LEGISLATIVE ASSEMBLY.

Tuesday, October 14, 1958.

The Speaker (Sir William McDonald) took the chair at 4.8 p.m., and read the prayer.

NEW MEMBER.

The Speaker (Sir William McDonald) announced that he had received a return to the writ he had issued on the 29th of September last for the election of a member to serve for the electoral district of Footscray, in place of the Honorable Alfred Ernest Shepherd, deceased, by which it appeared that Mr. William Thomas Divers had been duly elected for that electoral district.

Mr. Divers was introduced and sworn.

Mr. LOVEGROVE (Fitzroy) asked the Chief Secretary—

1. How many paintings have been acquired by the National Gallery trustees during the period of office of Mr. Westbrook as director?

2. What are the names of the respective artists who executed those paintings?

3. What individual prices were paid for the paintings?

The Speaker (Sir William McDonald) announced that he had received a return to the writ he had issued on the 29th of September last for the election of a member to serve for the electoral district of Footscray, in place of the Honorable Alfred Ernest Shepherd, deceased, by which it appeared that Mr. William Thomas Divers had been duly elected for that electoral district.

The list was as follows:

<table>
<thead>
<tr>
<th>Title</th>
<th>Artist</th>
<th>Medium</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>View at Rupertswood</td>
<td>H. C. Gritten</td>
<td>Oil painting</td>
<td>£8.30.0</td>
</tr>
<tr>
<td>Flowerpiece</td>
<td>Leopold von Stoll</td>
<td>Oil painting</td>
<td>262.10.0</td>
</tr>
<tr>
<td>Cornish Harbour</td>
<td>Kenneth Hood</td>
<td>Oil painting</td>
<td>26.5.0</td>
</tr>
<tr>
<td>Sydney Waterfront</td>
<td>John Olsen</td>
<td>Oil painting</td>
<td>50.0.0</td>
</tr>
<tr>
<td>The Car</td>
<td>John Brack</td>
<td>Oil painting</td>
<td>47.5.0</td>
</tr>
<tr>
<td>Collins Street, 5 p.m.</td>
<td>John Brack</td>
<td>Oil painting</td>
<td>189.0.0</td>
</tr>
<tr>
<td>Study for Collins Street</td>
<td>John Brack</td>
<td>Oil painting</td>
<td>31.10.0</td>
</tr>
<tr>
<td>Blue Day, Sydney</td>
<td>Vernon Lorimer</td>
<td>Gouache</td>
<td>20.0.0</td>
</tr>
<tr>
<td>Brick Kilns, South Yarra</td>
<td>Vernon Lorimer</td>
<td>Water colour</td>
<td>20.0.0</td>
</tr>
<tr>
<td>Landscape</td>
<td>David Davies</td>
<td>Oil painting</td>
<td>35.0.0</td>
</tr>
<tr>
<td>The Visitors</td>
<td>Helen Ogilvie</td>
<td>Oil painting</td>
<td>28.5.0</td>
</tr>
<tr>
<td>Lower Plenty</td>
<td>Helen Ogilvie</td>
<td>Oil painting</td>
<td>61.0.0</td>
</tr>
<tr>
<td>Seascapo</td>
<td>Lina Bryans</td>
<td>Oil painting</td>
<td>38.15.0</td>
</tr>
<tr>
<td>Still Life</td>
<td>Desmond Norman</td>
<td>Oil painting</td>
<td>15.15.0</td>
</tr>
<tr>
<td>Department Store</td>
<td>Dora Sale</td>
<td>Oil painting</td>
<td>9.9.0</td>
</tr>
<tr>
<td>The Circus</td>
<td>Edith Wall</td>
<td>Gouache</td>
<td>14.14.0</td>
</tr>
<tr>
<td>Merry-go-round</td>
<td>Ian Fairweather</td>
<td>Water colour</td>
<td>17.17.0</td>
</tr>
<tr>
<td>The Lobby, Parliament House</td>
<td>Ian Fairweather</td>
<td>Water colour</td>
<td>17.17.0</td>
</tr>
<tr>
<td>Moment of Rest</td>
<td>Noel Counihan</td>
<td>Oil painting</td>
<td>50.0.0</td>
</tr>
<tr>
<td>Still Life</td>
<td>Alastair Gray</td>
<td>Water colour</td>
<td>16.15.0</td>
</tr>
<tr>
<td>Main Street</td>
<td>Barbara Brack</td>
<td>Oil painting</td>
<td>12.12.0</td>
</tr>
<tr>
<td>Studio Interior</td>
<td>Kenneth Jack</td>
<td>Oil painting</td>
<td>28.5.0</td>
</tr>
<tr>
<td>Ye Olde Curiosity Shoppe</td>
<td>Harley Griffiths</td>
<td>Oil painting</td>
<td>50.0.0</td>
</tr>
<tr>
<td>Pondering the Landscape</td>
<td>Dawson McDonald</td>
<td>Oil painting</td>
<td>28.5.0</td>
</tr>
<tr>
<td>Sheds and Tree, Leichhardt</td>
<td>W. V. Litherland</td>
<td>Oil painting</td>
<td>50.0.0</td>
</tr>
<tr>
<td>Dream Crossed Moonlight</td>
<td>Hector Gilliland</td>
<td>Water colour</td>
<td>42.0.0</td>
</tr>
<tr>
<td></td>
<td>Carrington Smith</td>
<td>Oil painting</td>
<td>78.15.0</td>
</tr>
</tbody>
</table>

(F.B.) indicates paintings purchased through the Felton Bequest.

Mr. RYLAH (Chief Secretary).—Leave is granted.

The list was as follows:

1. 123.
2. and 3. The titles of the paintings, the names of the artists and the prices of the paintings are set out in a list, which, I suggest, be incorporated in Hansard, without being read.

The Speaker (Sir William McDonald).—Leave is granted.
## Paintings Acquired by the National Gallery Trustees during the Period of Office of Mr. Westbrook as Director—continued.

(F.B.) indicates paintings purchased through the Felton Bequest.

<table>
<thead>
<tr>
<th>Title</th>
<th>Artist</th>
<th>Medium</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waterjump</td>
<td>Carl Plate</td>
<td>Oil painting</td>
<td>£ 63 0 0</td>
</tr>
<tr>
<td>Interior with Blue Painting</td>
<td>Grace Cossington Smith</td>
<td>Oil painting</td>
<td>£ 73 10 0</td>
</tr>
<tr>
<td>Studio without Figures</td>
<td>James Barker</td>
<td>Oil painting</td>
<td>£ 9 9 0</td>
</tr>
<tr>
<td>Black Horses by Copper Roofs</td>
<td>Ursula Laverty</td>
<td>Oil painting</td>
<td>£ 16 16 0</td>
</tr>
<tr>
<td>Head Composition</td>
<td>Tom Thomson</td>
<td>Tempera on wood</td>
<td>£ 10 10 0</td>
</tr>
<tr>
<td>The Gardener</td>
<td>Edith Wall</td>
<td>Water colour</td>
<td>£ 18 18 0</td>
</tr>
<tr>
<td>Nude in an Armchair</td>
<td>John Brack</td>
<td>Oil painting</td>
<td>£ 250 0 0</td>
</tr>
<tr>
<td>Mykonos</td>
<td>Sidney Nolan</td>
<td>Water colour</td>
<td>£ 37 15 0</td>
</tr>
<tr>
<td>Goat and Cactus</td>
<td>Sidney Nolan</td>
<td>Water colour</td>
<td>£ 31 10 0</td>
</tr>
<tr>
<td>Monastery</td>
<td>Sidney Nolan</td>
<td>Water colour</td>
<td>£ 42 0 0</td>
</tr>
<tr>
<td>Bishop Hydra</td>
<td>Sidney Nolan</td>
<td>Water colour</td>
<td>£ 37 15 0</td>
</tr>
<tr>
<td>Portrait of Paul Beadle</td>
<td>Jon Molvig</td>
<td>Oil painting</td>
<td>£ 200 0 0</td>
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<tr>
<td>Small Harbour</td>
<td>Shay Docking</td>
<td>Oil painting</td>
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<tr>
<td>The Estuary</td>
<td>Amalie Colquhoun</td>
<td>Oil painting</td>
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<tr>
<td>Reflections</td>
<td>Bessie Gibson</td>
<td>Water colour</td>
<td>£ 47 5 0</td>
</tr>
<tr>
<td>Two Solitary Mystics</td>
<td>Michael Shannon</td>
<td>Oil painting</td>
<td>£ 63 0 0</td>
</tr>
<tr>
<td>Local Celebrity</td>
<td>Danilla Vassiliev</td>
<td>Water colour</td>
<td>£ 26 5 0</td>
</tr>
<tr>
<td>Junction</td>
<td>Danilla Vassiliev</td>
<td>Water colour</td>
<td>£ 26 5 0</td>
</tr>
<tr>
<td>Fire Escape</td>
<td>Michael Shannon</td>
<td>Oil painting</td>
<td>£ 47 5 0</td>
</tr>
<tr>
<td>Village Near Florence</td>
<td>Desiderius Orban</td>
<td>Pastel</td>
<td>£ 105 0 0</td>
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<td>Harbour Study</td>
<td>Alisetair Gray</td>
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<tr>
<td>Portrait of Madame Fanny Bristow</td>
<td>Arnold Shore</td>
<td>Oil painting</td>
<td>£ 52 10 0</td>
</tr>
<tr>
<td>Bella Donna</td>
<td>Arnold Shore</td>
<td>Oil painting</td>
<td>£ 99 15 0</td>
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<tr>
<td>Portrait of a Lady</td>
<td>Tom Roberts</td>
<td>Oil painting</td>
<td>£ 300 0 0</td>
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<tr>
<td>Portrait of Queen Victoria</td>
<td>Sir William Ross</td>
<td>Oil painting</td>
<td>£ 175 0 0</td>
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<tr>
<td>Betrayal</td>
<td>Elwyn Lynn</td>
<td>Oil painting</td>
<td>£ 36 15 0</td>
</tr>
<tr>
<td>The Studio Table</td>
<td>Anthony Underhill</td>
<td>Oil painting</td>
<td>£ 63 0 0</td>
</tr>
<tr>
<td>Cloud Study, 1901</td>
<td>Tom Roberts</td>
<td>Oil painting</td>
<td>£ 36 15 0</td>
</tr>
<tr>
<td>Log Cabin (at Blackwood)</td>
<td>Alfred Calkoen</td>
<td>Oil painting</td>
<td>£ 57 15 0</td>
</tr>
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<td>Cottage Garden with Figures</td>
<td>Birket Foster</td>
<td>Water colour</td>
<td>£ 15 15 0</td>
</tr>
<tr>
<td>Roses</td>
<td>C. Asquith Baker</td>
<td>Oil painting</td>
<td>£ 26 5 0</td>
</tr>
<tr>
<td>The River, Landscape</td>
<td>C. Asquith Baker</td>
<td>Oil painting</td>
<td>£ 36 15 0</td>
</tr>
<tr>
<td>Broezy day near Geelong</td>
<td>Walter Withers</td>
<td>Oil painting</td>
<td>£ 84 0 0</td>
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<tr>
<td>The Nattai River</td>
<td>Fred Williams</td>
<td>Oil painting</td>
<td>£ 50 0 0</td>
</tr>
<tr>
<td>The Little Orchestra</td>
<td>Frank Medworth</td>
<td>Oil painting</td>
<td>£ 21 0 0</td>
</tr>
<tr>
<td>Landscape</td>
<td>George Bell</td>
<td>Oil painting</td>
<td>£ 63 0 0</td>
</tr>
<tr>
<td>Boat House, Harwich</td>
<td>Unknown</td>
<td>Oil painting</td>
<td>Presented</td>
</tr>
<tr>
<td>Men Cutting Wood</td>
<td>Tom Roberts</td>
<td>Oil painting</td>
<td>Presented</td>
</tr>
<tr>
<td>Decorated Fan</td>
<td>Arthur Streeton</td>
<td>Gouache on silk</td>
<td>Presented</td>
</tr>
<tr>
<td>Farm in Provence</td>
<td>Rupert Bunny</td>
<td>Oil painting</td>
<td>Presented</td>
</tr>
<tr>
<td>Eros and the Shepherd</td>
<td>Rupert Bunny</td>
<td>Oil painting</td>
<td>Presented</td>
</tr>
<tr>
<td>Psyche and Zephyr</td>
<td>Rupert Bunny</td>
<td>Oil painting</td>
<td>Presented</td>
</tr>
<tr>
<td>Fair Rosamond</td>
<td>Arthur Hughes</td>
<td>Oil painting</td>
<td>Presented</td>
</tr>
<tr>
<td>Boat</td>
<td>Charles Blackman</td>
<td>Enamel</td>
<td>£ 47 5 0</td>
</tr>
<tr>
<td>Tugs and Williamstown</td>
<td>John Perceval</td>
<td>Oil painting</td>
<td>£ 42 0 0</td>
</tr>
<tr>
<td>Fashion Design</td>
<td>Charles Conder</td>
<td>Water colour</td>
<td>£ 23 12 6</td>
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<tr>
<td>Lady Frances Finch (F.B.)</td>
<td>Sir Joshua Reynolds</td>
<td>Oil painting</td>
<td>£ 17,125 0</td>
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<tr>
<td>The Wall (F.B.)</td>
<td>Bruno Caruso</td>
<td>Oil painting</td>
<td>£ 115 10 0</td>
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<tr>
<td>The Orchard (F.B.)</td>
<td>Phillip Sutton</td>
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<tr>
<td>The River Nile, van Diemens Land (F.B.)</td>
<td>John Glover</td>
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<td>£ 275 0 0</td>
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<tr>
<td>La Maison de Derain (F.B.)</td>
<td>James Taylor</td>
<td>Oil painting</td>
<td>£ 131 5 0</td>
</tr>
<tr>
<td>Waterside Group (F.B.)</td>
<td>Horace Brodaky</td>
<td>Oil painting</td>
<td>£ 78 15 0</td>
</tr>
</tbody>
</table>
PUBLIC SERVICE.

LONG SERVICE LEAVE: SUGGESTED ARRANGEMENT.

Mr. MUTTON (Coburg) asked the Premier—

Whether, in an effort to reduce the accumulation of long service leave credits in many Government Departments, action will be taken to provide that officers may be granted three months' leave on double pay in respect of twenty years' service?

Mr. BOLTE (Premier and Treasurer).—The answer is—

The Public Service Acts would require amendment before the proposal of the honorable member could be put into effect. In addition, the suggested action would...
increase the immediate financial commitment of the State. For these reasons, the Government does not propose, at this stage, to take any action to implement the suggestion.

MELBOURNE AND METROPOLITAN BOARD OF WORKS.

BRUNSWICK AND COBURG FREE-WAY: SUGGESTED POLL OF RATEPAYERS.

Mr. MUTTON (Coburg) asked the Minister of Public Works—

Whether, prior to work being commenced on the construction of a free-way through the cities of Brunswick and Coburg, it is the intention of the Government to instruct the Melbourne and Metropolitan Board of Works to take a poll of ratepayers of those municipalities in order to ascertain the order of preference of the people most concerned in the Merri creek and Moonee Ponds creek arterial roads proposals and the free-way to be constructed parallel to Sydney-road?

Sir THOMAS MALTBY (Minister of Public Works).—The answer is—

While the Government is fully conscious of the need for the relief of traffic congestion in Sydney-road, it is equally appreciative of the difficulties involved in the provision of a new road through an area already developed.

All of these difficulties must be given due weight, but it is not considered that a poll of ratepayers would assist in resolving them and the Government does not favour such a poll.

REPRESENTATION OF GEELONG.

ELECTION OF SIR THOMAS MALTBY: PETITION: DECISION OF COURT OF DISPUTED RETURNS.

The SPEAKER (Sir William McDonald).—I have received the following communication from the Clerk:—

10th October, 1958.

Dear Mr. Speaker,

I desire to report that on the 4th July last I received from the Prothonotary of the Supreme Court a copy of a petition, addressed to the Court of Disputed Returns, by one Albert Woodward, against the return of Sir Thomas Karran Maltby, for the electoral district of Geelong, and that this day I received a certified copy of the order of the court dismissing the appeal.

These documents were forwarded to me in compliance with the requirements of section 293 of The Constitution Act Amendment Act 1956.

TEMPORARY CHAIRMAN OF COMMITTEES.

The SPEAKER (Sir William McDonald) laid on the table his warrant nominating Mr. Clarey, in place of Mr. Lovegrove, as Temporary Chairman of Committees.

STATUTE LAW REVISION COMMITTEE.

APPOINTMENT OF MR. HOLLAND.

Mr. BOLTE (Premier and Treasurer).—By leave, I move—

That Mr. Lovegrove be discharged from attendance on the Statute Law Revision Committee and that Mr. Holland be appointed in his stead.

The motion was agreed to.

THE SPEAKER.

TEMPORARY RELIEF IN THE CHAIR.

Mr. BOLTE (Premier and Treasurer).—By leave, I move—

That, during the absence of the Chairman of Committees, Mr. Speaker be authorized to call on any of the Temporary Chairmen of Committees to relieve him in the chair.

The motion was agreed to.

HOME FINANCE (AMENDMENT) BILL.

Mr. BOLTE (Premier and Treasurer).—I move—

That this Bill be now read a second time. The sole purpose of this Bill is to bring the Home Finance Act 1958 into line with the Co-operative Housing Societies Act 1957 as to the kinds of securities on which loans may be made for the erection or purchase of dwellings.

First, I wish to explain that the Home Finance Act 1958 is a consolidation of:

(a) the Home Finance Act 1955 under which the Treasurer of Victoria may guarantee the repayment of portion of any loan granted by an institution approved as such for the purposes of the Act; and

(b) the Home Finance Act 1956 under which the Home Finance Trust operates.
As the 1958 Act has yet to be proclaimed, the Acts of 1955 and 1956 are, of course, still in operation.

The Co-operative Housing Societies Act permits co-operative housing societies to make advances on the security of freehold property. It is provided in the Act, however, that any reference to freehold property shall be deemed to include—

1. a reference to a residence area within the meaning of the Land (Residence Areas) Act 1935; and
2. a reference to a licence to occupy land, for residence purposes, granted pursuant to section 129 of the Land Act 1928.

In other words, a residence area, or land held under a section 129 licence, is regarded, for the purposes of that legislation, as freehold property. Societies, particularly at Ballarat and Bendigo, have granted advances on such securities. The real purpose of the introduction of this amendment to the Home Finance Act is to enable the Home Finance Trust to have similar authority to make advances on such securities.

The Home Finance Act 1958 limits an approved institution or the Home Finance Trust, as the case may be, to the making of loans on the security of a first mortgage of a dwelling-house. The Act therefore precludes the granting of loans on residence areas or on land held under a licence granted pursuant to section 129 of the Land Act. This Bill brings both of these kinds of securities within the scope of the Act, thereby rectifying an anomaly. It will be noted that it is provided in the Bill that, in determining the value of a residence area or licence, due regard will be given to—

1. the limited nature of the tenure;
2. the restrictions imposed by or under the Land Act upon the occupation and use of any such land; and
3. the fact that, under the Land Act, the holder of any such land may purchase the land only in accordance with the provisions of the Act and at a price determined by an appraiser appointed by the Board of Land and Works.

The Co-operative Housing Societies Act contains a similar provision, and I am informed by the Registrar that, in these cases, the valuer is required to certify, in writing, that he has taken those factors into consideration in arriving at his valuation. That is a very wise precaution. So much for the provisions of the Bill.

For the information of honorable members, I shall now outline the operations to date under the Home Finance Acts 1955 and 1956. Seventeen institutions, ten of which are permanent building societies, have been approved for the purposes of the Home Finance Act 1955. The Government guarantees given and subsisting total 104, the amount involved being £51,311. It is pointed out that the guarantee in each instance covers only portion of the loan granted by the institution. It must be understood that the Government guarantee on one residence might be £150; on another, £250; and on a third, £300. The guaranteed sum varies with the different transactions. To date, £3,150,000 has been made available to the Home Finance Trust, the interest rate being 5 per cent. per annum. Further finance is being negotiated. Loans totalling 1,044 have been granted, the amount involved being £2,815,210. Applications for loans, in various stages of consideration, will absorb the balance so far placed at the disposal of the Trust.

In its first year of operations, that is, the year ended 30th June, 1957, the Trust raised an amount of £1,900,000 on loan. Last year, unfortunately, despite an emphatic protest by me, the Loan Council held that the Home Finance Trust came within its purview.

Mr. Clarey.—Will you tell the people that during the forthcoming Federal election campaign?

Mr. Bolte.—I point out to the honorable member that this action was taken on the vote of the other Premiers, many of whom are members of the
Labour party. The Loan Council decision means that all loans raised by the Trust have to be approved by the Loan Council and that a limit has to be placed on the amount which the Trust may raise in any one financial year. Last year, the limit was £1,000,000, and a similar limit had to be imposed this year. Now, £1,000,000 represents approximately 400 loans, while the Trust has a waiting list of some 2,600 prospective home-owners. Everyone will therefore appreciate the difficulty with which the Trust is now confronted. I have kept in close touch with the chairman of the Trust and his colleagues in their endeavours to obtain finance and apart from the imposing of a limit, I am convinced that the fact that the Trust comes within the Loan Council's purview has made it more difficult for the Trust to raise money. Despite that obstacle, however, the Trust, in the short time in which it has been operating, has made an appreciable contribution to the Government's endeavours to overcome the housing shortage. In making loans, the Trust has concentrated its efforts, as far as possible, on assisting persons in districts not served by co-operative housing societies. That policy will be continued. I commend the Bill to the House.

On the motion of Mr. FENNESSY (Brunswick East), the debate was adjourned until Tuesday, October 28.

SUPERANNUATION (AMENDMENT) BILL

Mr. BOLTE (Premier and Treasurer). —I move—

That this Bill be now read a second time.

During the last election campaign, I made only two promises in regard to superannuation. They were that, if returned to office, my Government would bring down legislation for the purposes of doubling the present rates of children's pensions, and rectifying any serious anomalies in the existing provisions of the Superannuation Act. In case there is any doubt about that, honorable members may check my policy speech. This Bill gives effect to those promises, and the opportunity has been taken also to make certain other necessary amendments to the Act.

On examination of the Act, it was found that the only really serious anomaly in the present legislation is the fact that all widows' pensions are not computed on a common basis, although their former contributor husbands made contributions to the superannuation fund on a common scale. In 1955, this House passed legislation which increased widows' pensions from one-half to five-eighths of the rates of contributors' pensions. The same legislation, which operated from and inclusive of 30th November, 1955, increased also the rates of the majority of contributors' pensions but did not provide for the application of such increased rates in the computation of the pensions of widows whose husbands had died prior to that date.

Thus, the present position is that widows whose husbands have died since 30th November, 1955, are receiving pensions at the rate of five-eighths of the increased contributors' pension rates provided in the 1955 Act, but widows whose husbands died before that date are in receipt of pensions based on five-eighths of the contributors' pension rates in force before that legislation became operative. As an example, if the contributor's pension prior to the increase was £8, the widow would receive £5. If the contributor's pension would have been increased to £10 under the 1955 Act, the widow would receive no additional amount. By this Bill, she will receive five-eighths of £10.

The number of widows who will receive increased pensions under the provisions of this measure is approximately 4,500 and the individual increases range from £8 2s. 6d. per annum to £105 12s. 6d. per annum in the few cases of widows whose former husbands were contributing for the maximum number of units allowable. I was surprised to learn that there were so many widows receiving the lower rate. The Government considers, therefore, that this anomaly should be corrected.
The additional annual cost to Consolidated Revenue of this proposal is approximately £70,000, but this figure will decrease in future years according to the mortality rate of the group of widows concerned. The Bill in no way interferes with the general principles of the present scheme.

The Bill provides also for "double-orphaned" children's pensions to be increased from £52 to £104 per annum and for other children's pensions to be increased from £26 to £52 per annum. The Government feels that, in view of the present economic conditions, the existing rates of these pensions are inadequate. The additional cost will be approximately £14,000 per annum.

In addition, provision has been made in the Bill to give the Superannuation Board some discretion in regard to the time in which a clear medical certificate submitted by a "limited contributor" may be accepted. A "limited contributor" is a person who, because of some medical defect, has been admitted to the fund as a contributor for limited benefits only, although he pays the same contributions as an ordinary contributor. If he obtains a clear medical certificate within six months of his initial contribution, he automatically becomes entitled to full benefits.

Experience has shown that in some cases of temporary medical disability which may be rectified by treatment, this period of six months is too short a time in which to obtain a medical clearance. The Government considers that the time in which a medical clearance may be granted should be left to the discretion of the Board. Honorable members will appreciate that a person may receive medical treatment for a period longer than six months. At the completion of the treatment, his health may be such that he could be certified as a contributor and be accepted under the scheme, whereas he may not be able to obtain a medical clearance within six months of his becoming a "limited" contributor. I commend the Bill to the House.

On the motion of Mr. CLAREY (Melbourne), the debate was adjourned until Tuesday, October 21.

POLICE OFFENCES (GAMING) BILL.

Mr. RYLAH (Attorney-General).—I move—

That this Bill be now read a second time.

The purpose of this measure is to amend Part IV. of the Police Offences Act 1957 in respect of three aspects of the gaming law. First, the Bill prohibits the type of raffle to which the answering of a quiz question has been attached in order to escape the present law in regard to lotteries, which law relates only to schemes for the distribution of prizes by some mode of chance. Secondly, the Bill extends the classes of funds for which controlled raffles may be permitted under the Act; extends the class of prizes which may be given; and provides for the delegation by the Attorney-General of his powers and authorities in relation to raffles. Thirdly, the Bill makes legal the sending by post by registered bookmakers of betting sheets showing provisional odds on forthcoming races. Incidentally, betting sheets have been sent by post for many years, but last year the Police Department decided to prosecute in one case.

The Bill is small, but the Government considers the matters dealt with by it—and particularly the matter of "quiz raffles"—to be of considerable importance. During the past two or three years, numbers of "quiz raffles" have been conducted for the purpose of evading the operation of the provisions of the Police Offences Act relating to lotteries. These "quiz raffles" or "quiz competitions" differ from raffles in only one respect: after the drawing of the raffle a person who has become eligible to receive a prize is required to answer a simple quiz question. Provided that the question is reasonably genuine, this stage of the scheme takes these competitions outside the operations of the Police Offences Act and, therefore, outside any form of control as to the purposes for which they are run, the mode of running them, the size of the prizes, or the disposal of the proceeds.

There is ample evidence that very serious abuses arise in relation to any form of money-raising by raffles if proper and competent control is not exercised. Honorable members will recall
what was discovered in 1949 when, following numerous complaints, the Government of the day ordered a full inquiry into raffles. At that time, the promoters of raffles for charitable purposes at bazaars were required only to notify the Attorney-General of intention to conduct the raffle, and it was then deemed lawful unless prohibited within a certain time. As a result, control of the conduct of raffles was extremely difficult. No proper supervision was carried on and no careful examination was made into financial results.

