R. H. Lavery: Were they licensed growers?

Hon. C. H. SIMPSON: They were all licensed growers. They felt that the present position was not brought about through the fault of the board. It might have acted under duress. It might have been directed to protect the local consumers at all costs. The growers felt they were the ones bearing the brunt brought about by consideration for local consumers when there was an opportunity for getting a very much better price in the Eastern States.

One of these men is a board member; and he was loading up a consignment at the local price for the local market; but alongside him were the Eastern States buyers who guaranteed a price of £100 or more per ton for potatoes. Can we blame anyone faced with circumstances such as these, and especially when he felt that he was not getting a fair deal from the board, for taking advantage of Section 92 of the Constitution, and deciding to study himself and his family first?

The Chief Secretary: The board has stabilised prices throughout the year.

Hon. C. H. SIMPSON: The present situation is an emergency. I agree with the theory of orderly marketing to cover ordinary fluctuations in prices. I am aware that we have experienced shortages in the past. At the time when I was a member of Cabinet this State imported some thousands of tons of potatoes from the Eastern States. I do not know, and was not really interested in the price; the main object was to keep the local demand fully supplied.

At times, neighbouring States like South Australia have been able to offer considerable quantities of potatoes when there were plentiful supplies here. The importation of those supplies would have considerable effect on the prices here. The arrangement arrived at between the board and the merchants was that the local price should be stabilised along those lines, but there was very little difference between the actual price at which the potatoes were offered and the local price. There was a normal market, but an abnormal condition was created by the floods over East. We do not know how far the effects of the floods will extend.

The buyers, who are prepared to make arrangements in advance and who predict shortages next year, know what they are

talking about. They know that the potato land over East has been seriously damaged, that it will be very difficult to bring their production up to normal, and that it will be easier for Western Australia to help them out for the time being.

The suggestion has been put forward and included in the Bill that the crop should be owned by the board from the time it is planted. As I explained earlier, the Bill originally provided for that condition to be permanent; but in another place the term was reduced to the end of 1957. I am in perfect agreement that the term should be cut down to the end of 1956 because the Government will have the necessary power up to that period and also the opportunity to size up the position, to take the producers into its confidence and to consult the growers before it decides on any extension of the legislation next year, or the years to come.

I for one can see no harm in a grower making use of his land and planting a crop under contract to the Eastern States. Why should this not be done? The board could know all about it. There are forms which give the board almost all the information it requires as to what a grower does or intends to do. We have the land in this State and we have a great potato-producing potential. If the conditions in the Eastern States are such that supplies can be sold at a profit, why should it not be legitimate for some portion of our reserve land to be devoted to assist the Eastern States at a time when assistance is required? These matters will be ironed out in time when the Eastern States are in a position to bring their land back into cultivation. When the need does not exist, they will grow their own potatoes instead of getting them from us.

The Chief Secretary: What about the growers who started to produce potatoes for the Eastern States?

Hon. C. H. SIMPSON: I imagine such crops would be grown under contract to the Eastern States. This is not a new arrangement. In the old days merchants dealing in chaff used to buy standing crops in all districts to ensure a full supply in all seasons.

The Chief Secretary: You think they would automatically stop growing when the necessity did not exist?

Hon. C. H. SIMPSON: I think that would be regulated by the law of supply and demand which has proved to be so stable.

The Chief Secretary: It is a pretty poor outlook for the growers in this State when such a situation arises.

Hon. C. H. SIMPSON: Most growers have far more land than they are using. What I suggest is that they can grow on their reserve land a crop of, say, 50 acres of potatoes for the next season. Why should growers not be permitted to do so? It would mean extra production and additional income for the State. Why should

they be prevented from reaping the benefit under the law of supply and demand? If production over East increased, the demand would naturally fall off.

The Chief Secretary: And the grower here would automatically cease to produce.

Hon. C. H. SIMPSON: He knows his own market, and here we might be at cross-purposes. I suggest that the grower should farm his surplus land. Naturally he would retain his ordinary connections. I see no difficulty in controlling production of that kind. The main aim would be to give a greater opportunity to the producer to earn additional revenue for the State and thus to redress the balance of payments between this State and the Eastern States, at the time when the opportunity and the necessity existed.

The Chief Secretary: The wheat farmer reduced when he thought there was more supplied than was necessary, did he not?

Hon. C. H. SIMPSON: That is a different case altogether. The wheat problem is world-wide and farmers have their own sources of advice and are guided by them to a large extent. Mr. Watson drew attention to a point which I think should be given very serious consideration; and that is the position of a man who has sold his crop but not yet delivered it. That is, he has sold it to an Eastern States contractor. What he has done is quite legitimate under Section 92, and he has broken no law. Everything he has done is quite legal and cannot be questioned. When a law like this is introduced, I wonder what effect it will have. We will suppose that that man is sued for breach of contract—frustration of contract, I think it is called—because he has given the contractor a promise quite sincerely and honestly and is prevented from keeping it.

The Minister for Railways: Do you know of a case?

Hon. C. H. SIMPSON: I know of several cases which could happen. I do not know of any that have occurred. It could happen, and that has to be taken into consideration.

The Minister for Railways: "If" is a big word.

Hon. C. H. SIMPSON: It could happen quite easily, and it is the duty of the Government to protect a man like that against any loss he might incur. And even if it is a big "might," it could happen. If he incurs any loss by reason of having made a contract legal in every way, which he is prevented from carrying out because of legislation being brought in—

The Minister for Railways: Not in every way.

Hon. C. H. SIMPSON: My main point is that in any such contracts it is the grower's interest which should be of paramount importance. We have had our times of potato shortage here—times when we have had

to pay high prices—and I believe the people would voluntarily sacrifice portion of their ordinary potato buyings and be content to be rationed if they thought they were doing some good to our kinsmen in the Eastern States, and—particularly—some good to the economy of Western Australia. The Minister shakes his head, but actually it is a humanitarian idea and a very good one.

The Minister for Railways: But not practicable.

Hon. C. H. SIMPSON: Incidentally, it has money in it, and that is what we have to consider.

Hon. F. R. H. Lavery: It has a lot of sentimentality about it, too.

Hon. C. H. SIMPSON: That is all right. From the discussions I have had with some of these growers, I am satisfied that they knew nothing whatever about this Bill coming down. They were dissatisfied with the way the Government and the board were acting, and wondered what was going to be done; and this Bill came as a bombshell. I say again that there was no need for that. There should have been a close liaison between the Government, the board and the growers; and the growers have a right to demand that their interests as producers be very fully considered.

I am quite prepared to support the second reading of the Bill; but I think that, in view of all the circumstances, its operation should be limited to the end of this year. That will give the Government all the powers it needs to deal with the immediate situation and enable the growers to give consideration to a question which concerns them very closely and which they have had little or no opportunity to discuss. In fact, we, as members, have had very little opportunity to study it ourselves. With those reservations, I support the Bill.

HON. H. L. ROCHE (South) [8.20]: While I am going to support the second reading, I cannot say that I have any great enthusiasm for the measure or for the principle involved; and like Mr. Simpson, I think that if the House gives the Government for a limited period what it requires—that is, until the end of December—the Government will have all that it could reasonably expect to receive.

Certainly the Potato Marketing Board is in difficulties. There is a suspicion—I do not know that it is anything more—that those difficulties are not of its own creation or created merely by the shortage that exists in the Eastern States. However, it is not much use thrashing the board for what has happened or neglecting to give the board—as the instrument of the growers—and the community the

protection they require because of something that has happened and helped to precipitate the crisis in which they find themselves.

