REPORT
of
ROYAL COMMISSION
into
Matters Relating to the Marketing and Distribution of Onions

Presented to both Houses of Parliament
SECTION 1.
The History and Construction of the Marketing of Onions Act.

The Onion marketing Board was constituted under the Marketing of Onions Act, No. 52 of 1938, as amended. In accordance with Section 3 of the Act, the Board consists of five members, two of whom are grower members elected by the growers, and three of whom are nominated by the Governor.

Of the nominated members, one represents the consumers, and one at least must be a person of mercantile and commercial experience.

The composition of the Board, therefore, is as follows:—

Grower Members: Messrs. F. Telenta and F. Santich.

Nominated Members: Mr. F. Mann, Chairman of the Board, representing the consumers.

Mr. A. Murray, a person of mercantile and commercial experience.

Mr. J. P. Eckersley, Officer in Charge of the Vegetable Branch, Department of Agriculture.

The Secretary of the Board is Mr. A. J. H. Wilson, who is also Secretary of the Metropolitan Markets Trust.

The Marketing of Onions Act was introduced into the Legislative Assembly by a private member, and initially I do not think it had the benefit of Crown Law drafting. After reading the "Hansard" report of the Bill when before both Houses, I feel that the Act has never really carried into effect the intention of the Legislature. It is evident that many members thought that the Act would have a different effect to what it actually has had. For example, one honourable member considered that the Act would help to regulate the supply of onions throughout the year, but of course this has not been so.

The language of many of the sections is rather ambiguous, and when read together, they are very difficult to interpret, and it is extremely doubtful how they can be made to work. The framework of the Act is poor, and the substance of the Act itself compares unfavourably with other marketing legislation.

Despite all these defects, a greater effort could have been made by the Board to comply with the provisions of the Act, and various sections which could have been complied with have been honoured more in the breach than the observance.

When the Bill was before the Legislative Assembly, the then Minister for Agriculture forecast that, owing to the peculiar circumstances of the onion industry in this State, the Act would be a failure. Time has proved how right he was.

Legislation somewhat along the lines of the Marketing of Potatoes Act could be made to work, providing a number of factors could be controlled, but there are so many of these factors that cannot, in my opinion, be controlled, that such legislation would be useless.

The industry has reached saturation point in over-production, and it is impossible to get rid of the surplus, except at disastrous prices on the export market.

Many growers sell what they can to the Board, and then use the Board as a price-fixing body for "black marketing" the balance of their crop. At the same time, these men are loud in their criticism of the Board, and wonder why it cannot function properly. Suspicion is foremost in the minds of many growers, and a Board official has only to pay a visit to a particular garden and all the neighbours believe he is there for some ulterior purpose.

I feel that marketing legislation is desirable where the interests of an industry really require it, where the majority of the industry is co-operative with the industry Board and with one another, and finally where such legislation is at least of some benefit to the community as a whole.

I feel that these considerations do not apply to the onion industry, and that it can be well left alone to work out its own salvation, without prejudice to the industry, its members, and most certainly the community.
SECTION 2.
Problems Arising Out of Limited Seasonal Production.

In order to understand the full import of the Marketing of Onions Act and the difficulties of administration, particularly in the acquisition and subsequent sale of the onions, it is necessary to appreciate that the onion season in this State is very limited.

Spring onions are harvested in late winter and early spring, whilst white onions commence in November, and there does not appear to be any difficulty in the marketing of these varieties.

Early brown onions are the next to come in, and are harvested from November to the end of January. In latter years, onions produced in late January have been called "mid-season," but there is no distinction in variety. These mid-season onions might last until April. Some of these are of good quality, but there is considerable variation.

The "late crop" is harvested in March and usually is of good keeping quality until May. This year, due to seasonal conditions, some of this crop lasted to July, but this is most unusual.

The Spearwood Brown Globe onion is the main variety grown in the State, and comprises the bulk of all onion production here. The major surplus in these onions occurs from Christmas to March.

Eighty per cent. of the onion crop is grown in the Spearwood-Coogee area, a certain percentage is grown in Osborne Park, a certain percentage along the Albany Road to Armadale, and the rest is country districts, including Kalgoorlie, which is now an onion-growing centre.

As soon as the local onions begin to cut out, importation of onions commences. Most of these are imported from Victoria and South Australia, but some even come from Egypt.

The quantity of onions, and the period in which they are imported, vary from year to year according to seasonal changes, but usually importation commences in May, and extends till new-season local onions are available.

It will thus be seen that the Board’s real activities are limited to about half the year.

SECTION 3.

The sections of the Act which set out the procedure for the acquisition and sale of onions are most unfortunately drafted, and no amount of amendment will ever make them any better.

Section 4 of the Act provides for the issue of a proclamation under which all onions belonging to growers shall from the date of the proclamation become vested in the Board and become its absolute property. In the year 1954-55, the proclamation was made in October, 1954, and covered the period from 13th November, 1954, to 30th September, 1955.

Under Section 11 (a), once the proclamation is issued every grower becomes a bailee in possession on behalf of the Board until the Board requests in writing that delivery of such onions be effected to the Board, its agent, or to a purchaser from the Board.

Under Section 2 of the Act, a “grower” means a person by whom or on whose behalf onions are actually grown or produced for sale on any area not less than a quarter of an acre, and, where onions are grown or produced pursuant to any share-farming or partnership agreement (whether expressed or implied), include any party or parties to such agreement.

Under Section 11 (b), every grower whilst he is a bailee in possession of the onions is responsible to the Board for the safe keeping, storage and protection of such onions. Under Section 11 (c), unless the grower comes within a certain exemption, he commits an offence, whilst a bailee of onions, if he sells or delivers them to any person other than the Board except with the authority in writing of the Board. Furthermore, the same subsection makes it an offence for any person to purchase or receive onions from a bailee except as a purchaser from or authorised agent of the Board.

Under the Marketing of Onions Act, therefore, the Board acquires the property in the onions while still on the growers’ gardens and this, of course, must be distinguished from the position under the Marketing of Potatoes Act and the Marketing of Eggs Act, where there is no such general acquisition. Under the last two Acts, however, the respective Boards must take delivery of their commodities from the producers, subject to their being of the prescribed quality.

After the proclamation has been issued, the Board is required, under Sections 11 (f) and (g) (1), to advertise a date on or before which growers shall furnish a statement in writing in the prescribed form verified by statutory declaration, giving the estimated quantity and the variety or varieties of onions which have been or are in course of being produced. The statement must be in the form prescribed by management Regulation 23, and is known as Form No. 3.
Form No. 3, when completed, must set out the grower's name, his estimated crop, the number of acres planted, whether with brown or white onions, and the estimated yield.

The Board has only partly fulfilled its obligations under the section inasmuch as it has advertised that the return must be made, but has always neglected to ensure that it has been verified by statutory declaration.

Mr. Straughair, an officer of the Board, is employed as an inspector and he is supposed to inspect the growing onion crops, discuss the estimated yields with the growers, and help them to fill in Form 3. Whilst he probably knows every inch of garden in the district, I have some doubt if he officially visits every garden for this purpose. Even if he did, there are two cases disclosed by the evidence in which he did not succeed in obtaining Form No. 3.

Owing to the Board's lax attitude, this Form 3 is never in fact verified as required by the section. Asked why the statutory declaration is not insisted on, Mr. Wilson, at page 1102, said, "Because we can see no force in it." One Board member, however, Mr. Eckerley, has said the declaration should be obtained and that it is desirable to obtain it. The Board is charged with the administration of the Act and the onion is on it to see that, whenever possible, its provisions are enforced. Under Section 11 (g) (ii), a grower is bound by Form 3; how much more so would he be if it were verified by statutory declaration. The reason, of course, for the declaration is to pin down the grower to an accurate estimate of his crop from which he cannot retract in the future. In one case brought before the Commission, the Board would have saved itself considerable expense, voluminous correspondence and probable litigation had it insisted on the declaration.

Mr. Wilson has explained that a statutory declaration obtained in the beginning of the season would not cover the mid-season or late crops because at that stage these crops would not be sufficiently far advanced to allow an accurate estimate to be given. At page 1104, however, he says that Form 3 was obtained from growers right throughout the season. If this were so, the grower must at some stage have been in a position to verify it by statutory declaration.

Under Section 11 (h) (i), a grower, in making his estimate must exclude therefrom all onions which are or are not likely to be of the prescribed quality, or which do not or are not likely to conform to the prescribed standard.