The investigation of the matter was made for the Government by the Discharged Servicemen's Employment Board, and the report of the Board revealed many evils of much the same kind as are now creeping back into the raffle field by reason of "quiz raffles." Loose methods of handling tickets were common, with the result that sometimes large numbers of tickets could not be accounted for. Large payments were made to professional ticket sellers and many undesirable types of persons became associated with charity work for personal gain. Public moneys intended to go to charity often went largely in payments to professional organizers, in the purchase of huge prizes, and in the payment of heavy postage and printing bills. Some charities for which raffles were conducted received less than 20 per cent. of the gross income from the raffles. In some very bad cases, less than 5 per cent. found its way to the charitable fund. Very much the same pattern is evident again in some of the quiz competitions to-day.

As a result of the inquiry in 1949, the Government decided in 1950 to exercise stricter control over raffles and adopted the methods and conditions recommended in the report of the Discharged Servicemen's Employment Board, which was appointed as an advisory committee to handle the matter on behalf of the Attorney-General. From 1950 until the present time, this policy in the administration of controlled raffles has been maintained, very great improvements have been achieved, and there has been general satisfaction expressed by many organizations. It is interesting to note that the policy was introduced by a Liberal Government in 1949, adopted by the Country party Government immediately following it and subsequently by a Labour Government, and is now being ratified by the present Liberal and Country party Government. So this has been acceptable to Governments of all parties.

It will be recalled that "housey-housey" gave further strong evidence of the readiness with which professional promoters, with an eye to personal gain, will enter the field of money-raising for charity by means of gambling when opportunity offers. This was fully realized when in 1954, by the Police Offences (Unlawful Games) Act, "housey-housey" was declared to be an unlawful game. In 1956, by the Police Offences (Control of Raffles) Act, raffles for charitable purposes were brought within the scope of the Police Offences (Raffles) Act 1940, which already applied to raffles for patriotic funds and for the Australian Red Cross Society. Under that Act, all persons who proposed to conduct raffles were required to obtain the written consent of the Attorney-General, and the Minister was empowered to impose conditions with respect to the authorities to be obtained, the applications of the proceeds, the audit of expenditure and receipts, and the conduct of the raffle generally. That Act of 1956 also eliminated the unpopular and frequently disregarded restriction that raffles could be conducted only at a bazaar.

There were some protests at this time that the effect of this Act would be to extend gambling and that the public would be plagued with raffle ticket sellers. However, the methods of control which were introduced actually resulted in a reduction in the number of raffles and no appreciable rise in the amount of money spent by the public in this form of gambling. Some figures taken from the reports of the Discharged Servicemen's Employment Board revealed the extent of controlled raffles in Victoria and the effectiveness of the control which is exercised. The number of raffle applications approved by the Attorney-General in 1950 was only 776. Within the succeeding four years the
growth of raffles was rapid and the numbers of applications and raffles approved from 1954 onwards have been as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Applications Approved</th>
<th>Number of Raffles Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>1954</td>
<td>1,979</td>
<td>5,086</td>
</tr>
<tr>
<td>1955</td>
<td>2,069</td>
<td>5,303</td>
</tr>
<tr>
<td>1956</td>
<td>2,169</td>
<td>4,918</td>
</tr>
<tr>
<td>1957</td>
<td>2,074</td>
<td>4,616</td>
</tr>
</tbody>
</table>

Many applications request authority for more than one raffle, and a large number of small raffles, spinning wheel and lucky envelope raffles are included in the above figures.

It is interesting and important to note that an audited statement of receipts and expenditure has been received for every legal raffle held during this period. The financial results of these raffles are revealed by the following figures:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Takings</th>
<th>Prizes and Expenses</th>
<th>Net Profit to Charity or Patriotic Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>1954</td>
<td>£1,053,848</td>
<td>£614,199</td>
<td>£439,649 (41.7 per cent. of gross takings)</td>
</tr>
<tr>
<td>1955</td>
<td>£1,044,197</td>
<td>£438,334</td>
<td>£605,863 (58 per cent. of gross takings)</td>
</tr>
<tr>
<td>1956</td>
<td>£1,054,695</td>
<td>£444,044</td>
<td>£610,651 (57.9 per cent. of gross takings)</td>
</tr>
<tr>
<td>1957</td>
<td>£950,629</td>
<td>£375,334</td>
<td>£575,295 (60.6 per cent. of gross takings)</td>
</tr>
</tbody>
</table>

These figures indicate beyond question that large sums of money are invested in raffles in Victoria. It will be seen that there was a decline in the gross takings in 1957 of approximately £104,000, but in that same year the decline in the net profit to charitable and patriotic funds concerned was only approximately £35,000.

To understand the situation with respect to raffles generally, honorable members should also be cognizant of the following facts:

1. The 1954 figures show a very low margin of profit for the funds concerned compared with the figures for the other years. This was due to the fact that "housey-housey" continued to be conducted until May of that year and yielded only £94,557 to charity from a total investment of £459,248.

2. In 1957, for every £100 contributed by the public to legally controlled raffles, £60 10s. was paid to a charitable or patriotic fund, £35 17s. was paid for prizes, and only £3 13s. was spent on printing, advertising and administrative expenses. I believe the figure of £3 13s. out of £100 is a very good example of how effective this control has been.

Mr. HOLDEN.—Is that an average figure?

Mr. RYLAH.—It takes into account all the money received in raffles controlled by the Attorney-General's Department in that year.

3. Professional promoters and ticket sellers have been employed in ten or twelve large raffles held during 1957. Payments to such promoters and ticket sellers have been allowed only in cases of large raffles where it would not have been within the capacity of the persons controlling the fund to conduct the raffle successfully without this aid. In every case, although the payments have not been made from the raffle proceeds, it has been insisted upon that full details be supplied of all payments intended to be made from the fund of the charity benefiting before the application for authority for the raffle would be considered. Indeed, ticket sellers have never been allowed to receive an amount higher than one-tenth of the...
These excellent results have been brought about by the careful guidance, advice and control exercised by the Government through the advisory committee. The reduction of £35,000 in net profit for 1957 as compared with the 1956 profit has been very largely due to the drop in profit on large raffles where prizes exceeded £100 in value. This drop accounted for £25,000 of the deficiency, and many facts indicate that "quiz competitions" were largely responsible. Incidentally, although the profit dropped, the percentage going to charity increased.

It is relevant to this question to read a quotation from the Discharged Servicemen's Employment Board's report of 1956. Dealing with raffles where the prizes exceed £250 in value, the report states—

The supervision of these large raffles has been maintained as it is apparent that, if promoters were left to their own resources, loose methods and irresponsible promotion would quickly reappear.

The figures I have cited which relate to controlled raffles show the extraordinary difference which exists between such controlled raffles and uncontrolled "quiz raffles," according to facts which have been revealed to the Department by persons associated with such "quiz raffles." One fund of which the Department has knowledge conducted a "quiz raffle" for a period of five months for prizes valued at £14,000. The secretary of the fund has given the following figures:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total income from sale of raffle tickets</td>
<td>£16,996</td>
</tr>
<tr>
<td>Cost of prizes</td>
<td>£10,836</td>
</tr>
<tr>
<td>Cost of promotion</td>
<td>£6,158</td>
</tr>
<tr>
<td>Net profit to charity</td>
<td>£2</td>
</tr>
</tbody>
</table>

It is fair to comment that all labour in respect of this raffle is said to have been voluntary, apart from the normal wages paid to the charitable organization staff. The secretary of this organization has stated verbally and in writing to the Department that, although he was once opposed to Government control of raffles, he is now strongly in favour of control and does not want to have anything further to do with uncontrolled "quiz raffles."

A second fund with prizes of £14,500 commenced a competition intended to run for five months, but it was extended to ten months. A total amount of approximately £27,000 derived from ticket sales yielded only £6,500 net for the fund. The cost of promotion of this competition was approximately £10,000, almost £9,000 of which was paid to the professional organizer and ticket sellers. As the prizes were obtained for £4,000 less than the retail price, this £4,000 provided the greater part of the profit to the charitable fund.

A third fund conducted a competition for five months with a house and land as a prize. When the time came to draw the competition, notices appeared in a daily paper reading—

On legal advice the above competition is not being proceeded with. Purchasers of entry forms will have the purchase price of their entry forms refunded on forwarding their entry forms to the appeal office, . . . .

The address of the appeal office was stated. In this case it has been said, although it could not be proved, that the proceeds were insufficient to cover the costs.

A fourth case may be cited. An organization agreed to pay the organizer of a competition 50 per cent. of the gross takings. This competition ran for over thirteen months. The organizer had

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to buy the prizes valued at £1,572 4s. from her 50 per cent. and to pay expenses. The 50 per cent. of the gross takings amounted to £7,000. Notwithstanding the high remuneration received from this competition, the organizer undertook the promotion of another competition three months before the first one had closed. Apparently the terms in respect of this second promotion were even better than in the first, because from that time onward she seemed to great extent to lose interest in the original competition.

Secretaries of charitable organizations who have been connected with these professionally directed "quiz competitions" have stated that it is virtually impossible to control the organizers and that these competitions have brought back into the field of raffle promoters many undesirable persons, some of whom were previously connected with "housey-housey" and others of whom have been kept out of legally controlled raffles for various reasons.

The Department has received many complaints from municipal councils that, although there were enough raffles in the municipal district before the competitions began, there are now far too many. It is also said that competition ticket sellers have been arrogant and uncontrollable, and in several areas the council of the municipality has endeavoured to ban such competitions from its streets. From time to time the responsible Department is blamed for the uncontrolled raffles.

Another of the serious results of "quiz competitions" has been the detrimental effect on controlled raffles. During recent months, the gross takings of State-wide controlled raffles have dropped by approximately £4,000 per raffle. Two State-wide raffles are permitted to be held every two months; that is, twelve in each year. The drop of £4,000 per raffle thus amounts to a loss of £48,000 annually to the controlled raffles. There can be little doubt that local raffles have also been affected. Organizers of controlled raffles have complained that there have been as many as thirteen different ticket sellers, most with demonstration cars, in Melbourne streets at the one time. Eight or nine of these have been "quiz raffle" sellers. Further, there have been complaints that some "quiz raffle" organizers have offered bribes to sellers of controlled raffle tickets to induce them to stop selling, and they have been threatened with violence.

In these circumstances, the Government feels that it is amply justified in outlawing the "quiz raffle." The Bill does this by restating the interpretation of "lottery" in section 85 of the Police Offences Act 1957 so as to include schemes in which the persons eligible to receive prizes or to participate further in the scheme are at some stage determined by a mode of chance notwithstanding that, at an earlier or later stage, a test of knowledge or skill is required to be passed to qualify such a person to receive the prize or to participate further. In the "quiz raffles" as they have been conducted, the quiz has normally followed the raffle proper, but it might be possible for organizers to devise a scheme in which the quiz precedes the raffle. The aim of the altered definition is to bring all such evasions of the present law within the definition of "lottery" and therefore within the prohibition which attaches to lotteries.

Mr. CAMPBELL TURNBULL.—Is there some sort of limitation?

Mr. RYLAH.—A question is asked, but the type of question is not disclosed. It may or may not be genuine.

Mr. SUTTON.—Is this done over the radio?

Mr. RYLAH.—Not generally. It is not intended that these "quiz raffles" should be brought within the interpretation of "raffle" for the purposes of section 88 of the Act. The persons concerned with the control of permissible raffles do not regard the quiz element in these raffles as a desirable method of determination of prize winners. Permissible raffles should have a clear-cut method of determination of the winners of prizes which does not readily lend itself to dishonest practices. It is felt that the "quiz competition" is uncertain in its application and could easily be used for dishonest manipulation of the raffle.
It is known also that among many prospective ticket buyers the quiz element in these raffles is not popular. Persons have refrained from buying tickets because of their fears or suspicions of this element in the competition. The device was adopted only to evade the law with respect to lotteries, and it is felt that, when it is outlawed, there will be no move to re-establish it upon a legal basis.

The second matter with which the Bill deals is concerned with permissible raffles. While the Government is determined to bring large raffles under control, it desires also to relax to some extent the rigidity of the present law with respect to lesser raffles. At present, controlled raffles are permissible only for patriotic funds, charitable funds and the Australian Red Cross Society. Patriotic funds are strictly limited, and charitable funds have been construed fairly liberally according to the spirit of the Act of Elizabeth I, which provides the legal basis for the interpretation of the word "charitable." So far as its application in the field of raffles is concerned, this definition results in some curious distinctions.

Mechanics institutes, advancement leagues and progress associations, for example, may hold raffles, but a raffle cannot be held for a benevolent fund under the control of a club such as the Apex club, the Lions club, or the Rotary club. Cultural bodies, bands and orchestras and the like may hold raffles for the procuring of uniforms, musical instruments and so on, but not for other purposes. Sporting clubs may hold raffles for the improvement of public grounds on which their activities are held but cannot hold raffles for the other purposes of the club.

It is proposed to extend the class of funds for which the Attorney-General may permit a raffle to be held to include cultural, social and sporting clubs and associations of kinds approved by order of the Governor in Council. In this way, there will be some slight relaxation of the present law without opening the door too widely.

Mr. Rylah.
is being given to the Attorney-General to delegate his powers and authorities with respect to the consent to and the supervision of raffles. Many permits must be signed by the Attorney-General, particularly just before Christmas and Easter, and sometimes the Department has to "chase" the Attorney-General all over the country to obtain the requisite signatures.

The third topic with which the Bill deals is the legalization of the posting by registered bookmakers of betting sheets in which provisional odds for forthcoming races, including doubles and trebles, are indicated. The Government feels that little harm is done by the posting of these betting sheets to known clients and that there is no need for the continuation of the prohibition upon this practice. The relaxation of the law in this regard, however, does not extend to the actual making of wagers. The sheets which are authorized to be sent by post will be required merely to indicate the provisional odds at which bets may subsequently be legally made on a racecourse.

I commend the Bill to the House. It is an important measure because every day money is being taken from the public under the guise of assisting charity, but very little of it is being used for that purpose. If any honorable member would like further information on any aspect of the Bill, Mr. Press, secretary of the Discharged Servicemen's Employment Board, who is in the precincts of the House, would be pleased to make it available. I ask the House to deal with the Bill as expeditiously as possible.

On the motion of Mr. CAMPBELL TURNBULL (Brunswick West), the debate was adjourned until Tuesday, October 21.

METROPOLITAN FIRE BRIGADES (BOARD) BILL.

Mr. PORTER (Minister of Forests).

—I move—

That this Bill be now read a second time.

The Metropolitan Fire Brigades Board is a body corporate established under the provisions of the Fire Brigades Act 1928, and is charged, subject to that Act with the duty of taking, superintending and enforcing all necessary steps for the extinguishment of fires and for the protection of life and property in case of fire within the metropolitan fire district.

The Board consists of ten members, of whom three are appointed by the Governor in Council and the remainder elected—three by insurance companies, one by the Melbourne City Council, one by officers and employees of the Board, and two by the municipal councils named in section 7 of the Fire Brigades Act. These councils are grouped according to whether they are north or south of the Yarra river, and one representative is elected by each group.

The metropolitan fire district, consists of the municipalities set forth in the Second Schedule to the Act and, pursuant to section 5 of the Act, may be enlarged or diminished by proclamation of the Governor in Council. From time to time the Governor in Council has, by proclamation, enlarged the metropolitan fire district by the inclusion of the shires of Eltham, Whittlesea, and Springvale and Noble Park. Accordingly, these municipal districts are now part of the metropolitan fire district and are required, pursuant to section 42, to contribute to the annual expenditure of the Board. However, legislative action has not been taken to amend section 7 of the Fire Brigades Act 1928 to include the shires of Eltham, Whittlesea, and Springvale and Noble Park in the groups of councils stated in the section which are entitled to participate in the election of two members of the Board.

This Bill does two things. First, it re-enacts section 5 of the Fire Brigades Act 1928 in such a way that when any municipality or part thereof is declared to form a part of or to be excised from the metropolitan fire district, the Governor in Council may declare also that such municipality or part thereof shall be deemed to have been added to or excised from the list of municipalities entitled to elect members of the Metropolitan Fire Brigades Board; and secondly, it amends section 7 to enable the municipal councils of the shires of Eltham, Whittlesea, and Springvale and
Noble Park to take part in the election of members of the Metropolitan Fire Brigades Board.

All honorable members will agree that it is only just that those municipalities which must contribute to the funds of the Board should have some say in the election of Board members. Consequently, I commend the Bill to the House.

On the motion of Mr. FLOYD (Williamstown), the debate was adjourned until Tuesday, October 21.

CONTRACTS OF SALE (PAYMENTS) BILL.

Mr. PORTER (Minister of Forests).—I move—

That this Bill be now read a second time.

The purpose of this small Bill is to enable the State Savings Bank of Victoria to provide bank cheques for the settlement of contracts of sale under the Property Law Act 1928 and the Transfer of Land Act 1954. Since 1957, under the provisions of section 38 of the State Savings Bank Act 1928, as amended by section 4 of the State Savings Bank (Amendment) Act 1957, accounts of depositors in the State Savings Bank, who are approved by the Commissioners, may be drawn upon by cheque. As a result, a number of solicitors have opened trust accounts with the State Savings Bank.

One of the services which a bank ordinarily accords to its solicitor customers is the provision of cheques drawn by the bank, in lieu of cash, for the settlement of land purchase transactions. As the law stands at present, however, the State Savings Bank cannot fully implement this service because almost all contracts of sale of land are in the form of the Seventh Schedule to the Transfer of Land Act 1954 or of the Fourth Schedule to the Property Law Act 1928, neither of which permits payments under the contract by cheques drawn by the State Savings Bank. Condition 16 of the Seventh Schedule to the Transfer of Land Act 1954 and condition 15 of the Fourth Schedule to the Property Law Act 1928 both provide—

Any payments due under this contract may be made or tendered either in cash or by a draft or cheque drawn by a bank as defined by the Commonwealth Banking Act 1945 or any Act amending or replacing that Act.

In the Commonwealth Banking Act 1945, "bank" is defined as a body corporate authorized under Part II. of that Act to carry on banking business in Australia. Part II. of that Act does not extend to the State Savings Bank of Victoria. In fact, section 5 of that Act provides that nothing in Part II. of the Act shall apply to State banking. Accordingly, a cheque drawn by the State Savings Bank cannot at present be a fully effective tender of purchase money under either of the above statutory conditions of sale. If a solicitor having his trust account in the State Savings Bank wishes to make formal tender to a vendor, he must require the bank to supply him for the purpose with cash or a draft or cheque drawn on a trading bank. This causes some inconvenience to the bank's solicitor customers. There is also some danger that those solicitors may overlook the limitation in the present statutory conditions of sale and thus fail to complete their client's transaction.

The purpose of the Bill is to amend the Fourth Schedule to the Property Law Act 1928 and the Seventh Schedule to the Transfer of Land Act 1954 so as to include banks established by an Act of the Parliament of Victoria, which will of course include the State Savings Bank, among those banks whose cheques may be used for payments under contracts of sale of land. I believe no member of this House would want the State Savings Bank of Victoria to be under any disability as compared with other banks. Therefore, I commend to the House this Bill, which is designed to correct an obvious disability.

On the motion of Mr. CAMPBELL TURNBULL (Brunswick West), the debate was adjourned until Tuesday, October 21.
WHEAT INDUSTRY STABILIZATION BILL.

Mr. FRASER (Honorary Minister).—I move—

That this Bill be now read a second time.

Most honorable members have some knowledge of the wheat stabilization scheme, which has been in operation for some years. This Bill, which is complementary to the wheat stabilization legislation passed by Federal Parliament, is a necessary part of the proposal to continue the wheat industry stabilization plan for a further five years.

The existing Federal and State legislation giving effect to this plan ends with the 1957-58 harvest. The Bill now before the House will authorize Victoria's participation in an extension of the joint Commonwealth and State plan to cover orderly marketing of wheat for the 1958-59 harvest and the following four years.

As honorable members no doubt are aware, the plan which has worked so well over the last ten years provides the wheatgrowers of Australia with a guaranteed home consumption price and a guarantee by the Commonwealth Government of the same price on up to 100,000,000 bushels of wheat exported in each of the five years of the plan. As the annual consumption of wheat within the Commonwealth averages about 60,000,000 bushels, it will be seen that the stabilization plan ensures to the Australian wheat industry for the next five years a guaranteed minimum price for 160,000,000 bushels each year—a guarantee that will be of inestimable value to the industry. The proposal for the next five years is, in essentials, the same as the previous plan. The proposal has been thoroughly discussed by all State Ministers of Agriculture in the Australian Agricultural Council and with the select committee of the Australian Wheatgrowers' Federation representing the industry. The plan does not fully meet all the requests of the growers, but it goes so far towards doing so that it was generally agreed that it would be a waste of time and money to conduct another poll.

Before dealing in detail with the Bill, I shall briefly summarize the Commonwealth legislation which is an essential part of the stabilization plan. That legislation provides, first, for a continuance for a further five years of the Australian Wheat Board as the sole constituted authority for the marketing of wheat within Australia and for the marketing of wheat and flour exported. It provides also that the Commonwealth Government will guarantee a return of 14s. 6d. per bushel to growers on up to 100,000,000 bushels of wheat exported from the crop harvested in the first year of the plan. This guaranteed return of 14s. 6d. per bushel—about which I shall have more to say later—is based on the findings of a recent survey of the economic structure of the wheat industry conducted by the Commonwealth Bureau of Agricultural Economics. The guaranteed price will be adjusted in each of the following years of the plan in accordance with movements in costs based on a cost index established from the survey. Under the Commonwealth legislation, should the returns from export sales exceed the guaranteed price, a tax not exceeding 1s. 6d. per bushel will be levied. The proceeds of this tax are to be paid into a stabilization fund, which is not to exceed £20,000,000. When the average export realizations fall below the guaranteed return, the deficiency will be made up, in respect of up to 100,000,000 bushels, first by drawing on the stabilization fund. If and when the fund is exhausted, the Commonwealth Government will provide the amount necessary to make up the guaranteed return. There is at present approximately £10,000,000 in the stabilization fund and, should the amount at any time exceed £20,000,000, the excess will be returned to growers on the "first-in-first-out" principle.

Provision is made for a loading on the price of all wheat sold for consumption in Australia to the extent necessary to cover the cost of transporting Tasmania's wheat requirements from the mainland in each season of the plan. Provision is made also for a premium of 3d. per bushel to be paid from export realizations on wheat grown in Western
Australia and exported from that State. This is in recognition of the natural freight advantage enjoyed by Western Australia owing to its proximity to the principal overseas markets for wheat. The plan will end with the marketing of the 1962-63 crop.

As stated earlier, the Bill now before this House is complementary to the Federal legislation. It provides for the repeal of the Wheat Industry Stabilization Act of 1954, although the provisions of that Act continue to apply to all wheat harvested in Victoria before the first day of October, 1958. The Bill also provides that wheat grown in Victoria during the period of the plan may be marketed only through the Australian Wheat Board or its licensed receivers, and it requires that the price at which the Board shall sell wheat for consumption within Australia shall be the guaranteed price-current for that particular season.

As I mentioned previously, the guaranteed price is 14s. 6d. per bushel, bulk basis, free on rails ports, for the first year of the plan. This price is based on the most recent survey of the wheat-growing industry undertaken by the Federal Bureau of Agricultural Economics at the request of the Australian Agricultural Council and the Australian Wheatgrowers' Federation. This survey indicated that there had been some fundamental changes in recent years in the structure of the wheat-growing industry. These included smaller and more selective acreages, the greater use of modern machinery and equipment, more liberal application of fertilizers and more widespread use of ley farming practices and wider rotations. As a general result average yields are on a high scale, and it was considered that in determining the cost of production an average yield of 15.5 bushels per acre for the next five years could reasonably be expected. This figure was contested by representatives of the wheatgrowers, who desired the cost of production figure to be determined on the basis of an average yield of 14.8 bushels per acre, as compared with 13.5 bushels per acre in the previous plan. This view was not acceptable to the Australian Agricultural Council, which pointed out that the cost of production formula had been liberalized in several important respects for the purposes of the new plan. For instance, the new formula is based on fair market values for land, improvements, and stock, instead of security value only as in previous years. This results in a substantially higher allowance to the farmer for interest on the total capital value of his property. Again, the owner-operator allowance for the first year of the plan has been increased from £1,010 to £1,040 per annum, and this figure is subject to adjustments in subsequent years in accordance with arbitration wage decisions. As in the previous formula, depreciation is allowed on the generous assumption that farmers regularly replace their depreciable assets over a period according to rates of depreciation allowed. In actual practice, of course, most farmers extend the life of their fences, buildings, dams, and other assets by repairs and maintenance work which are included in their annual costs. Again, the labour of members of the farmer's family is taken into consideration at award rates.

Having regard to these facts, the Australian Agricultural Council considered that the production costs were determined on a liberal basis and that it would be unrealistic not to estimate the average yield on a higher basis than in the previous stabilization periods. The Council also declined to agree to the inclusion of a higher margin of profit in the home consumption price, although it undertook that it would again examine the Federation's proposal for this before the commencement of the 1959-1960 wheat season. Since these decisions were made, the select committee of the Australian Wheatgrowers' Federation has accepted in its entirety the stabilization plan provided in this Bill and the complementary Commonwealth legislation. It has indicated that it did not require a ballot of growers and has asked that the legislation necessary to implement the plan be passed as soon as possible.

Mr. Fraser.
The plan will continue for a further period of five years what has proved to be an efficient marketing period for organization, and will give to growers an assurance that for this period they will receive a fair return for their wheat. The plan has the backing of all Australian Governments and the leaders of the important wheat-growing industry. It is with confidence, therefore, that I commend this Bill to honorable members.

Mr. STONEHAM (Leader of the Opposition).—I move—

That the debate be now adjourned.

As evidence of the Opposition's desire to give this Bill a speedy passage, I suggest an adjournment of the debate for one week.

Mr. FRASER (Honorary Minister).—As this legislation is similar to the Act which is already on the statute-book, and having regard to the need for its speedy passage, I should like to suggest that the Leader of the Opposition agree to a shorter adjournment—until, say, tomorrow.

Mr. STONEHAM. —I agree to that suggestion on condition that, if the Opposition is not ready to proceed, a further adjournment will be granted.

Mr. MOSS (Murray Valley).—It is unreasonable for the Government to propose an adjournment of less than a week for the consideration of a Bill of this nature. Although five years ago a Bill of similar type was passed by Parliament, that is no reason why members—particularly new members in this House—should not be granted sufficient time in which to examine the proposals fully. I suggest the debate be adjourned for at least a week.