For my part I am not prepared to do anything that would destroy the principle of orderly marketing for any primary industry that has had that principle established and has the machinery for orderly marketing functioning. I can think back to other industries besides that of potato growing, and those industries are carrying on in a reasonably prosperous manner as a result of orderly marketing after the tribulations the producers suffered in what some people seem to regard as the golden days, when the law of the jungle prevailed. I do not want to see any producer who has managed to get away from that situation thrown back into it.

Despite the fact that there is considerable criticism of the board, I still believe that a majority of the growers are prepared to support its retention and, within reason, to see its powers temporarily strengthened if the board in its wisdom believes that strengthening of its powers will enable it to deal with the present crisis in the industry.

I attended the meeting of some of the potato growers who were here this morning. I understand they came from the districts which at the moment are most hostile to the board and to any restriction on the activities of those who are exporting to the Eastern States. So far as I can recall—though I was not there at the beginning—there was only one of those representatives who expressed himself as being opposed to orderly marketing. I am not going to say that he was the only one who was critical of the board and of what has taken place.

The Minister for Railways: They want it both ways.

Hon. H. L. ROCHE: At the same time there are other growers in the State who were not represented at that meeting. From our areas we have had some assurance that the growers still believe in the board and in orderly marketing. I do not want to mislead the Minister. I do not want him to feel that he is justified in conferring on himself any sort of halo over this matter. I do not imagine that in our areas, the growers will be 100 per cent. satisfied with what has taken place in the last few months. But it seems to me that in fairness to the board and in the interests of the producers, an opportunity should be given to this authority which has been created for the marketing of potatoes, together with the growers, to sort this business out.

The board says it wants legislation to enable it to steady the position. It is obvious that if the position is not steadied, and if something is not done to correct what is taking place and what will take

place when the new crop is dug in October, the conditions will be chaotic and the board will go, the orderly marketing of potatoes going with it.

If the House is prepared—as I believe it is—to pass the second reading of this Bill and limit its operations to the 31st December this year, the Government, the board, and the potato growers will have an opportunity to sort things out and see what is in their best interests and what can be done in regard to the matter; and the Government will still have time to introduce legislation, if necessary, to extend this measure—but I hope it will not—or produce some other legislation if, in their wisdom, the growers and their representatives on the board think that is necessary.

This cuts both ways. Had it been possible for the board to take action earlier so that some of the potatoes produced in Western Australia by licensed growers were sent to the Eastern States, the returns could have gone into the common pool, and that would have resulted in a considerable increase for all the growers. But the growers are not altogether unmindful of the fact that when potatoes were not a payable proposition on the Eastern States markets, the consumers in Western Australia were prepared to pay a reasonable price to help sustain the potato-growing industry in Western Australia.

The Minister for Railways: Twenty-five pounds per ton as against £13.

Hon. H. L. ROCHE: It cuts both ways. Some pretty bad mistakes have been made recently. If we are going to waste time worrying about who did it and who did not do it, and who let things drift, I think we will give too much attention to a post mortem, or what will constitute a post mortem, and the legal machinery for the orderly marketing of potatoes in Western Australia.

I do not wish to delay the House any longer. We have to face the facts as they are. This position has developed; and if this power, given temporarily, will enable the potato growers and their representatives, together with the Government, if necessary, to arrive at some conclusions which will result in better machinery being provided to deal with the circumstances, such as they are, it will be all to the good.

They are temporary circumstances. I understand it is not likely that the situation will last even as long as I thought it would. I was under the impression that the floods over East were likely to create a state of affairs under which there would be a continuing shortage of potatoes there. But I am assured from a source, which is particularly well informed—I am not at liberty to give the name—that it is not so much the floods that did the damage as potato blight and a dry season, and

that after Christmas there will not be the shortage in the Eastern States that some of us anticipate.

However, that remains to be seen. Even now seasonal conditions can change. I mention that in passing. It is possible that even this temporary legislation will be sufficient to see us through. I am not prepared to give this Government or any other Government these powers permanently in marketing legislation such as this.

HON. A. F. GRIFFITH (Suburban) [8.30]: Personally, I believe that enough has been said about the merits and demerits of this Bill, and propose to support the second reading. However, I am most interested in the penalties which are provided under this legislation, and while, as I said before, I propose to support the second reading, I want the Minister to give me an explanation, if he is able to do so, regarding the penalty angle.

As I see it, the Bill provides for three principal features: (1) that the potatoes should be vested in the board; (2) that the grower shall maintain potatoes in his possession in safekeeping; and (3) that the grower, or his agent or representative, shall not dispose of the potatoes without the permission of the board.

I appreciate the fact that no doubt the Government is anxious to impose a heavy penalty on a grower or his representative who wanted to contravene the Act by getting rid of potatoes in a manner other than that prescribed by the board. So as a result we find that (a) (b) and (c) penalties under this measure provide for a minimum of £50 and a maximum of £500.

Hon. C. H. Simpson: Is that not applicable only to (c)?

Hon. A. F. GRIFFITH: If it is applicable only to (c) there is no penalty for (a) and (b). And in such event the whole thing becomes ludicrous.

Hon. C. H. Simpson: No; they are provided for in the Act itself.

Hon. A. F. GRIFFITH: If the hon. member reads the Bill I think he will find that if a person performs an act which would come under (a) (b) or (c) the court has power to fine him a minimum of £50 or a maximum of £500. If a grower contravenes paragraph (d) there is also a maximum fine of £500 provided; the penalty is exactly the same.

Paragraph (b) provides that—

A grower while such bailee is responsible to the board for the safe keeping, storage, and protection, of the potatoes.

I am told that 50 per cent. of the growers have not what could be termed adequate facilities for the safe storage of potatoes. In other words, they grow them in open paddocks, and they are left in the open paddocks because the growers have no method of looking after them.

Who is to be the judge of whether those potatoes are in safe keeping? Is the board to present a grower to the court on a charge of not keeping his potatoes in safe custody because he leaves them out all night in an open paddock? Does he have to provide a guard at night to make sure that nobody comes along and removes a bag from the stack? The way I interpret this measure is that if a bag of potatoes is removed the grower has not kept it in safe custody and the magistrate would have no alternative but to impose a penalty of £50. To me, on the surface, that seems to be very hard. Can the Minister give me an explanation of it?

The Minister for Railways: You were told that it did not apply to that subsection.

Hon. A. F. GRIFFITH: I want to hear the Minister's explanation, because I am not the only one to hold the views I have just expressed.

The Minister for Railways: You are a pessimist.

Hon. A. F. GRIFFITH: There is no reason why, instead of making it a maximum penalty, the court could not be given jurisdiction to impose a fine not exceeding £500. We could simply cut out the words "penalty; £500, maximum; £50, minimum" and, provided that the court has power to impose a fine not exceeding £500, there is no need to state a minimum. I do not wish to say any more except to repeat that the penalties provided in the Bill are far too severe to fit the offences.

HON. N. E. BAXTER (Central) [8.35]: As I see it, this amendment to the legislation is merely putting into different words what already exists in the principal Act. In other words, the powers which this measure give to the board are already in the principal Act except that in this instance different verbiage has been used so that there is a provision for increased penalties ranging from £50 to £500 instead of £100 as is now provided in the Act. How much good it will do, I do not know at this stage; we will find out possibly before the end of this year.