After the receipt of Form 3 from the grower, under Section 11 (i), the Board is required to issue a certificate to the grower stating the estimate of the quantity of onions produced, or in course of production, of which the Board has approved or otherwise determined. This provision has never been carried out by the Board and no such certificate has ever been given. The reason for this is that the Secretary, who very obviously dominates the Board in these matters, prefers to rely on the definition of "certificate" in Section 2 of the Act, which is "a document in the prescribed form issued by the Board as evidence of delivery by a grower to the Board of any quantity of onions." I do not want to be dogmatic about it, but the language of Section 2, in my opinion, refers to a different type of certificate to that contemplated by Section 11 (i) and cannot override the clear intention of the Legislature expressed in this latter section. Section 11 (i) clearly indicates that once the grower has sent in Form 3, the Board is to grant a certificate to such grower stating the estimate of the onions of which it approves.

I feel that the Board has not carried out the provisions of Section 11 (i), not because of any difficulty of interpretation but because it has always considered it impracticable to do so. The Board's only method of checking Form 3 has been Mr. Straughair. He says he checks the various estimates on the spot with the growers, that he fills in the forms and the growers sign them. He says that whilst he should check the estimates for the late crop, this year, he was not able to get right around the gardens. This was not Mr. Straughair's personal fault, as he was kept very busy with inspections of onions being prepared for export to Singapore. The Board, in my opinion, has never been in a real position, and never will be, unless a constant vigilance is maintained, to check the growers' estimates.

An anomaly is provided by Regulation 27, as amended, which prescribes that, "The certificate to be issued to a grower by the Board after the receipt of any onions by an authorised agent of the Board, as provided for in Sub-Section (1) of Section 11 of the Act, shall be in Form No. 5 in the Appendix to the regulations." Section 11 (i) says nothing whatsoever about the issue of a certificate after the receipt of onions, but in fact provides that the certificate contemplated by the section shall be issued as soon as practicable after receipt of Form 3 and the necessary statutory declaration. Furthermore, Form 5 is very obviously drawn up in accordance with the definition of "certificate" in Section 2, whereas the certificate under Section 11 (b), as I have pointed out, refers to something else altogether.

The underlying principle of the Marketing of Onions Act is the acquisition by the Board of all onions whilst on the growers' properties. The growers are made bailiffs of the onions for the Board and the onus is on them to take the necessary steps to protect the quality of such onions. The statement in writing required to be furnished by the grower and the certificate to be given by the Board, under Section 11 of the Act, are based on the above principle of acquisition on the property, and nothing whatsoever is said about delivery.

I cannot find anything in the Act providing that a certificate shall be issued as evidence of delivery, and the only mention of such certificate appears to be in the definition clause which I have recited above. Section 4 provides, inter alia, that the Board may by the proclamation earlier referred to make
such further provision as will enable the Board effectively to obtain possession of the onions covered by the proclamation.

Under Section 14 (1) of the Act, the Board is empowered to sell or arrange for the sale of all onions vested in it. In order to do this, it must allocate orders for onions to the various growers, and the procedure for doing so is set out in Section 14 (2). This subsection provides “that when selling or arranging for the sale of onions as authorised by the section, the Board shall, as far as practicable, allocate to such sales the onions produced by the various growers respectively in the proportions which the quantities of onions mentioned in the certificate issued by the Board to such growers respectively under paragraph (i) of Section 11 of this Act bear to the aggregate quantity of onions mentioned in all such certificates aforesaid, with the intent that there shall not be any unreasonable discrimination in favour of any grower in the disposal of such onions.”

Having allocated the sale of onions as provided for by Section 14 (1), under Section 15 (1), out of the proceeds of sale of onions disposed of by it, the Board is required to make payments to each grower who has received a certificate issued by the Board under Section 11 (i) in respect of the quantity of onions specified in such certificate on the basis of the net proceeds of the sale of all onions of the same quality or standard sold by the Board during or covering such periods of time as may be prescribed and the proportion which the quantity of onions specified in such certificate bears to the aggregate quantity of onions specified in all certificates aforesaid issued by the Board to all the growers who received such certificates, or the Board shall make the payments on such other basis as the Board may determine, but the Board may, in determining the amount of the payments, take into account any other circumstances which it considers relevant.

Having failed to issue the proper certificates in accordance with Section 11 (i), the Board has never been in a position to comply with Sections 14 (2) and 15 (1), and the procedure therein has never been followed. Apart altogether from the Board’s failure in this respect, it would be extremely difficult and impracticable, in the existing circumstances of the industry, to comply with the strict terms of the sections.

The effect of Section 14 (2) is that the Board is required, as far as practicable, to take delivery of onions from a grower in the proportion which his estimated crop bears to the total estimated crops. Instead of this, the Board has endeavoured to take from each grower an equal quantity of onions irrespective of whether one grower produces more onions than another.

The Board has been given discretionary power with regard to the method of payment in Section 15 (2) of the Act and, in accordance with this power, the Board’s present method of payment is to distribute the proceeds to growers in proportion to their deliveries.

Strict compliance with aforementioned sections would mean that the more onions a grower produced, provided they were covered by the certificate under Section 11 (i), the more the Board would be required to take from him and the greater the proportion of the proceeds of sale, it would have to pay him.

With the supply of onions far in excess of the demand, this state of affairs would only encourage further over-production, and in a very short time land the Board in bankruptcy.

All these anomalies have been apparent to the Board for a long time, and the attention of the Legislature should have been drawn to them years ago. Instead of seeking the help of the Legislature, Mr. Wilson has adopted the position, even with the Crown Law authorities, that the Board has been carrying out the correct procedure. On the other hand, Mr. Eckersley says both he and Mr. Wilson have known for a long time that the wrong procedure was in fact being carried out.

It must be said in favour of the Board, however, that, whilst its procedure of allocation and sale has not been strictly in accordance with the Act, it was intended to be fair and equitable, and in the main has been fairly and equitably administered.

I will deal more fully with this matter of the allocation of orders at a later stage in the report.

SECTION 4.

The Problem of Over Production with Relation to the Responsibilities of the Producer.

The surplus problem is the backbone of all the trouble in the industry. If all onions that are produced could be sold on the local market, all the trouble would disappear. More onions, however, are produced than can ever be consumed locally and the surplus must be sold on the export market at unprofitable prices or otherwise it would have to be left to rot. The poor export prices result in a low overall price to the growers and this causes dissatisfaction and in some cases actual hostility to the Board.

Some growers understand the economics involved in the surplus problem, some are incapable of appreciating the problem, others don’t want to understand it and growers as a whole shut their eyes to it.

All the answers to the problem are in the hands of the industry itself and it is unjust to blame the Board for the position which the producers themselves have created. They over-produce, then blame the Board for not selling every onion they grow.

The first answer, and perhaps the only real answer, is to produce less. As in the case of the egg surplus, where the answer to too many eggs is less eggs, so is the answer to too many onions, less onions.
The position very clearly is that growers will not reduce production, knowing as they do that local prices are more or less pegged favourably to themselves. They mistrust one another and not knowing what future production will be, produce on the chance of a market being found. They rely on the stabilising influence of the Board to maintain a minimum price and want to participate in that price. The result of course has been violent over-production with the overall price hardly giving the growers the cost of their production.

In an area such as Spearwood-Coogee, limited to several square miles, one would think that some form of co-operation could be evolved which would benefit the industry. All attempts along these lines in the past have been a failure, due, it is said, to the “disloyalty” of the growers. There are always those who think they can do better by remaining outside the scheme or operating outside the scheme when the occasion arises, but at the same time relying on the better conditions and better prices which the scheme brings to the industry. The writing is on the wall, however, written in large clear letters and can be seen by all who want to see:—“CUT DOWN ON PRODUCTION.” If the producers themselves won’t do it the only alternative is to license acreage or tonnage, or revert to free marketing. The law of supply and demand under free marketing would soon make it unprofitable for all but the efficient to carry on and supply would come back to normal.

The enigma of the onion industry is that whilst we have such a large surplus, as I have pointed out, from Christmas till March, no local onions are usually available in commercial quantities at all in June, July, August and September. A partial answer to the surplus problem may be to grow a better keeping onion that will last over these months, to provide better storage facilities on the gardens themselves and to consider the possibility of commercial refrigerated storage. I shall deal with these matters later, under their own headings.

SECTION 5.

The Statistics of Onion Production, Local Consumption and Export.

The acreage under onions in Western Australia in 1953-54 the last year for which figures are available, was 375.