Mr. BROSE (Rodney).—I support the remarks of the honorable member for Murray Valley. Although I heard the Minister's speech, I venture to say that most Country party members could not follow his remarks. As I will not receive my copy of Hansard until midday on Monday next, I am in a rather invidious position. This is an important Bill, and I appreciate that the Government wishes to have it passed without delay. However, I feel honorable members should be given time in which to study it.

Mr. FRASER (Honorary Minister).—I agree to an adjournment for seven days.

The motion for the adjournment of the debate was agreed to, and the debate was adjourned until Tuesday, October 21.

MARINE (AMENDMENT) BILL.

Sir THOMAS MALTBY (Minister of Public Works).—I move—

That this Bill be now read a second time.

This measure has for its main object the legalizing of an alteration made some time ago to the system of pilotage in Port Phillip, but it deals also with other consequential matters. The Marine Act 1928 provides that there shall be two classes of pilots, namely, pilots licensed for the port of Port Phillip—which technically does not include the ports of Melbourne and Geelong—generally known as "sea pilots," and pilots licensed for the port of Melbourne only, known as harbor pilots. The Act further provides that the pilotage charges levied on ships in respect of each of these ports shall be distributed—after a deduction for the Pilot Sick and Superannuation Fund and payment of a proportion to Consolidated Revenue—among the pilots licensed for that port.

Prior to 1955, the pilotage service operated to some extent in two divisions. An incoming ship bound for the docks or river berths took on a sea pilot outside the Heads and he brought the ship up the Bay as far as Gellibrand Light in the vicinity of Williamstown. At this point he was relieved by a harbor pilot who brought the ship to its berth. The reverse procedure operated in respect of an outward bound vessel. Sea pilots, however, were also authorized to perform harbor pilotage, and where a ship was bound direct to or from Port Melbourne or Williamstown berths, the practice was for the sea pilot to take the ship to or from its berth.

In an effort to improve this service, reduce costs and provide flexibility between the two pilot services, the
Marine Board—representing a wide section of the maritime industry, including the shipowners—decided in 1955 to amalgamate the two services so that where circumstances permitted one pilot only would perform all the pilotage required by any vessel. The Board sought to achieve this object by granting to harbor pilots, after examination, an endorsement of their licence authorizing them to perform sea pilotage duties. Experience since 1955 has indicated that generally speaking the amalgamated service has worked well. However Crown Law authorities have advised me that—

(a) the above-mentioned endorsement on the harbor pilot's licence did not in fact constitute the granting of a sea pilot's licence within the meaning of the Marine Act; and

(b) that as the Board had no power to effect amalgamation of the two pilot services under existing law—which provides for two services—amending legislation should be passed as soon as possible.

The difficulty in (a) above has been overcome by the Marine Board issuing separate sea pilotage licences, and this Bill is designed to make the amalgamation legally effective by abolishing the harbor pilotage service and providing that any pilot licensed for Port Phillip at the commencement of this Act shall be deemed to be licensed as a pilot under the Marine Act 1928 as amended by this Bill. The licence of any person who at the commencement of this Act was a pilot licensed for the port of Melbourne only, irrespective of any endorsement thereon, is cancelled under the Bill.

This cancellation applies only to one harbor pilot, who will, accordingly, cease to be a licensed pilot. However under the provisions of sub-clause (2) of clause 4 of the Bill, he will be granted a pension of £500 per annum payable out of the Pilots' Salary Fund, until he becomes entitled to payment from the Port Phillip Pilot Sick and Superannuation Fund, in which fund his existing rights and privileges are preserved. Therefore, the Bill, as I said at the outset, legalizes an arrangement which has been beneficial in practice.

The provisions relating to pilotage are contained in Part V. of the Marine Act, and the Bill therefore amends that Part. The clauses are few and simple. Section 30 of the Marine Act requires the secretary of the Board to prepare annually a roll of all persons who are licensed to act as pilots for the ports of Port Phillip and of Melbourne respectively. Paragraph (a) of clause 2 seeks to amend the section so that in future a roll of all persons licensed to act as pilots for the port of Port Phillip shall be prepared. That is consistent with the amalgamation.

Section 72 of the principal Act provides for moneys received for pilotage rates for Port Phillip to be paid—less statutory deductions—to a "Pilots' Salary Fund" for distribution among the pilots licensed for Port Phillip “and the pilots licensed for the port of Melbourne in proportion to the respective earnings of these classes of pilots.” As there will be only one pilot service the words quoted are repealed by paragraph (b) of clause 2. Paragraph (d) is not directly connected with the purpose of this Bill, but opportunity is being taken, while Part V. is being amended, to make a minor amendment of section 74 to omit the requirement for a statement of the amount received by each pilot and the number of the ship to be shown in accounts. That is purely an administrative amendment to simplify procedure.

Sub-sections (2) and (3) of section 76 of the principal Act deal with qualifications of persons acting as pilots for “the port of Port Phillip.” As the basis of the Bill is to have one group of pilots for Port Phillip as a whole, paragraph (e) of clause 2 deletes the words “the port of ” in both sub-sections. Paragraphs (f) and (g) contain other amendments designed merely to remove some obsolete words. Pilotage is now paid direct to the Marine Board and not to the Collector of Customs, and the amendments remove
the former requirement for payment to a customs officer. Apparently this legislation dates back to the early days when Victoria imposed Customs duties.

Paragraph (h) of clause 2 of the Bill increases the penalties which may be enforced for failure to employ a pilot from a minimum of £5 and a maximum of £50 to a minimum of £25 and a maximum of £250. That amendment is to keep the penalties in line with present trends in money values.

Clause 3 provides that any person who at the commencement of this legislation was a licensed pilot for Port Phillip shall be deemed to be licensed as a pilot for Port Phillip under the principal Act as proposed to be amended by this measure.

Clause 4 provides—

(1) for the cancellation of the licence of any person who was licensed as a pilot for the port of Melbourne, whether or not his licence was endorsed with authority to act as a pilot for Port Phillip; and

(2) that any pilot who is not licensed for Port Phillip shall be paid £500 a year pension until such time as he would have been entitled to participate in the Port Phillip Pilot Sick and Superannuation Fund if his licence had not been cancelled. This will apply only in one case.

I have given the House a full explanation of the Bill, which, I consider, can be taken to be a Committee measure.

On the motion of Mr. LOVEGROVE (Fitzroy), the debate was adjourned until Tuesday, October 21.

STATE FORESTS LOAN APPLICATION BILL.

Mr. PORTER (Minister of Forests).
—I move—

That this Bill be now read a second time.

Each year a State Forests Loan Application Bill is presented to the House to provide for authority for the expenditure of loan moneys on various forest works of a capital nature and on the acquisition of capital assets by the Forests Commission. This Bill provides for authority to expend £955,000 of loan funds.

An amount of £760,000 has been approved for expenditure on the proposed works during the current financial year. The additional authority of £195,000 provided by the Bill is to enable the continuance of works of a capital nature beyond the 30th June, 1959, pending the passing of further legislation relative to the loan programme for the financial year 1959-60.

Before I deal with the specific items in the schedule to the Bill, I inform honorable members that the total expenditure approved of in last year's State Forests Loan Application Act was £970,000, and the actual expenditure was £616,425. Maintenance works undertaken in forests and plantations are financed out of the Forestry Fund. Clause 1 of the Bill comprises the short title and citation, and clause 2 provides for the expenditure of the moneys for the purposes set out in the schedule to the Bill. Provision is made in clause 3 whereby no moneys shall be expended except under this measure, which has the effect of cancelling unexpended authorities remaining under any previous measure of a similar nature.

I shall now refer specifically to the items in the schedule. The first is a provision of £20,000 for the purchase of land. Each year the Forests Commission is faced with the necessity to acquire land for officers' quarters and other administrative buildings, to provide road easements through private property in order to preserve essential access to forest reserves, for fire protection reasons and for other miscellaneous purposes. In addition, it is desirable in the public interest that blocks of alienated land carrying valuable timber, particularly if they are adjacent to an existing State forest, or are suitable for extension of softwood afforestation, should be purchased as opportunity occurs. Funds appropriated under this item will be utilized to meet expenditure on such purchases. In last
The second item—fire protection work—for which £120,000 is provided, is most important. The Forests Commission is vested with responsibility for fire prevention and control within the "fire protected area," which consists of 15,000,000 acres of State forests and national parks, in addition to all land comprising a 1-mile marginal strip around and adjacent to these reservations. Any works undertaken are also of vital importance in the protection of rural lands and communities generally throughout the State. Long-range plans formulated with the object of ensuring ultimate maximum security being attained in every district of the State are being progressively implemented, but further work is required to complete the planned programme. The Commission co-operates very closely with the Country Fire Authority and provides the Government representative on that instrumentality. The result is close liaison and common planning between the Commission's employees, on the one hand, and that excellent body of volunteers who comprise the Country Fire Authority on the other. Funds made available under this heading are required to undertake capital works involved in the current year's schedule.

The bulk of the expenditure will be applied to the construction of forest roads necessary to provide assured vehicular access into forest areas so that outbreaks of fire can be tackled in the early stages. These roads are most urgently required in the more remote and inaccessible mountain country, and in areas of low timber productivity where few logging roads have been or are, in fact, likely to be constructed.

Funds are required also for establishment of water conservation works, telephone and radio communications and other installations which are essential in the fire-protection scheme. An amount of £95,000 is provided for improvements and development of indigenous State forests, including silvicultural work, which is an increase on the amount provided last year. The total expenditure on this item last year was £69,163.

In the post-war period, emphasis was of necessity largely on works essential to maintain timber production at the highest possible level and to meet fire protection needs. Whilst developmental work in these directions is by no means completed, attention must now be concentrated in greater measure on silvicultural work designed to speed up the growth of regenerated stands of timber, particularly in the more easily accessible and nearer to market forests, which will be required to sustain the saw-milling and other wood-using industries in the future. To date it has not been practicable to undertake this essential work on a scale commensurate with the magnitude of the areas urgently in need of treatment. Following intensive logging and past fires, many hardwood forest areas are incompletely regenerated, and in others growth in sapling and pole-sized stands is frequently retarded by overstocking. These factors result in valuable forest land being only partially productive. Measures necessary to promote the establishment of seedling and coppice regrowth crops on non-regenerated or partially regenerated areas, and thinnings in immature forests are urgently needed, and it is proposed to step up these and other silvicultural works which are essential in order to ensure that future timber supplies will be available at an adequate level. The moneys provided under this heading are intended primarily for expenditure on these reproductive works, which will be concentrated first on the higher quality sites closest to main markets. This type of work has also the advantage of employing the maximum labour force in relation to the funds expended.

For the construction of roads for the extraction of forest produce, a sum of £475,000 is provided. Supplies of high quality seasoning grade hardwood timber continue to be drawn from virgin forests situated in the eastern highlands. Remaining resources of this class of timber are located in areas hitherto
inaccessible, and it is essential that adequate road access should be provided before these resources can be utilized. The normal procedure is that the State, through the medium of the Forests Commission, constructs such major arterial roads as are necessary to open up these timbered areas, the sawmilling industry being responsible for construction of such subsidiary logging roads as are required for actual timber-getting operations.

The principal new project listed for the current year is the construction of the initial section of a main inlet route through the Wellington river valley, to provide ingress to the Bennison-Moroka tableland where extensive stands of prime alpine ash are located. Approximately 24 miles of road must be built during the next three years to ensure the uninterrupted operation of the nine sawmills comprising the Heyfield group, with an aggregate log allocation of 40,000,000 super feet of logs, when supplies from the forests currently being utilized will be nearing exhaustion. This road system will assist also in the general development of a part of the State at present completely inaccessible to vehicular traffic and provide the basis for development of the extensive potential scenic and tourist assets in the Mount Wellington and other alpine areas.

Funds available this financial year for this project are to be used mainly on camp erection, purchase of essential special ancillary equipment, construction of six bridges over the Wellington river, and formation of the first section of the actual road. The necessary preliminary surveys have already been carried out by the Forests Commission's engineering staff.

Major road construction projects commenced in previous years must be continued. These include completion of the Howqua-King network in areas from which the Mansfield group of sawmills draws the bulk of its current log supplies of alpine ash, further extension of the Barkly river and Mount Useful roads which give access to additional stands of alpine ash from which mills at Licola and Heyfield will draw supplies pending construction of the Wellington river road, extension of the road system in the Otway ranges, and further development of mountain forest country. These projects are essential to maintain output of high-grade sawn timber until such time as the extensive stands of immature regrowth in the central highlands attain millable size.

Supplementary to these major works, miscellaneous roading for timber extraction and general forest management will be undertaken in various districts as required and to the extent available funds will allow. It must be pointed out that all road construction, irrespective of its primary or immediate purpose, is of vital importance in connexion with fire prevention and fire control operations.

Item 5 of the schedule covers the provision of £100,000 for the establishment, extension, improvement and protection of plantations of softwoods and hardwoods. The amount expended under this heading last year was £64,325. The State's rapidly expanding industrial development calls for increasing supplies of softwood timber. Existing softwood forest resources in this State are inadequate to meet the growing demand for this type of timber. Largely because of the necessity to concentrate available funds on other urgent projects, the planting programme over the past few years has been considerably restricted, but it is now proposed to accelerate the establishment of new, and extension of existing, plantations. Softwood afforestation is a profitable avenue for investment of public funds, as well as being a reproductive medium for the reclamation of land which otherwise represents a State liability. It also provides additional scope for employment of labour in rural districts.

The tending of established plantations is essential to ensure that maximum growth rate is maintained, to improve the quality and value of timber produced, and to safeguard against attack by destructive insects and fungi by maintaining the stands in a healthy and
vigorouss condition. This involves constant attention to thinning, cleaning, pruning and other silvicultural operations which ultimately more than recoup the outlay. Construction of roads for the extraction of merchantable timber derived from thinnings and final fellings is becoming more necessary each year with the increasing plantation acreage which is reaching a stage of merchantability. These roads also serve an essential purpose in protecting the plantation asset from fire.

In a number of afforestation projects in the higher rainfall localities, it has been found necessary to switch to the planting of hardwood species in preference to conifers because of the extremely heavy mortality in young conifer plantations resulting from the depredations of possums, native rats and wallabies. In these plantings, mountain ash and other fast-growing eucalypts are being used. A new softwood plantation project has been commenced on land acquired from the State Rivers and Water Supply Commission in the vicinity of the Delatite arm of Eildon reservoir. Construction of an access road and preliminary clearing operations are in progress. In association with commercial planting of softwoods, it is planned to develop the areas immediately adjacent to the reservoir for aesthetic and recreational purposes. Funds provided under item 5 will be applied towards implementing all aspects of the works programme outlined.

Under item 6, a sum of £115,000 is being provided for the construction and purchase of forest officers' quarters, workshops, and other buildings. It is the policy of the Forests Commission to endeavour to provide suitable housing accommodation for its permanent forest staff located in country centres, and considerable progress has been made in recent years towards achieving this objective. It is proposed in the current financial year to advance the planned programme by the erection of additional new residences at Bruthen, Orbost, Gellibrand and Corryong, and by the purchase of houses at Horsham, Ballarat and Heyfield. In addition, the Forests Commission is committed to complete the construction of residences at Trentham and Mildura, which were commenced during last financial year. A new office and a class-room are to be built at the Creswick Forestry School, and various administrative buildings are urgently required to provide additional office and storage space at country forest headquarters.

A sum of £50,000 will be reserved for the erection of a new dormitory block at the Creswick Forestry School. This work is more than overdue. Anyone who has visited the school recently will agree that the State cannot be proud of the dormitory accommodation provided for students. It is, therefore, intended to proceed with this project as soon as possible. It was intended to undertake the work during last financial year, and the necessary funds were earmarked for the purpose, but preparation of specifications and other preliminary details were not completed in time to enable construction to be commenced. It is proposed that construction will be carried out and, if possible, completed during the current financial year.

The last item in the schedule provides a sum of £30,000 for the purchase of plant and machinery. Efficiency and economy in forest road construction can be achieved only by employing modern types of tractors and similar heavy machinery. These units are purchased from funds available in the Forests Plant and Machinery Fund; which is virtually the Commission's depreciation account. Moneys allocated under this heading are required to finance the purchase of essential items of ancillary equipment—for example, compressors, vibrating rollers and repair machinery—required for operation in association with major plant and to maintain machines in effective working condition. I commend the Bill to the House.

Mr. Porter.

The sitting was suspended at 5.57 p.m., until 7.57 p.m.
VOTES ON ACCOUNT.

The House went into Committee of Supply for the further consideration of the motion of Mr. Bolte (Premier and Treasurer) that a sum not exceeding £19,778,592 be granted to Her Majesty on account for or towards defraying services for the year 1958–59.

Mr. STONEHAM (Leader of the Opposition).—Members of the Opposition realize that the functions of government have to be carried out and that there is, therefore, no alternative but to agree that the sum of £19,778,592 be granted to Her Majesty. However, it is considered that attention should be directed to the most glaring failures of the Government to discharge its obligation of providing good government in the interests of all sections of the community. I wish to refer to two matters of extreme urgency. The first relates to the present crisis in education which in the past few days has been featured prominently in the press by way of photographs and special articles. Secondly, I shall refer again to the serious situation which the Premier has provoked by virtue of his failure to proceed with the formation of a wheat research committee in this State.

I am sure that all honorable members were shocked when they saw the photographs which have appeared in the press yesterday and to-day showing the type of temporary accommodation which secondary school children of this State are forced to occupy. We all know that the Minister of Education is a cultured person. He has cultivated some personal habits of relaxation such as sitting at the table whenever his Department is under critical scrutiny from members of the Opposition and drawing caricatures of the member who happens to be addressing the Chamber. Often he passes across to the speaker quite a good cartoon depicting the situation. Consequently, I think he will appreciate fully the cartoon which appeared in last night's Herald depicting as a temporary school a pig sty with one of the children sitting on a pig's back and saying to the animal, "Keep still, I want to concentrate on my history." That is scathing comment, indeed, on any Government from any newspaper, but the fact is that the three great dailies in Melbourne are completely in line in producing a concentrated fire of criticism against the Government on this subject. Surely that shows how serious is their view of the Government's failure to discharge its obligations.

Mr. BLOOMFIELD.—What was said on this subject in the leading article in the Age newspaper this morning?

Mr. STONEHAM.—I shall deal with that later. I assure the Minister of Education that members of the Opposition appreciate that this problem is a big and complex one. However, that does not justify the extraordinary delay that has occurred in connexion with the submission of a report, which was originally referred to as a White Paper.

Mr. BLOOMFIELD.—Not by me.

Mr. STONEHAM.—Some sixteen months ago, it was stated that the Government had agreed to a request from people vitally interested in the educational problems of the State to prepare a White Paper. It was to be a simple stocktaking, something which would set out the present situation in Victoria concerning educational facilities and how the experts in charge of the system, including the Minister, would plan for the future. One would have thought that it would take only sixteen days, not sixteen months, to appoint a departmental committee and announce the subjects on which it would be expected to advise.

It is true that at the present time many people take the view that the recent statement by the Minister, announcing the appointment of a committee to survey educational facilities in the State and its terms of reference, shows a departure from the original idea of the preparation of a White Paper. In fact, it seems that this committee will now undertake something in the nature of a broad, comprehensive inquiry into education; that is to say,
senior officers of the Education Department will report upon their own administration. The sooner something is presented in the nature of a White Paper on education signed by responsible experts in this State, the sooner will we be in a position to see what should be done as a second step. Then, perhaps, we shall be able to obtain the services of world-recognized authorities to join with Australians in conducting a thorough investigation into the ramifications of education in the State.

With the warnings given sixteen months ago and the situation developing as has been revealed in the press this week, one would have expected the Minister of Education and the Government to take urgent action. It is a most deplorable state of affairs that sixteen months after the cry went out for the preparation of a White Paper on education, little is being done.

Mr. BLOOMFIELD.—This agitation went on for two years whilst you were a member of a Government which did nothing about it.

Mr. STONEHAM.—The Minister of Education pleads guilty to neglect.

Mr. BLOOMFIELD.—I do not.

Mr. STONEHAM.—Why drag up the past? Let us cover that period on some other occasion. We have been told that memorials to the former Leader of the Labour party, Mr. Shepherd, can be found throughout the State in the form of new school buildings. It is without doubt that, during the period he was Minister of Education, all school building records were broken. He did everything humanly possible to solve the school accommodation problems. I do not think the present Minister can say the same about his activities.

To support my remarks, I wish to quote from an article in the latest issue of the *Journal of the Victorian Teachers' Union*. As part of the union's official comment on the Budget, the article states, *inter alia*—

Since 1954-55 the amounts allotted to education from the Loan Funds have shown a considerable decline in trend. Of course, the Bolte Government likes to see reports in the press about record amounts having been voted for education. It is the custom to say that, as a lot of migrants are coming to the State and as new industries are being established, record expenditure on education must be incurred. That merely means the expenditure of a sum larger than the amount voted the previous year. In 1954-55, loan funds totalling £5,114,000 were allocated for educational purposes; in 1955-56, £6,647,000—the Bolte Government accepted the plans prepared by the previous Cain Administration—an increase of £1,500,000; and in 1956-57—the first financial year for which the Bolte Government was responsible for expenditure—the education vote increased only to £7,155,000, a rise of £508,000. In 1957-58, the vote was increased by approximately £250,000 to £7,400,000. For 1958-59, the estimated expenditure is £7,560,000, a further increase of £159,000. The publication to which I referred previously comments that that increase for this financial year will barely cover the cost of building one school, yet at least fifteen are needed in the secondary and technical divisions.

Mr. BLOOMFIELD.—Where is the decline in expenditure?

Mr. SUTTON (to Mr. Bloomfield).—The Leader of the Opposition stated that there had been a decline in the trend.

Mr. STONEHAM.—The Minister of Education will have plenty of opportunity to reply to my comments, and it will be interesting to hear his views. He should be concentrating now on what to say to answer my charges. The article continues—

It can be readily seen that there has been no effort to overcome the shortage of buildings and equipment since 1956. In the second year of office, Mr. Bolte cut the education allotment by 66 per cent, and last year he lowered the increase by a further 52 per cent. This year, the increase has been depleted a further 43 per cent.

Mr. BLOOMFIELD.—Rubbish!
Mr. STONEHAM.—It is not rubbish. The Premier is constantly claiming that Victoria is bounding forward and is the most progressive part of the Commonwealth. More migrants are being brought to this State, and surely the Education Department has to keep pace with that development. It is of no use merely increasing the sum voted last year; sufficient funds must be made available to meet the actual requirements of the State.

Opposition members did not have to be told by the Herald and the Sun News-Pictorial what the situation was, because on 16th September the honorable member for Oakleigh asked the Minister of Education a series of questions relating to this matter. The photographs and special articles appearing in the press contained similar information to that made available to the honorable member for Oakleigh in the answers to his questions. The honorable member has been preparing to deal with this matter in the House at the first opportunity. I am sure he will deal with it efficiently, as he did earlier to-night when he presented a report to the Victorian Branch of the Commonwealth Parliamentary Association concerning his visit last year to the general conference of the Association in New Delhi. The answers given to the honorable member for Oakleigh were that ten new secondary and six new technical schools are to be opened in Victoria. The Minister went on to give reasons for this state of affairs. It is strange, however, that the difficulties to be met are by no means as great as those which faced the Cain Government, which Administration tackled the problem in a thorough manner and obtained much more satisfactory results.

The leading article in the Sun News-Pictorial of to-day stated—

We all knew that our schools were overcrowded—but a report that Victorian school children are trying to learn in everything from railway sidings to an ordnance factory comes as quite a shock.

Shelter sheds, army huts, sick bays, corridors—these are some of the "class-rooms" named in a report prepared by the high schools' branch of the Victorian Teachers' Union.

In its excellent publication, the Journal of the Victorian Teachers' Union, the union sets out the results of a survey—it certainly was not all-embracing—that was made as a result of questions circulated among the secondary and technical schools of this State. The summary of the survey of technical schools returns contained in the journal is as follows:—

<table>
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<tr>
<th>Number of returns</th>
<th>32</th>
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<tr>
<td>Percentage of possible returns</td>
<td>50 per cent.</td>
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<tr>
<td>Enrolment in 1958</td>
<td>15,094</td>
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<tr>
<td>Estimated enrolment in 1959</td>
<td>16,890</td>
</tr>
<tr>
<td>Percentage increase in enrolment</td>
<td>11.8 per cent.</td>
</tr>
<tr>
<td>Number in temporary accommodation in 1959</td>
<td>761</td>
</tr>
<tr>
<td>Estimated number in temporary accommodation in 1959</td>
<td>2,186</td>
</tr>
<tr>
<td>Percentage in temporary accommodation in 1958</td>
<td>5 per cent.</td>
</tr>
<tr>
<td>Percentage in temporary accommodation in 1959</td>
<td>13 per cent.</td>
</tr>
</tbody>
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Thus, this great State of Victoria is going backwards as far as education is concerned.

In regard to buildings required, the results were:—

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<tr>
<td>Stage I</td>
<td>9</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>Stage II</td>
<td>10</td>
<td>12</td>
<td>2</td>
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<tr>
<td>Stage III</td>
<td>2</td>
<td>5</td>
<td>—</td>
</tr>
<tr>
<td>Stage IV</td>
<td>—</td>
<td>1</td>
<td>—</td>
</tr>
</tbody>
</table>

For high schools the summary of the survey was:—

<table>
<thead>
<tr>
<th>Number of returns</th>
<th>119</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of possible</td>
<td>72 per cent.</td>
</tr>
<tr>
<td>Enrolment 1958</td>
<td>47,269</td>
</tr>
<tr>
<td>Estimated enrolment for 1959</td>
<td>55,386</td>
</tr>
<tr>
<td>Percentage increase in enrolment</td>
<td>17 per cent.</td>
</tr>
<tr>
<td>Number of classes over 40</td>
<td>496</td>
</tr>
<tr>
<td>Estimated number of children in classes over 40</td>
<td>21,802</td>
</tr>
<tr>
<td>Percentage in classes over 40</td>
<td>46 per cent.</td>
</tr>
<tr>
<td>Number in temporary accommodation</td>
<td>5 per cent.</td>
</tr>
</tbody>
</table>

The last mentioned percentage will increase next year.
The results for buildings required
were—

<table>
<thead>
<tr>
<th>Stage</th>
<th>Feb. 1959</th>
<th>Under construction.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage I</td>
<td>10</td>
<td>26</td>
</tr>
<tr>
<td>Stage II</td>
<td>17</td>
<td>25</td>
</tr>
<tr>
<td>Stage III</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Stage IV</td>
<td>5</td>
<td>8</td>
</tr>
</tbody>
</table>

Those figures reveal a most alarming state of affairs.