I do not see how it will give the board any more facilities to fine the grower who is selling potatoes to some person other than the board. All this measure does is to increase the penalties. If the board today is policing the sale of potatoes and ensuring that they are sold to the board and not to anybody outside it, as is provided for in the principal Act, what is the use of this legislation? Even if we increase the penalties for a specified period I do not know that that will stop people from selling potatoes to somebody other than the board.

The Minister did not tell us what action the board is taking in regard to policing the sale of potatoes; what action the board

is taking in regard to the agents appointed by the board and ensuring that those agents are carrying out the conditions of their permits; and, in addition, whether the board is taking any action to see that retailers are disposing of their potatoes in the proper way. In other words, even when this Bill becomes law, unless the agents of the board are prepared to sell within the State and leave the board the right to sell outside it, the whole system will break down.

The Minister for Railways: They would not be agents much longer, would they?

Hon. N. E. BAXTER: Over the last few years, I have lost a lot of faith in human nature. I have found that if a person can make a pound at somebody else's expense he will do so. If the Minister and the board adopt that attitude, perhaps we might be able to overcome the position. It is not only the agents who are at fault. What is to stop the retailers from selling the biggest majority of their potatoes to somebody who wishes to dispose of them in the Eastern States, thereby cutting down his local customers?

The Minister for Railways: They might even sell the chips.

Hon. N. E. BAXTER: One can never tell. There is one thing they will not be able to sell, and that is the dirt we get so often at the bottom of the bag. I feel that the Minister should give us some explanation, when replying to the debate, because I have mentioned angles which this Bill cannot overcome. The way I see it is that we do not need this legislation so much as we need the board to police the present Act—police it thoroughly and carry out all the principles contained in it.

In regard to penalties, if a man wants to sell 20 or 30 tons to somebody who is disposing of them in the Eastern States, where he will get £80 or £90 a ton, instead of £30 or £40 a ton, the increased penalty of up to £500 will not worry him because he will still be showing a jolly good profit on the deal. The only deterrent would be that the board might not give him a licence to grow in the following years.

I grew a few potatoes in the South-West—it was many years ago—but I found that the position then was that if a man were a bona fide land owner and wanted a permit to grow a few potatoes he would be lucky to get a permit for five acres. But a Johnny come-lately, or a new Australian as we call him now—we used to call him a foreigner—could always get a permit on leased land for 10 acres of potatoes, or perhaps more. Maybe he was a better grower than the Australian.

Hon. F. R. H. Lavery: How many years ago was that?

Hon. N. E. BAXTER: That was 10 years ago, and I do not know whether the same policy exists now. In my opinion that is one of the reasons why we suffered a shortage of potatoes in Western Australia. These foreigners used to come in, lease land for a short term, and then get out of the industry. But the bona fide man who wanted to continue to grow a regular fair-sized crop, was not given a permit to grow a large acreage. That position might exist today; I do not know. But it did exist some years ago in the industry and I would be surprised if it has altered much since.

The Minister for Railways: Would not the land owner have something to say about that?

Hon. N. E. BAXTER: I doubt it. If somebody wants to lease a block of land, and pay a fair price for it, the land holder will not object; and if it is adjacent property, there is nothing the neighbour can do to prevent the leasing of land to a foreigner.

The Minister for Railways: But he would exercise preference.

Hon. N. E. BAXTER: I do not think it would worry him in the least. However, that is by the way. I intend to support the Bill; and, like other members, I feel that instead of letting it continue until the end of next year, we should amend the legislation to make this part expire at the end of this year. We can see what transpires in the meantime; and, if necessary, we can introduce a further amendment. In Committee I hope to do something about the matter.

HON. J. McI. THOMSON (South) [8.43]: Much has been said in regard to this measure, and I shall not delay the House for any length of time except to add a few words to what has already been said in regard to it. From time to time, in this Chamber and in another place, members have strongly resented legislation being rushed through at high speed. But I am prepared to concede that in this particular instance there are circumstances which warrant such action because, as I see it, the position has changed materially since railway transport has been used, in addition to road transport, for the carriage of potatoes.

When we see a figure of £30 or £40 offered to the grower, because of the difference in the railway freight to Melbourne and Sydney as compared with road freight, we can realise the reason why the position has deteriorated considerably. No doubt that is the main reason for the hurried nature of this legislation. The buyers were offering £45 to £60 a ton. Because of the shortage in the State the matter calls for attention by Parliament. The purpose of the Bill would be to strengthen the position of the board which has aimed to maintain orderly marketing. I strongly support that, and I will continue to support

it because of its necessity and the assistance it will prove to be to our primary producers.

The matter of limitation is one which I think is very necessary. I am not prepared to agree to the Bill entirely. I will agree to the second reading with a view to supporting amendments which I understand Mr. Willmott has notified his intention of moving to limit the period to the 31st December, 1956. I consider that that will be ample time to enable any litigation to take place between the interested parties; and I assume there will be litigation: It will give them the opportunity to take the matter to the High Court; and if the action is upheld, then we can ratify it. It will also give us an opportunity before Parliament rises in December to introduce legislation for the forthcoming season.

The matter of penalties has been raised by speakers, but I see no harshness in that aspect. The question of penalties is one that we should consider not from the point of view of helping the individual, but from that of endeavouring to safeguard the industry itself. We should take the utmost precaution to prevent a person selling potatoes at any time without a licence to the detriment of other growers.

If the penalty were a small one of, say, £5 or £10 and the grower has been receiving £20, £30, £40 or £50 a ton, the penalty would be of no importance to him at all if he were able to get away with a greater return by selling his products without a licence. It is a safeguard for the growers and an attempt to uphold the action of the board, and I think we should support that at all times.

I would like to correct an impression that was conveyed by Mr. Watson. He referred to a farmer in East Narrikup who had drained a lake of some 400 acres. Incidentally, I visited this area and have seen it myself. Great credit is due to this man for the job he has done. However, I think Mr. Watson unintentionally misled the House when he said that the man had applied to put his 400 acres under cultivation for potatoes. That is not so. I have personal knowledge of the case and that man did not apply for a licence to cultivate 400 acres with a view to placing 2,000 tons of potatoes on the market to relieve the situation.

He applied for permission to cultivate 100 acres; but because he had never grown potatoes before, the board, in its wisdom, offered him a licence for five acres. That is the acreage permitted to every new applicant who wishes to grow potatoes. Although he went to considerable expense in draining that huge area, and although he did a wonderful job, he did so, of course, with the intention of supplying the Eastern States markets, for which it is not necessary to have a licence.

Hon. G. Bennetts: If he had made application to the board first he would have been on a better footing.

Hon. J. McI. THOMSON: He has undertaken a long-range scheme. What he does not obtain this year he hopes to achieve next year. I have no doubt that if the same gentleman applied in the near future for a review of his licence, he would receive very favourable consideration. I have very sound grounds on which to base that belief. He will, however, certainly not get a licence to cultivate the whole area, because that would have a disastrous effect on the potato crops of Western Australia.

While we are most anxious to assist everybody, we have also to keep an eye on the stability of the industry, and on its future prosperity. Accordingly I support the second reading, but I do not propose to support any move for the continuance of this legislation until December, 1957. It would be quite sufficient to amend it so that it will expire on the 31st December, 1956, thus giving the interested parties ample time to meet the situation and the needs for the next potato season.