The total sales of all varieties of onions effected by the Onion Marketing Board from 1945 to 1954 were as follows:—

<table>
<thead>
<tr>
<th>Year</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1945</td>
<td>1,902</td>
</tr>
<tr>
<td>1946</td>
<td>1,900</td>
</tr>
<tr>
<td>1947</td>
<td>1,866</td>
</tr>
<tr>
<td>1948</td>
<td>1,722</td>
</tr>
<tr>
<td>1949</td>
<td>1,606</td>
</tr>
<tr>
<td>1950</td>
<td>1,520</td>
</tr>
<tr>
<td>1951</td>
<td>1,464</td>
</tr>
<tr>
<td>1952</td>
<td>1,414</td>
</tr>
<tr>
<td>1953</td>
<td>1,363</td>
</tr>
<tr>
<td>1954</td>
<td>1,311</td>
</tr>
</tbody>
</table>

The following table shows the total tonnages of No. 1 Grade Brown Onions sold by the Board from 1945 to 1954, giving the tonnages sold locally and on the export market:—

<table>
<thead>
<tr>
<th>Year</th>
<th>Total.</th>
<th>Local.</th>
<th>Export.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1945</td>
<td>1,387</td>
<td>1,367</td>
<td>—</td>
</tr>
<tr>
<td>1946</td>
<td>1,960</td>
<td>1,260</td>
<td>700</td>
</tr>
<tr>
<td>1947</td>
<td>2,318</td>
<td>1,518</td>
<td>1,300</td>
</tr>
<tr>
<td>1948</td>
<td>3,469</td>
<td>1,740</td>
<td>1,729</td>
</tr>
<tr>
<td>1949</td>
<td>2,925</td>
<td>1,342</td>
<td>1,583</td>
</tr>
<tr>
<td>1950</td>
<td>3,076</td>
<td>1,500</td>
<td>1,716</td>
</tr>
<tr>
<td>1951</td>
<td>3,746</td>
<td>1,805</td>
<td>2,961</td>
</tr>
<tr>
<td>1952</td>
<td>3,120</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1953</td>
<td>4,440</td>
<td>1,281</td>
<td>3,159</td>
</tr>
<tr>
<td>1954</td>
<td>3,976</td>
<td>1,527</td>
<td>2,449</td>
</tr>
</tbody>
</table>

The following table is most interesting because it shows sales compared with State and metropolitan populations from 1945 to 1954, and also the number of onions consumed per 1,000 people on both a State and metropolitan basis:—

<table>
<thead>
<tr>
<th>Year</th>
<th>Total.</th>
<th>Local.</th>
<th>Export.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1945</td>
<td>1,002</td>
<td>400</td>
<td>—</td>
</tr>
<tr>
<td>1946</td>
<td>1,200</td>
<td>407</td>
<td>—</td>
</tr>
<tr>
<td>1947</td>
<td>2,485</td>
<td>309</td>
<td>—</td>
</tr>
<tr>
<td>1948</td>
<td>2,642</td>
<td>522</td>
<td>—</td>
</tr>
<tr>
<td>1949</td>
<td>1,866</td>
<td>544</td>
<td>396</td>
</tr>
<tr>
<td>1950</td>
<td>1,772</td>
<td>573</td>
<td>312</td>
</tr>
<tr>
<td>1951</td>
<td>1,805</td>
<td>500</td>
<td>322</td>
</tr>
<tr>
<td>1952</td>
<td>1,729</td>
<td>613</td>
<td>334</td>
</tr>
<tr>
<td>1953</td>
<td>1,931</td>
<td>632</td>
<td>344</td>
</tr>
<tr>
<td>1954</td>
<td>1,844</td>
<td>649</td>
<td>354</td>
</tr>
</tbody>
</table>

From the above table, it will be noted that in 1945 when the State population was 490,000 the home consumption of onions was 1,602 tons. In 1947, when it was 509,000, the home consumption was 2,485 tons and in 1948 when it was 522,000, the consumption was 2,642 tons. In 1954, however, when the population had reached 649,000, the home consumption was only 1,844 tons. During January, February and March, the consumption of onions is very low, but Board files show that whereas it formerly sold 50 tons a week during these months, it is now only selling 18 tons. Mr. Telenta, a very well informed Board member, considers that in view of the increased population, the Board should be selling another 22 tons a week or 1,144 tons a year. At the present time, the local market absorbs about 30 to 40 tons a week during the summer and up to 80 tons a week in the winter. Its yearly requirements are satisfied with 1,500 to 2,000 tons.

SECTION 6.

The Black Market.

Statistics show that Western Australians are either eating less onions or alternatively are not buying as many through retail sources supplied by the Board. In other words quite a quantity of onions are being
bought and sold on the black market. There is not the slightest doubt that a large black market exists and this is borne out by the overwhelming evidence of producers, some of whom frankly admit they have been selling onions this way.

Mr. Telenta's estimate that the Board should be selling another 22 tons a week, which is 1,144 tons a year, substantiates the general estimate in the industry that 1,000 to 1,500 tons annually are sold on the black market. This figure represents about one quarter of the State's total production of onions and is little short of scandalous. The onion producers have special marketing legislation for their 375 acres—a very small proportion of the State's vast acreage—but they sell one quarter of their produce illegally.

The reasons for the large black market are not hard to find. In 1953, of the total tonnage of 4,440 sold through the Board, 3,159 tons were exported and in 1954 of the 3,976 tons sold through the Board, 2,449 tons were exported. During the last few years export prices have been gradually deteriorating so that the gap between the export and the local price is ever widening. It, therefore, pays the unscrupulous producer to sell his onions at a price which although below the local wholesale price will nevertheless be above the overall price obtained by honest growers who sell all their onions through the Board.

The following figures for brown onions will show the price trends and the effect of the export market. These figures will show why the Board has been quite popular up till the last couple of years or so, and why its unpopularity commenced with the deterioration of the overseas market. The fault, of course, is not the Board's, but many growers don't want to see this.

In 1945, when there was no export, the grower received a return of £16 5s. per ton. In 1946, when only 700 tons were exported, the local price was £16 5s. and the grower received £16 5s. In 1947, when 1,300 tons were exported by the Board, the local price was £16 5s. and the grower received £16 5s. In 1948, when 1,729 tons were exported, the local price was £17. In 1949, when 1,583 tons were exported, the local price was £18 10s. and the grower received £18 10s. In 1950, when 1,716 tons were exported, the local price was £24 15s. and the grower received £20 10s. In 1951, when 1,005 tons were exported the local price was £29 10s. and the grower received £28 1s. The exports sales for 1952 are not available, but the local price was £27 and the grower received £35 17s. 9d. In 1953, when 3,159 tons were exported, the local price was £41 15s., but the grower only received £27 3s. In 1954, when 2,449 tons were exported, the grower only received £28. The local prices wherever quoted are wholesale.

To illustrate how the difference between the local wholesale price and the actual return to the grower is made up, I shall give the following figures which are, however, only available from 1952 to 1955, but they shall nevertheless serve the purpose.

<table>
<thead>
<tr>
<th>Year</th>
<th>Wholesale Price in March (approx.) per ton in £</th>
<th>Export Price in March (approx.) per ton in £</th>
</tr>
</thead>
<tbody>
<tr>
<td>1952</td>
<td>£ 40 2 6</td>
<td>£ 15 0 0</td>
</tr>
<tr>
<td>1953</td>
<td>£ 41 15 0</td>
<td>£ 17 0 0</td>
</tr>
<tr>
<td>1954</td>
<td>£ 38 15 0</td>
<td>£ 15 0 0</td>
</tr>
<tr>
<td>1955</td>
<td>£ 42 0 0 white</td>
<td>£ 20 2 6</td>
</tr>
</tbody>
</table>

There was hardly a witness who did not want a board of some kind. Many, however, do not want a Board because they are believers in organised marketing, but because they want to reap all the benefits from it without assuming any of its responsibilities. I am quite sure that when the Board fixes a wholesale price, many growers use this as a base on which to fix their own prices on the black market. This has been generally spoken of in evidence and is not my own assumption. The last people who want the Board abolished are producers who sell on the black market.

Under the Act, the Board, as I said, appears to have no power to compel delivery of onions from the grower. Section 4 might be wide enough to allow this to be done because it provides that the Board in its proclamation may make such further provision as will enable it to obtain possession of a grower's onions. I don't think this has been done by the Board, but after all it would be tantamount to government by proclamation. Furthermore, there may perhaps be some doubt as to whether Section 18 of the Act which provides a general penalty for offences against the Act, actually applies to non delivery of onions under the proclamation. In any case, the Board has evidently acted under the assumption that it has no power to compel delivery. Things have now reached such a sorry state, that some growers are openly defying the Board. The following instances of defiance are to my mind so notorious, as to merit special comment.

(a) The Bileich "Case".

This case shows the ridiculous position that has been reached under the Act. The grower concerned is Mr. Ivan Bileich, market gardener of Annie Street, South Fremantle, who farms about two acres including quarter of an acre of onions. In 1955, the Board was not even successful in obtaining Form 3 from this grower let alone the verifying statutory declaration. Some of the questions and answers whilst Mr. Bileich was in the box are worth recording verbatim.

Q. Did you fill in Form 3?
A. No.
Q. Why?
A. Because it did not suit me.

The witness then admitted that Mr. Rudeforth, an officer of the Board, took him an order for onions.