It is all very well for the Minister of Education to cultivate his genial and easy going manner towards other honorable members, but I consider that he cannot afford to adopt that attitude when such important work is being neglected. I suggest that he should take a leaf out of the book of former Ministers of Education who grappled with this problem more effectively than he has. The leading article in the Age to-day stated—

The report of the accommodation survey made by the High Schools Branch of the Teachers' Union is a startling document. It reveals that, despite all that is being done to meet the demands of education, we are still a long way behind in providing sufficient buildings. Five per cent. of high school and technical school children are being taught under extraordinary conditions and the percentage will be more than doubled next year.

Mr. BLOOMFIELD.—That is quite wrong.

Mr. STONEHAM.—I shall be pleased to hear the Minister prove that that assertion is wrong.

Mr. BLOOMFIELD.—Read what the article says about the responsibility of the State Government.

Mr. STONEHAM.—Surely one would expect the Government to give a high priority to education.

Mr. PETTY.—This Government has given it a higher priority than did the Cain Administration.

Mr. STONEHAM.—Surely the Minister of Housing does not consider himself to be an expert on this subject. It is common knowledge that it is beyond the resources of the Government to provide a solution to this problem. That is evident from a study of the relationship between this Government and the Commonwealth Administration. It is obvious that the Liberal party Government in Victoria “cuts no ice” in Canberra. The statements made by the Prime Minister in this regard are most amazing. The honorable gentleman has gone out of his way to make it known that he has received no requests from Victoria for assistance for education purposes. Section 96 of the Commonwealth Constitution provides for the Commonwealth to make grants to States under special conditions. The Treasurer has told this House on several occasions about the special burdens being borne by Victoria because of immigration and our great industrial expansion, so surely that would be a perfect basis upon which to submit an application to the Commonwealth Government for special grants over and above the allocations made by the Loan Council. The Prime Minister has gone out of his way to say that he has never received any such application from Victoria. This matter was raised during the Budget debate in the House of Representatives by Dr. Cairns, of Yarra, and Mr. Bryant, of Wills, two well-known authorities on education in Victoria, who were ably supported by none other than Dr. Evatt. Dr. Evatt asked, “Why is it that the Commonwealth has limited its assistance to the States in respect of education to universities, whereas under the Constitution it is empowered to make grants for primary and secondary education?” The Prime Minister’s excuse is “I have not been requested so to do.” I throw that right at the State Government. The inference is that if the Government had applied its energies to the problem of education as the Cain Labour Government did, grants would have been made available by the Commonwealth to meet the special conditions in Victoria to-day. I should like to quote a statement made on behalf of the Victorian Teachers’ Union, which is a completely non-political body.

Honorable members interjecting.

The ACTING CHAIRMAN (Mr. Snider).—Order! I remind the Committee that all interjections are disorderly, and I think the Leader of the Opposition might assist by addressing the Chair.
Mr. STONEHAM.—I have been addressing you all the time, Mr. Acting Chairman. The attitude of members of the Victorian Government is in sharp contrast to that of the people generally throughout Victoria, who have been really shocked by what has been revealed in the press in the last two days. I strongly suggest to those members that they try to get their noses down to the grindstone a little more on this problem of education, and not adopt a carefree and at times negligent view of their responsibilities. In an editorial in its journal, the Victorian Teachers' Union states—

Education should be (but isn't) a major item on the agenda of every loan conference or Premiers' conference.

Under section 96 loans for education are available but no State—and not even Victoria—has ever sought specific assistance for education in this section of the Constitution. Furthermore, it is rather depressing to find that Mr. Menzies is using the fact "that they did not ask" as a reason for not giving a loan.

Next year hundreds more children will be placed in temporary accommodation—ill-lit, unhygienic, unequipped, unfurnished and over-crowded. An ignominious state of affairs that should never occur in any Western nation.

That is a strong indictment of the Government. The Minister of Education has been caught out. He refused to accept the warning of people who were aware of the possibility of a deterioration of this kind taking place. Sixteen months ago they said, in effect, "Let us have a stocktaking. Let us prepare a White Paper so that everybody in the State can realize the seriousness of the position." Parents would not mind if adequate provision were not made in certain other spheres provided that sufficient facilities for education were made available. There is no doubt that the Government has let down the children of Victoria, and the Opposition requires a statement on the action it intends to take.

The next matter I desire to raise is the very serious situation—affecting not only Victoria but also the whole of Australia—that is rapidly developing by virtue of the incomprehensible attitude taken by the Government on the question of wheat research committees. In last Friday's Melbourne Herald, this statement appeared in an article by Ronald Anderson, the newspaper's writer on agriculture—

A Commonwealth-wide suspension of wheat research is almost certain if the Victorian Premier, Mr. Bolte, goes ahead with his plan to break the Victorian wheat research deadlock.

It could spark the biggest row in an Australian primary industry for years.

Several State branches of the powerful Australian Wheatgrowers' Federation had already offered to boycott their State wheat research committees. Mr. E. E. Nuske, a past-president of the federation, told me to-day.

"We have asked them not to do so yet," said Mr. Nuske, who—as president of the Victorian Wheat and Woolgrowers' Association—is key figure in the Victorian dispute.

Mr. Nuske said Victorian wheatgrowers were getting restive over the deadlock.

"They were complaining about being levied for wheat research again this year when there is £134,000 lying idle in the Victorian wheat research fund."

"If the stalemate is not resolved soon we will have to consider seeking suspension of the research levy."

The ACTING CHAIRMAN (Mr. Snider).—Order! I direct the attention of the Leader of the Opposition to the fact that his time has expired. If no other member rises in his place, he may continue for another fifteen minutes.

Mr. STONEHAM.—I thank the Committee. This is a most serious matter, and it is entirely the product of folly and neglect by the Bolte Government.

Mr. K. H. TURNBULL.—Are you suggesting that Mr. E. E. Nuske speaks for the wheatgrowers of Victoria?

Mr. STONEHAM.—Of course he does.

Mr. K. H. TURNBULL.—He speaks for only one organization.

Mr. STONEHAM.—To-day, the motion for the second reading of the Wheat Industry Stabilization Bill was submitted by the Honorary Minister (Mr. Fraser), who, in his explanatory speech, referred to the fact that there was not to be a poll of wheatgrowers because agreement had been reached with the Australian Wheatgrowers' Federation. That organization is the only recognized mouth-piece of wheatgrowers in Australia, and it does truly and accurately represent a vast majority of them. One of the greatest
inherent weaknesses in efforts to make a success of egg marketing has been the fact that the egg producers have spoken with half a dozen or a dozen voices, through various organizations. The poultry industry has always lacked the cohesion of the wheatgrowers. It has been a matter of fundamental importance to the Australian economy that the wheatgrowers have been able to speak with one voice. Wheat stabilization is most important, and a satisfactory scheme can be implemented only when the growers are of one opinion and properly organized.

A letter written by the Minister of Agriculture of this State on 23rd October, 1956, to the Victorian Wheat and Woolgrowers' Federation states—

With reference to your inquiry relative to the constitution of the State Advisory Committee to be set up in connexion with the wheat industry research scheme, I wish to advise that the last meeting of the Australian Agriculture Council adopted a recommendation that the constitution of the State Advisory Committees should be decided by the individual State authorities in consultation with the affiliated associations of the Australian Wheatgrowers’ Federation. In the case of Victoria, the affiliated association is, of course, your organization.

Regarding the question of grower representation, I am agreeable that there should be a majority of grower representatives on the Victorian Advisory Committee.

Yours faithfully,
(Signed) G. L. CHANDLER,
Minister of Agriculture.

Mr. WHITE.—What have the other States done?

Mr. STONEHAM.—The other State Governments have taken appropriate action and, in conjunction with the Commonwealth, have unanimously recognized only the Australian Wheatgrowers’ Federation as being competent to speak for the growers, and all delegates have come from organizations affiliated with that body. I have before me a copy of the 8th October, 1958, issue of the New South Wales Wheatgrower, which contains an article headed “Research Deadlock in Victoria.” It states, inter alia—

While the work of the Commonwealth Wheat Research Council and State Wheat Research Committees is now well under way there is still a deadlock in Victoria.

This has been caused by the insistence of the Victorian Government of the inclusion on the State Committee of a member of an association not affiliated with the Australian Wheatgrowers’ Federation.

The Wheat Research Act stipulates that grower members of the committees shall be members of associations affiliated with the Australian Wheatgrowers’ Federation. I have been chided by the Premier that in some way I am opposed to the Australian Primary Producers Union. Nothing could be further from the truth. The only fault of the Australian Primary Producers Union in this matter is that it is not affiliated with the Australian Wheatgrowers’ Federation. If it were, it would be entitled, undoubtedly, to a seat on the committee. The Bolte Government adopted the same carefree, nonchalant, irresponsible attitude towards wheat research as it did towards education. It is prepared to let the matter drift. Unless the situation is rectified soon, the Australian Wheatgrowers’ Federation will withdraw its members from the wheat research committees in other States in order to force the Commonwealth to take action here in Victoria to get the committee functioning.

Mr. WHITE.—Were there Commonwealth terms of reference on this question?

Mr. STONEHAM.—I have a copy of the Commonwealth Act, but I have not the time to quote from it. The Victorian Government has placed an entirely different interpretation on the words in the Act which I just read from the publication entitled New South Wales Wheatgrower; that is, that the representation should be exclusively that of the Australian Wheatgrowers’ Federation. The Minister who explained the Wheat Industry Stabilization Bill earlier to-day admitted that the Federation is the only body that should be officially recognized. The need for such a committee in Victoria is paramount. Notice has to-day been given that the Government will again tackle the thorny problem of bread reform by bringing forward a Bill to deal with it. One would have thought that a Government which claimed to be eager to provide
the public with better bread would be interested in the basic problem that contributes to better bread. In Victoria that means only one thing, namely, better wheat. There is no other part of Australia where this factor is so important because, despite the very best efforts of our scientists to breed new varieties of wheat of higher protein content, the inexorable fact remains that, because of the basic soil and climatic conditions that obtain in the Wimmera and Mallee, we shall always have in Victoria the problem of producing flour of sufficient protein content to enable the bakers to manufacture good bread.

Mr. Eric Bond, director of the Wheat Research Institute in Sydney, has informed me that when visiting Melbourne he was most favourably impressed by the flavour of our local bread. He says that from the point of view of nutrition it is good bread, its weakness being that it has not good keeping qualities. The poor housewife who must make sandwiches on Monday morning with the previous Friday's bread is particularly conscious of the low protein content of our wheat. This constitutes a valid reason for the Government to push ahead with the study of this particular matter. A Victorian Government that had the interests of this State at heart would have been the very first in the field with the establishment of a wheat research committee. Had a Labour Government been in office, the necessary action would certainly have been taken.

The Journal of the Department of Agriculture for the month of May, 1955, contains a report of the Wheat Industry Convention at Horsham. The first paragraph states—

For the first time in Victoria, the three major sections of the wheat industry—growers, millers and bakers—held a public discussion with Department of Agriculture officers, at the City Hall, Horsham, on 29th March, 1955, on problems connected with the quality of Victorian flour and ways of improving it.

The article sets forth in some detail the discussions that took place at Horsham, and reveals how effective that convention was in attaining the cooperation of the wheatgrowers and other sections of the industry for the production of better wheat. That convention was held during the régime of a Labour Administration. Since that time, there has not been another such gathering.

Mr. Fraser.—There was a conference at Horsham about three weeks ago.

Mr. Stoneham.—That is not so. No convention of that character has been held since the one conducted in 1955. Last week, bread manufacturers in Melbourne sponsored a bread exhibition at Flemington. Each baker was requested to furnish one loaf of each type that was being delivered on that particular day. The bakers prepared a wonderful display, and all members of the Victorian Parliament were invited, but not one member of the Government attended.

Mr. Holden.—That is not true. I was there.

Mr. Stoneham.—The honorable member for Moonee Ponds is not a member of the Government. He is in the "second eighteen."

Mr. Bloomfield.—On what day of the week was the display held?

Mr. Stoneham.—It was a Monday.

Mr. Bloomfield.—That is the meeting day for Cabinet. You would not expect Ministers to attend the display on that day.

Mr. Stoneham.—A representative of the Government could have been sent along. What the Minister of Education has stated proves my point. The Government did not attach any importance to the display. Had a big American company or, say Clyde Industries Limited, held a cocktail party down the city, members of the Government would have been there all right. I repeat that not one member of the Government attended the display.

Mr. Holden.—That is untrue.

Mr. Stoneham.—Furthermore, there was not present any member of the famous sub-committee that was appointed by the Government to study bread reform.

Mr. Loxton.—I was in a bakery while the exhibition was being held.
Mr. STONEHAM.—You did not see the exhibition.

Mr. LOXTON.—At least, I saw 42 loaves before you did.

The ACTING CHAIRMAN (Mr. Snider).—Order! I invite the Leader of the Opposition to ignore interjections and, as his time has expired, to round off his remarks.

Mr. STONEHAM.—The honorable member for Prahran claims to have seen 42 loaves, but there were at the exhibition thousands of loaves of bread for him to see. In any case, it is strange that when the Liberal party was trying to determine its attitude on bread, not one of its committee members attended the exhibition to see just what was available to the housewife. I think I have amply demonstrated my point.

Mr. G. O. REID (Minister of Labour and Industry).—I shall address my remarks to certain matters relating to the Department of Labour and Industry because I feel it incumbent upon me to reply to the aspects raised by the Leader of the Opposition last week when he attacked the Government. While I join with those honorable members who congratulated the Leader and the Deputy Leader of the Opposition on the compliment paid to them by their party colleagues in the recent Labour party election, I cannot agree with the basis of the arguments which they advanced last week and which were to some extent repeated to-night. The arguments, which formed the basis of an attack on the Government, were, I suggest, entirely unfounded and completely unrelated to facts. The principal charge made last week was to the effect that in various respects the Department of Labour and Industry, aided and abetted by the Government, had adopted the policy of not enforcing the law regarding certain industrial matters. In refuting that suggestion, I shall rely on a presentation of the facts, which will establish beyond doubt that the case put forward by the Opposition is entirely unsubstantiated. Furthermore, when the Ministers whose Departments were attacked to-night reply, it will be seen that the attacks on them also were entirely unsubstantiated and unfounded.

In claiming that the provisions of the Labour and Industry Act were not being enforced, the Leader of the Opposition dealt with the question of shop-trading hours. The only means of enforcing an observance of the prescribed hours is that of launching prosecutions. As a result of an information, the court may impose a fine upon an offender. It should be appreciated that no inspector of the Department of Labour and Industry is empowered, as a physical act, to close the doors of a shop. The sole remedy for a breach of the law is the launching of a prosecution. An examination of the statistics of prosecutions reveals an exactly opposite position to that outlined by the Leader of the Opposition. During the régime of the last Labour Government, there was a marked disinclination to enforce the law and, far from this Government being in any way to blame, it has had to face the situation of building up the enforcement of the law after the last Labour Government had sadly allowed the law to fall into disrepute. That is borne out by the figures I shall now quote.

In 1946, when there was a Labour Government in office, there were thirteen prosecutions for shop-trading offences. In 1947, there were two such prosecutions, and in 1948, when there was a non-Labour Government in office, the number of prosecutions totalled thirteen. In 1949, again with a non-Labour Government in office, there were 120 prosecutions and, in 1950, the number totalled 106; in 1951, 57 prosecutions were launched and, in 1952, during the term of a Country party Government—the late Mr. Trevor Harvey was then the responsible Minister—there were 359 prosecutions. In 1953, under the administration of a Labour Government, the prosecutions for offences of this type totalled 236. In 1954, the number of prosecutions decreased to 77. At that time, Mr. Galbally, a member of the Legislative Council, had taken over the position of Minister of Labour and Industry. In 1955—Mr. Galbally was Minister for only half of that year—there were only three prosecutions, all of which were instituted while my predecessor, the present Minister of Education,
was in charge of the Department of Labour and Industry. In 1956, there were 34 prosecutions and, in 1957, 170. So far in the current year, there have been 388 prosecutions.

If figures prove anything in this matter, they indicate that the present Administration is carrying out the enforcement of the law to the best of its ability and is having a proper respect for it. This has been done notwithstanding the fact that more and more responsibilities are being added to the Department of Labour and Industry, and the number of inspectors is short of the required total. Of course, the Government, and the Department, are doing their utmost to provide a sufficient number of inspectors. Furthermore, an adverse decision of the Industrial Appeals Court has made it more difficult to obtain the necessary evidence for a successful prosecution. The Government appealed to the Supreme Court against the decision of the court but it was unsuccessful in having the decision reversed. The Government has taken action to bring about greater cooperation by the Police Force with the inspectors of the Department of Labour and Industry to ensure that the various provisions of the Act are carried out.

It has been stated against the Government that it introduced legislation designed to increase trading hours for petrol stations and for the selling of used cars. I suggest that was the correct action to take. The Government adopted the only proper course in extending the trading hours by Act of Parliament. When the Labour Government was in office, instead of facing up to the question of legislating to extend trading hours, it adopted a back-door method of winking at breaches of the law. That fact accounted for the falling off in prosecutions that occurred during the régime of the Labour Government. The Opposition also raised the question of prosecutions for breaches of the bread trade determinations. The figures are somewhat interesting. During the years 1953 and 1954, when a Labour Government was in office, there were respectively 65 and 34 prosecutions. The number dropped in 1955 to six; in 1956 it rose to 73, and to 87 in 1957; and during this year to date there have been 81 prosecutions. The figures speak for themselves, and entirely refute the suggestion of the Leader of the Opposition that there has been a failure by the Government to enforce the law. In regard to the particular trades to which he referred, namely, the sale of petrol, used cars, and electrical and radio goods, from the 1st January to the 6th October this year, the total number of prosecutions has been respectively 113, 124 and 61.

Mr. Floyd.—How many convictions were there?

Mr. G. O. Reid.—Convictions were recorded in all cases except two or three. I have quoted these figures to indicate that the arguments advanced by the Opposition are unfounded. On the contrary, they show that when the Labour party formed the Government it failed to enforce the law. Now the Opposition is adopting the familiar tactics of endeavouring to smear a Government which is enforcing the law in a manner in which the Labour party itself failed to do.

Some reference was made to the alleged failure of the Government to deal with backyard traders in the clothing trade. Much of the argument adduced by the Leader of the Opposition was based on the answer given by the Honorary Minister (Mr. Fraser) to a question asked during my absence earlier this year. The question was to this effect: How many outworkers in the clothing industry are licensed by the Department of Labour and Industry? The Honorary Minister replied that one person was licensed. It was suggested that there was slackness on the part of the Department of Labour and Industry in licensing only one person. The fact is that a great many of such persons are subject to an award of the Commonwealth Conciliation and Arbitration Commission. The authority for licensing in this regard is not a State responsibility but is in the hands of the Registrar of the Commonwealth Conciliation and Arbitration Commission. The authority for licensing in this regard is not a State responsibility but is in the hands of the Registrar of the Commonwealth Conciliation and Arbitration Commission. In clause 29 of the relevant award
is set out a lengthy and involved procedure dealing with individual outdoor workers and their licensing. Being under a Federal award, such persons are outside the ambit of the State Department concerned. If the Leader of the Opposition and his Deputy were in touch with union affairs they would be much better informed on this subject. The fact is that many members of the Opposition have got sadly out of touch with the unions upon which they rely at election time for so much of their political support. A recent statement by a leader of the trade union movement corroborates my statement. The following report appeared in the Sun News-Pictorial last Saturday—

The Clothing Trades Union will seek restoration of powers enabling it to police "backyard clothing factories."

A conference of State secretaries of the union in Melbourne next month will frame award claims to cover these powers.

The acting State secretary of the union, Mr. M. Brewer, said yesterday that the union's policing powers had been lost in an award made in April last year.

This award would expire in April next year.

Many thousands of clothing workers were being employed in "backyard factories," which paid low rates and provided poor conditions, Mr. Brewer added.

The award referred to is that of the Commonwealth Conciliation and Arbitration Commission. The whole point of the report is that this man, an authority in the Clothing Trades Union, is directing attention to the fact that these persons are the subject of a Federal and not a State award. That disposes of the arguments advanced by the Opposition in connexion with this matter.

The Government is aware that inspectors of the Department of Labour and Industry have certain powers under State legislation. In matters of this kind the Government sets its face as strongly as does the Opposition against any breaches of an award or determination through any sort of backyard improper practices in the clothing industry. I am taking this matter up with representatives of the unions and of the employers. The State Government will act in concert with the Registrar of the Commonwealth Conciliation and Arbitration Commission to stop any abuses that are occurring. I fully sympathize with the point of view of the Deputy Leader of the Opposition, the honorable member for Fitzroy, in this regard, but point out that the proper course is not to make unfounded and unsubstantiated attacks of the type the House heard last week concerning alleged inactivity in my Department. The correct course is to show some spirit of co-operation with the Government and the Commonwealth authorities in checking those abuses. That is the way in which the Government and I are approaching the matter. I conclude by reiterating that on these three questions—namely, trading hours, the bread trade, and the clothing trade—the Opposition has not in the slightest degree sustained its arguments in attack, but has failed lamentably to support its assertions. The figures and facts I have quoted entirely refute them.

Mr. LOVEGROVE (Fitzroy).—I have pleasure in agreeing with the Minister of Labour and Industry that the difficulties confronting his Department to-day are very real. However, I am unable to agree with him as to other matters. First of all, I listened with interest to the statistics he quoted as to the progressive totals of prosecutions launched by his Department from 1946 to 1958. The statistics bear a completely different implication from that which he placed upon them. In the immediate post-war years of 1946 and 1947, there was an acute labour shortage which rendered comparatively unnecessary the policing of industrial awards. During the years of the first Cain Labour Government, the prevention of industrial abuses was more successful than was the case under anti-Labour governments.

Mr. G. O. REID.—Are you not aware that Mr. P. J. Clarey, M.H.R., was entirely opposed to prosecutions in these matters?

Mr. LOVEGROVE.—I am not aware of that, but, without drawing the political implications that resulted from the change of Government, I suggest that the economic situation in Victoria immediately following the war was radically different from that which confronts the working class of this State to-day. The Minister drew comparisons with happenings in 1952, when under a
Country party Administration the number of prosecutions for evasions of awards rocketted to 359. It is common knowledge that in 1952 Victoria was in the depths of the first post-war recession. There were many evasions of awards at that time because the labour market was in a bad condition. I am compelled to disagree with the Minister when he quotes the figures for prosecutions for evasions of awards during the past three years of the Bolte Government's administration. As a result of the calculated policy of the Liberal party in Canberra and of this Government in Victoria, the labour market in this State has been smashed. There are more evasions of awards to-day than in any year since the war because this Government is responsible for the breaking down of industrial conditions. When the Bolte Government took office there were 300 persons on the dole in this State. After three years there were 7,000 persons on the dole. The Government brought thousands of immigrants into Victoria. To-day they cannot obtain employment and are being used by the Liberal party to smash industrial conditions in the bread trade, the catering trade, the liquor trade, the building industry, the plastics industry, and wherever the Government has been able to put them under economic duress.

The actual position is revealed not by the number of prosecutions which the Government has been compelled to launch in the past three years, but by the deplorable failure of the Department of Labour and Industry—despite what the Minister says—to prosecute those who are defying the laws of this State, not only with impunity but with the active assistance and co-operation of this Government. The Minister had the audacity to say that to prosecute offenders against the laws governing trading hours the Government must have information.

Mr. G. O. Reid.—I did not use those words.

Mr. Lovegrove.—The honorable gentleman said that information was necessary in order to prosecute offenders against the laws.

Mr. G. O. Reid.—I stated that a prosecution must be founded on an information.

Mr. Lovegrove.—One would imagine that members of the shopping and trading communities, who to-day are breaking the industrial laws with impunity, were doing so behind the back of the Minister or the Government. But what is the position? They are breaking the laws through the columns of the daily press, in extensive display advertising costing thousands of pounds. I read one example in the House the other night from the Melbourne Herald to the effect that for three nights in the week Peter Kaye would be breaking the industrial laws of this State. The Minister asks for information.

Mr. G. O. Reid.—You are misquoting me.

Mr. Lovegrove.—Every night of the week there are blatant and flagrant examples of the deliberate smashing of the industrial laws of the State, the laws governed by the Minister. This is done through the press, the radio and by television.

Mr. Fraser.—It is nothing new of course.

Mr. Lovegrove.—It is new. It has been done in this way only since this Government took office three years ago; it was never done previously. The record of this Government's administration of the Department of Labour and Industry is a disgraceful one of subservience to vested interests that are making great fortunes in this State through the neglect of this Government to protect honest traders who play the game, and workers who expect to receive correct industrial awards.

The Minister mentioned the bread trade. On the 10th September, 1958, I asked the Minister how many breaches of the bread trade awards had been investigated and how many complaints had been received from bread industry employers' and employees' organizations for the year ended 31st August last. He replied that his Department had received 25 complaints from both sides of the industry. A dissection of the six
months—not the full twelve months—
ending in August, and evidence of the
Bread Manufacturers’ Association and
the bread trade union—evidence which
is in the possession of the Minister’s
Department—reveals that the bread
manufacturers’ association had reported
30 complaints, whereas the Minister
stated in his reply to my ques-
tion that the Department had received
only eighteen. I challenge him to obtain
the record and deny my statement
The
union in that six months had made an
additional fourteen complaints. Com-
pared with the eighteen official com-
plaints admitted by the Department of
Labour and Industry in the reply the
Minister gave in this House, there are
44 authenticated complaints of breaches
of the bread industry awards and the
laws governing the bread trade in the
possession of the bread manufacturers’
association, the trade union and, I sug-
gest to the Minister, in the possession of
his own Department.

The Minister spoke with some pride of
the prosecutions that had been author-
ized by this Government. In reply to
another question which I directed to the
Minister, he said that there had been 40
penalties inflicted in the twelve months,
and that those 40 penalties aggregated
a total amount of £292 in fines.
On the face of it, and having regard to
the psychology of this Government, an
average fine of £7 may appear to be a
reasonable deterrent.

Mr. G. O. Reid.—Your quarrel is with
the court which imposed the fine. You
are really challenging the court.

Mr. Lovegrove.—My quarrel is with
the quality of the inspection and
the efficiency of the administration of
the Department of Labour and Industry.
I say that deliberate encouragement is
given to people breaking the law to con-
tinue to do so with impunity.

Mr. G. O. Reid.—Is not the imposition
of a penalty a matter for a court?

Mr. Lovegrove.—If a case is put
up by the Department in a certain way,
the court will inflict a corresponding
penalty. Let us consider the fines more
closely. The record of an average fine
of £7 over 40 cases in twelve months is
not even as good as it looks at first
glance. Although employees and em-
ployers in the bread industry had com-
plained bitterly to the Department and
to the Government about the way in
which the industry was being wrecked,
in February, 1958, nine penalties were
inflicted and fines totalling £208 imposed,
an average penalty of £23. In the
other eleven months, 31 penalties
were inflicted for offences against bread
industry legislation, and fines totalling
£84 were imposed, an average penalty
of £2 14s.