HON. J. G. HISLOP (Metropolitan) [8.48]: Like Mr. Simpson, I know very little about the growing or marketing of potatoes, but I am interested in the basic provisions of the Bill. I have given considerable thought to the alteration of the wording in proposed new Section 21A(a) and I can only come to the conclusion that this alteration is suggested purely because the board believes that some of the growers have entered into a contract with potatoes still on the ground. If that is so, and it appears that it is not contrary to the Act as it now exists—otherwise this would not be introduced—what is going to happen if that contract is broken?

The Minister for Railways: There are no contracts.

Hon. J. G. HISLOP: Then what is the use of this?

The Minister for Railways: I will tell you later.

Hon. J. G. HISLOP: It really is a fact—

The Chief Secretary: The reason for that is that you will get some spuds later on.

Hon. J. G. HISLOP: I am much more interested in the principle than in the potatoes, because I believe that this Bill could only end with litigation against the interests of the State. I doubt very much, if action were taken under this against anyone who had a contract, whether Section 92 of the Commonwealth Constitution could not be invoked with success. The House must be given some assurance that we are not passing a Bill such as the hauliers Bill which was obviously ultra vires Section 92. I think this is, also.

The other principle of this Bill which is interesting me is one which from the debate leads me to believe that the measure is being introduced because of certain happenings. They appear to be either a failure on the part of the board to adequately meet the situation, or a failure on the part of the Minister to see ahead and ascertain what was likely to happen and give the board full control; or, alternatively, some political interference with the board's wishes. As the result of one of these three possible happenings we are faced with a Bill which has all the trappings of first-class socialistic control.

We then come to the question of penalty. Admittedly the penalty of £500 is to continue, but it interests me to find that penalties vary considerably in the various Acts of this State. I have been able to recall to mind only the very small penalty enforced upon a person who killed a cow by pushing a broom handle down its throat. I think I would have imposed a far more severe penalty on that man, than on the man who is selling potatoes without a license. The man selling potatoes would be getting a large sum of money, it is true; but the other man acted without any thought for animals and in my opinion, he deserved a severe penalty.

We seem to have got out of gear in this respect altogether. This matter is an emergency, so let us deal with it as such. I will support the second reading of the Bill in order to protect the public; but before I do vote for the second reading, I would like to be certain that we are not leaving ourselves open to passing a Bill which will automatically be thrown out as a result of the first person who might care to challenge it.

THE MINISTER FOR RAILWAYS (Hon. H. C. Strickland—North—in reply) [8.55]: I am pleased to hear that members are unanimous in their support of this Bill, at least at the second reading stage. I am rather disappointed, however, that they have expressed their intention to amend the measure, thereby shortening the term for which this particular section is drafted. It is thought that this emergency will not cease with the sale or consumption of whatever tonnage of potatoes is at present at grass. I did mention a figure of approximately 2,000 tons. The House has been informed, however, that since that figure was given it has diminished to about 1,000 tons. Accordingly I would not be surprised if by breakfast time there is not a single potato left in the State. It really amazes me when I hear some of the fears that are expressed of potatoes in transit and what is going to happen to them if this becomes law. It amazes me, and I do not know whether people imagine these things or not.

Hon. N. E. Baxter: If you saw the trucks on the Great Eastern Highway you would find that there is a lot in transit.

The MINISTER FOR RAILWAYS: There seems to be a good deal of confusion as to the real intention of the Bill. I was rather surprised to hear some members express an opinion that this measure will not improve existing conditions; it amuses me when I hear such expressions of opinion. At the present time the Potato Marketing Board has no power whatever to take potatoes—that is, to say, “I want your potatoes.” The position is that potatoes do not become the property of the board or come under the board's control until delivered to the board; and the Act states that the board shall not refuse to accept potatoes provided they are of a certain quantity and of good condition. That is the provision under the Act as it stands.

Hon. Sir Charles Latham: Does it not say they shall not sell or deliver except to the board?

The MINISTER FOR RAILWAYS: That is right; and if growers do sell, all that can happen is that their licence is cancelled.

Hon. Sir Charles Latham: The penalty is £100.

The MINISTER FOR RAILWAYS: Yes; the penalty does not exceed £100.

Hon. G. Bennetts: The £100 would not worry many today.

The MINISTER FOR RAILWAYS: I do not think so at the prices we are told they are being offered.

The PRESIDENT: Order!

The MINISTER FOR RAILWAYS: The Act as it stands does not empower the board to demand produce from any grower. It is just the reverse; the grower can demand that the board take his produce provided it is of good quality and quantity, and the only redress the board has is to fine a producer if he sells, or infringes the Act in any way. The court uses its discretion to an amount of £100, with no minimum. However, the board could then of course refuse to issue a licence to an offender. That happens in regard to the Traffic Act and many other Acts. Persons are refused a licence to do certain things if they are persistent offenders or are in any way undesirable.

This Bill places in the Act power for the marketing board to acquire production. That provision is exactly the same as those in the Wheat Marketing Act and the Marketing of Onions Act. The principle contained in paragraph (a) of Section 21A is exactly the same. There is no difference, and it simply means that production belongs to the board, which is only a co-operative movement acting on behalf of the producers.

Hon. F. D. Willmott: Individual sales will still be made, so what is the good of that?

The MINISTER FOR RAILWAYS: The Bill will not allow them to sell to anybody else, and that is what we are attempting to overcome. The hon. member is a supporter of free enterprise and obviously believes the Act is sufficient as it is.

Hon. N. E. Baxter: Why has not the board taken competent action?

The MINISTER FOR RAILWAYS: The board cannot take action under the Act. It can only delicense a grower. If members would read this Act, and also Section 92 of the Commonwealth Constitution, they would see that the board is powerless. Potatoes are the property of the grower; and if he wants to sell them to somebody in Queensland or any other State, the board is unable to prevent the sale. It can prevent someone from selling within the State, but not interstate, after potatoes are dug, in just the same way as with wheat after it is harvested. By all produce being transferred to the ownership of the board—which is the growers' own organisation—the board becomes the only organisation which can sell the potatoes.

Hon. G. C. MacKinnon: Why could not a man sell them while still in the ground?

The MINISTER FOR RAILWAYS: He could. But who would buy them?

Hon. G. C. MacKinnon: The men from the east.

The MINISTER FOR RAILWAYS: He could sell them to the men from the east at the moment, but what about when they are £13 in the east? Will that producer then want to come back to the co-operative movement? Could he really expect to be taken back?

Hon. A. F. Griffith: Under the Bill, when does the board accept full financial responsibility for the growers' potatoes?

The MINISTER FOR RAILWAYS: The board will obviously accept the responsibility for the potatoes when they become its property. It must do. Even the storage question was raised by Mr. Watson. The board does provide premiums for storage at the present time. Mr. Griffith said that some growers do not erect stores. I would say that if a person does not look after his produce that is his own lookout. I believe that should be the case.

Hon. G. C. MacKinnon: Under this Bill the loss will become the board's?

The MINISTER FOR RAILWAYS: Yes; but most of the growers have a central store, although some do bag them in the paddock and leave them lying around. The board will not allow that to happen when potatoes become its property. The board is being castigated for not taking in the potatoes and selling a certain quantity to the Eastern States. But if the board had had this power, it could have done that. It has no right whatsoever under the Act to call in the produce; and further,

It could not take effective action if there were growers who were prepared to sell direct to the Eastern States.

Hon. A. F. Griffith: In a time of glut, the growers would have no need to worry, because the board would take all the potatoes.