<table>
<thead>
<tr>
<th>Year</th>
<th>Wholesale Price in March (approx.) per ton in £</th>
<th>Export Price in March (approx.) per ton in £</th>
</tr>
</thead>
<tbody>
<tr>
<td>1952</td>
<td>£ 40 2 6</td>
<td>£ 15 0 0</td>
</tr>
<tr>
<td>1953</td>
<td>£ 41 15 0</td>
<td>£ 17 0 0</td>
</tr>
<tr>
<td>1954</td>
<td>£ 38 15 0</td>
<td>£ 15 0 0</td>
</tr>
<tr>
<td>1955</td>
<td>£ 42 0 0 white</td>
<td>£ 20 2 6</td>
</tr>
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</table>

There was hardly a witness who did not want a board of some kind. Many, however, do not want a Board because they are believers in organised marketing, but because they want to reap all the benefits from it without assuming any of its responsibilities. I am quite sure that when the Board fixes a wholesale price, many growers use this as a base on which to fix their own prices on the black market. This has been generally spoken of in evidence and is not my own assumption. The last people who want the Board abolished are producers who sell on the black market.

Under the Act, the Board, as I said, appears to have no power to compel delivery of onions from the grower. Section 4 might be wide enough to allow this to be done because it provides that the Board in its proclamation may make such further provision as will enable it to obtain possession of a grower's onions. I don't think this has been done by the Board, but after all it would be tantamount to government by proclamation. Furthermore, there may perhaps be some doubt as to whether Section 18 of the Act which provides a general penalty for offences against the Act, actually applies to non delivery of onions under the proclamation. In any case, the Board has evidently acted under the assumption that it has no power to compel delivery. Things have now reached such a sorry state, that some growers are openly defying the Board. The following instances of defiance are to my mind so notorious, as to merit special comment.

(a) The Bileich "Case".

This case shows the ridiculous position that has been reached under the Act. The grower concerned is Mr. Ivan Bileich, market gardener of Annie Street, South Fremantle, who farms about two acres including quarter of an acre of onions. In 1955, the Board was not even successful in obtaining Form 3 from this grower let alone the verifying statutory declaration. Some of the questions and answers whilst Mr. Bileich was in the box are worth recording verbatim.

Q. Did you fill in Form 3?
A. No.
Q. Why?
A. Because it did not suit me.

The witness then admitted that Mr. Rudeforth, an officer of the Board, took him an order for onions.
Q. Did you forward the onions to the Board in pursuance of the order?
A. No.
Q. What was your reason?
A. If I gave my onions to the Board, I would get about £23 a ton, whereas if I sold them myself I would get about £43 a ton.
Q. Mr. Wilson subsequently visited you?
A. Yes.
Q. Did he ask you to deliver your onions?
A. Yes.
Q. And did you?
A. No.
Q. What did you do with your onions?
A. I sold them.
Q. Where did you sell them?
A. Everywhere.
Q. You know you committed an offence under the Act?
A. Yes.
Q. You know that on your statement the Board can now prosecute you?
A. If they prosecuted me they would have to prosecute everybody. I am not the only one who does this.

Mr. Bileich complained that some of his onions had gone rotten, but admitted having received an order for them in May. His answer, however, is typical: "May is a busy month and when I put my onions in the shed I do not have time to worry about them." He then had to admit that the blame for his onions rotting lay on himself and not the Board. Furthermore, when asked if Mr. Straughair had given him an order in February, he said, "No," and later he said, "Perhaps if he had come and given me one I would not have taken it."

Mr. Bileich's attitude is by no means peculiar to himself and is shared by many other producers.

(b) The "Case" of Mr. Mat Stipinovich.

This is another case which deserves a special heading and it also occurred this year. The grower concerned is Mr. Mat Stipinovich, Market Gardener. He farms about 3¼ acres of land including three-quarters of an acre of onions.

Mr. Stipinovich denies ever having received Form 3 at all, but I am convinced he is not telling the truth and am satisfied from other evidence that he did receive it. He admits that Mr. Straughair came to see him and said, "Can I tell the Board that you are prepared to give the Board onions?", to which he replied, "Yes, as long as I get my price." Stipinovich said the same thing to Mr. Rudeforth, another officer of the Board, and Mr. Rudeforth agreed to give him his price which was £60 a ton, and furthermore some of the onions were sold at this price.

It is a very bad thing for the community in general and the industry in particular that the law can be openly flouted in the way it is, and something should be done to remedy the position as soon as possible.

Some growers produce better keeping onions than others and if greater encouragement were given to them by way of price incentive or premium to produce these, they would be much more satisfied and perhaps more co-operative. Such a system as this would make available more onions for the scarce period and probably cut down importation to a certain extent.

If an organised marketing system exists, all must bear their share of the surplus sold on an unprofitable export market.

Mr. Wilson is one of the few witnesses who merely "suspects" that blackmarketing is going on, but I notice in evidence that he was the person who suggested to the growers that they should appoint a vigilante committee to suppress it. Everybody else connected with the industry knows the extent of the blackmarket and as long as the Act remains in its present form it will continue to exist.

SECTION 7.

Comments on Allegations of Unfair Allocation of Growers’ Orders.

In the early part of the season the supply of onions is less than the demand and there is no difficulty in marketing them. As the season progresses, however, the supply begins to exceed the demand, until eventually saturation point is reached.

As soon as the supply exceeds the demand, the Board commences to allot equal tonnages of onions to growers, irrespective of the quantities grown by the various growers. An equal quota of two tons or less at a time is given to every grower and is supposed to be given in strict rotation.

Formerly, orders for onions were given to the growers by the Board's field officer, but this appeared to be creating considerable dissatisfaction, and allocations are now made from the Board's office. If any allocations are made out of turn, I think the failure is due to inefficiency rather than partiality.

This year, owing to the severe February rains, some growers lost up to 50 per cent. of their crops, but despite this there still remained a surplus. In February, onions had to be exported and had to be obtained from wherever they were available. They had to be obtained at short notice, and those growers who had their onions ready received orders. Those who did not have them ready, or who had taken no steps to protect them, lost their turns for orders and have since been the loudest in their condemnation of the Board.

In my opinion, after listening to complaints and sifting the evidence, I am quite certain that if onions have rotted in the ground for want of delivery, it is the fault of the industry as a whole and not of the Board. The producers themselves are more entitled to the blame than the Board, bearing in mind the fact that the Board has had no control over production. If they have produced more onions that could be eaten, why blame the Board for the fact that it has been unable to dispose of the surplus?
During the course of my inquiries I have found that in certain primary industries both here and abroad, the practice of “dumping” or destroying surpluses to prevent a glut is quite a common thing. If, in the circumstances existing in the onion industry, this did happen, where would the blame lie? I feel, however, that although dumping has occurred with other forms of market garden produce such as lettuce, cabbage and the like, this practice has not, in fact, been carried out within the onion industry.

Growers’ orders may have been delayed and, as a result, some onions may have deteriorated, but this again has been due to the difficulty of effecting ready sales. Frequently export is held up owing to ships not being available or because shipping is tied up as a result of industrial trouble on the waterfront. The Board cannot be blamed for this. Furthermore, in most cases brought before the Commission, where growers have complained about the deterioration of their onions awaiting orders, these growers have not taken the necessary steps to preserve the quality of their onions.

This lack of preservation has been particularly noticeable this year when many crops were badly affected by the February rains and the following heat wave. Many growers grow poor quality onions that will not keep for any length of time, and they are also inclined to forget that the Act places the onus on them and not the Board to preserve the quality.

Many complaints were made that partiality was being shown in the allocations of orders to growers for their onions, but the complaints have not been substantiated. I think that, taking into consideration the large surplus, the Board has had an unenviable task trying to please growers, and has been fair in its distribution of orders.

Most of the complaints seem to be directed to this year, which has been a hard one for some other industries as well as that of the onion, due chiefly to the unseasonal rains in the early part of the year. If a boat has to be loaded with export onions at very short notice, surely the only procedure that can be adopted by the Board is to take them from growers who can provide merchantable quality onions within the prescribed time. The Board, in doing this, may have given some growers orders out of turn, and perhaps larger orders than those to which they would have been normally entitled, but in the majority of cases the growers concerned would have been those who had carefully preserved the quality of their onions through the adverse weather conditions.

One complaint lodged by a grower, and which relates to the question of allocation of orders, is that of Mr. Velko Garbin. This complaint is typical of the growers’ attitude towards the Board.

Mr. Garbin was initially full of complaints against the Board, but before he left the witness box he had to admit that he had been very well treated.

In allocating orders for onions, it is the practice of the Board to provide growers with registered numbers. Mr. Garbin worked his property with his brother, and although his father was not financially interested, he also obtained a number. This was done, of course, with the intent of getting larger quotas and is most unfair to other growers. Mr. Garbin admitted that this was unfair but said all the others were doing it so he did it.