Mr. G. O. Reid.—What do you suggest
would be an appropriate penalty?

Mr. Lovegrove.—I suggest that
there is a big difference between an
average penalty of £23 in one month
and £2 14s. in the following eleven
months. I ask the Minister of Labour
and Industry to explain the terms of the
Department’s association with the courts
and what the difference is.

Mr. Manson.—What does that mean?

Mr. Lovegrove.—The Minister can
infer what he likes from my remarks.

Mr. Fraser.—That is undignified.

Mr. Lovegrove.—The Honorary
Minister (Mr. Fraser) can address the
Committee if he desires, and I shall be
glad to hear his views. The Minister of
Labour and Industry had the audacity
to mention the clothing trade. What
he said about Commonwealth awards
in that connexion is only partly
true. Evidence of the position
was given to the Department, in
the absence of the Minister, in the form
of a four-page letter written by me on
the 11th August last. This document
set out the facts on behalf of the union,
and on the 12th August I received a
reply from the secretary of the Depart-
ment acknowledging my letter and add-
ing that the matters referred to in it
would be examined at an early
date and that I would be advised
thereon later. I was also informed
that where a union official dis-
covered that incomplete records were
kept, it would be helpful if he would
kindly inform the Department. I am
still waiting for a reply to the points
raised in my four-page letter. However,
I shall forget that for the time being and point out to the Minister that his Department does not take the same view as he does about misrepresentation. Possibly, he does not know what is going on in his Department.

On the 6th October last, a union official visited the Department of Labour and Industry and asked what action had been taken by the Department concerning certain complaints lodged. On 10th April, it had been reported that an outdoor factory operating in a private house in a residential area was not keeping proper records. It was alleged also that a number of unregistered outdoor workers were engaged and were not granted annual leave or sick pay. The reply from the Department, on the 6th October, was “Case not completed; still being looked into.” Again on the 10th April, the Department was informed that a private house was being used as a factory, that an employee called there each day to see if work was available, that exceptionally low piece-work rates were being paid, that no annual leave or sick pay was being provided, and that no proper records were being kept. The reply from the Department on the 6th October was, “Not completed; still being looked into.” On the 11th June last, the union reported under-payment of overtime by a certain employer and that employees were working through meal breaks. The reply from the Department was, “Case finalized. Have no details. Has been reopened. We are having a second look.” I ask honorable members to consider in all seriousness what inferences can be drawn from these facts. I believe they indicate a reluctance, if I may say so in all charity, on the part of this Government to stop evasion of awards.

On the 15th July, it was reported that nine unregistered outdoor workers were employed by a certain firm. The names and addresses of the workers were supplied to the Department, which was also advised that exceptionally low rates were paid and that no provision was made for annual leave or holiday payments. The reply from the Department on the 6th October was, “Still being looked into by inspectors.” On July, 15th, it was reported that fourteen unregistered outdoor workers were employed by another firm, and their names and addresses were supplied. It was also stated that no payments for holidays or for annual leave were made. The reply from the Department was, “Still being looked into by inspector.”

Mr. FRASER.—In any case, you are not being ignored.

Mr. LOVEGROVE.—I suggest that the statements which the Minister of Labour and Industry made to the Committee to-night—I assume they were made in all innocence; let us be generous about it—are a tissue of misrepresentation and falsehood.

Mr. G. O. REID (Minister of Labour and Industry).—On a point of order, I seek a withdrawal of that statement.

Mr. LOVEGROVE (Fitzroy).—I withdraw. Obviously, I did not adduce the charge against the Minister. If he assumes that I did, I withdraw what I said.

The ACTING CHAIRMAN (Mr. Snider).—Is the honorable member for Fitzroy withdrawing the suggestion of misrepresentation?

Mr. LOVEGROVE.—If the Minister took the remarks as referring to him personally, yes. I assume that the statement the Minister made to-night was based on material supplied to him. He made it in good faith, no doubt. However, the gist of it was a tissue of misrepresentation and falsehood as compared with the actual situation.

Mr. G. O. REID (Minister of Labour and Industry).—I rise again to a point of order, Mr. Acting Chairman. The honorable member for Fitzroy, in repeating his statement, is merely dodging the withdrawal which you required him to make. I made a statement this evening in the course of which I said that a lot of the matters to which he referred were controlled by Commonwealth awards and did not relate to State administration. I made that statement advisedly. If the honorable member for Fitzroy is reflecting on what I said in that connexion, I ask for a withdrawal of his remarks.
Mr. LOVEGROVE (Fitzroy).—I withdraw any reflection I might have cast on the Minister, but I believe the statements he made earlier were incorrect. Let us examine the record of complaints a little further. On the 15th July last, it was alleged that a firm had closed down and underpayment of wages had occurred. The names and addresses of six employees were given to the Department. The reply of the Department on the 6th October was, “Still being looked into by inspectors.” On the 29th July last, the Department was requested to police new factories to ensure that proper records were kept. The reply, again on the 6th October, was, “Is with the Secretary for Labour.” A complaint, made on 21st August, of underpayment and of no proper records being available—I have the name of the firm here—received a similar reply, that it is still with the inspector. In not one instance has the Department said to the Clothing and Allied Trades Union of Australia, “This is a matter for a Commonwealth award.” On the contrary, it has said, “This is our business.”

Mr. G. O. REID.—Your colleagues in the clothing trade seem to think it is a matter for the industrial tribunal.

Mr. LOVEGROVE.—With the greatest respect to the Minister of Labour and Industry, I issue the same warning to him that I gave to the Premier: Take no notice of what he reads in the newspapers.

Mr. BLOOMFIELD.—You are at odds with your Leader because he does nothing but read from them. Is he right or wrong?

Mr. LOVEGROVE.—I do not think the Minister of Education has a feather to fly with. I shall now make reference to the unfortunate lack of dignity displayed by the Premier in recent months in diverse and varied circumstances. It appears to the Opposition, as indeed it must to many other sections of the community, that there is an unholy rush by the honorable gentleman to get on to the band-waggon of any industrial or commercial concern that condescends or deigns to grace the Victorian commercial scene to-day, without regard to the bona fides of the organization, without inquiry into how this commercial or industrial organization may conduct its business, and without regard to the commercial morality of the organization in terms of its status in its own industry. I suggest that the Government should take cognizance of the effect its perhaps ill-advised benevolence is having upon the observance of the industrial laws of this State.

In passing, I mention the unfortunate habit of the Premier of sending birthday greetings to any organization that claims that it needs them. On one notable occasion the honorable gentleman sent greetings to the notorious advertising concern of Testro Brothers, whose affairs have been properly discussed in this House and which has been disowned by the advertising profession in Victoria. The Herald of Wednesday, 10th September shows an advertisement by another American organization. The advertisement states, “American ‘Eagle’ suits now made in Australia! First release: Myer’s to-morrow!” Then readers are informed that the Eagle of America suits are available in more than 40 authentic American-designed patterns and that they are to be made in Australia by arrangement and under licence by a firm named Berkeley Apparel. The advertisement shows what are purported to be patterns designed to fit any type of male figure. On the side of the advertisement, under a photograph, it is stated—

The Premier, the Honorable H. E. Bolte, M.L.A., says "an outstanding achievement . . . . Mr. Bolte expressed his great pleasure at the Eagle-Berkeley tie-up as yet another instance of America’s keen interest not only in Victoria but in Australia.

Below the honorable gentleman’s photograph is that of another—but professional—comedian, Bob Hope, who says that on all occasions he naturally appears in an Eagle suit.

Mr. BLOOMFIELD.—You wear a union suit.

Mr. LOVEGROVE.—I do not deal with scab firms, and I do not allow my name to be used in advertising by concerns that are brought into this country to smash awards and conditions. That
is precisely what the Premier has done on this occasion. This American organization has entered the clothing trade with new ideas, incentive systems, time studies, and methods which entail revolutionary innovations in regard to laying out and cutting in that trade.

Mr. Rafferty.—Is the honorable member for Fitzroy opposed to revolutionary methods?

Mr. Lovegrove.—No, I am not antagonistic to any technological change that is properly carried out, but I condemn such changes which smash union conditions. Of course, I oppose the Premier giving such organizations his blessing.

Mr. Rafferty.—How is this organization smashing conditions?

Mr. Lovegrove.—In the clothing trade it is the practice for a man to lay out and mark the pattern of a suit in one piece of cloth. This company has devised a method of using the equivalent of carbon and cutting up to ten pieces of cloth in the one operation.

Mr. Bloomfield.—What an outrage!

Mr. Lovegrove.—The Minister of Education has let out his first squeak since the Leader of the Opposition castigated him half an hour ago. There can be no objection to the introduction of this new and revolutionary process, but there is objection to extravagant advertising, which has the blessing of the Premier, being used to sell goods which are inferior in workmanship. This inferiority is brought about because of the capacity of cloth to stretch, with the result that all patterns will not be cut the same. Again, there is a deliberate attempt by the company to use this new method to smash wages and conditions in the clothing trade. I trust that what I have said will satisfy the Minister of Labour and Industry that all is not as well in the Department of Labour and Industry as he imagines it is.

The Acting Chairman (Mr. Snider).—I advise the honorable member for Fitzroy that his time is about to expire. If no other honorable member rises to speak, he may continue.

Mr. J. D. Macdonald (Burwood).—I should like to make it clear that I am not participating in this debate because of the invitation of the honorable member for Fitzroy. Whenever matters of finance are discussed in this Chamber the Socialist members opposite use the catch-cry that we are supposed to be a “business Government.”

Mr. Clarey.—We have never accused your Government of being a “business Administration.”

Mr. J. D. Macdonald.—The honorable member cannot deny that it is. In this Chamber last week, the honorable member for Brunswick East made some glib statements about an important subject, namely, Wonthaggi, and asked why men were being dismissed. He stated that there were some 7,000,000 tons of coal in the field; probably that is all he knows about the matter. As we have the reputation of being a “business Government,” I decided to look at the position and see what was involved. Most of the comments made on this question were a long way from the mark.

What really is the situation? Wonthaggi is a town built on a ridge of Silurian rock and the actual coal fields are spread to the east and the west. Mining operations have been carried on there for many years, but 1914–15 is the first year for which actual production figures are available. Considerable losses have been incurred at the State Coal Mine and, after long deliberation, the Government has decided to make certain retrenchments. This decision has been taken because of physical conditions in the mine itself. To the east of Wonthaggi, there is an area known as Kirrak, and figures supplied by the Mines Department indicate that the estimated reserve of coal there is 1,250,000 tons but that the extractable amount is 750,000 tons. This section of the mine was closed between 1946 and 1955–56. When it was reopened, a total of approximately 500,000 tons was then readily available. If this particular part of the mine is to be further developed, provision must be made for extra stone drives through
areas of soil and rock not containing coal. This would be very expensive, costing approximately £15 a foot, and when the coal had been won, it would have to be cleaned. If the new drives were made, some pillar coal might be obtained.

The important point is that, according to the latest figures available—those for the financial year 1955-56—this is not an economic proposition. I have no later figures, but I do not think the costs will have been reduced. Production costs for the various sections were then as follows:—No. 20 shaft 115s. per ton; western area, 170s.; and Kirrak, 130s.; while the cost of mining coal from the whole colliery was 150s. per ton and the selling price 137s. Assuming that there were 400 men employed at the mine on underground work, 100 men in No. 20 shaft produced 40 per cent. of the total coal won, while 300 men in western area produced 60 per cent. Obviously, the coal produced in the western area was considerably more costly than that won from No. 20 shaft.

This matter must be considered on the basis of whether the Government can continue to incur huge losses. As regards employment, the miners' union has a rule, "last on, first off"—a policy that might well apply in certain industries in the City of Melbourne, where alternative employment is available, when retrenchments are necessary. The award relating to the coal-mining industry contains an interesting provision, and in this connexion I do not blame the miners—I am sympathetic to them to the utmost. It provides that each miner may receive monthly 13 cwt. of coal for the sum of 2s. 6d. That coal costs between £7 and £8 a ton to extract. This concession is extended also to the management staff, and to retired miners living in the area. It may be thought that this does not amount to much, but actually it represents expenditure of about £30,000 a year. Probably, this provision was inserted in the award many years ago, but, in view of the large loss incurred at the mine, the total figure is startling. Moreover, I am basing my figure on a total employment of 300 men, although I understand that more than 400 are employed. I do not know how many retired miners receive free coal.

Mr. J. D. MacDonald.—I am not worried about the position in England. I wonder what the cost to the State would be if this policy were applied to employees of the Gas and Fuel Corporation, the State Electricity Commission, and similar undertakings. In No. 20 shaft, it is estimated that there is a total of about 30,000 tons of easily extractable coal. This mine is winning good coal at present, but it is expected, on a conservative estimate, to "cut out" within eighteen months or, possibly, twelve months. A little further away is the western area, where most of the miners are employed. The estimated reserve of coal there is 1,000,000 tons, but there is "a fly in the ointment." The coal seam is very difficult to work. Its maximum height is about 30 inches, and the average from 18 to 19 inches. Moreover, the coal is not good, and after it is mined it must be carted two miles to the brace for cleaning and loading. The western area tunnel was opened three or four years ago, and the tonnage of coal there is estimated at 65,000. To date, 19,000 tons have been extracted. Unfortunately, the coal seam here is as small as from 10 inches to 1 foot in thickness. This mine has been abandoned for obvious business reasons of cost.

The eastern area, which has been discussed a good deal, once produced very good coal. It lies to the north of Wonthaggi. No. 1 bench has a reserve of 400,000 tons, and No. 2 bench a reserve of 250,000 tons. The coal seam is 30 inches to 36 inches and is clean, but at present it is not being worked. Some time ago fire destroyed the surface installations, and it is estimated that it would cost £100,000 to replace them. No. 3 bench and No. 4 bench, lower down, contain about 77,000 tons, but this coal is now under water and operations there have been abandoned because it is unsafe to work these benches.
I have spoken of reserves of less than 2,500,000 tons of coal. There are reserves between the western area and the 20 shaft totalling about 300,000 tons, but again there is "a fly in the ointment." Before this coal can be mined, two new shafts must be sunk about 700 feet, and these shafts would cost roughly £25 a foot to sink. In addition, surface installations, costing of the order of another £100,000, would be required. If the work indicated were carried out, the management of the mine would be incurring one additional expense upon another, so that eventually the cost of the coal would rise to probably £9 a ton. On top of all this is the fact that the total production of the mine is decreasing. This is not in any way the fault of the miners as individuals, but unfortunately they are working in bad ground. In many cases, it is necessary for the coal to be handled at least twelve times before it reaches the surface. Some of it is good and some of a lower grade, and therefore its usefulness is restricted.

Some bright gentleman at Wonthaggi wrote a letter to the Age newspaper—it was published in this morning's edition—asking why a salesman was not engaged to sell coal from that district. I have no doubt that the coal could be sold, but at a loss. Repeatedly the Government is accused by the Opposition of incurring deficits, but at the same time it is asked to spend more money on education and other services. In the matter of Wonthaggi coal, the Government took a businesslike step with a view to saving the State the sum of £180,000, but immediately the Opposition objected without giving proper consideration to the facts that are tied up in the whole proposition of mining coal and selling it. Two weeks ago St. Vincent's Hospital, which has been a big user of black coal, installed an oil-burning plant at a cost of £100,000. I have much to do with the installation of coal-burning appliances, but I would much rather work in an oil-fired boiler house than in a dirty, smelly coal hole, even under present-day methods of handling brown or black coal. I should like to see the Government take the coal miners out of Wonthaggi and employ them on the task of building an underground railway in the City of Melbourne.

Mr. Fennessy.—What about mining coal at Yallourn?

Mr. J. D. Macdonald.—The honorable member for Brunswick East has no regard for the cost aspect.

Mr. Fennessy.—You are a cost man.

Mr. J. D. Macdonald.—Cost is an important item, and it must be considered. Obviously, if coal that is mined at a cost of 150s., a ton is sold at the rate of 137s. per ton, a loss will result. Upon examining the Supply schedule for the months of November and December, 1958, I notice that for the corresponding period last year the working expenses of the State Coal Mines amounted to £128,817.

I turn now to a statement made tonight to this Committee by the Leader of the Opposition in relation to bread. The honorable member now realizes that he made a mistake in what he said during an interview on television last Sunday night. He is only new at his job, and he has already made many silly statements. However, this one caught up with him. Evidently the honorable member put his words the wrong way around, but he does that frequently. Recently the Premier had to remind him that in a certain figure he cited he was £8,000,000 or £10,000,000 out. In articles published by the Age and the Sun News-Pictorial on 13th October of this year, the Leader of the Opposition is reported to have said that at a recent display where 100 types of bread were exhibited, not one Government member attended. The honorable member repeated that statement here this evening.

Mr. Floyd.—He said that no Cabinet member attended.

Mr. J. D. Macdonald.—Nothing of the sort. Incidentally, the Leader of the Opposition was late in arriving at the exhibition and was there for only a short time. Although a back-bencher, I consider myself to be a member of the Government. I was present, as was also the honorable member for Moonee Ponds.
and a representative of the Monash Province in another place. I agree that it was a fine display. I hope the bread manufacturers will be able to maintain the quality of bread they exhibited on that occasion.

As part of his attack on the Government's educational programme, the Leader of the Opposition read to the Committee extracts from the *Journal of the Victorian Teachers' Union*. Incidentally, I notice that the general secretary is Mr. D. P. Schubert and the editor is Mr. H. R. Ward. I do not know whether the latter is a relative of Mr. "Eddie" Ward. However, neither is a school teacher, so I suppose they get their information concerning educational matters from someone else.

Mr. Sutton.—Mr. Schubert has been a school teacher for many years.

Mr. J. D. MacDonald.—The Leader of the Opposition, in quoting from the *Journal of the Victorian Teachers' Union*, picked out those passages that suited his purpose. I shall quote some other passages—

The total administration of the Education Department is expected to be £29,368,131 which is nearly 20 per cent. of the total estimated expenditure.

For the first time the provision for allowances for transport of school children will exceed £2,000,000.

Teachers' salaries will take the bulk of this increase when normal promotions and new teachers get £1,980,000 of it to bring the salary bill to £20,038,000.

I do not complain about that aspect. I am pleased that teachers of the Victorian Education service receive good salaries. However, under a prosperous economy we have the situation of children being enabled to continue in secondary and technical education instead of having to leave school to take up jobs. We cannot have our cake and eat it too. We cannot have a good teaching staff, well paid, and a large staff of new teachers to be recruited, and at the same time make available better facilities for children to get to school. It is obvious that in a growing community, irrespective of which Government is in office, we shall never have a sufficient sum of money to provide for all needs. Some of the temporary accommodation at schools is not what we would desire for our children. Nevertheless, it is better than we had in our day. If teachers were underpaid we would be low in teacher recruitment. The aspects I have enumerated demonstrate why the Bolte Government acted in the matter of uniform taxation to ascertain whether the Victorian Government could get a better deal from the Commonwealth authorities. This State spends on education more money per head of population than does any other State of the Commonwealth. That is to the credit of this Government. Yet Opposition members criticize the temporary inadequacy of buildings and equipment. The only comment I offer on that matter is that the Government is doing a little too much.

Mr. Floyd.—Thanks to the activity of parents' committees.

Mr. J. D. MacDonald.—I concede that parents' committees in this State are doing a mighty job. A question has arisen in relation to the railways.

Mr. Campbell Turnbull.—Perhaps you will tell us about the railway fares out your way.

Mr. J. D. MacDonald.—If the honorable member will listen, I shall discuss that matter. The question of railway administration has always been a thorn in the side of the Opposition, and it is not an easy proposition to handle. There is no more capable Minister in the Victorian Parliament or elsewhere than the Minister of Transport, who is charged with the responsibility of administering the Railway Department. The honorable member for Brunswick West asked what were the New South Wales railways doing. During a recent visit to New South Wales I had a long conversation with Mr. Enticknap, the Minister of Transport in the Labour Government of New South Wales—his party will not hold office very long—and he is faced with problems similar to those existing in Victoria.

Mr. Campbell Turnbull.—Did he tell you about quarterly cost-of-living adjustments?
Mr. J. D. MacDONALD.—Yes, and he told me also that it was necessary to increase rail fares out of all proportion to what he thought would be necessary. Additionally, it was necessary to curtail services. Despite this action, the New South Wales railways are still losing approximately £10,000,000 a year.

Mr. FLOYD.—The New South Wales Government is at least balancing its Budget.

Mr. J. D. MacDONALD.—Nonsense. It is strange that many people cannot afford to pay an increase of 1½d. per mile for train travel, yet they can afford to pay 1s. a mile for motor car travel. It is strange also that when the Minister of Transport, in endeavouring to improve the efficiency of the Victorian railway system, introduced the system of pick-a-back or bulk loading, the Australian Railways Union—I do not know whether "Jackie" Brown was responsible—objected to its members having to handle the equipment. They claimed that it was dangerous. On the one hand, Opposition members accuse the Government of not running the Railway Department on a business-like basis, but on the other hand, whenever a progressive step is taken to cut costs, the Socialists and Communists in the railways get together and "away she goes." Whenever some action is taken to improve the efficiency of the Department, objections are immediately forthcoming. The increased dieselization of the system has improved the efficiency of the service, although the resultant decreased demand for coal has had an impact on the Wonthaggi miners.

I agree with the suggestion of the honorable member for Oakleigh, who claimed that the Railway Department should undertake a more intensive advertising campaign. His proposal should be examined, as considerable money has been invested in the Department and it should be used to the best advantage. The recent rains that have fallen will probably result in a good wheat harvest, and, in that event, the Railway Service will prove of inestimable value in the transport of the grain. The real benefit of the railway system is in the bulk handling of wool, wheat, fertilizers, and so on.

Opposition members have frequently complained that the average employer is grinding his employees into the ground, making them work overtime and do this, that and the other. However, there is no justification for this complaint. To-day, the relationships between employer and employee are extremely good. In many industrial concerns, employers and employees confer on various matters and usually an amicable agreement is reached. The building industry, with which I am connected, illustrates my point. Whenever it is possible to minimize the hard work in the building industry the employers, by the use of mechanical handling equipment, endeavour to do so. Safety precautions are taken whenever necessary.

Mr. FLOYD.—A number of persons have been killed on the Imperial Chemical Industries building.

Mr. J. D. MacDONALD.—Nine persons were killed during the construction of the Sydney Harbor Bridge, but that is one of the hazards applicable to work of that kind. Also, many persons are being killed in motor car accidents. It is regrettable that accidents of this type should occur, and I hope that, if they cannot be prevented, they will at least be minimized. The unions associated with the building industry have assisted to reduce the incidence of accidents. This Government has a good record from the point of view of safety in industry, which it is likely to improve even more in the future. Opposition members have not mentioned the fact that the master builders agreed to an over-award payment of £1 to their employees. Although the wages of employees in Victoria may have dropped by 1s. or 2s. a week because of the non-payment of quarterly cost-of-living adjustments, this has led directly to a reduction in costs. From the point of view of bricklayers' labourers, it is pleasing to note the termination of the days of the old hod-carrier—I have carried a hod up and down ladders and realize how
difficult it is. The introduction by the unions concerned of rubber-tired wheel barrows for this work was a splendid innovation.

The CHAIRMAN (Mr. Snider).—Order! The honorable member’s time will expire in three minutes.

Mr. J. D. MacDONALD.—As was emphasized by the Minister of Public Works, costs in industry have been reduced and greater efficiency has been achieved by the implementation of efficient methods, the encouragement of healthy competition, and the heeding and taking up of suggestions. This has greatly assisted our prosperity level. I hope that the relationship existing to-day between employers and employees will not only continue but will also prosper further and be encouraged. As representatives of the so-called business Government, we will play our part towards that end.

Mr. SUTTON (Albert Park).—It is only in satire that Opposition members refer to the Government as a businessman’s Government. We have never been serious about that.

Mr. PORTER.—You are never serious about anything.

Mr. SUTTON.—We are quite serious in saying that this is the most stupid, militant anti-Labour Government that has ever disgraced the House. During my eight years as a member of Parliament—and I have known a number of Liberal and Country party members—I have not until lately heard such expressions of offensiveness and petulance as have emanated from members on the Government benches. We heard the honorable member for Burwood advance as an excuse for the Government’s proposal to sack 100 men at Wonthaggi that it was a progressive step to cut costs. I suggest that, if one regards wage plugs as mere animated instruments of production or mere material for the production of wealth, the honorable member’s argument is probably sound. Many years ago, Carlyle, in referring to the people of England, stated that there were 34,000,000 of them—it is true that he added “mostly fools,” but he added also, “If you prick them they will bleed,” and no doubt the miners of Wonthaggi, if they do without food, will be hungry. In reply to the scathing indictment by the Leader of the Opposition of the building activities of the Education Department, the Minister of Education retorted with gentlemanly sneers and a frivolity that would not have been tolerated on the part of a child in an infant school. I do not think the honorable gentleman has ever been in an infant school. At all events, in his early stages he never went through the pruning process of an ordinary State or registered school. He may have learned his art there, but there are occasions when art does not correspond to life. The Minister seemed to think he was being indicted personally for some abysmal offence.

There seems to have been all around the House a tendency to misrepresent what was said by the Opposition. Let me try to make it clear. We do not assert that the Government has not done a reasonably good job. We quoted from the teachers’ journal a statement to the effect that trends were such and such. We have no doubt that the Government has done the best that it could do in extremely trying circumstances, but we charge it with failure to ask the Prime Minister for a direct grant or grants in the form of aid for education. That, I see, is now the policy of some organization, headed, I think, by a technical-school teacher. We have not said that the Government has fallen down on its job deliberately, or that it lacks any sympathy or concern for teachers, pupils or parents, but we have said that it has not taken the proper steps to obtain money for education purposes from the Federal authority. It is admitted by the Prime Minister that no such representations were ever made to him. When he was Leader of the Federal Opposition in 1945, Mr. Menzies agreed that there was no constitutional impediment to grants for education being made by the Federal Government. Then he became Prime Minister, and promptly and firmly discovered some impediment so great that it could not be overcome by the ingenuity of the experts at Canberra. I was amazed at the sneering references
of the Minister of Education to the Victorian Teachers' Union. He did not praise them.

Mr. BLOOMFIELD.—I did not sneer.

Mr. SUTTON.—The Minister sneered when I said they were not a political party. He said, "Oh no!" or words to that effect. The honorable member for Burwood went on record with the asinine assertion, characteristic of him, that the article was Labour inspired. If that is so, the Minister of Education has placed the Government in a tragically unfortunate position because did he not choose as a member of the survey committee the president of the union, Mr. Baker? Why he did it, I do not know. If the union is a subversive or political party organization, the Minister is guilty at least of indiscretion and lack of regard for the proper rights of the Education Department. I know the honorable gentleman does not think that, but I wish occasionally he would restrain some of the honorable members behind him who support him by volleys of acclamation and cataracts of interjection. Undoubtedly the teachers will regard the remarks as aspersions on their union.