The MINISTER FOR RAILWAYS: The board plans for a certain production each year, by means of licensing.

Hon. A. F. Griffith: There can still be a glut.

The MINISTER FOR RAILWAYS: When there is a glut, the board exports.

Hon. Sir Charles Latham: It always exports.

The PRESIDENT: Order!

The MINISTER FOR RAILWAYS: At the present time, it would be very nice if there were a surplus of potatoes with the price in the East at £110 per ton. But would this be the position under the existing Act if growers did send all their potatoes to the board and only the surplus went East at that price? Can one imagine that the growers who are now sending them there would send their potatoes into the board when they would only receive £34 15s. per ton. The board would not have a surplus. That is how the position would work out.

Hon. N. E. Baxter: It would if growers were loyal.

The MINISTER FOR RAILWAYS: Mr. MacKinnon told us it is the loyal growers who have no potatoes.

The PRESIDENT: Order! Let the Minister make his reply.

Hon. C. H. Simpson: Is the consumer controlled in regard to the quantity of potatoes he can buy? I take it that the potato board looks after the interests of the grower.

The MINISTER FOR RAILWAYS: The board looks after the interests of both the growers and the consumers in Western Australia. The price is fixed on a formula, and growers have representatives on the board. I am convinced that a small coterie of growers waited on members opposite this morning and presented their views to them. Yet it is a strange thing that if the majority of growers, or even any considerable number of growers, are opposed to this measure, no indication of it was given to the Minister for Agriculture, the Government, or myself. Surely they would make some representation.

Hon. C. H. Simpson: They would have if they had had time.

The MINISTER FOR RAILWAYS: There is always that little "if."

Hon. C. H. Simpson: The Minister only found out this week.

Hon. G. C. MacKinnon: One representative spent three days trying to see the Minister.

The MINISTER FOR RAILWAYS: The hon. member has a complaint that an officer of the board approached the Minister for permission to export potatoes in general, and was flatly refused. That is not correct. The facts are these: When the board passed a resolution to export 450 tons of potatoes—it had been exporting just previously—it approached the Minister, and he was agreeable.

Hon. G. C. MacKinnon: That is what I said.

The MINISTER FOR RAILWAYS: The hon. member said the Minister flatly refused. The Minister told the officer who was deputed—he was the general manager of the board—that if it would not create a shortage in this State, he would have no objection. The board later discussed the position and decided not to export the 450 tons.

Hon. G. C. MacKinnon: Does the Minister say the board approached the Minister for Agriculture for permission to export potatoes?

The MINISTER FOR RAILWAYS: I am saying that the board was not flatly refused. The position under the legislation is that the board has no power whatever to interfere with any grower if he wants to sell interstate. The Bill is designed to give the board the power by making it the owner of the potatoes once they are taken out of the ground. That is all it does. It is exactly the same as the legislation that applies to wheat and onions, and there could be some other produce that is so regulated, that I am not aware of. I listened to the discussion in another place and those were the points raised.

In the original Bill that was presented in another place, the penalties visualised by Mr. Griffith did apply, but all those things have been separated into (a), (b), and (c). The penalty now applies only to paragraph (c); that is that a grower while a bailee shall not sell or deliver or part with possession of any of the potatoes to any person other than the board, except with the written authorisation of the board. The minimum penalty is £50 and the maximum is £500.

It has been said, "Where is the power in this?" That is the power—the penalty. Once the potatoes are dug, they belong to the board; and if somebody sells them, then he is selling the board's property and is liable to a penalty ranging from £50 to £500. That is the intention, and it is a necessary provision.

I have explained that at present a premium is paid for the storage of potatoes. That is to offset any losses through storage. Once the potatoes become the property of the board, the board will ensure—no doubt because it will be to the benefit of all the

growers—that those not stored in good positions will be taken first, and the well stored crops will remain where they are. That position will be looked after.

I do not know how I can reply to the remarks of Mr. Baxter as to how to legislate against retailers exporting to the Eastern States. But I imagine that they would deal in such small quantities that there would not be anything—

Hon. N. E. Baxter: I did not suggest that you should legislate, but that the board should do something about them under its powers.

The MINISTER FOR RAILWAYS: If the hon. member can show me any power by which the board can interfere with the retailer, I would like him to do so.

Hon. N. E. Baxter: They are the board's agents.

The MINISTER FOR RAILWAYS: Apparently the hon. member means that the board might not keep up supplies to such a retailer. Well, that would be left to the good sense of the board. In regard to contracts, the only contract that a potato grower has is the contract which he enters into when he is issued with a licence; and under the provisions of his licence, he undertakes to supply his produce to the board. He breaks his contract immediately he enters into another one.

Hon. G. C. MacKinnon: No.

The MINISTER FOR RAILWAYS: Under the terms of his licence to grow potatoes, he is under contract to supply the potatoes to the board.

Hon. J. G. Hislop: What is all the fuss about?

Hon. H. K. Watson: You have the action against him.

The MINISTER FOR RAILWAYS: No; the only action we have is the £100 fine, or he is not given a licence. I know that members do not want to try to help us overcome this position. They appear to be finding all the trivial excuses possible. We have been getting down to the few pounds of potatoes that the greengrocer sells up the street. I have explained the Bill and what it will do. It is a simple measure, and it merely provides for the transferring of the ownership of the potatoes, once they come out of the ground from the grower to the board. The board will be the only one that can sell. It can sell the surplus to the Eastern States.

For the information of members, I would like to give some figures in regard to the trading in potatoes with the Eastern States. During the last five years, 55,000 or 35,000 tons of potatoes—I am not sure which, but let us take the lesser figure and be safe—have been exported by the board. None have been imported by the board during that time, and no more than 300

tons have been brought into the State by outsiders. Those figures are rather remarkable. There is another interesting item here in regard to the disposing of a surplus to the Eastern States. In 1954 there was a surplus, and it was sold in the Eastern States at a figure of £13 10s. per ton whilst the local price in Western Australia was £26 5s.

Hon. C. H. Simpson: When was that?

The MINISTER FOR RAILWAYS: That was in 1954-1955. It can work both ways. While some growers at present are very keen to take advantage of the high prices in the East, they would not be so keen to export when they knew that they were going to get only half the local price. Then they would want the board's price; and without the power that the Bill proposes the board has absolutely no control over interstate trade. That is all the Bill means, and that is the purpose of it.

As I said before, I am rather disappointed that members appear to have made up their minds not to allow this part of the Bill to remain in force beyond December of this year. It seems to me that the Government, or the Minister for Agriculture, on the advice of the board, desired that the legislation should be continued. I believe that the original Bill provided for that, but it was amended in another place to 1957.

Apparently there was general agreement in the other place, although I am not sure on the point. But if there was, I cannot see that we would be wise to restrict the period further, because a serious position could result. Although it is said that we will be getting new potatoes in a month's time, how long will they last unless some power is given here? How do we know that at the end of this year the situation will be eased in the Eastern States? Fluctuations in the supplies of potatoes are brought about to a large extent by weather conditions.

I suppose there is no other crop, or no other crop of such importance anyway, that fluctuates so much in quantity of production and in price as does the potato crop. We know that the weather in the Eastern States seriously affected the crops this year, and it also affected last year's crops. We have suffered with the weather in Western Australia, too. Sir Charles Latham mentioned the temporary shortage early this year. That was brought about by the wet weather of last year, and the prolonged cold weather.