First of all, Mr. Garbin said his yield was 20 tons to the acre, and then 20 to 25 to the acre. In any case, the family between them produced 28 tons. At first he said the Board only took 16 tons but later had to admit it took 26 tons. As he had lost half a ton by sunburn, he did exceedingly well to be left with only 14 tons.

His complaint then was that the Board had not taken all his onions, but he had to admit that other growers who were able to dispose of 26 tons out of 27½ tons of merchantable onions would have been very well satisfied.

It would take too long, and in any case would serve no useful purpose, if I went into the details of every complaint about lack of orders which was brought before the Commission. They all conform to pattern, and the complainants all adopted the same catchcry: “We want more orders”. I have looked at the matter from every angle and I cannot find where the Board has acted other than impartially.

SECTION 8.
Comments on Allegations of Unfair Treatment Made by Ante Bonjola.

One of the complaints which undoubtedly had the effect of bringing about this Royal Commission was that of Mr. Ante Bonjola. This complaint received a great deal of Press publicity, and the Board received considerable criticism, all of which, in my opinion, was unjustified.

Mr. Bonjola is a market gardener, of 139 Pearse Avenue, Spearwood.

The picture painted by Mr. Bonjola in the newspapers was to say the least, harrowing, and the public undoubtedly obtained the impression that the Board deliberately allowed Mr. Bonjola’s onions to rot on his property.

Mr. Bonjola’s complaint first appeared in “The West Australian” on 21/3/55 and was to the effect that he had lost nearly £1,000 worth of onions during last season. He claimed that up till 21/3/55 the Board had taken only 17 tons out of a 64-ton crop since November, 1954, and that it had ordered another six tons after it had been notified that his onions had to be thrown out. On his story, 47 tons of good onions were allowed to go to waste.

The property on which the onions were grown is that of Bonjola’s sister, Mrs. B. Radonich, and the onions were grown in partnership with her. On 15/11/54, Mrs.
Radonich and Bonjola each signed Form 3 and they estimated the total early crop to be 34 tons of brown onions from a total planted acreage of 2½ acres.

Mr. Straughair was present when both forms were filled in and he says that Bonjola first estimated that the yield would be 50 tons, then he came down to 40, and when Mr. Straughair said he could not get 40, he came down to 34. Mr. Straughair himself estimated the yield to be 32 to 34 tons. Bonjola denied his estimate of 50 tons but I accept Straughair's version. I found Mr. Straughair an honest witness; he has lived amongst the growers for many years and bears an excellent reputation from one end of the industry to the other. Even Mr. Bonjola says he has nothing against him. Mr. Straughair lives next-door to Mr. Bonjola so during all the relevant times should have been in an excellent position to estimate the crop. It is generally admitted that there is no better "estimater" of crops in the district than Mr. Straughair.

Mr. Bonjola or his sister did not fill in Forms 3 for the late crop and his estimates of this have varied. Board files show that it was not until 10th February, 1955, that the Board or its agent were informed by him what his late crop would be. He preferred to strike his average over both early and late crops. He told the newspapers his early crop was 34 tons and that he had a 64 ton crop altogether. Later, he told me he averaged over 20 tons an acre for both crops and may have obtained 70 tons. Finally, when pinned down, his estimate was "20 early and late". I then put this question to him: "There is no doubt about that?" and he answered, "No, I am sure."

His own story is that by the end of December the Board had taken 17 tons of his early crop, leaving him with 17. The remaining 30 tons which make up his total of 64 must, therefore, have come from his late crop. If Forms 3 were correct that the early crop was produced on 2½ acres of land, the 30 tons in the late crop must have come from one acre because he admits that he only planted 2½ acres altogether. To get 30 tons from one acre was beyond his possibilities, and even if he planted 1½ or 1½ acres with his late crop I certainly do not believe he obtained 30 tons or anything like this figure.

Mr. Straughair says that Mr. Bonjola had a very poor late crop of 1 to 1½ acres at the most and that he would not get a greater yield than 8 to 10 tons. Moreover, if he did get a 20-ton crop, the onions would be too big and, as Mr. Straughair put it, "They are no good to the Board or the public".

Bonjola's onions, however, were not the type that come from a 20-ton to the acre crop and too many reputable witnesses saw them for me to believe otherwise. Mr. Eckersley, the officer-in-charge, Vegetable Branch, Department of Agriculture, who should know an onion when he sees one, and who inspected the onions on Bonjola's property, says that the late crop onions were of very small size and many were undeveloped, which would suggest that they had come from a poor crop. Mr. Eckersley was further of the opinion that they would go something under 10 tons to the acre.

The average crop in Spearwood is 12 to 14 tons and it would require a very good crop to go 20 tons to the acre. As Mr. Tom Cukrov, a grower, says, 20 tons to the acre would be "extra special." He further says he cannot get 20 tons to the acre and he has better land than Mr. Bonjola. Good husbandry is required and the evidence is that Mr. Bonjola was particularly inattentive to his last crop. Weeds gradually took command and finally were higher than the onions. Under these conditions it is impossible to get 20 tons to the acre. There were two beds that were not even pulled at all.

The evidence is that if Mr. Bonjola ploughed his 47 tons of rotten onions into the ground, as he said he did, it would make a hole as large as a big quarry. Not a single witness came forward to substantiate Bonjola's evidence, but many witnesses, both pro-Board and anti-Board, just laughed at Bonjola's claim that he had 64 tons of onions. Mr. J. Ivankovich, whose opinion of the Board is that "it stinks to high Heaven," says that Bonjola had 35 tons and no more. Mr. Cukrov, the Brenzie Brothers, Mr. A. Mayor, all very reputable men in the district, are but some of the witnesses who say he never had 64 tons.

Mr. Straughair says Mr. Bonjola had a maximum of 40 to 45 tons and this is the maximum I am prepared to accept. The next question to be decided is whether or not Mr. Bonjola has been unfairly treated by the Board.

Out of the 34 tons of early onions produced by Mr. Bonjola he received orders for 17 tons. On 21/1/55 he wrote complaining about lack of orders and saying half his crop had been lost, but Mr. Eckersley says that if he had sown properly selected seed, had carefully tended his crop during the growing period and protected his onions from the weather during curing and storage, they should have kept until March. Mr. Eckersley says that from December on there was a glut and it was very difficult to dispose of the onions and that in the circumstances 17 out of 34 tons was a fair proportion. Mr. Bonjola says that many growers had had all their onions accepted by the Board but I have not been able to ascertain who these were.

Mr. Straughair says that with the early crops, growers' orders are built up to 5 tons, 10 tons and then 15 tons, and that in getting orders for 17 tons Mr. Bonjola was doing as well as anyone else. In my opinion the Board had a most unenviable task in trying to divide up orders and did its best.

Mr. Straughair was appointed by the Board to allocate orders for export onions. Before giving Mr. Bonjola an order on 21/2/55 for 5 tons of onions he inspected onions in the latter's shed and, according to Mr. Straughair,
these were in good order. Either Mr. Straughair gave these onions a very casual inspection or other onions were subsequently appropriated to the Board's order by Mr. Bonjola. Whatever the position was, it is certain that on or about 22/2/55, when Mr. Frank Brenzie, a carrier, went to Bonjola's property to pick up onions on a consignment note, he noticed wet spots on some of the bags and remarked on this to Mr. Bonjola. He had had considerable experience with onions and he told Bonjola it would only be waste of time taking them to the ship and both of them then and there agreed that they would be rejected for export.

The following day Mr. G. A. Brenzie and Mr. Straughair both saw the onions and noted they were in a bad condition. This is not denied by Bonjola.

Round about 29/3/55 the onions were inspected by Mr. R. J. Steele, an inspector of the Department of Agriculture, who was of the opinion that they had broken down, due to excessive rain and heat. Even on that date, he felt that quite a few of the onions were of commercial value and could have been marketed. If this were so, many more would have been marketable five or six weeks earlier.

As a result of the inspection made by Mr. Steele, Mr. Eckersley reported on the whole matter to the Superintendent of Horticulture on 1/4/55. This report was tendered in evidence as Exhibit B 15.

The report says, inter alia, that it was obvious from an examination of the onions that their degeneration was due to faulty management, largely contributed to by weather conditions, and the main cause of the defects were sunburn and wet rot. Mr. Eckersley goes on to say that “a major proportion of the losses are due to the grower's own neglect in that the onions have been left in the field without protection; they have been exposed to the heat of the sun during the recent heat waves and that little or no attempt has been made to sort the good onions from the bad, with the result that the moisture from the rotting onions is contributing to the breakdown of the good onions.”

Mr. Eckersley was further of the opinion that had the onions been of reasonable quality and properly looked after they should have lasted until June.

Mr. Eckersley's opinion about the onions generally has been substantiated by reputable men in the district who knew Mr. Bonjola's property well and who had also seen the onions.