Mr. BLOOMFIELD.—Why is it an aspersion to support the Labour party?

Mr. SUTTON.—It is not. It is a despicable aspersion to say that this article, which is plainly in the interests of children, teachers and parents, was inspired by the Labour party. Cannot the Minister see the effect of his own intended implication? I am amazed indeed that the honorable member for Burwood did not go on to say—although I am consoled that he did not—that it was Communist inspired. Now, I may add for the honorable member's edification and confusion that I know well personally two former executives of the Victorian Teachers' Union, who worked enthusiastically for the honorable member during his election campaign. I wondered why they did it, and I told them so. That is the organization which spread utter untruths about the former President of the Legislative Council. Nothing was too raw for them to say about him.

Mr. FRASER.—What are you excited about?

Mr. SUTTON.—I am excited because my social conscience is torn by viewing the spectacle of a Government composed of people who do not care a damn for anything but to remain in office. This is what the teachers' journal, this allegedly Labour inspired journal, says about its survey—

To parents and children it is the most heart-breaking revelation to come out of the story behind the crisis in education in Victoria at the present moment.

It goes on to say with utter truth which we have never challenged—

This union realizes only too well the record allotments to education since Mr. Bolte became Premier some three years ago.

But we also realize that he alone cannot move the Federal Government to assist him in catching up on the snow-balling backlog in the provision of school accommodation for children and teachers.

I cannot see in view of that tribute to the Premier—and by implication, I suppose, to the Minister of Education—why the exception which rose almost to a violent level should have been taken. Let us put it this way. The Government has done as well in the circumstances as it can. All that the people now are pleading that the Government should do is to ask the Federal Government, while the elections are still—shall we say—in train, to grant some money for education lest the whole thing should become a crisis.

Now I want briefly to refer to the survey approved by the Minister. After I had spoken the other night, I was followed by the honorable member for Brighton, who is always worth hearing when he deals with matters on which he is well-informed. The honorable member said I was a little astray when I indicated that the public was antagonistic to the announcement by the Minister of Education of the personnel of the committee of inquiry. He went on to say that while I had quoted a letter from the Age I did not refer to another letter in the same newspaper written by the president of the State School Committees Association. I did not
do so, merely because I did not agree with the letter and had no desire to go publicly on record as disagreeing with it, but if the association, the central body, is satisfied with the survey and the terms of reference, the school committee in my electorate is not. To-day I received from the Albert Park State School Committee a letter conveying the following resolution—

This committee resolves that its dissatisfaction should be expressed regarding the constitution of the recently appointed Committee of Enquiry into Education in this State. It is the opinion of this School Committee that a person, or persons, representing the community in general (for example State School Committees, University, non-State Schools, Industry, &c.), should take a position on this Committee of Enquiry. In addition a completely independent Chairman should be appointed and it suggests that a person such as Sir John Medley or Professor G. S. Browne would fulfill these requirements.

Mr. BLOOMFIELD.—Sir John Medley stated that he would not be interested.

Mr. SUTTON.—I am glad to hear the Minister’s statement, which corrects me.

Mr. BLOOMFIELD.—Sir John Medley was one of the first persons I consulted about the survey. I did not offer the appointment to him. He volunteered the information that he personally would not be interested in being a member of this body.

Mr. SUTTON.—Recently I was reprimanded for carrying on a conversation with the Minister of Education when I was provoked by the honorable gentleman himself, but perhaps we might be permitted to clear up a point. I wonder whether Sir John Medley knew that the other members of the committee were to be almost entirely departmental.

Mr. BLOOMFIELD.—He pointed out to me that that was exactly what the State School Committees Association desired.

Mr. SUTTON.—If that is what the Association desired, they are very easily satisfied.

Mr. BLOOMFIELD.—That is what they asked for.

Mr. SUTTON.—I have been corrected all along the line. Presently the Minister will make a statement, and then we will know what he intended to do. For a long time he left the public in doubt as to his intentions, and when he did inform them, he took no notice of sections of the public who demanded a wider survey. Now nothing can be done about it; he is in the saddle and will do what he likes. I know that the teachers are concerned about the matter.

Mr. BLOOMFIELD.—Which teachers are concerned?

Mr. SUTTON.—If I mentioned them the Minister would probably conduct a heresy hunt.

The ACTING CHAIRMAN (Mr. Brose).—Order! I ask the Minister not to interject.

Mr. SUTTON.—We have had to suffer these interjections from the Minister of Education throughout the debate. Such behaviour ill-becomes members of a superior race. I have not had much experience of the rarefied atmosphere in which these people move, but I have read about it. If I am right in what I have read about business methods, members of the Government party are all wrong. I have listened to business consultants, analysts and small businessmen who employ a few people and are very strong for awards; I have listened to estate agents who had the audacity to state that they were interested in homes for the people; and I have heard former barristers talk, but I have never heard one of them betray more than a nodding acquaintance with what the Labour party teaches about Socialism and with what the capitalist party, represented by small businessmen on the Government side of the House, think about it.

Mr. WILCOX.—Usually the Opposition claims that we represent big business.

Mr. SUTTON.—The only big businessman in this Parliament is in another place. Government members in this House are simply the pawns of big business, and if they ever condescend to read Karl Marx——

Mr. FRASER.—That might indicate some previous associations.
Mr. SUTTON.—If I were the Honorary Minister, I would not mention previous associations, because the Country party does not admire the Government party for having associations and not having them. If members on the Government side read Karl Marx—which is not likely—they would understand that they are the people who, he says, will bring about Communism. They have a direct ideological affinity with the Communists.

Mr. BLOOMFIELD.—Do you rely on Karl Marx?

Mr. SUTTON.—I rely on him for his pitiless dissection of the capitalist system, and I could cite many people who would agree. I agree with him in this respect also—having heard the honorable member for Burwood—that small business people drown the loftiest aspirations of the human mind in the chilly waters of egotistical calculation.

Mr. WHEELER (Essendon).—First, I desire to express my appreciation to the electors of Essendon for having given me their support, with the result that I am the first Liberal party candidate to represent Essendon since 1950. I am proud of that fact. In answer to some remarks hurled at Government members to-night I may say that I am a businessman who represents a semi-industrial area. I congratulate the new Leader of the Opposition and the Deputy Leader of the Opposition on their respective appointments, and I also congratulate the honorable member for Footscray because he is following in the footsteps of a very honoured gentleman.

Mr. SUTTON.—Very nicely put.

Mr. WHEELER.—I relate my remarks to the items on the Supply list which refer to the Public Works Department. For some years the electorate of Essendon has been represented by a non-Liberal member, and has been rather backward in developing. In the Broadmeadows area there has been terrific development within the last few years. This has been due, first, to the advance of the Housing Commission estate and, secondly, to development that has taken place due to industries moving into the northern part of the metropolitan area. Little or no heed has been taken of the necessity for highways in that area, and bus services are very poor. However, the train service to Broadmeadows is equal to any in the metropolitan area. There are 104 trains to and from Broadmeadows daily, in addition to goods trains which travel through on the main Sydney line.

On a somewhat parochial matter, I mention the level-crossing at Strathmore. Plans were prepared for an overpass there as far back as 1928, but this has not eventuated. A census taken in March, 1955, revealed that 6,000 vehicles passed this spot between 7 a.m. and 7 p.m. On 4th March, 1958, the figure had increased to 7,400 vehicles. The increasing number of motor vehicles in this industrial area would seem to refute the argument advanced by the honorable member for Fitzroy when he stated that there were 7,000 people on the dole in Victoria as a result of the labour position brought about by this Government. I am concerned at the delay occasioned to vehicular traffic at the Strathmore level crossing. Vehicles are delayed up to 8 minutes each time the gates are closed and at peak periods up to 140 vehicles are said, by an authoritative source, to be waiting to cross. It would be impossible to calculate the loss in man-hours and money occasioned by such delays.

The increase in population in Broadmeadows in 1956-57 compared with the previous year was 4,683 persons. In 1957-58 the increase was 4,876. Obviously, the time is opportune for some direct action to be taken in regard to the provision of this overpass. I do not know whether there was laxity on the part of the previous member for Essendon or whether he did not take correct action, because the Bolte Government has been in office only since 1955 and it would take much longer than three years to prepare a scheme such as is required to alleviate the existing position. An inter-departmental committee has been formed to plan for the abolition of level crossings in the metropolitan area. I am unaware whether the Strathmore level-crossing has been considered by that body, but if it has been discussed the
subject certainly has not been pursued to a satisfactory conclusion. I do not know the authority for the announcement, but in March, 1955, I read a statement in the press that the gates were there to stay. In June of the same year, it was stated that boom gates would not be provided at Strathmore. I cannot imagine who would suggest the erection of boom gates at that crossing; they would only add to the traffic hazards there. The only logical, commonsense solution to the problem is grade separation, the cost of which has been estimated to be in the vicinity of £250,000. However, I point out that such work would solve the problem for all time. For such a satisfactory solution the spending of £250,000, even to big or little businessmen, would represent little more than "chicken feed."

Motor registrations are increasing by 40,000 a year, and the Broadmeadows area is getting its share of industrial expansion. Barry's-lane has been reconstructed and an overpass is being erected over another part of the north-east railway line. These developments will increase by possibly 20 per cent. the flow of traffic along Pascoe Vale-road. Unless action is taken to overcome the bottleneck of the Strathmore level-crossing, police will have to be posted to divert the traffic elsewhere, and that will lead only to trouble in other parts of the district.

Prior to the advent of the Bolte Government, little had been done by previous Administrations to cope with the development taking place in the northern parts of the metropolitan area. It has been during the last three years only that steps have been taken to overcome years of neglect. The engineer of the City of Broadmeadows informed me that in the latter part of 1957, in the twelve hours between 7 a.m. and 7 p.m. some 6,400 vehicles used the level-crossing, and to-day 7,325 vehicles are passing through it during the same period of time. Incidentally, five roads converge on this spot. If the figures I have quoted indicate the extent of the increase in traffic in the area, it is time that action was taken to provide for grade separation. I commend this matter to the attention of the Minister of Public Works.

Mr. LOVEGROVE (Fitzroy).—I wish to preface my remarks by congratulating the honorable member for Essendon on his maiden speech. I refer particularly to the excellent arrangement of the subject-matter, and above all, in all humility, to the temperateness of his utterances, from which I hope to draw some inspiration.

I wish to refer to a matter I raised on 1st October last concerning the National Gallery. During my remarks on the Supplementary Estimates, I made the observation that it had been alleged that for one extended period recently there was not one work by a living Australian painter of the traditionalist school hanging in the National Gallery. Due in part to a press report the following day, which omitted to include the word "living," some criticism of my statement was made by the chairman of the National Gallery Trustees, Dr. Leonard Knox and the Director of the National Gallery, Mr. Westbrook. I would like to make it plain at the outset that I do not in any way desire to join issue with those gentlemen on a subject about which I could not hope to claim anywhere near as much authority as I think they properly can. However, I do reserve the right as a layman—not any special right as a member of Parliament—to share with them the privilege of criticism and to reiterate the charges I made during the debate on the Supplementary Estimates when I stated that it had been alleged by the Fellowship of Australian Artists, who represent the traditionalists, or the realists, in art in Victoria and in Australia that the administration of the Gallery was biased against them.

To-day I asked the Chief Secretary a question, and I wish now briefly to analyze the answer, because I believe there is room for some improvement in the administration of the Gallery, as it concerns the various schools of art throughout Victoria, in order to bring about some degree of impartiality. Of the 123 paintings which have been
acquired during the administration of the present director, Mr. Westbrook, for a sum of £24,000, 97 have been purchased. Of those 97, six were bought from living artists of the traditional school for £139.

Mr. BLOOMFIELD.—Who are those six, and whom do you regard as artists of the traditional school?

Mr. LOVEGROVE.—I do not propose to join issue with the Minister of Education on that aspect.

Mr. BLOOMFIELD.—You are making an allegation.

Mr. LOVEGROVE.—This is the second resurgence of the Minister tonight. He was knocked down by the Leader of the Opposition a few hours ago, the honorable member for Albert Park castigated him a few minutes ago, and now he is trying to make a comeback. Of the 97 pictures, 60 were purchased from living Australian artists of the non-traditional school—the moderns, and the surrealists, and the abstractionists—for a total of £4,670. In addition, 23 early works of deceased artists were purchased for £19,150, including one Reynolds which cost more than £17,000. The pictures of eight artists, who cannot be identified unless the works are actually viewed, were purchased for £473. I think that is some evidence, if the facts are as related, of the truth of the contention of the Fellowship of Australian Artists that the administration of the Gallery is loaded against them.

The next remarkable feature of the administration is that from an inspection made on the 30th October by two traditional artists—the two gentlemen to whom I refer are well known to, and I understand friends of, the Minister of Education—it was found that there were nineteen paintings by living Australian artists, none of whom belonged to the traditional school.

Mr. FRASER.—What is your complaint?

Mr. LOVEGROVE.—The complaint of the traditional artists is that the administration of the National Gallery is prejudiced against them.
I invite him to examine samples of the works which are apparently given priority by the present administration of the Gallery. These are taken from a publication by the Museum of Modern Art, of which I understand the director of the Gallery is a foundation member. The organization producing the publication has its premises in Tavistock-lane, and at present it is displaying 162 works. The Museum of Modern Art has issued a brochure illustrating a representative sample of its works. I show them to honorable members in order that they may compare them with the works of traditional artists who make the complaint that I am now submitting. I exhibit to honorable members something called, "Organized Line to Yellow." Another is entitled, "The Lovers," and with biological exactitude it illustrates some of the basic facts of life. "Boy with Cat" is a treatment which, I believe, would have little in common with Plato's conception of the philosophy of aesthetics. "Alec and Jean" portrays a complete absence of any technical know-how such as is displayed on various occasions by the Minister of Education. Yet another is titled, "Peruvian Twilight." The complaint has been made that this school of art receives more patronage from the present administration of the National Gallery than the traditionalists. If the Minister of Education desires to follow up certain preliminary remarks that he made during my speech to-night, I shall be glad to hear him after he has made an examination of the works of this modern school of art.

Mr. GARRISSON (Hawthorn).—I desire to address myself to the division of the Supply schedule relating to the working expenses, and so on, of the Railway Department. I regret that more Opposition members are not present in the Chamber. They continually say that they want to hear from Government supporters, but when a member on this side of the House does rise to make a speech many of them are usually absent. I am pleased to see the honorable member for Oakleigh enter, because, in going through the volumes of Hansard for the last few years, I have noticed that he has adopted a particular form of attack. Judging by the vote in the Labour party room when the Leader and Deputy Leader of the Opposition were elected, however, it has not done him any good. I presume he will now change his tactics, but after the next election he will probably not be the member for Oakleigh. He has consistently attacked Ministers who have not been in the Chamber, including the Minister of Education, the Minister of Health, the Minister of Transport, and the Minister of Public Works. In the Sun News-Pictorial of 1st October, the weekly article sponsored by the Labour party, headed "Labour says . . .", contained the following statement—

The Budget brought no unpopular measures other than the transport, gas and electricity rises announced previously.

Members of the Opposition have maintained in their arguments that they and the people knew nothing of the projected rises. Yet I, as a "new student" or a "schoolboy" in this House—according to Opposition members—have only to go back to the 19th March, 1958—just prior to the elections—when the honorable member for Brunswick West said in this Chamber—

I turn now to a statement concerning the Minister of Transport, Sir Arthur Warner, which appeared in the Age newspaper of Tuesday, 11th March, as follows:—

The Minister of Transport (Sir Arthur Warner) intends to co-ordinate train and tram fares and to eliminate inconsistencies of rail fares. The fares for each service will be worked out on a reasonable mileage basis . . .

The inference from that statement is that the maximum fares on any tram or train route are to disappear and all charges are to be based on the mileage system.

The honorable member for Brunswick West clearly stated in this House that it looked as though train fares were to rise. He said also that the Minister of Transport was consistent, in that he was always attacking the income of the workers. A few days ago, the honorable member for Brunswick West again pursued that line, but did not admit that he had known tram fares were to go up, and that he had made a statement on the question previously in an
endeavour to embarrass the Government. He said the same thing on 2nd September, and his statements are reported at pages 174 and 175 of Hansard of the 2nd September last.

If we listen to certain Opposition members, we gain the impression that a deficit in the railways must be put down to the betterment of the State, and that this is a very small price to pay for the advancement that is taking place. The honorable member for Brunswick West has asked, "Is the subsidy of £6,000,000 a very big contribution to make to the State's prosperity?" Apparently, to him, it is just "peanuts." On the other hand, the honorable member for Oakleigh says that the £6,000,000 deficit for 1957-58 was largely responsible for the wrecking of the finances of the State. Obviously, members opposite are divided; one says that the deficit ruins the State, while another states that it is a small price to pay for prosperity.

I wish to turn now to a book entitled Federalism, which contains reports of group discussions about Federal and State finances. A gentleman named Mr. "Eddie" Ward, who is known to members opposite, said—

One of the greatest causes of the present financial embarrassment of the States has been the large railway deficits which State Governments have had to meet.

He went on to say—

It is difficult to apply the simple commercial principle of profit maximization to State enterprises, but once this principle is relaxed the way is open for laxity in cost control. Financial laxity tends to be palliated by calling it a cost of development.

Members of the Opposition are not even in unison among themselves or with their Federal friends. Mr. Ward's statement continued—

Governments faced with deficits in their business undertakings have two courses open to them:—

1. The deficits may be met from Consolidated Revenue or from additional Commonwealth grants.

2. An effort may be made to reduce costs.

He did not say anything about increasing charges, although that would be the logical course to follow. The honorable member for Oakleigh interjects about the railways putting up fares. Apparently he forgets it is recorded in Hansard, in October, 1957, that he stated that it was impossible for the railways to compete against the airways owing to the subsidy of £5,000,000 paid by the Commonwealth Government. A few days ago, he suggested that the cost of meals should be added to the price of railway tickets, thereby raising fares still further. Further, the honorable member for Oakleigh claimed that the accounting system of the railways should be changed because he does not like it. He expressed the view, also, that the principal reason for the deficit in railway accounts is that the Department is called upon to pay interest. That is incorrect. From 1951 to 1955—prior to the Bolte Government coming to power—the total railway deficit was £18,500,000.

Mr. DUNSTAN.—The period you mentioned included the régime of the Country party Government?

Mr. GARRISSON.—Yes. A loss of £15,600,000 was incurred on the railways during the last three years, and this year it is anticipated that another £3,600,000 will be lost; that is about equivalent to the interest payment. When the losses for those four years are totalled, it will be seen that we are £19,200,000 "down the sink." That is not too bad.

Sir HERBERT HYLAND.—Your logic is pretty rotten.

Mr. GARRISSON.—But my figures are pretty right. If members of the Country party are getting stiff necks turning around to interject, they should go over to the Opposition benches where they belong. Members of the Country party vote with the Government but they talk against it. They are frightened to do otherwise for fear of being thrown out.

Sir HERBERT HYLAND.—Who will throw us out?

The ACTING CHAIRMAN (Mr. Brose).—Order.
Mr. GARRISSON.—In the Financial Review of 9th October of this year, there is published a letter from New Zealand to the effect that a mistake made by the Labour Administration in the Dominion cost the taxpayers there the sum of £27,000,000. Earlier in the discussion, the honorable member for Oakleigh stated that the Bolte Government had incurred deficits totalling £13,000,000 in a period of three years. Then he said that we had lost £12,000,000. Actually, we lost £10,700,000. His assertions that the money expended should have been spent on something else reveal how infantile is his mind in relation to matters of finance. If there is a deficit, it has been spent. The Bolte Government has already spent it on schools and in providing other services. If this Government had done what the Opposition wanted it to do, it could have balanced its Budget, but school children would have been taught in pig sheds and parents would have been complaining to their Parliamentary representatives that the Government had not carried out a progressive programme. Any Government can balance its Budget if it forces the public to do without amenities. The Bolte Government has not balanced its Budget because it has had the courage to face the facts and to adopt a course which is unpopular politically. The Opposition party has never had the courage to face up to national problems. It has always run away from them because its members have been afraid of losing their seats.

Much has been said by Opposition members about the railways not doing certain things. A considerable sum of money has been spent by the Department over the last three years since the Bolte Government attained office. New capital totalling £24,000,000 has been invested and of this sum £15,000,000 has been put to replacements whereas it took seventeen years to put the first £15,000,000 into this fund. Therefore, we have doubled this fund in three years, which proves that the Bolte Government is doing something worth while for the railways in this State.

Mr. FLOYD.—What about the Wonthaggi miners?

Mr. GARRISSON.—I am pleased that matter has been raised. The report of the Auditor-General for the year ended 30th June, 1955—a Labour Administration was then in office—states that the chief factors affecting the financial result in that year were higher prices received for coal and electricity, and a decrease in working expenses mainly by reason of a reduction in the number of employees. I hear no interjections from the Opposition concerning that statement.

Sir HERBERT HYLAND.—What about rural finance?

Mr. GARRISSON.—I have some particulars in that regard also. The report of the Rural Finance Corporation for the year ended 30th June, 1957, states that the Rural Finance Corporation Act 1949 was amended during the previous year to enable the Corporation to provide finance for existing borrowers to acquire plant and machinery on hire-purchase conditions, but few applications were received for that purpose. I took the trouble to investigate this matter, which no Country party member would do. In the last twelve months, only two applications, totalling £1,500, for two tractors have been received. There has been much talk about the sum of money made available by the Bolte Government for rural finance, and so I point out that the total sum available has been increased progressively year by year. Furthermore, I went to the trouble of checking up and I ascertained that there are no outstanding applications for rural finance.

Mr. FENNESSY.—What authority have you for saying that there are no outstanding applications for rural finance?

Mr. GARRISSON.—I have as much authority as has the honorable member for Brunswick East. If he spent a little less time playing bowls and a little more time on the telephone, endeavouring to ascertain information, he would be more authoritative. The Rural Finance Corporation could lend more money if it was available, but what other organization could not do so? However, if it is to lend more money, it can do so only by taking over existing bank overdrafts. Surely, honorable members do not expect
the State Government to take over every overdraft in the State. I suggest that instead of adopting a destructive attitude here, Opposition members should seek to be more constructive.

Mr. Fennessy.—What constructive action are you taking?

Mr. Garisson.—I am in the process of forming the Hawthorn Co-operative Credit Society for hire-purchase business. However, one could not expect supporters of the Trades Hall to do anything. The Trades Hall in Adelaide formed its own co-operative hire-purchase society and any person here could take similar action. Opposition members have suggested a change in the railway accounting system and they have criticized the deficits. However, one cannot simply forget about £2,000,000 that this Government provided out of current revenue for interest payments. Of course, that is how the Labour party Government balanced its Budgets.

Mr. Fennessy.—Why did Professor Copland resign?

Mr. Garisson.—He resigned because he could not cope with the Labour party's financial geniuses. Opposition members forget that when we become candidates, we do not have to sign on the dotted line, as is prescribed for Labour members in the Constitution and Platform of the Australian Labour party.

Mr. Floyd.—Did you buy a copy of it?

Mr. Garisson.—Yes, in order to keep Opposition members on the ball. Honorable members should appreciate the predicament of Government members who are confused by the many contradictory arguments advanced by the Opposition. One Opposition member claims that the general finances of the State should be balanced by the railways showing a deficit of £6,000,000 whereas another Opposition member states that only the railway interest should be financed. The total railway deficit over the last three years is £15,687,191. The total Budget deficit is £10,700,000, and the total interest charged to the railways in those three years is £9,000,000, which clearly shows that we have only used a sum equal to the amount of the Budget deficit to finance the interest and the general deficit of the railways, which is what Opposition members claim we should do. The Government has been charged with having been responsible for huge deficits, but these are attributable to the fact that it has met the interest payments of the Railway Department. The Labour party Government used £2,000,000 of Treasury funds for this purpose, which meant that less finance was available for schools and other essential services. Opposition members now blame this Government for not being able to "catch up" the back-lag of 30 years in its short term of office. The Government is trying hard to achieve results, but Opposition members expect too much in too short a time.

Mr. Fennessy.—With your assistance, the Government should be able to overcome the back-lag in only twelve months.

Mr. Garisson.—With the honorable member's assistance, this Committee would get through its business a good deal earlier to-night than it would otherwise. The Leader of the Opposition may laugh at my statements, but some of his remarks have been stolen from magazines, papers and out of the air. He emphasized that Government members would not be taking part in the forthcoming Federal elections, but I can assure him that that is wishful thinking on his part as all of us on this side of the House will be actively engaged in the campaign.

The Acting Chairman (Mr. Brose).—Order! I ask the honorable member for Hawthorn to relate his remarks to the Supply schedule.

Mr. Garisson.—I am sorry, Mr. Acting-Chairman, for having been led astray by interjections. It is wishful thinking on the part of the honorable member who just interjected to think that I will not be elected to Parliament again. I assure him that while I am here, I intend to speak my piece. The only matters raised by the honorable member for Oakleigh are those affecting his own constituents. The Leader of the Opposition mumbles to himself a
good deal in this Chamber, but when he makes an appearance on the television screen, he says what he likes because there is no one to answer him.

The ACTING CHAIRMAN.—Order! The honorable member's time will expire in five minutes.

Mr. GARRISSON.—In rounding off my remarks, I emphasize that Opposition members have been "getting away" with things for too long. Too often, they have spoken about matters of which they know nothing. The Labour party is divided and it is only suppressing the differences that exist because of the forthcoming elections. After the Federal elections are over, the split will become even wider. Certain Country party members, who seem to be supporting the Opposition, should remember that they criticized the Democratic Labour party—

The ACTING CHAIRMAN.—Order! The honorable member's remarks are not related to any item on the Supply schedule.

Mr. GARRISSON.—I thank you for your guidance, Mr. Acting Chairman, I urge members of the Opposition to be more careful in the future when speaking on financial matters. I assure them that the figures they quote will be checked and dealt with by Government supporters in reply. Of course, I anticipate that on future occasions we shall hear little from Opposition members! When they do speak, I trust they will be "on the ball" and quote figures correctly, and not twist them just for the sake of discussion. It has been a pleasure for me to say a few words, and I hope that in time to come I shall be able to speak on finance with the view of educating the Opposition.

Progress was reported.

ADJOURNMENT.

Mr. RYLAH (Chief Secretary).—I move—

That the House, at its rising, adjourn until to-morrow, at half-past Three o'clock.

The motion was agreed to.

The House adjourned at 11.14 p.m.

LEGISLATIVE COUNCIL.

Wednesday, October 15, 1958.

The President (the Hon. G. S. McArthur) took the chair at 4.55 p.m., and read the prayer.