We read in the Press that the potatoes did not mature in the ground, but went bad; and later, in the early part of the summer we suffered a severe heat wave that also blew some out. There is no control over those conditions. A potato is not ready to be dug until it is mature, and if the weather conditions ruin it when it is half grown, we can exercise no control;

and that applies throughout Australia. Fortunately in Western Australia the climate is such that we do not suffer so severely as do the growers in the Eastern States.

Question put and passed.

Bill read a second time.

In Committee.

Hon. W. R. Hall in the Chair; the Minister for Railways in charge of the Bill.

Clause 1—Short title and citation:

The MINISTER FOR RAILWAYS: I move an amendment—

That after the figures "1946" in line 10, the following be added: "1949."

Amendment put and passed.

The MINISTER FOR RAILWAYS: I move an amendment—

That before the figures "1956" in line 6, page 1, the following be inserted: "1946-."

Hon. H. K. WATSON: I am not quite certain as to the effect of the first amendment.

The CHAIRMAN: It is just to bring it into line with the usual drafting practice.

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

Clause 2—Section 21A added:

Hon. Sir CHARLES LATHAM: Will the Minister tell me how he proposes to obviate the trouble which he says is caused by the Act as it now stands? The wording in the Act at the moment is, "On or after the appointed date a grower shall not sell or deliver any produce to any person other than the board." Do the words "any person" include any person in the Eastern States or in this State? That provision says straight-out that a grower shall not sell potatoes to anybody except to the board. Therefore, why has not the board taken action against some of these people to test that provision? The Minister does not propose to strike those words from the Act. He proposes to insert this new Section 21A before that wording, and I understand that by the end of the year this Act will then continue as it was before.

The Minister for Railways: No; that is not the position.

Hon. Sir CHARLES LATHAM: Then it looks like it. I cannot understand how the board can have any more power by the passing of this Bill than it already has under the existing Act. If a man comes from the Eastern States and says, "You must sell me potatoes to sell in the Eastern States," then they must be sold. No one can interfere with trade between the States. The James case is a different case altogether.

The MINISTER FOR RAILWAYS: The reason why the board did not take action was because it acted on the advice of the Crown Law Department. That department was consulted long before the first known truck-load of potatoes left the South-West.

Hon. Sir Charles Latham: At that stage it could not stop them from leaving the State, but the prosecution should have been levelled against the person selling the potatoes to those who were transporting them to the Eastern States.

The MINISTER FOR RAILWAYS: The advice given by the Crown Law Department was that as the potatoes belong to the growers—and they still will until this Bill is passed—the board has no legal power to prevent those potatoes being sold to go to the Eastern States.

Hon. Sir Charles Latham: The Act provides that a grower shall not sell or deliver to anyone but the board.

The MINISTER FOR RAILWAYS: Advice from the Crown Law Department was that Section 92 of the Constitution overrides that. This Bill proposes to take the power to sell away from the grower and give it to the board. In respect to the duplication mentioned by Sir Charles, I appreciate that that point will need a little further investigation.

Hon. Sir Charles Latham: You have plenty of time. If you wish you can bring forward an amendment in a week's time.

Hon. H. K. WATSON: I appreciate the point raised by Sir Charles for what it is worth. The Minister is saying: At the moment the potatoes are the property of the grower, and by virtue of Section 92 of the Constitution no one can stop the grower from selling what is his own property to anybody in the Eastern States. But under this proposed new Section 21A the potatoes become the property of the board, and the grower could not sell something which is not his own property.

I understand that that is the Minister's argument, and I suppose that no one but the High Court could tell us whether it is correct or not. Nevertheless, that is the distinction between the law as it stands now and what the law will be if the Bill is passed. With your permission, Mr. Chairman, I will now move my amendment. I move—

That the words "maximum: Fifty pounds, minimum, irreducible in mitigation notwithstanding any other Act," after the word "pound" in line 1, page 3, be struck out.

The provision would then read, "Penalty: Five hundred pounds." And it would then be in keeping with the penalty provisions in every other Act on the statute book.

I do not know of any piece of legislation which provides for a "minimum, irreducible in mitigation," etc. Every citizen knows that when an Act provides for a

maximum penalty of £500 the magistrate, in his discretion, may not impose it. If this were an Act to provide a penalty for the blockage of the Suez Canal or the stealing of a motorcar, there might be some necessity for inserting this provision. However, there is no reason to panic even over 10 tons of potatoes, and if we follow the usual practice we will leave it to the discretion of the magistrate to impose the proper penalty.

Hon. H. L. Roche: Is it not provided that the minimum shall be 10 per cent. of the maximum?

Hon. H. K. WATSON: That is provided in the Interpretation Act, I think. However, it is the standard practice, and therefore the words which I propose to have struck out are superfluous.

The MINISTER FOR RAILWAYS: I hope the Committee will not accept this amendment. The Bill is designed to make the Act function smoothly for the control of orderly marketing. If the minimum penalty is removed, it means that the gate will be open to those who sell potatoes in small parcels in contravention of the legislation. For example, if a man wishes to sell one ton of potatoes but knows that he will be fined at least £50 if he does so, I should think that that would act as a great deterrent to his selling those potatoes.

Hon. A. F. Griffith: How does he know that he will be fined £50?

The MINISTER FOR RAILWAYS: We know ourselves that there are limits. We know that the justices or magistrates do not impose anywhere near the maximum penalties, especially for a first offence. However, the object of this legislation is to deter those who may wish to flout the law, and in this respect the law is to provide for the control of orderly marketing.

Hon. A. F. GRIFFITH: I appreciate what the Minister has said; but by the same token, any grower who commits a trivial offence will have to be fined £50 because the magistrate will have no alternative.

The Chief Secretary: What is a trivial offence?

Hon. A. F. GRIFFITH: Well, as the Minister himself has said, the sale of one ton of potatoes. I have often heard the Chief Secretary arguing that the penalties provided in some Acts are too great. In this case, if a magistrate imposes a minimum penalty of £50, I can see nothing wrong with it.

The CHIEF SECRETARY: When no minimum penalty is stipulated there is a tendency for the court to look upon the offence as minor. Mr. Griffith mentioned trivial offences, but I would point out that the offence under paragraph (c) is a

severe one and relates to the grower who sells potatoes without the permission of the board. By inserting a minimum penalty of £50 an indication will be given to the court of the seriousness of the offence.

Hon. A. F. Griffith: Would it be serious if a person bought a bag or a stone of potatoes from the grower? That offence would come under "parting with possession of potatoes."

The CHIEF SECRETARY: If no minimum is provided, it would be inferred that Parliament's view was that these offences were trivial. The penalty referred to applies only to paragraph (c), and not to the two preceding ones. There is also a maximum penalty of £500.

Hon. J. G. Hislop: Does that not convey to the court that the offence is serious?

The CHIEF SECRETARY: The maximum penalty would not indicate the seriousness of the offence; but with a minimum, the intention of Parliament is clearly shown.

Hon. J. G. Hislop: Do you consider it is not serious if a maximum of £500 is provided for?

The CHIEF SECRETARY: Only to a degree. But we should emphasise the intention of Parliament by inserting a minimum penalty of £50.

Hon. A. F. GRIFFITH: The argument of the Chief Secretary has fallen down in that he asks firstly what the intention of Parliament was. Does any member say that the intention of Parliament was that a grower disposing of a stone of potatoes should be fined a minimum of £50? Our intention is to impose a maximum penalty of £500 where people consign big quantities of potatoes to the Eastern States. If the board decides to prosecute a grower for the trivial offence of disposing or parting with one stone of potatoes, and the charge is proved, the court must impose a minimum penalty of £50. That is the part to which we object. The amendment before us is very reasonable and it should be left to the discretion of the court to decide whether a person disposing of a stone of potatoes is guilty of a trivial offence.