In view of the evidence submitted to this Commission, I am forced to the conclusion that Mr. Bonjola is a careless farmer who took no pains whatever to protect either his early or late crop, particularly the latter. The evidence of this is, in my opinion, conclusive.

There is no doubt that Mr. Bonjola could have picked over his onions and salvaged some for sale. Some time after 22/2/55, Mr. Straughair himself obtained a sample of the disputed onions from Mr. Bonjola's property. One quarter 14 lbs. were put up for sale and actually sold for 6s. 9d. This is equivalent to $45 per ton.

Up till 31/1/55 Mr. Bonjola had received his fair share of orders. It must be remembered that growers who produce large quantities of the early crop cannot expect to sell it all. When the mild and late crops start to come in, the merchants naturally prefer them to the early, which are then hard to sell.

On 21/2/55 he received a further order for five tons which he could not fulfil. Subsequently he received an order on 17/3/55 for 60 bags and on 22/3/55 for a further 60 bags for local deliveries. These also were not fulfilled.

Had he taken adequate steps to preserve his onions, Mr. Bonjola should have had adequate supplies throughout the whole of March to fulfil the Board's orders. I find that Mr. Bonjola's charges against the Board are not proved. He is not, in my opinion, a reliable witness and is one of the growers who consider that, notwithstanding their over-production, the Board is failing in its duty if it does not find a market for every single onion, good or bad.

Mr. Bonjola's idea of the position is summed up in his own words at p. 1301 of the evidence. “There would be no trouble in disposing of the onions if Mr. Wilson gave satisfactory orders; that is, if Mr. Wilson looked to the people of Australia to take the onions.”

Whilst this philosophy exists amongst the producers the Board, whatever it does for the industry, can hardly be expected to please it. This sort of thinking is allied with that of Mr. Erceg, another witness, who only wants to grow onions for local sales and not export. If he and all the other producers grow less onions and balance out their general market garden produce, Mr. Erceg's wish might be accomplished.

SECTION 9.

The Value of the Onion Industry With Relation to the Financial Welfare of the State.

I think it may be fairly put that in actual pounds, shillings and pence, the onion industry contributes very little to the financial welfare of the State. The following figures support this viewpoint.

In 1948-49, production of onions in Western Australia amounted to 3,500 tons. Of these, 1,583 tons were exported, but 1,510 tons were imported. In March, 1949, the local wholesale price was £20 15s. and the import price £39 per ton.

In 1949-50, production amounted to 3,488 tons, of which 1,761 tons were exported, but imports amounted to 2,525 tons. The local wholesale price in March was £23 and the import price in August was £35.
In 1950-51, we produced 4,175 tons, of which we exported 2,113 tons, and the same year we imported 723 tons. The local price in March was £31 5s. and the imported price ranged from £91 to £113 a ton.

In 1951-52, we produced 3,617 tons, exported 1,884 tons and imported 1,304 tons. In March of that year the local wholesale price was £40 2s. 6d. and in the same month we were exporting onions at £15 per ton. The price of imported onions in August was £80 per ton.

In 1952-53, we produced 5,090 tons, exported 3,189 tons and imported 2,084 tons. The local wholesale price was £41 15s., the export price in March was £17 a ton, and the imported price in August was £59 per ton.

In 1953-54, we produced 3,876 tons and exported 2,449 tons. In the same year our imports were 1,350 tons. The local wholesale price was £38 15s., the export price in March was £17 a ton, and the imported price in August was £68 per ton.

In 1954-55, approximately 3,270 tons were produced, of which 1,900 tons were exported. In the same period up till May, 1955, 1,590 tons were imported. The wholesale price in March, 1955, was £42 per ton and the export price in the same month was approximately £20. During July the wholesale price of imported onions reached £90 per ton, and during August, £78 per ton.

To show how the market jumps about, in some years onions have been exported in March for £15 to £17 a ton f.o.b. Fremantle and in the following May the wholesale price in Perth of imported onions was between £50 to £60.

Our importations of onions cost the State approximately £80,000 a year and only twice since 1945 have our export figures exceeded this. The total value of our exports in each year from 1945 to 1953-54 was as follows:

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<th>Year</th>
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The year 1953-54 was one of the biggest export years, yet the export market brought in only £62,678, which, according to Mr. J. P. Eckersley, returned the growers less than the actual cost of production for the onions exported. Singapore was one of our best overseas markets and paid profitable prices for our onions. In the last two or three years, however, this market has declined owing to keen competition from other countries which can produce and land onions in Singapore very much cheaper than we can. The position, therefore, has been that the Board has been faced with the problem of letting the onions rot or selling them on the export market for whatever price it could get.

**SECTION 10.**

Factors to be Considered in Planning for a Self-supporting Onion Industry in this State.

In view of the evidence submitted to this Commission, I feel that it would be possible and practicable to supply the local market with locally-grown onions throughout the whole year.

Before the industry could become self-supporting, however, the following factors would have to be taken into consideration, and a concrete policy adopted:

(a) The industry would have to produce a better-keeping onion that would supply the market for at least some of the shortage months. This could be achieved by the growers—

   (i) growing a better-keeping type or variety of onion;
   (ii) providing better storage facilities on their properties.

(b) Consideration would have to be given to the commercial cold storage of some portion of the late crop.

(c) Consideration would have to be given to the economic aspects of growing onions commercially in districts other than the present onion-growing centres.

(d) Consideration would have to be given to the payment of price incentives to—

   (i) producers who made available late-crop onions in the shortage months;
   (ii) producers who grew onions outside the present accepted onion seasons.

(e) Further research would have to be carried out by the Department of Agriculture.

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(a) Production of a Better-keeping Quality Onion.

The Spearwood Brown onion is an excellent eating onion, but it has a fairly short dormancy period. This means that after it is pulled, it begins to shoot fairly rapidly, particularly if there is a change in weather to cooler conditions. This opinion seems to be better suited to the local conditions than any other variety.

The Australian Brown onion, which is grown so extensively in Victoria, has, on the other hand, the reputation of being the best-keeping onion in the world. That is why it is imported commercially into Western Australia and marketed long after the Spearwood onion has ceased to be marketable.

The quality of the Spearwood onions vary in quality very considerably. The human ele-
ment enters into this, due to the fact that some growers are naturally better tillers of the soil than others and far more quality conscious.

Many growers seek big yields and "push" the growth of their onions with artificial manures, particularly sulphate of ammonia. Both onions and potatoes, according to the evidence of the agricultural experts, when "pushed" in this way tend to be of poor-lasting quality, and to break down when stored. This particularly applies when they have been grown under irrigation.

Evidence submitted to the Commission leaves no doubt that if a greater percentage of better-keeping onions was grown, then no importation should be necessary at all during the month of June.

(b) **The Provision of Improved Storage Facilities on Market Gardens.**

Some growers have no storage facilities of any kind whatsoever on their properties and, like many of the potato growers similarly situated, take umbrage when it is suggested that they should have some method of protecting their products from the elements.

Many growers in the Spearwood area lost considerable portions of their crops during the February rains and the subsequent heat wave, simply because they took no steps to protect their onions. Everybody seems to agree that good onions properly stored can last many months. Even the Spearwood variety can be made to last well into July.

It can thus be seen that the growing of a better-keeping type of onion, when allied with a move to provide better storage facilities, could materially ease the position with relation to the supply of local onions during June and July.

(c) **Commercial Cold Storage of Onions.**

A percentage of the late crop might possibly be held in cold storage for some months, and even with the high costs so incurred, growers could be given a better return and the onions retailed cheaper than those imported from the Eastern States and overseas.

Tests carried out at Robb's Jetty between March and July proved eminently successful. Forty-two tons three hundredweight of onions were credited to the Pool at £42 per ton. Due to shrinkage whilst in store, forty-one tons one hundredweight one quarter only were eventually marketed, at an average price of £41 5s. per ton.

This compares very favourably with the payment to growers of £22 19s. 6d. for the late pool. The net return for onions exported to Singapore in the late pool was £14 14s. 9d. The actual expenditure for the experiment, including the cost of onions to the Board, was £2,322 3s. 9d., and the receipts were £2,272 2s. 6d., giving a deficiency of £50 6s. 9d.

The whole venture showed a loss of £50 6s. 9d., but with the knowledge gained, no loss should be incurred in the future. The only difficulty will be to get someone willing to provide the storage facilities, owing to the difficulty of ridding the cold store of the all-pervading odour of onions.

Without doubt, cold storage is one of the answers to the surplus problem, and when allied to the factors dealt with in (a) and (b) of this section, would further extend the continuity of supply of local onions.

(d) **Onion-growing in Districts Other than the Present Accepted Onion-Growing Centres.**

The Department of Agriculture is quite satisfied that good-keeping onions which could quite easily supply the out-of-season market can be grown in the Albany, Manjimup and Denmark districts.