PRESENTATION OF ADDRESS-IN-REPLY.

The President (the Hon. G. S. McArthur).—I have to report that, accompanied by honorable members, I, on the 8th October, waited upon His Excellency the Governor and presented to him the Address of the Legislative Council, adopted on 8th July last, in reply to His Excellency’s Speech at the Opening of Parliament, and His Excellency was pleased to make the following reply:—

Mr. President and Honorable Members of the Legislative Council:

In the name and on behalf of Her Majesty the Queen I thank you for your expressions of loyalty to our Most Gracious Sovereign contained in the Address you have just presented to me. I fully rely on your wisdom in deliberating upon the important measures to be brought under your consideration, and I earnestly hope that the results of your labours will be conducive to the advancement and prosperity of this State.

STAMPS (HIRE-PURCHASE AGREEMENTS) ACT.

Revenue.

The Hon. W. O. Fulton (Gippsland Province) asked the Minister of Transport—

What was the revenue collected each year under the Stamps (Hire-Purchase Agreements) Act in respect of hire-purchase agreements relating to—(i) motor cars and trucks; (ii) farm implements and machinery; and (iii) household goods and appliances?

Sir Arthur Warner (Minister of Transport).—I regret that it is not possible to supply the information required by the honorable member as the stamp duty on hire-purchase agreements is collected by ordinary adhesive duty stamps which are not identifiable in respect of any particular form or forms of agreement.
CO-ORDINATION OF TRANSPORT.

REPORTS AND RECOMMENDATIONS.

The Hon. J. W. GALBALLY (Melbourne North Province) asked the Minister of Transport—

(a) What reports and recommendations in relation to improvement, development and better co-ordination of transport in Victoria have been made to the Minister of Transport by the Co-ordinator of Transport during the last three years?

(b) Has the Minister sought a report from the Co-ordinator of Transport on any matter relating to transport during the last three years?

(c) Will the Minister lay on the table of the Library all such reports and recommendations?

Sir ARTHUR WARNER (Minister of Transport).—I preface the following answers to these questions by intimating that as the present occupant of the office of Co-ordinator of Transport was appointed on the 1st February of this year, the answers in these circumstances relate to the activities of the office of Co-ordinator of Transport as from that date. They are—

(a) Reports and recommendations in relation to improvement, development, and better co-ordination of transport in Victoria made to the Minister of Transport by the Co-ordinator of Transport were concerned with:

The provision of rail facilities to serve the River Entrance Docks which are to be constructed by the Harbor Trust Commissioners at the juncture of the Yarra river and Hobson's Bay as an integral part of port development programme to provide for present and future accommodation for vessels berthing in the port of Melbourne.

Sea transport facilities in Westernport Bay serving the essential needs of the farming community of French Island in Westernport Bay.

Rail and road transport facilities serving Frankston.

Use of railway land at Mentone station for car parking and for private bus passenger terminal purposes.

Survey of stations on the electrified rail system with a view to inaugurating "feeder" private bus passenger services where reasonable demand existed.

Inauguration of a "feeder" private bus passenger service to the Spotswood railway station.

Public transport facilities in Reservoir—Thomastown—Epping.

Transport of raw material to decentralized manufacturing industry.

Closure rail branch line Koo-Wee-Rup—Bayles.

Closure rail section Heathcote and North Bendigo Junction.

Proposed city underground railway system.

Staggering of working hours in central city area.

Minor matters including land reservations for possible tram and railway services to the proposed international jet airport, Tullamarine.


Delays at railway crossing gates, Oakleigh.

Tram shunting and traffic congestion, Moonee Ponds.

Garaging of State-owned Government vehicles, particularly cars and light utilities.


Co-ordination of use of Government transport.

Procurement of motor vehicles, mechanized plant, spare parts and components.

Disposal of motor vehicles, mechanized plant, spare parts and components and reduction, and restriction, of stock holdings to actual requirements.

Survey of trade in connexion with the supply, maintenance and disposal of batteries.

Survey of tire usage and trade facilities with a view to improving current services and cutting costs.


(b) Yes, continually.

(c) The entire filing system of the office of Co-ordinator of Transport is too big to be accommodated on the table of the Library, but if there are any particular reports which the honorable member would like to examine, I would be pleased to make them available.

BUTTER AND MARGARINE.

PURCHASES BY RAILWAY DEPARTMENT AND MENTAL HOSPITALS.

The Hon. W. O. FULTON (Gippsland Province) asked the Minister of Transport—

What quantities of butter and margarine, respectively, were purchased during the years 1956-57 and 1957-58 by—(i) the Railway Department; and (ii) the mental hospitals?

Sir ARTHUR WARNER (Minister of Transport).—The answer is—

(i) Railway Department—

<table>
<thead>
<tr>
<th>Year</th>
<th>Butter</th>
<th>Margarine</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956-57</td>
<td>88,579 lb.</td>
<td>52,813 lb.</td>
</tr>
<tr>
<td>1957-58</td>
<td>78,522 lb.</td>
<td>60,088 lb.</td>
</tr>
</tbody>
</table>

(For cooking only).

(ii) Mental Hospitals—

<table>
<thead>
<tr>
<th>Year</th>
<th>Butter</th>
<th>Margarine</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956-57</td>
<td>334,480 lb.</td>
<td>14,661 lb.</td>
</tr>
<tr>
<td>1957-58</td>
<td>353,177 lb.</td>
<td>15,090 lb.</td>
</tr>
</tbody>
</table>

Proposed city underground railway system.

Staggering of working hours in central city area.

Minor matters including land reservations for possible tram and railway services to the proposed international jet airport, Tullamarine.


Delays at railway crossing gates, Oakleigh.

Tram shunting and traffic congestion, Moonee Ponds.

Garaging of State-owned Government vehicles, particularly cars and light utilities.


Co-ordination of use of Government transport.

Procurement of motor vehicles, mechanized plant, spare parts and components.

Disposal of motor vehicles, mechanized plant, spare parts and components and reduction, and restriction, of stock holdings to actual requirements.

Survey of trade in connexion with the supply, maintenance and disposal of batteries.

Survey of tire usage and trade facilities with a view to improving current services and cutting costs.


(b) Yes, continually.

(c) The entire filing system of the office of Co-ordinator of Transport is too big to be accommodated on the table of the Library, but if there are any particular reports which the honorable member would like to examine, I would be pleased to make them available.
TELEVISION.
RELAY STATION TO SERVE EAST GIPPSLAND.

The Hon. R. W. MAY (Gippsland Province) asked the Minister of Transport—

Will the Government make representations to the Federal Government with a view to the establishment of a television relay station serving East Gippsland?

Sir ARTHUR WARNER (Minister of Transport).—Following requests by the honorable member, the Premier has agreed to write to the Federal authorities to advise them that there is considerable interest throughout the country districts of Victoria in the provision of television, and to request that the Federal Government's agreement to the granting of country licences be expedited.

RAILWAY DEPARTMENT.

ST. KILDA TRAM SERVICE: LOSS ON OPERATION: ALTERNATIVE BUS SERVICE.

The Hon. J. W. GALBALLY (Melbourne North Province) asked the Minister of Transport—

(a) Does the Minister propose to replace the railways tram service at St. Kilda by a bus service?
(b) Will the bus service be operated either by the railways or by the tramways Board; if not, will the public be assured of service after 7 o'clock at night and at weekends?
(c) In view of the Minister's public statement that the railways tram service has shown recently an average loss of £45,000 per annum, was that loss shown in the railways accounts; if not, will the Minister say whether his public statement was accurate and how the amount of loss was ascertained?

Sir ARTHUR WARNER (Minister of Transport).—The answers are—

(a) Yes.
(b) No. The Transport Regulation Board will presumably issue a licence in the usual terms, fixing the fares and the timetable, which will not be reduced except where, under the same circumstances, public transport would be reduced; for example, the Fawkner train service.
(c) The losses on the St. Kilda-Brighton railway tram as published in railway accounts and audited by the Auditor-General were—

<table>
<thead>
<tr>
<th>Year</th>
<th>Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955-56</td>
<td>£57,602</td>
</tr>
<tr>
<td>1956-57</td>
<td>£59,226</td>
</tr>
<tr>
<td>1957-58</td>
<td>£49,743</td>
</tr>
</tbody>
</table>

I have used the smaller amount of £45,000 in public statements, because I was aware that there was one amount included in the 1957-58 accounts which I felt could not be fairly debited to the service.

CLEAN AIR ACT.

COMMITTEE MEETINGS: REGULATIONS: DELEGATION OF POWERS.

The Hon. BUCKLEY MACHIN (Melbourne West Province) asked the Minister of Health—

(a) Since the commencement of the Clean Air Act 1957, how many meetings of the committee appointed under the Act have been held?
(b) What regulations under the Act have been made?
(c) Have any powers been delegated to local authorities to deal with any matters of air pollution?

The Hon. E. P. CAMERON (Minister of Health).—The answers are—

(a) The Clean Air Act 1957 came into operation on the 1st March, 1958, since which date the committee has had seven monthly meetings.
(b) The Clean Air Regulations 1958 were gazetted on the 26th June, 1958. They specify maximum permitted periods for emission of dark smoke. These periods are the same as previously prescribed by regulations under the Health Act.
(c) No specific powers have been delegated to councils, but on the recommendation of the committee the Commission of Public Health has requested all councils to report to the Commission any works where excessive dark smoke is being produced. Any such reports are being at present referred to the chief inspector of boilers whose officers are advising on practical measures to reduce smoke emission.

ROAD TRANSPORT CHARGES.

MONEYS WITHHELD BY HAULIERS: REPAYMENTS TO GOVERNMENT.

The Hon. WILLIAM SLATER (Doutta Galla Province) asked the Minister of Transport—

(a) What was the total amount withheld by road hauliers from road transport charges claimed by the Government?
(b) What is the total amount of such moneys since repaid to the Government?
(c) Does the Government intend to take further proceedings to recover any amounts still owing by road hauliers?

Sir ARTHUR WARNER (Minister of Transport).—The answers are—

(a) It is assumed that the question refers to interstate hauliers and relates to the period between 1st March, 1956, when the
Commercial Goods Vehicles Act was proclaimed, and November, 1957, when the validity of Part II. of the Act was finally established in relation to interstate hauliers by the Judicial Committee of the Privy Council refusing leave to appeal against a decision of the High Court of Australia declaring Part II. to be valid. A small number of interstate hauliers paid throughout this period, but it has been estimated that an amount of £300,000 was not paid. A reliable estimate is not possible as, until the validity of the Act was finally established in November, 1957, owners could not legally be forced to disclose liability incurred under Part II. on Victorian highways. The Act itself limits the periods to which owners are required to keep records to six months.

(b) £110,000.
(c) Yes—to the legal limits available under the legislation.

HIRE-PURCHASE BILL.

The Order of the Day for the resumption of the debate on the motion of the Hon. J. W. Galbally (Melbourne North Province) for the second reading of this Bill was read.

Sir ARTHUR WARNER (Minister of Transport).—I move—

That the consideration of Order of the Day, General Business, No. 1, be postponed until Wednesday, the 29th instant.

As honorable members are well aware, there has been introduced in another place a Bill which has a considerable amount of—

The Hon. J. W. GALBALLY (Melbourne North Province).—Mr. President, I rise to a point of order. I point out that, under the Standing Orders of this House, it is not competent for the Minister to refer to debates in another place.

The PRESIDENT (the Hon. G. S. McArthur).—I do not uphold the point of order because the relevant Standing Order states quite clearly that debates in another place shall not be alluded to.

Sir ARTHUR WARNER (Minister of Transport).—Perhaps I should make it quite clear that I had no intention of referring to any debate in another place. I do not even know whether a debate on this particular subject has taken place. All I suggest is that a measure has been introduced there dealing with what I understand is the same subject-matter. My submission is that, under Standing Order 99, if any question has been resolved in respect of a matter which is the same in substance as the subject-matter of the Bill presented by Mr. Galbally it could act as a stopper against other measures relating to similar matters. I gather that Mr. Galbally does not want to drop any proposals of this nature, and so in the circumstances I suggest that the wisest course for the House to pursue would be to postpone consideration of Mr. Galbally’s Bill for fourteen days.

The Hon. P. T. BYRNES (North-Western Province).—I support the suggestion of the Minister of Transport for the postponement of the debate for not more than fourteen days. I find it very difficult to explain my reasons in view of the arguments submitted by Mr.
Galbally and the ruling that you, Mr. President, have given. It is common knowledge, of course, that a Bill relating to hire-purchase is before the Legislative Assembly, and a somewhat similar measure is before the Legislative Council also. The Country party is most anxious that the whole question of hire-purchase should be thrashed out thoroughly and minutely. On previous occasions, we have demonstrated that we hold certain views, from which I do not think we shall depart. Having discussed the possibilities of what could happen, it appears to me, from advice we have been given in respect of the forms of this House, that the Minister of Transport should be supported in his effort to have the debate postponed for a fortnight. If that course is not adopted, a Gilbertian situation could arise where neither the Bill introduced in the Assembly nor that introduced in the Council could proceed, and this Parliamentary institution could be made to look ridiculous in the eyes of the public.

The Hon. W. O. Fulton.—That is the responsibility of the Government, is it not?

The Hon. P. T. Byrnes.—Yes, but it is also the responsibility of Parliament. After all, the Country party is eager to discuss hire-purchase and does not want to lose the possibility of reforms in that type of business. Having considered the matter from all angles, we intend to support the motion for the postponement of the debate, but that should not be regarded as an indication of what we shall do concerning either Bill. It is not competent to debate the subject of hire-purchase now, and I do not wish any inference to be drawn from the fact that at this stage we are supporting the Government. As I said before, my attitude is based entirely on the fact that, because of the forms of the House, there might be a real danger of our losing the opportunity to bring about any reforms at all in hire-purchase, which the Country party is eager to see brought about.

The Hon. J. W. Galbally (Melbourne North Province).—I urge the House not to agree to the postponement of the debate on this Bill. I do not want to put this discussion on a high technical plane as to what might happen if the Government’s Bill is transmitted to this House and this measure also is on the Notice Paper at the same time. As to the observations made by Mr. Byrnes, let me say that in him I perceive a hot friend cool.

The Hon. P. T. Byrnes.—I deny that.

The Hon. J. W. Galbally.—There may be some aspects of the situation that will jeopardize the whole question of hire-purchase controls, about which both the Country party and the Government are anxious to do something. I submit, however, that it is impossible to control hire-purchase without controlling the interest rates charged by hire-purchase companies. How can the money-lender be controlled unless a limit is imposed as to the maximum rate of interest he may charge?

The Hon. D. J. Walters (Northern Province).—Mr. President—

The President (the Hon. G. S. McArthur).—The question before the Chair is—that the consideration of Order of the Day, General Business, No. 1, be postponed until Wednesday, 29th October.

The Hon. J. W. Galbally (Melbourne North Province).—I had not completed my remarks, Mr. President, but I resumed my seat as I thought Mr. Walters intended to raise a point of order.

The Hon. D. J. Walters.—So I did, but the President “beat me to it,” and I gave way.

The Hon. J. W. Galbally.—I am sorry. Mr. Walters was a candidate, but he must accept defeat. I submit, Sir, that under the forms of debate as provided for in the Standing Orders, this House is entitled to proceed with the discussion of my Bill. No proper reason to the contrary has been advanced, although there have been plenty of ugly and sinister ones. I say it is a mockery of Parliament for the Minister of Transport to claim that the control of hire-purchase will be jeopardized if the Labour party’s Bill is proceeded
with. Everyone knows that the Government has no intention of controlling hire-purchase. I do not say that the Bill brought down in another place was copied by the Government from my Bill, but it bears an extraordinary resemblance to it. Of course, members of the Government are men of integrity, and I do not suggest for a moment that they stole the clauses of my measure. However, if my Bill is compared carefully with the Government's Bill, it will be seen that it is the same clause for clause, except that there is something about deposits in the Government's measure that is not in mine. This House had the opportunity of passing a measure similar to the Government's Bill earlier this year.

The President (the Hon. G. S. McArthur).—Order! The honorable member will address his remarks to the question of the postponement of the debate and not to the merits of the Bill.

The Hon. J. W. Galbally.—No proper reason has been submitted to this House why my Bill should not be discussed to-day. I am attacking the argument advanced by the Minister of Transport, who stated that the Government's measure would be jeopardized if this House proceeded to-day with a discussion of my Bill. I claim, however, that the honorable gentleman does not want the Government's Bill to pass, because that measure is really my Bill of March of this year which the Government rejected. How can the Minister now urge the House not to proceed with my Bill because that would jeopardize the Government's measure?

Sir Arthur Warner.—The Government's Bill is a good measure.

The Hon. J. W. Galbally.—It is in the same terms as mine. I have previously seen the Minister of Transport in many roles, but when he says he is worried that hire-purchase control will be jeopardized, I would sooner have the Devil quoting Scripture because, over the years, he has fought against any control over hire-purchase. But now he comes to this House with crocodile tears saying, "Don't go on with this measure because by so doing you will jeopardize ours."

The Hon. Archibald Todd.—The Minister is a political acrobat.

The Hon. J. W. Galbally.—He is guilty of political dishonesty. If this House is to be of any value to the community as a debating Chamber, it should proceed with the discussion of my Bill. Nobody will accept the reasons advanced by the Minister of Transport. He would throw over the Government Bill to-morrow, if he could.

Sir Arthur Warner (Minister of Transport).—I rise to a point of order. Mr. Galbally has gone a bit too far and the insinuation he has just made is quite unjustified by the result of the debates in this House and by my general approach to this matter inside the Government. He has made a statement which is completely untrue and to which I object. I ask that it be withdrawn.

The Hon. J. W. Galbally (Melbourne North Province).—I rely on the record.

Sir Arthur Warner.—That is right.

The Hon. J. W. Galbally.—The Minister has stated, time and time again, that hire-purchase cannot be controlled. It is recorded in Hansard that in March of this year he said that the Bill I had brought forward was drawn up by a man who knew nothing about the problem.

Sir Arthur Warner.—You said that we "pinched" your Bill.

The Hon. J. W. Galbally.—Well, the Government borrowed my Bill.

Sir Arthur Warner.—That is not what you said previously.

The Hon. J. W. Galbally.—I did not use the word "pinch." Let us say that the Government has taken my Bill, clause by clause. The honorable gentleman comes into this House and says, "Do not jeopardize the Bill which I criticized a few months ago and which I said was the work of a man who knew nothing about the matter."

The President (the Hon. G. S. McArthur).—Order! Mr. Galbally is getting away from the submission of reasons why he objects to postponement of the debate.
The Hon. J. W. GALBALLY.—To sum up, I claim that the Minister is trying to play a clever trick on this House.

The Hon. SAMUEL MERRIFIELD.—It is a snide trick.

The Hon. J. W. GALBALLY.—The honorable gentleman does not want the Government's measure or any other Bill dealing with hire-purchase controls to be passed.

The PRESIDENT.—Order! That is an improper statement, and it has nothing to do with the question of the postponement of the debate.

The Hon. J. W. GALBALLY.—Surely, Mr. President, I am entitled to discuss the reasons why the Minister of Transport seeks the postponement of the discussion on this Bill. His action in that regard is in accord with his record in regard to hire-purchase as stated by him in the last three years. So far as my friends of the Country party are concerned, having regard to the fact that on two previous occasions the Country party voted with Labour to include the control of interest rates on hire-purchase money-lenders, I can hardly see why it should now throw overboard all efforts to secure controls.

The Hon. P. T. BYRNES.—We have no intention of doing so. We have not yet debated the measures relating to hire-purchase.

The Hon. J. W. GALBALLY.—Again I perceive a hot friend cool.

The Hon. P. T. BYRNES.—You are wrong. You do not know the position.

The Hon. J. W. GALBALLY.—This House will lose whatever prestige and honour it has in the community if the proposition of the Minister of Transport is agreed to.

The Hon. SAMUEL MERRIFIELD (Doutta Galla Province).—I wish to address myself to the motion of the Minister of Transport for a postponement of the consideration of this Bill, and to point out to the House, first, that the notice of the Bill now before this Chamber was given prior to notice of the Government's measure being given in another place. Therefore, Mr. Galbally's Bill at least has priority in the minds of those who desire to follow the proper course. Further, the Bill that is now before this Chamber is a combination of two measures that have been introduced into this House on previous occasions. Indeed, it is the fifth of a series of Bills on this subject introduced by Labour, and it combines two separate measures. The Bill which is in another place, and of which we have read, combines features of the Bill that was presented here in March of this year, but it does not deal with all the subject-matters covered in the Bill that was previously passed by the House. In particular, no mention is made of the fixation of interest charges. That, of course, is the vital core of the subject. The Government should admit frankly that it has no desire to fix a limit to interest charges. That is the reason for the present manoeuvre to replace this Bill by the measure which is now before the other House. If that Bill passes a reading with the weight of numbers, Mr. Galbally's Bill will be dead.

The Hon. P. T. BYRNES.—Amendments can be moved to any Bill.

The Hon. SAMUEL MERRIFIELD.—It is a matter of opinion whether that stage could be reached. To-day the adjourned debate on the second-reading motion should proceed. A fortnight ago the Minister of Transport sought an adjournment of the debate; apparently at that time the honorable gentleman had not made up his mind as to his future strategy. If the Government really wants to deal with interest charges or any other aspect of hire-purchase it could do so without further adjournment of the debate. The fate of the other Bill is another matter. As we may not refer to that measure in detail, one is not able to say how it would proceed in this House. Apparently the Government deliberately intends to evade any discussion on the fixation of interest charges. The public concern at the delay of debate on this Bill must be considered in the light of the obligations and hardships being suffered by the people, while interest charges on hire-purchase remain uncontrolled by legislative enactment. Honorable members are aware that hire-purchase is a complete racket. Hirers are being fleeced
by the companies that are charging
exorbitant interest rates. Each day's
delay means that more fools will enter
into hire-purchase arrangements under
uncontrolled conditions.

The PRESIDENT (the Hon. G. S. McArthur).—Order! The honorable
member is debating the Bill rather than
the question of the postponement of the
debate.

The Hon. SAMUEL MERRIFIELD.—I am trying to emphasize the hardships
that will be suffered by the public if
the Bill is not proceeded with. The Bill
designed to control aspects of hire­
purchase that are not covered by the
Bill introduced in the other House.
Hire-purchase is being financed by
money contributed under varying
degrees of security. Such fabulous
rates of interest are being paid for
that money that to-day very few people
desire to invest in Government bonds,
as was mentioned in the other House
recently, with the result that insufficient
loan funds are available for State works.
How can the Commonwealth Govern­
ment raise loan funds while exorbitant
interest rates are being paid for hire­
purchase loans? The longer the situa­
tion is left uncontrolled the worse it
will become. The Premier was highly
critical of the recently-announced Com­
monwealth short-term loans, but now he
proposes to do something similar for the
State. How does the honorable gentle­
man expect such loans to be successful
in competition with hire-purchase
finance?

I appeal to the good feeling of Gov­
ernment supporters in this matter. The
press has reported that in party room
discussions, Government back-benchers
sought the insertion of additional pro­
visions in the Bill. All I can say is
that the Bill must have been a skeleton
if all the provisions it now contains were
not in it before the back-benchers pro­
tested. Obviously, the further protec­
tions that the Liberal back-benchers
desired are not contained in the Bill.
Surely the milk of human kindness runs
in the veins of some members of the
Government party. Now they have the
opportunity of endorsing the views they
expressed in the party room by
refusing to agree to the postpone­
ment of the debate on a Bill which
contains provisions designed to assist
the public. As to my friends in the
Country party, I can speak of them only in globo, because it would not be
proper to reflect on them personally.
On previous occasions they have sup­
ported a Bill couched in terms similar
to the one now before members. There­
fore, why should they baulk on this
particular occasion? Apparently the
shades of coming events are worrying
them. I have been told that the pressure
is on, but I do not know what that
means. Now they refuse to face this Bill,
which is not only a political manœuvre
on the part of Mr. Galbally——

Sir ARTHUR WARNER.—I agree with
that statement.

The Hon. SAMUEL MERRIFIELD.—At least Mr. Galbally has been honest
and consistent in the matter, which is
more than the Minister of Transport has
been. The proposed legislation was
introduced with the best of motives to
remedy a situation which Mr. Galbally
believed was not in the public interest.
The first of these Bills—this is the
fifth—was introduced in 1956. It is
the fault of the Government—no doubt
influenced by the Minister of Transport
—that the Bills failed to pass in the
other House. Yet the Minister of Trans­
port has the audacity to state that the
Bill now before members is political.
This is a shocking reflection on the
sincerity of Parliament. It has
been stated that people are losing their faith
in this institution. That is what has
led to damage to democracy in other
countries. This is a classic illustration
of what can cause such a tendency. I
shall not support the motion for the
postponement of the debate, and I pro­
test at the attitude of the Government in
this matter.

Sir ARTHUR WARNER (Minister of
Transport).—I wish to refer to a point
of order that I raised previously.

The Hon. J. W. GALBALLY.—A point
of order can be taken only at the time
at which it arises. You cannot go back
on your tracks like a lion in the desert.
Sir ARTHUR WARNER.—I wanted to point out that the honorable member did not withdraw the untruthful statement he made. I ask that it be withdrawn. If Mr. Galbally has any doubt of what was said I shall read it.

The Hon. WILLIAM SLATER.—The point of order should have been taken at the time.

Sir ARTHUR WARNER.—It was.

The Hon. WILLIAM SLATER.—I suggest the Minister is not now in order.

Sir ARTHUR WARNER.—I have not withdrawn my point of order. I asked for the withdrawal of an untruthful statement, and I ask again that it be withdrawn. The objectionable statement was that I had consistently opposed the measure and that the Government had not proposed to do anything about it. I shall read what was said.

The PRESIDENT (the Hon. G. S. McArthur).—The Minister is entitled to pursue his point of order because I did not make a ruling on it.

The Hon. J. W. GALBALLY (Melbourne North Province).—I understand that a point of order must be ruled on at the time it is taken.

Sir ARTHUR WARNER (Minister of Transport).—To demonstrate that the statement was untrue, I shall read from Hansard what I said at the time. It was—

There is nothing particularly objectionable in this measure, and I do not think my party will object to it... If we are returned to office, we will look favourably upon all the clauses, which appear to us to have some reasonableness.

I should like Mr. Galbally’s untruthful statement to be withdrawn.

The Hon. WILLIAM SLATER (Doutta Galla Province).—I do not propose to relate my remarks to the point of order. This House is jealous of maintaining its privileges. I think the only other institution to act similarly is the House of Lords. In this Chamber we generally observe the rights of private members on certain sitting days. That is provided for under the Standing Orders.

Sir ARTHUR WARNER.—That is why the House is meeting to-day.