The Chief Secretary: Is the board not made up of sensible men?

Hon. A. F. GRIFFITH: I do not doubt that; but the magistrate is trained in law, and he sits in judgment of what is right and wrong.

The Chief Secretary: Would the board prosecute trivial cases?

Hon. A. F. GRIFFITH: I do not know. If it did, the law would provide for a minimum penalty of £50. To prevent such a severe penalty for a trivial offence the Committee should support the amendment.

Hon. Sir CHARLES LATHAM: The Minister has stated that the penalty applies only to paragraph (c). In my view it could also apply to paragraphs (a) and (b).

The Minister for Railways: That is not the position.

Hon. Sir CHARLES LATHAM: Paragraphs (b) and (c) were originally one, and a division was made so that one paragraph would deal with the seller of potatoes, and the other with the buyer. Under paragraph (b) the grower is responsible to the board for the safe keeping, storage and protection of the potatoes. Why is that paragraph included if the penalty does not apply to it?

The Minister for Railways: There is no special penalty applying to paragraphs (a) and (b). In the Act there is the general penalty of £100 under Section 21.

Hon. Sir CHARLES LATHAM: I take it that the penalty in paragraph (c) does not apply to paragraphs (a) and (b).

The Minister for Railways: That penalty applies only to paragraph (c). Originally paragraphs (b) and (c) were one in the measure.

Hon. H. K. WATSON: I agree with the interpretation put forward by the Minister. The confusion arose because the penalty is printed at the top of page 3, and not the bottom of page 2. Had that been done the interpretation would have been more evident.

Regarding the amendment I moved, I would submit again that the magistrate is not only qualified to impose the penalty, but he has the facts of any case before him, and on the facts proved he will arrive at a fair penalty. There is a maximum penalty of £500 and that is sufficient. As for the minor offence of selling to the average citizen, I suggest that the desire to deter both grower and buyer is achieved by providing for a maximum penalty of £500. That is more effective than the provision of a minimum penalty of £50.

Hon. A. F. GRIFFITH: If this becomes an Act, the provisions will have to be policed. If there are insufficient inspectors the board will have to appoint more. In other departments we have seen what can happen when two inspectors hold a different view. It is not beyond possibility for one inspector to decide that a grower has committed an offence of a trivial nature and to prosecute him. If such a decision is made and the charge is proved the penalty must be at least a £50 fine. All sorts of difficulties could occur in the policing of the Act.

The MINISTER FOR RAILWAYS: There are sufficient inspectors to police the Act, and there are growers who would be keen to see that its provisions were observed, so there need be no fear about its not being policed. Mr. Griffith said that a man might sell a stone of potatoes and the penalty would be £50. That is the intention. But if paragraph (c) is read, it will be seen that a man can secure exemption. He can get written permission from the board; I expect that has been inserted because there are growers who might sell to the local storekeeper—I do not know whether they do or not—if the £50 minimum were lifted. It is designed purely for the big exporter. If the penalty is lifted, we will encourage the sale of small quantities, and the undesirable conditions which exist will be increased. The penalty is designed to deter.

Hon. A. F. Griffith: With no mitigating circumstances.

Hon. J. M. A. CUNNINGHAM: Referring to paragraph (b), it is not inconceivable that with such a shortage as has occurred in the Eastern States, a grower with 50 to 100 tons of potatoes in his shed could have them stolen. According to this provision the bailee is responsible for the safe keeping and for deterioration or careless storage.

What would happen in the event of a considerable portion of the potatoes being stolen? Would not the man be responsible to the board in some way? If so, that implies a penalty.

Hon. F. R. H. Lavery: On a point of order, Mr. Chairman, are we not dealing with paragraph (c)? We have passed paragraph (b).

The CHAIRMAN: I understood that the hon. member would connect his remarks with the penalty, and I was giving him some latitude. We are dealing with the deletion of the words in lines 2, 3 and 4 on page 3.

Hon. J. M. A. CUNNINGHAM: We have passed the other provisions?

The CHAIRMAN: Yes. The amendment is to delete the words in lines 2 to 4 on page 3.

Hon. J. M. A. CUNNINGHAM: I cannot recall paragraphs (a) and (b) having been put.

The CHAIRMAN: This is part of Clause 2, and Mr. Watson has moved an amendment on page 3. Therefore we are on page 3, and the amendment is to strike out the words to which I have referred.

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

Ayes	9
Noes	13
Majority against		4

Ayes.

Hon. J. Cunningham	Hon. C. H. Simpson
Hon. J. G. Hislop	Hon. H. K. Watson
Hon. G. MacKinnon	Hon. F. D. Willmott
Hon. R. C. Mattiaske	Hon. A. F. Griffith
Hon. J. Murray	(Teller.)

Noes.

Hon. N. E. Baxter	Hon. H. L. Roche
Hon. G. Bennetts	Hon. H. C. Strickland
Hon. G. Fraser	Hon. J. D. Teaban
Hon. J. J. Garrigan	Hon. J. McI. Thomson
Hon. R. F. Hutchison	Hon. W. F. Willesee
Hon. G. E. Jeffery	Hon. F. R. H. Lavery
Hon. Sir Chas. Latham	(Teller.)

Pairs.

Ayes.	Noes.
Hon. L. C. Diver	Hon. E. M. Davies
Hon. L. A. Logan	Hon. E. M. Heenan

Amendment thus negatived.

Hon. F. D. WILLMOTT: I move an amendment—

That the word "seven" in line 20, page 3, be struck out and the word "six" inserted in lieu.

This would reconcile growers to this legislation who are very dissatisfied with it and might help to create better relations between the board and the disgruntled growers, which is very necessary. In spite of what the Minister has said to the contrary, a number of growers are very dissatisfied with the board at present, so much so that they would advocate the abolition of the board, which would be very foolish from their point of view. However, when men get hot under the collar they will do anything.

The Minister for Railways: They would not go that far, though.

Hon. F. D. WILLMOTT: This amendment would not prevent the Government from bringing down a continuance Bill this session if it were proved to be necessary, and this House, I am sure, would deal with it on its merits.

The Chief Secretary: You do not know this House.

Hon. F. D. WILLMOTT: Perhaps I will learn as I go along. If we limit the operation of the measure to December of this year, that will give the control over potatoes that would come out of the ground in October, and would give the growers time to decide whether they like this legislation or not.

The MINISTER FOR RAILWAYS: I hope the Committee will not agree to the amendment. It will only be a matter of 12 months longer, or 15 months in all, that the legislation will be in existence if the Bill is passed as printed. There are

quite obvious reasons why the legislation should be in force for at least 12 months. The hon. member said there are a lot of disgruntled growers. No member of the Government has yet been approached by such growers.

Hon. Sir Charles Latham: A lot of them did not know this was to be introduced until yesterday.

The MINISTER FOR RAILWAYS: Then they must be deaf and blind. It has been broadcast since Tuesday and published in the newspapers since. I suppose every member representing any potato-growing district has made it his business to let the growers know. The growers are well aware of the situation, and the proof lies in the fact that a small party came to Parliament House today to see members opposite. But none came to the Government to submit a case.

Hon. Sir Charles Latham: They knew it would be useless. You are so stubborn that you will not take advice.