Having seen the Manjimup area and what is grown there and after listening to experts on what can be grown there, Manjimup must certainly be one of the finest agricultural centres in Australia. As I write this report on the 20th October, 1955, I am informed that there are still good onions in Manjimup left over from the summer crop and they have not yet started to shoot. I myself saw onions in Manjimup in June last which had been harvested in January and they were still in perfect condition.

In the past, however, too many factors militated against the successful growing of out-of-season onions in these areas. Pre-war, for example, the growers were always threatened with dumping by Victorian growers. Nowadays, however, with the freight from Colac, the chief onion-growing centre, to Perth at £15 a ton, there is no great threat. If import prices are analysed over the last few years, dumping can hardly be said to have occurred.

After the war, under price fixing, growers in these districts, whilst supplying an out-of-season demand, were only paid seasonal rates. This was unfair.

Evidence given before me establishes that there is every possibility of growing out-of-season onions commercially in the Kimberleys and at Carnarvon. It is wrong to jump to conclusions, however, because one has seen a few bunches of perfect-looking onions grown in out-of-season areas, that a commercial proposition has been established. One must be guided by what experts have to say, relying on their tests and their analysis of costs. Mr. Eckersley, on behalf of the Department of Agriculture, is very sanguine about the success of these areas and their ability to produce a good out-of-season onion.

Tests have been carried out at Carnarvon and Fitzroy Crossing. Beautiful onions have lately been produced at Fitzroy Crossing and they are still on exhibit in the City of Perth. Mr. Barker, M.L.C., a great advocate of the North-West, has looked at the matter and feels that the Kimberleys can produce onions in commercial quantities. He recognises the difficulties involved in growing onions so far away from the chief markets of the State, but even paying full freight of approximately
£10 per ton and allowing £2 for other charges, the costs would be less than bringing onions from Colac. Furthermore, it would be far better for the internal economy of the State. Concessions in freight could possibly be obtained and further attention should be given to the whole matter.

(e) Price Incentives.

If growers, whether in Spearwood or other areas, supply the State with good quality onions during the off-season, it is only right that they be paid more than the prevailing seasonal rates. If this is not done, a grower may as well take his chance and get what he can during the season.

I feel that under free marketing these incentive payments would automatically go the way of the good growers who produced onions when they were wanted, and that these payments would have the effect of weaning some of the Spearwood growers from their poor growing habits.

(f) Further Research.

It was said in evidence that 10 years ago the Department of Agriculture was promised a Vegetable Research Station, but that it is still on the estimates. The industry cannot sort out all its own difficulties and the guidance of the Department of Agriculture is needed in many ways. Further research into the production of good-keeping onions, and into production and cultural methods, is needed.

Mr. Eckersley is not satisfied with the research being carried out by his Department and says he has very few facilities for any research work on vegetable crops. He further states that he is seriously hampered by lack of a Vegetable Research Station.

Present research, in the main, is limited to experiments carried out by field officers on the properties of the various growers. Variety trials have been carried out and the Department has recently imported two varieties from America, Texas Grano and Excel. The Spearwood Brown, however, gave a better yield and was of just as good a keeping quality. Various lines of seed have been imported but nothing of great benefit to the industry has yet shown up.

Some experimentation is being carried on at the Department's tobacco research station at Manjimup. Research into keeping-quality and diseases is also being carried out and possibilities for growing onions in out-of-season areas are being investigated.

The Vegetable Branch of the Department has been hampered by lack of staff, but I am assured the position is improving. Since the Commission has completed its sittings, I have been informed by Mr. Eckersley that experiments with maleic hydrozide have been carried out on onions grown outside the Spearwood area. The use of this hormone-like substance has inhibited shooting and extended the storage life of the onions. Tests made with this substance on Spearwood onions have not been successful, and Mr. Eckersley considers that the onion, in order to respond to this treatment, must have a great deal more solidity and less moisture than the Spearwood onion.

All these experiments are helping to advance onion growing in this State, but, as Mr. Eckersley points out, further research is necessary.

If the Government considers it worth while to encourage out-of-season production and cut down the importation of onions, I respectfully recommend that immediate steps be taken to formulate some policy that will foster onion growing in some of the districts I have mentioned.

SECTION 11.

The Price Mechanism of the Industry with Relation to Cost of Production and Returns to Growers.

The Board itself does not handle any onions but allocates the various orders received for export or from the merchants to the growers. The growers then deliver the onions direct to the export centre or to the merchants.

The proceeds of sale of the onions are paid into a pool and after deducting 5 per cent. for administrative expenses, the Board pays the balance to the growers. Originally, in the case of brown onions, growers had to wait a considerable time for their moneys, so it was decided to make two payments, the dividing line being about the end of January. Under the present system, payments for onions delivered up to that date are made to the growers, but after that, final balances cannot be struck until the crops are sold. In the meantime, however, advance payments are made to each grower in accordance with weighbridge weights and merchants' receipts.

The Board Price.

When the 1954-55 season opened, the Board fixed its price of onions at £42 a ton. This was made up of the sum of £39 10s. which was allowed by the Prices Branch just before it ceased to function in December, 1953, plus the sum of £2 10s. which was the increased cost of bags since that date. Later, as the season progressed and surpluses increased, the Board reduced its price to £35. This figure was based entirely on the law of supply and demand and was the price the Board thought it could get for its onions.

This reduction had very little effect on demand and local sales showed no increase. Gradually, as the supply of local onions diminished and the quantity of imported onions increased, the price of onions rose and on the 13th July reached £52 a ton. At this stage, what a local grower obtained for his onions was governed entirely by the import price because there would only be a handful of local onions on the market. The growers, therefore, who were able to hang on to their good-keeping onions till this stage, were permitted by the Board to make direct sales, the only condition being that 5 per cent. on sales should be paid to the Board.
This subject needs very little discussion and may be summed up by saying that the price of onions is not based on the cost of production, simply because it is impossible to ascertain an average cost of production. No cost of production survey has ever been carried out in the industry and if the field officers had to rely on figures supplied by many of the growers, I do not think they would get very far.

SECTION 12.

The Wholesale Price of Onions, with Relation to Margins and Import Procedure.

The wholesale merchants buy their onions at the Board price and re-sell to retailers with a margin of 7½ per cent. on sales. Accordingly, if they pay £42 per ton, they re-sell for £45 10s., thus allowing a margin of £3 10s. In addition, a delivery charge of 15s. is made.

The margin of 7½ per cent. on sales, which is slightly below the prevailing rate of 8½ per cent. in the re-sale of most vegetables, is fairly closely adhered to by most merchants in the re-sale of local onions.

Theoretically, the onion merchants work on the same margins on imported onions as on the local, but with the addition of 5 per cent. for losses in transit, and 2½ per cent. for losses in store. This rate is not always adhered to, and some merchants, taking advantage of shortages, obtain as big a margin as possible.

Victoria has a very large surplus of brown onions which are of wonderful keeping quality. This being so, the Victorian Onion Marketing Board keeps a close watch on the interstate markets.

When local supplies are available in the various States, it does not hesitate to dump its own onions in an endeavour to undercut local prices. The high freight rate prevailing between Victoria and Western Australia has to some extent protected this State from dumping tactics, but when supplies are short here, Victoria forces the best price on our merchants that it can possibly obtain. Prices have accordingly risen from £30 to £50 in a few weeks. Some of our merchants, who are well seised with the position, have, in the past, generally been able to take advantage of a rising market, and make very considerable profits.

For example, if one merchant bought onions in Victoria for £40 per ton, another might have to pay £60 per ton a fortnight later. The first merchant, being aware of this fact, and being the first to receive his onions, would then be in a position to re-sell the onions at a margin based on the purchase price of £60 per ton, although in actual fact he paid £60 per ton less for them. It was admitted in evidence that £30 and £40 gross profit per ton had been made in this fashion, and I eventually ascertained that profits of up to £60 had in fact been made.

Whilst the importation of onions into Western Australia is not without its risks, on the whole, it is a very profitable venture. Merchants, have on occasions lost money due to a collapse of the local market, but this has been on very rare occasions. A considerable amount of speculation is indulged in by some merchants, and in many respects this speculation savours of outright gambling.

Profits which have resulted from this "gambling" on the onion market have mainly resulted from transactions on onions imported from Victoria. In attempting to control prices of inter-State onions, the Government would be treading on very dangerous ground because any price legislation might conflict with Section 92 of the Commonwealth Constitution. The cases on this question are exceedingly complex, and the Government would have to spend considerable money in testing the validity of any such legislation.

The answer to the price problem of imported onions is to foster production of local off season onions. The freight advantage is well in our favour, and dumping or no dumping by Victoria, we should be able to offer very keen price competition to the imported onions.

With regard to local onions, I do not think that the wholesale margin is excessive. No witness before the Commission suggested that it was excessive.

It is very difficult to devise any form of marketing which will eliminate the price spread between the grower and the consumer, and unless some co-operative scheme of selling is undertaken, it is hard to eliminate the middleman. As I have stated previously, if ever there is an industry in which a co-operative scheme could be made to work, it is the onion industry in Western Australia. Unfortunately, the producers, or at least the bulk of them, are not built with the co-operative temperament.

SECTION 13.

Retail Margins.

Retailers purchase their onions from the wholesale merchants, and in re-selling they operate on a 3½ per cent. margin on cost into store. This margin, which is adopted by the majority of retailers, is determined by the Retail Grocers and Storekeepers’ Association.

The margin is identical with that permitted by the Prices Branch during the course of its operations, and in my opinion, it is most generous.

Mr. C. Kirby, called as a witness on behalf of the Retail Grocers and Storekeepers’ Association, says that this is not a large margin, because there is considerable wastage with onions whilst in store.

It is to be noted, however, that the wholesale merchants allow only 5 per cent. for wastage in transit, and 2½ per cent. for wastage in store, for imported onions. The wast-
age of these onions in retail stores, according to Mr. R. F. Rose, President of the Wholesale Potato and Onion Merchants' Association, would be practically nothing. He says that most retail grocers will admit this fact if pinned down.

Evidence has been given to the effect that it is the normal practice of wholesale merchants to allow 7½ per cent, for wastage, and to throw out the onions which have deteriorated. I cannot, therefore, accept the argument that further wastage in the retailer's store is of sufficient volume to warrant the retailers operating on a 33⅓ per cent. margin in order to make a reasonable profit.

Whilst I do not entirely agree with Mr. Rose in his contention that there is no wastage in retailers' stores, I do consider that storekeepers exaggerate their wastage, and that in actual fact, a considerable portion of the doubtful stocks are passed on to the customer.

The retail prices over the last few months have varied considerably, and reflect the change-over from local to imported stocks. Some of the larger retailers have been selling at a maximum of 10d. per pound, which is something over £93 per ton. Others have been selling at prices up to Is. 3d. per pound, which would return approximately £140 per ton. These figures compare very unfavourably with the maximum wholesale figure as supplied to me, and which was £90 per ton.

The retail prices charged by one city firm over the last few months have been made available to me, and are as follows:

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These prices on the poundage basis may not appear to be excessive. However, when it is realised that they are determined after the wholesaler has claimed a 7½ per cent. margin on sales to the retailer, and the retailer has in turn allowed for a 33⅓ per cent. margin, then it is obvious that the consumer is paying a high price for a commodity which is returning very little to the grower.

I have included my comments on wholesale margins in another section of this report. With regard to retail margins, and in view of the foregoing facts, I consider the present margin of 33⅓ per cent. on cost into store to be excessive.

With regard to this particular commodity, I cannot recommend a return to free marketing and at the same time recommend Governmental interference with the prevailing price mechanism. I consider that under free marketing, the law of supply and demand, during the period of local supply, would take toll of producers, wholesalers and retailers who endeavoured to exploit the consuming public.

During the off season, when the only onions available are those imported from the Eastern States or overseas, then the law of supply and demand will undoubtedly cause a rise in prices. This condition applies with other types of vegetables, and the consuming public contracts the tendency by increased buyer resistance, being content to await the return to the market of increased supplies.

As I have stated elsewhere in this report, I place the onion in the same category as the Cabbage, Cauliflower, Turnip, Radish, etc. I therefore consider that the onion should be sold under the same conditions as these other vegetables, where the law of supply and demand, with relation to the quality and availability of the product, dictates the price that the consumer will pay for the particular item.

SECTION 14.

The Quality of the Onion from the Consumer's Point of View.

Mrs. I. M. James, President of the Western Australian Housewives' Association, was the only witness to come before the Commission and complain about the quality of onions sold to the public.

In making her complaint, Mrs. James relied chiefly on what she had been told by some of the two hundred members of her Association, and I am of the opinion that her comments concerned imported onions. It must be remembered that imported onions are up to months old when they arrive in this State.

On Thursday, 7th July, accompanied by Mr. J. P. Eckersley and Mr. R. J. Steele, a vegetable inspector of the Department of Agriculture, I inspected consignments of Victorian and South Australian onions which had arrived at the Metropolitan Markets. The Victorian onions were of very poor quality, whereas the South Australian consignment was of a very high standard. Onions from both consignments were destined for the local market.

I think that the public are really quite long suffering when it comes to the quality of onions they purchase, and they come to regard bruised and shooting onions as part of their bargain.

On the whole, there are not nearly the complaints regarding the quality of onions as there are regarding the quality of potatoes. Both Mr. Rose and Mr. Kirby say that they hear of very few complaints about the quality of onions. Mr. Rose says that he receives a complaint or two towards the end of the local season when the onions are beginning to deteriorate, due to the lack of keeping quality.
Considering that onions have to be stored throughout Australia, over a long period, and that these onions find their way on to the local market at certain times of the year, I think it may be fairly said that the quality cannot be expected to be much better.

The answer to poor quality onions is to produce out of season onions, as I have suggested, and thus ensure a fresh supply throughout the whole year.

SECTION 15.
Free Marketing as a Solution to the Problems of the Onion Industry.

The position in which the industry finds itself today must be blamed on the industry itself, not the Board. If a Board had been constituted on the most perfect lines the ingenuity of man could conceive, it would still have been unable to solve the problems, or I should say, the problem of the industry. There is really only one problem, over-production.

Licensed tonnages or licensed acreages under a Board system might be a solution to the problem. Even under such a system, however, it would mean that the supply of onions to the market would have to be regulated and onions stored by the producers or the Board. Unless the keeping quality of the Spearwood onions could be improved, some growers would still be left with onions which had deteriorated, or if the Board stored them, it would be out of pocket.

Furthermore, under a system of licensed acreages or tonnages, constant inspections would have to be carried out to enforce the provisions of the Act. Experience has shown that the existence of a Board is only an encouragement to growers to sell what they can through the Board at Board prices and the balance of their crops at “Black Market” rates in competition with the Board.

The same difficulties were experienced in Queensland, with the result that the Onion Marketing and Potato Marketing Boards both failed because they were unable to solve the difficulties of their particular industries. One of the reasons for the failure was the lack of co-operation by the growers. When the time came, therefore, to extend the provisions of their Acts, the Queensland Parliament refused to do it and the Boards were dissolved.

Whilst there are surpluses, it is only human nature that a man will look for a market, legal or illegal, rather than see his produce rot in the ground. This breeds a spirit of lawlessness and is, of course, to be condemned.

The only answer is to repeal the present Marketing of Onions Act and revert to free marketing. Under free marketing, it will be lawful for growers to sell their onions at all times of the day and night. Growers can hawk them about the city and the country and get whatever prices they can, without fear of inspectors watching them. Growers will have to find their own markets and after a season or two they will know by experience how many onions it is profitable to grow.

Under free marketing, I do not think that the public will be any worse off than now. The law of supply and demand will dictate the prices until the industry comes to its senses, and produces less onions. During this period, I do not think that the public will pay any more for onions than is being paid under Board control.

I consider that there is no more justification for an Onion Board than there is for a Green Pea Board, a Cabbage Board, a Turnip Board, a Cauliflower Board, a Radish Board, a Beetroot Board, or a Spinach Board. According to official figures supplied by the Onion Board, the public of Western Australia eat only one onion per month, and in view of this fact, I consider that the onion is of no more importance to the consumer than the above mentioned vegetables.

SECTION 16.
The Relationship Between the Onion Board Secretary, the Growers, the Board Members and Departmental Officers.

Mr. Wilson has had a very difficult task in administering the Marketing of Onions Act, but his unfortunate temperament has added to his difficulties. Many of the growers are themselves exceedingly temperamental and very difficult to get on with and the greatest tact is needed in handling them. Mr. Wilson does not possess this virtue.

Board members have given evidence that at times Mr. Wilson is exceedingly helpful to growers, and at other times they find it difficult to obtain information from him. Once a year, the Board members attend an Annual Meeting of growers at Spearwood. One Board member says that the meetings become chaotic due largely to the Secretary’s temperament and method of addressing growers. The growers then insult Mr. Wilson and he retaliates by insulting them.

Mr. Wilson’s unfortunate manner has undoubtedly brought about considerable friction, and the Board has suffered through this in the eyes of the growers.

Mr. Wilson’s relationship with Board members has not been entirely satisfactory and he has been inclined to domineering, particularly to producer members. Board members themselves have given me this information, but notwithstanding their views, they recently granted Mr. Wilson an increase of salary.

Departmental officers have found Mr. Wilson difficult to get on with and I myself have found him most unwilling to co-operate, except under pressure. This is very much in contradistinction to officers of the other two Boards under review.

Despite everything said about him, Mr. Wilson has, throughout his evidence, been the very last man to cast the stone at the growers. He merely sums them up by saying their only sin is over-production.