The MINISTER FOR RAILWAYS: I referred to a gentleman previously—and I can mention him now; it was Mr. Craig—who retired from this House only last May. He sent a special message to me that he was very sorry he was not still a member so that he could support me with this legislation, because he said the growers want it and are proud of their board and of the legislation.

Hon. Sir Charles Latham: He should have sent that to us, not to you.

The CHAIRMAN: I would ask the Minister to address the Chair and keep to the amendment.

The MINISTER FOR RAILWAYS: I am stating the reasons why the measure should be extended to 1957; and to combat the suggestion submitted by the mover of the amendment that the growers do not want it, I am stating that the growers have never informed the Government of that. The only growers I met were the growers' representatives last Tuesday when it was thought the legislation would be dealt with, but the Opposition would not allow us to do that.

Hon. F. D. Willmott: We have met them since.

The MINISTER FOR RAILWAYS: They told me that they wanted it.

Hon. F. D. Willmott: They have done some second thinking since then.

The MINISTER FOR RAILWAYS: I hope that we will not have to reconsider a similar measure in seven or eight weeks' time, because the Government will be castigated by some members who always say, "Fancy, two Bills in the one session! Why can't you make a job of it at the one time instead of wasting the printer's time, our

time and everybody else's time?" I sincerely hope that this amendment will not be agreed to.

Hon. C. H. SIMPSON: I think that generally speaking members know what they intend to do in regard to this amendment. But there is one point: If this measure is in operation for a further year, it will make the board the actual owner of the crop from the time it is planted, and that will effectively prevent any grower who may perhaps want to make a deal in regard to land, and make a contract with someone in the Eastern States, from doing so. I think that contravenes Section 92 of the Constitution. The Minister laughs; but neither he, nor I, nor anyone else can say until that is decided, whether a claim against the Government would be successful.

The Minister for Railways: I was smiling at the word "contract."

Hon. C. H. SIMPSON: If the amendment is agreed to, it will still give the Government all the power it needs for the immediate future; it will still give it an opportunity of consulting with the growers and ironing out any difficulties that are likely to arise. I hope members will agree to the amendment.

Hon. F. R. H. LAVERY: In my opinion a Government is entitled to have a measure on the statute book at least until next session in order to see how that legislation is working. There are approximately only 33 sitting days left for this session—

Hon. A. F. Griffith: I can see a lot of late nights in front of us.

Hon. F. R. H. LAVERY: So can I. Usually in the last two or three days of a session business which should require mature consideration is rushed through in one night. Yet a measure of this description takes nearly a week to discuss. The mover of the amendment said that it would please a number of dissatisfied growers. I have with me the transcript of the recently held Royal Commission into the potato industry—the whole 1,900 pages.

Hon. Sir Charles Latham: Read them.

Hon. F. R. H. LAVERY: I would be delighted. I also have the commissioner's report; and of the 1,400 growers, approximately only 100 are rebelling against the board. In my opinion this legislation will not be effective in the next eight to 10 weeks. If the amendment is agreed to, it will not give the people most vitally concerned—the growers and the board—an opportunity of seeing how this legislation works. I would say that the amendment almost makes the Bill unworkable.

Hon. Sir Charles Latham: You will convince me and make me vote against the Bill in a moment.

Hon. F. R. H. LAVERY: I could not convince the hon. member on anything. He is most adamant on every subject and

would not be convinced about anything if he did not want to be convinced. I hope the Committee will not agree to this amendment.

The CHIEF SECRETARY: I hope the Committee will not seriously consider this amendment. We are now in the month of September and we hope to finish the session by the end of November. Yet members are asking us to pass legislation with the condition that, within a matter of a few weeks, it should be reconsidered! What is to happen in the meantime? Once the Bill is passed through this Chamber, there is no possibility of the subject matter being considered again this session. There are three crops of potatoes to be dug between now and when the next legislation will be introduced.

Hon. H. L. Roche: If you are as slow as you were before, there will be three.

The CHIEF SECRETARY: We are asked to provide for this forthcoming crop only, and not to worry about the other two crops. That is not sound legislation. In effect, members are saying, "We will see how the growers like the legislation first."

Hon. J. G. Hislop: You often come here and ask us to pass legislation that we do not like.

The CHIEF SECRETARY: That may be so; but we do not come here with the request that members should pass legislation for the time being to see how the persons concerned like it for a certain period. Members have given me an idea but it is highly impracticable. Surely a period of 12 months is not too long for this legislation to remain in operation! Therefore, to meet the wishes of those members who want to review this legislation at the earliest possible date, I suggest that consideration might be given to the acceptance of an amendment to provide that the legislation should operate until the 30th September, 1957. That would cover the three crops of which I have spoken. Do members honestly think that we can give this legislation a fair trial if it operates only to the end of this year?

Hon. F. D. Willmott: Yes.

The CHIEF SECRETARY: Well, members are very easily pleased. I am prepared to say to a representative of the consumers and a representative of the growers that this legislation should be allowed to operate for a trial period of 12 months, and I am quite sure that the Minister for Railways would agree to such a suggestion.

The MINISTER FOR RAILWAYS: The Chief Secretary's suggestion is a very good and a very fair one. On behalf of the Minister for Agriculture I would be prepared

to accept his suggestion that this legislation should operate only until the 30th September, 1957.

Hon. F. D. WILLMOTT: I am not agreeable to that suggestion. Growers have approached me to reject this legislation. I tried to persuade them to accept it for a period until the 30th September but they refused.

Hon. F. R. H. Lavery: Would the hon. member who has just sat down tell the Committee how many growers were represented by the men who approached him to reject this legislation?

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

Ayes	13
Noes	9

Majority for 4

Ayes.

Hon. N. E. Baxter	Hon. H. L. Roche
Hon. A. F. Griffith	Hon. C. H. Simpson
Hon. J. G. Hislop	Hon. J. McI. Thomson
Hon. Sir Chas. Latham	Hon. H. K. Watson
Hon. G. MacKinnon	Hon. F. D. Willmott
Hon. R. C. Mattiske	Hon. J. Cunningham
Hon. J. Murray	(Teller.)

Noes.

Hon. G. Bennetts	Hon. H. C. Strickland
Hon. G. Fraser	Hon. J. D. Teahan
Hon. J. J. Garrigan	Hon. W. F. Willesee
Hon. R. F. Hutchison	Hon. F. R. H. Lavery
Hon. G. E. Jeffery	(Teller.)

Pairs.

Ayes.	Noes.
Hon. L. C. Diver	Hon. E. M. Davies
Hon. L. A. Logan	Hon. E. M. Heenan

Amendment thus passed.

Clause, as amended, agreed to.

Title:

The MINISTER FOR RAILWAYS: I move an amendment—

That after the figures "1946" the following be added: "1949".

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

Bill reported with amendments and an amendment to the Title, and the report adopted.

Third Reading.

Bill read a third time and returned to the Assembly with amendments and an amendment to the Title.

Sitting suspended from 10.40 to 11.15 p.m.

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to the amendments made by the Council.

House adjourned at 11.18 p.m.

Legislative Assembly

Thursday, 6th September, 1956.

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The DEPUTY SPEAKER (Mr. Moir), took the Chair at 2.15 p.m., and read prayers.

ADDRESS-IN-REPLY.

Presentation.

Mr. DEPUTY SPEAKER: I desire to announce that, accompanied by the member for Albany and the member for Murchison,