The Hon. WILLIAM SLATER.—The Minister of Transport is begging the question. This House should guard against any whittling away of private members’ rights, as has happened in a number of parliamentary institutions, including our own Lower House. In that Chamber the rights of private members in this regard have almost completely disappeared. Fortunately, this House has continued to observe these rights, and Wednesdays have always been the days on which priority is given to private members’ business. Therefore, Mr. Galbally previously exercised his rights and presented to this House a Bill dealing with hire-purchase.

Now, the Government is seeking to embark upon a policy to destroy the rights of private members. Its action on this occasion could be taken as a precedent. On every occasion when a private member seeks to exercise his rights and presents a Bill to this House—which has co-equal rights with another place—the Government, forsooth, could say, provided that it has the numbers, that something else had happened in another place and that it was necessary to abandon private members’ business. That is an extremely dangerous trend, and I appeal to honorable members, particularly Country party members, who I believe are concerned with the preservation of the rights of private members, to support me. Of course, Government supporters are not concerned because they do not bring to this problem independent minds that appreciate both the history and the necessity of maintaining private members’ rights—limited as they are. However, honorable members who sit in the corner seats should be. Members of the Labour party are most concerned about this aspect and that is why we suggest that it is a dangerous innovation and departure on the part of the Government to seek the postponement of the debate on the proposal which has been submitted by Mr. Galbally. Mr. Galbally has taken advantage of the sacred rights provided to private members, but now he is to be denied them. The normal procedure is about to be cut from under our feet.
and I think the House should give consideration to that aspect. For those reasons, the motion before the Chair should be negatived.

The House divided on the motion (the Hon. G. S. McArthur in the chair)—

Ayes...23  
Noes...9

Majority for the motion...14

AYES.
Mr. Bradbury  
Mr. Bridgford  
Mr. Byrne  
Mr. Byrnes  
Mr. Cameron  
Mr. Chandler  
Mr. Dickie  
Mr. Feltham  
Mr. Garrett  
Mr. Gawith  
Mr. Gross  
Mr. Hamer

Mr. Mack  
Mr. Mair  
Mr. Mansell  
Mr. Nicol  
Mr. Swinburne  
Mr. Thom  
Mr. Thompson  
Mr. Walters  
Sir Arthur Warner.  

Tellers:
Mr. Fulton  
Mr. Grigg.

NOES.
Mr. Galbally  
Mr. Machin  
Mr. Merrifield  
Mr. Slater  
Mr. Thomas

Mr. Todd  
Mr. Walton.  

Tellers:
Mr. O'Connell  
Mr. Smith.

POLICE OFFENCES (TRAP-SHOOTING) BILL.

The debate (adjourned from October 1) on the motion of the Hon. J. W. Galbally (Melbourne North Province) for the second reading of this Bill was resumed.

The Hon. P. T. BYRNES (North-Western Province).—A Bill similar to the one under discussion, if not exactly the same, has been debated in this House twice previously. Mr. Galbally, in his second-reading speech, dealt with the subject-matter with commendable brevity, and I feel inclined to follow his example, because little can be added to what has been said. I do not think it is quite fair to say that field sports such as live-bird trap-shooting are cruel and should be abolished. I should say that at least 90 per cent. of the population of Victoria, and of those who criticize trap-shooting, have never fired a gun or witnessed any of these so-called sports. Doubtless, many people are genuine in their expressed desire to ban anything which savours to them of cruelty, because they are naturally soft-hearted, but in my opinion many people are led astray by press statements which have no foundation in fact. Adroit publicity can be given by the press to a particular subject, if it sees fit, with a view to influencing the judgment of the public. Probably fewer than 1 per cent. of the people engage in trap-shooting, and those who do take part in either live-bird or clay-bird shooting. I should like to know where the dividing line can be drawn between what is cruel and what is not; this is very difficult to define. Unfortunately, to-day many sports have some form of cruelty in them, but there are many things that we would not dare to attempt to abolish. I cannot see the difference between shooting a bird released from a trap and going out into the field and shooting a bird in its natural conditions. Are we to ban all sorts of field sports because some element of cruelty exists?

The Hon. J. W. GALBALLY.—Do you regard trap-shooting of birds as a sport?

The Hon. P. T. BYRNES.—A number of people do.

The Hon. J. W. GALBALLY.—I am asking you.

The Hon. P. T. BYRNES.—I repeat that a number of people do, and I object to those people being summarily and arbitrarily prevented by legislation from engaging in this activity.

The Hon. WILLIAM SLATER.—Similar statements have been made in England by everybody favourable to the blood sports.

The Hon. P. T. BYRNES.—I object to this type of measure being brought in without proper inquiry into the sport. All sorts of statements which are entirely without foundation have been made about trap-shooting. It is the duty of the Government to have charge of a Bill such as the one under discussion. However, if rumour is true the members of the Government do not know where they are regarding this matter. They should make up their minds one way or another on any question that has become a subject of public debate, even trap-shooting. A political party should stand or fall on the decisions it makes in these
matters. Apparently the Government has not the backbone to bring in a Bill of its own to deal with trap-shooting, and its members propose to shelter behind the measure introduced by Mr. Galbally.

I do not support this Bill, and if the rumour to which I have referred is correct I do not compliment the Government on its attitude. If trap-shooting is a public issue worth considering, the Government should have a thorough examination of the position made and bring in its own Bill if it considers one is justified. Mr. Galbally’s measure is a crude and arbitrary type of proposal, and the Country party will not support it. Members of all political parties have differing views on the subject. The Government party should endeavour to achieve unanimity on the question and have the backbone to bring in a Bill of its own. If the members of that party are to be divided on this issue, it may not be long before the Government decides to treat other issues similarly—if it does, its members will develop into an absolute rabble.

I may belong to the old school of politics, but I believe in the efficacy of the party system. In my opinion, a party should reach unanimity on questions of public importance; it should be a case of one-in, all-in. As soon as a Government shows that its members are divided, it begins to lose its authority, and the confidence and respect of the electors begin to wane. If live-bird trap-shooting is the great public issue that it is supposed to be, I regret that the Government has not the courage to take action of its own volition and bring in a Bill by which it can stand or fall or perhaps agree to have passed with amendments. The Government has taken definite action on the question of hire-purchase, and it could act similarly concerning this subject. Many accusations are levelled at country people because they engage in the so-called blood sports. We may be a little crude and rough in our way of doing some things, and perhaps the more intelligent people of the metropolis are anxious to condemn those of us who have engaged in shooting.

The Hon. P. T. Byrnes.

The Hon. J. W. Galbally.—We do not condemn you, but say that live-bird trap-shooting is not a sport.

The Hon. P. T. Byrnes.—Members of the Country party will not support the Bill. People who engage in trap-shooting have been maligned by others who have made statements absolutely without foundation. If the sport is to be banned, it should be by a Bill brought in by the Government after proper inquiry.

Sir ARTHUR WARNER (Minister of Transport).—I find myself in a somewhat embarrassing position. I have read the report of the speech I made on a similar Bill introduced by Mr. Galbally, and I could repeat it. I realize that people can differ on this matter, and actually members of the Liberal and Country party are divided in their views. A number of people regard live-bird trap-shooting as very cruel. As Mr. Byrnes stated, there are a number of cruel sports; in fact, any sport which involves killing, whether of fish, birds, or animals, obviously entails some degree of cruelty. The people in favour of live-bird trap-shooting point out that if objection is to be raised to the shooting of birds released from a trap, then in all reasonableness there must be opposition to the shooting of all birds. As far as the bird itself is concerned, if it must be killed, it does not matter much to me how it is killed. It is argued that cruelty arises because the bird is kept in a cage. Thousands of birds which are kept in cages are not shot, and the cruelty must be in the caging or in the shooting.

The Hon. J. W. Galbally.—Do you mean that it is cruel for birds bred in captivity to be put in cages?

Sir ARTHUR WARNER.—In my view, that entails a considerable amount of cruelty. Doubtless, country people will strongly point out, as they have in representations to me in the past, that a large percentage of the birds destroyed are vermin and would have to be exterminated in any case, whether in the field or after being caged. Whichever method is adopted, eventually the birds are dead.
The Hon. J. W. GALBALLY.—I think you are "dead" on this issue.

Sir ARTHUR WARNER.—My own feeling is that in a sport there should be some element of risk, and I am prepared to say clearly that the shooting of birds released from a trap does not seem to me to embody that element of risk that I like. If I am to choose, I think I would oppose it as a sport. I have never shot birds in this way and do not intend to, whether the Bill is passed or not. Members of my party have discussed the question. There is no doubt that the great majority of the residents in the province of which I am a representative are opposed to live-bird shooting. I admit that probably 95 per cent. of them have never witnessed it, but they feel it is quite wrong.

The Hon. WILLIAM SLATER.—They have an innate sense of justice.

Sir ARTHUR WARNER.—I admit that they have a feeling against it, and they are entitled to their opinion. The majority of the people throughout the State object to this form of sport. It is obvious to every member that the Liberal and Country party has been debating this matter backwards and forwards for a considerable time. If the heads were counted in the party room, I think it would be found that this was a 50-50 proposition. The matter is not one of sheer politics, and does not concern Communism, Socialism, or free enterprise.

The Hon. J. W. GALBALLY.—Or hire-purchase.

Sir ARTHUR WARNER.—Or even hire-purchase. It is purely a matter of personal opinion whether people regard this as a cruel sport which is objectionable to their consciences, or as a reasonable form of sporting activity. The party has decided that its members should be free to vote as they think fit.

The Hon. P. V. FELTHAM.—Do you intend to apply that policy to the rest of the legislative programme?

Sir ARTHUR WARNER.—On matters strictly of a political nature, such as hire-purchase, monopolies, nationalization or Socialism—whether it be the Labour party's new or old brand of Socialism—members will vote in accordance with the policy of the party. On this Bill, it has been decided that members should be free to vote in the way they desire.

The Hon. ARCHIBALD TODD (Melbourne West Province).—I support this measure which was submitted by my Leader, and I assure the Leader of the Country party that, although I am not a devotee of field sports, I made it my business to examine the so-called sport of live-bird trap-shooting. For the benefit of honourable members who have not seen this type of sport, I point out that there are five pens or traps set in a semi-circle, 25 yards from the shooter who, when he has sighted his gun, must guess from which trap the unfortunate bird will be released. Therefore he covers the semi-circle of traps with a sweep of his gun. I agree with the Minister of Transport that the bird has very little chance of survival. The question to be decided is whether, in this civilized age, this sport should be preserved, or whether it should be regarded as a relic of more savage days and be banned. In my opinion, sport of this type could well be abolished.

I witnessed the spectacle of some of these so-called sportsmen despatching birds, which, having been injured with the first shot, were lying on the ground. Should we destroy pigeons or other birds by enclosing them in a trap and letting men bet on their ability to "knock them over" with the first or second barrel of the gun? Are there not other and more humane methods of disposing of unwanted birds? In any case, are not these birds bred to provide victims for the shooters? At least a bird in the trees is in its natural element and it has some chance against the shooter. When released from a trap, however, a bird has very little chance indeed. When watching this sport, I noticed that almost invariably the shooters succeeded in hitting the bird with the first barrel; if they did not do so, they rarely failed with the second barrel. On those rare occasions when the unfortunate bird succeeded in getting over the fence, surrounding the scene of the sport.,
dog chased it and brought it back, so that no one would be revolted by the sight of an injured bird fluttering around on the ground. I was amazed to see small children, who had been brought to the scene by women, sitting down watching the slaughter of the birds as they were released from the traps.

If shooters wish to improve their skill, or gain competitive experience, surely there are other methods besides the shooting of live birds that could be adopted. For example, clay birds could be used and, in that type of sport, there is no need to kill anything. Why should not we, as Victorians, follow the lead of other Australian States, including our sister State of New South Wales, and realize that it is time we took stock of ourselves and abandoned these relics of savagery that still persist in the community? We should do our utmost to discourage persons from competing in this field of sport simply for the sake of slaughtering birds. Suitable facilities exist at our rifle ranges for shooters to practise their art. They can use .303 ammunition, and targets are readily available if they wish to display their skill. There is no sport in the game of live-bird trap-shooting. It simply satisfies the lust of the person behind the gun. It is disturbing to see the look of disappointment on the face of a shooter when the bird at which he is shooting gets away. We should be ashamed of ourselves in this year of grace. The birds used in this sport rarely have the opportunity of rising 20 feet above the traps before they are knocked out of existence. Occasionally, of course, in order to display their skill some of the more skilled marksmen allow a bird to rise a little higher before shooting.

I agree with the Leader of the Country party that there are many other things in the community that savour of cruelty. That being so, in the fullness of time we should eliminate them. Already, the public has expressed its opinion of this question. I agree with Mr. Byrnes that the Government should have had the courage to bring down a measure to eliminate live-bird trap-shooting or alternatively, it should have decided that there was no need to do so. I appreciate that pigeons can be pests, but it is ridiculous for members to rise in this Chamber and try to excuse the slaughter of these birds when other people have found more humane methods of disposing of them.

Surely, these pests should be given a fair chance of preserving the life that Nature has endowed upon them. Their only means of defence should not be taken away from them. They should not be penned in a trap while an enemy waits nearby to shoot them out of existence. Mother Nature will provide an end to their existence, without human beings deriving selfish pleasure from their destruction. No human being would like to be on the receiving end of a charge of buck-shot, and none of God's creatures should have to face such an end, irrespective of whether it is a rabbit, a duck sitting on a swamp, or a field mouse. I am opposed to cruelty of the type that exists in connexion with live-bird trap-shooting. This whole question hinges upon whether we are going to be properly civilized and get rid of the veneer that is now evident in our lives. Members of the Government should declare themselves and say that there is no need to have sport of this kind to establish that a man is more expert with a rifle than his neighbour. On behalf of the Labour party I support this measure which proposes to eliminate a so-called sport that the community could well do without. So far as I am concerned, the sooner it is eliminated, the better.

The Hon. C. H. BRIDGFORD (South-Eastern Province).—I propose to support the Bill. As the Minister of Transport has pointed out, this is a matter on which there is no need for any cohesion between the members of a party. In fact, it is obvious that there are differences of opinion on the subject in all parties. Consequently, we must vote democratically in accordance with what we conceive to be the wishes of the people. On that point, we have several very clear indications to guide us. The State Council of the Liberal and Country party has expressed itself on the matter on at least two occasions, both times by a very large majority, and without serious opposition from the

The Hon. Archibald Todd.
other side. If for no other reason, I prefer to follow what has been shown to be the combined good sense and deliberation of the members of my party organization. Secondly, we have the indication of the various public opinion polls, which clearly show that approximately four persons out of every five are in favour of the abolition of this sport. Unlike Mr. Byrnes, I do not wish to refer at length to the daily newspapers. I do not believe that they are "whipping it up," but rather that they are reflecting what is in the minds of the people. Furthermore, from my own observations among my constituents who elected me to this institution—and I hope that I voice their opinion—it is clear that an overwhelming majority of four out of five are in favour of this Bill.

For those reasons, I propose to support the measure. However, I am not here only to reflect what other people think. I should like to express my own opinion because this is a matter of personal sensitivity and personal opinion. Live-bird trap-shooting is a sport of the type which the world has slowly decided to abandon. Many other activities, which were popular and were of social importance to the so-called sporting gentry of the age, have been discontinued also. Bear-baiting, cock-fighting, dog pit fighting and bull-baiting, could be included in that category. Little by little, we have come to frown on sports where the penalty to the loser is death, although there is always some kind of human appetite for that type of spectacle.

If the trap-shooting of live birds were banned, there would be alternative sports readily available to the shooter. If a person wishes to exercise his shooting skill there are plenty of opportunities for walking the fields and doing so. Of course, shooters will be denied the facilities of the gun club—the social atmosphere, and the opportunities for competing for prizes or for wagers—but if that is necessary, another choice is available which has been taken up by most of the communities in the world and by every other State in Australia. I refer to shooting at clay birds.

I support this Bill, first, because I believe that the overwhelming mass of the people would support the banning of this sport; and, secondly, because an overwhelming majority of the members of the State Council of the Liberal and Country party adopt the same attitude. Furthermore, my constituents agree that the sport should be banned and I, personally, consider that it is a sport that could be done without. I do not wish to go into the question of relative cruelties because that would be an endless and inconclusive way of discussing the subject and it could well finish up on a discussion of the relevant cruelty of bringing a chop to the breakfast table. I regard live-bird trap-shooting as a sport that the community could well abandon and it should be dealt with like other sports that have, over the years, been banned. There are other forms of activity for sportsmen and shooters readily available. I support the Bill.

The sitting was suspended at 6.29 p.m. until 7.55 p.m.

The Hon. P. V. FELTHAM (Northern Province).—The only thing that is sure about this Bill is that the Government party cannot emerge with any credit. All parties have had to face the difficult problem of deciding how to vote on this measure. The Liberal and Country party, by the choice of the electors, is leading the State, and we expect the Government party to give the State and this House a lead in all matters of legislation. However, because the decision was difficult, that party ran away from making a decision. It can be said to the credit of the Labour party that not all its members might have felt so sure that I am mistaken, but I can assure Mr. Feltham he is mistaken there.

The Hon. J. W. GALBALLY.—I am not so sure that I am mistaken, but I can inform the House that my party had great difficulty in reaching a decision in regard to this Bill. However, we faced the difficulties, reached a decision, and shall vote accordingly. To refer to this
Bill as a conscience Bill is a travesty. If we can deal with the question of drunkenness as a proper party measure, or if we can deal with Mr. Galbally's hire-purchase Bills, which raise the questions of economic hardships, interest, and so forth—

The Hon. J. W. Galbally.—I wish you had said that a couple of hours ago.

The Hon. P. V. Feltham.—If such matters can be dealt with as party measures, it is a pure travesty to treat this Bill as a conscience Bill. It was an easy way out for the Government. In deciding whether live-bird trap-shooting should be abolished, the question is to ascertain the amount of cruelty involved. As other members have pointed out, not only during this debate, but also on previous occasions when similar measures have been before this House, we live in a community in which there is in our ordinary day-to-day living, as well as in our sports, a good deal of cruelty. It is difficult to decide when that element of cruelty is such that its causes should be eliminated.

Mr. Todd presented the view that we should not take the life of any animal in any circumstances. The nearest approach to a definition as to where the line should be drawn came from Mr. Bridgford who said that the abolition of these types of sport has been a gradual trend in the British way of life over many years. He said it has been an historical trend, and that presupposes that we must proceed piecemeal from one sport to the next or from one activity to the next, selecting one and gradually abolishing it. I do not know that that argument is particularly logical or that it is of much assistance to the House, because we must seek some principle. I find great difficulty in arriving at a principle in a measure such as this. A person cannot say he will permit cruelty to animals in circumstances which render it necessary to him, because it is very difficult to define what things are necessary and what are unnecessary. To say that we must kill animals and fish to provide food for ourselves is not the complete answer, as with modern developments in science it may be said that it is now possible for people to live without eating flesh or fish, thus avoiding the need to kill animals. It has been said that one of the objections to the sport of live-bird trap-shooting is that the bird has not a fair chance of escape. To me that seems to be completely illogical. It suggests that somewhere in the mind of the bird there is the thought whether it has or has not a chance to get away. If it meets its end apparently it is of some satisfaction to it to know that it had a chance to survive and so it would die gracefully and happily. In developing that argument, it might be said, on the question of death by hanging, that if the victim had no chance of escaping death the execution was a bad thing, but that if the trap door could be so arranged that in certain circumstances the unfortunate person might have a chance of surviving, execution by hanging was justified. The whole argument on that score seems to fall to the ground.

If I were forced into the difficult position of saying under what circumstances a particular activity should be abolished because of the element of cruelty that it involved, I would say that those circumstances would obtain when the exercise of the proficiency and skill in the undertaking became overwhelmed by the element of cruelty. Then the element of cruelty would so outrage one's senses that one would subordinate any question of skill or proficiency. I do not think that is altogether a satisfactory principle to adopt, but it is the nearest to a guiding principle that I can reach.

It has been part of man's makeup throughout history that individuals like to become proficient and skilful, and excel in the activities in which they are particularly interested. That is a very important part of man's makeup, and makes a great contribution towards his happiness. For instance, some people achieve great skill on the cricket field and derive great joy from sweeping balls to the leg boundary. Others gain happiness by being able to climb high mountains. Whether they contribute.
anything towards the welfare of mankind as a result may be open to question. Other people like to excel in the boxing ring. Whether a person is engaged in professional or amateur boxing the object is to strike so many painful blows upon an opponent as to gain a decision at least on points. If a boxer can beat his opponent into unconsciousness, a knock-out decision will be given. Despite that, Parliaments have never seen fit to abolish fighting in the ring, and the reason is probably that which I have just stated—the element of skill and proficiency outweighs the degree of cruelty involved.

The Hon. C. S. GAWITH.—The banning of boxing has been discussed.

The Hon. P. V. FELTHAM.—I am aware of that, but in British countries at any rate it has not been abolished. Doubtless, some members have had an opportunity of seeing horses after they have finished a gruelling race, in the course of which they may have been whipped, spurred or urged along by other means to the winning post. Sometimes they afford a pitiful spectacle after the race is over, and there is no doubt they have suffered cruelty during the course of it. However, I do not think that any poll taken in the State of Victoria on the question of whether horse racing should be abolished because of the element of cruelty involved would indicate to this Parliament that a majority in the community was in favour of its prohibition. Maybe no member of this House indulges in the trap-shooting of live birds.

The Hon. SAMUEL MERRIFIELD.—Would there be any less skill shown if clay birds were used instead of live birds?

The Hon. P. V. FELTHAM.—Yes, definitely there would be.

The Hon. WILLIAM SLATER.—That has not proved to be the case anywhere else in Australia.

The Hon. P. V. FELTHAM.—That may be so. I have never taken part in this sport, but I have witnessed a good deal of trap-shooting with live birds, and I can assure honorable members that there is almost an uncanny degree of skill achieved by some of the shooters. I do not believe for one moment that they shoot the birds out of a lust to kill, as has been suggested in the course of this debate, but because of the pride they take in their skill. It is the same sort of pride that John Landy took in his running when he broke the world's mile record.

The Hon. J. W. GALBALLY.—Surely you are not going to compare live-bird trap-shooters with John Landy?

The Hon. P. V. FELTHAM.—I say that shooters take the same pride in their skill as John Landy takes in his running prowess, Walter Lindrum in his billiards, or skilful footballers on the football field. It would be a sad thing if we discouraged those skills. The mere fact that we ourselves do not find this particular sport part of our own enjoyment should not lead the House to deny it to others who find in this undertaking something that gives them joy.

I have told the House that I have never taken part in trap-shooting, but I have engaged in a good deal of field and duck shooting. When I look back and think of the happy moments in my life, I realize that some of my greatest joy has been when I have been engaged in duck shooting and perhaps both the right and left barrels of the gun in individual shots have brought down birds. I have picked up the birds and found them to be beautiful things—brilliantly coloured and shy. They would not harm anybody. Yet I have felt a joy in the skill I have exercised in bringing them down. If I am to be shamed for that, I stand indicted now.

The Hon. C. H. BRIDGFORD.—There is nothing in this Bill to prevent that type of shooting continuing.

The Hon. P. V. FELTHAM.—In answer to Mr. Bridgford, I am merely saying that it is the joy in one's skill and proficiency that holds the interest.

The Hon. WILLIAM SLATER.—And the joy in killing.

The Hon. P. V. FELTHAM.—That is not so, and that is the whole misconception of the Labour party
in relation to this Bill. They think that live-bird trap-shooting should be banned because it will prevent people from enjoying the lust to kill. That is not the case. It is just that a particular group of people obtain their joy and their sport in a certain way. I put no faith in straw polls, because the majority of people who express an opinion on the questions put to them in that way know nothing about the subject on which they vote. In the case of live-bird trap-shooting, many people who would vote in such a poll would never go to witness the sport and they take no interest in it. It is very easy for them to say that it should be banned as it is cruel. If it were suggested in a straw poll that league football matches should be prohibited because the footballers were likely to break arms, strain muscles, or injure themselves in other ways by hurling themselves at one another with great force, it would be found that most of the people voting would have a personal interest in the matter.

All I can say is that this House should hesitate to take away from any members of the community the enjoyment of the development of their skills, unless there is some overwhelming element of cruelty involved. I do not think a case has been made out for this Bill. To use a Scottish phrase, I should say that the case is not proven.

The Hon. R. J. HAMER (East Yarra Province).—This is not a clear cut issue, as is already apparent. It is quite misleading to try to find good on one side and evil on the other. It is a matter on which we have to respect the views and perhaps the prejudices of people on both sides of the fence. That arises essentially from the nature of the concept of cruelty. For hundreds of years cruelty has been defined as the unreasonable infliction of unnecessary pain, a definition which has found its way into the Police Offences Act. However, that is a highly subjective concept which varies even in these days from country to country. In the Spanish or Latin countries, one finds bull-fighting a national pastime, yet in Anglo-Saxon countries, it is disliked.

We are faced with a very difficult problem with this Bill. Pain is inflicted on animals every day, but in the public mind some of it is excusable on various grounds. Some of the grounds have found their way into the Police Offences Act. There is an exclusion for the destruction of vermin such as rabbits, foxes, and so on. There is also an exclusion for the killing of birds and other animals in their ordinary habitats, or for trapping them in the ordinary way. I do not think many would quarrel with those things, although some would. Over and above that, there has developed over the centuries, as Mr. Bridgford pointed out, an increasing social conscience which has gradually eliminated the so-called blood sports. I am fortified in the opinion which I hold by examining the Police Offences
Act and seeing what previous Parliaments have decreed to be cruel. In section 61 of that Act, there is a prohibition on causing or procuring the release of any animal in such circumstances that it will be or is likely to be pursued, injured, or killed by any dog. In the same section there is a prohibition against procuring any animal in captivity to be injured or killed by any dog. If we read that section in conjunction with the exclusions already mentioned, we can see that while it is perfectly permissible to trap rabbits because they are vermin, it is not equally permissible to place them in a trap and then release them so that they may be shot at. If that principle holds, as it has done in previous Parliaments, it is equally impermissible to keep birds in traps for the sole purpose of releasing them in order to be shot at by human beings.

Our task is to interpret the social conscience as best we can. I am satisfied that in my Province there is an overwhelming public opinion in favour of banning live-bird trap-shooting. It is also my own opinion, but in these cases we must be guided very greatly by the expressed opinion of our electors. I agree with Mr. Bridgford that nobody would want to deprive shooters of their sport, but there are alternative means of achieving that end, and these have been already referred to. I have never shot at clay birds but understand that a great measure of skill is required and that it is not much different, in essence, from shooting at live birds. For those wishing to engage in field shooting, that form of sport is available to them, and the Act specifically reserves that right. For these reasons I intend to vote for the Bill. I want to add that it does not seem to me to be a necessary Bill. There are adequate safeguards, I think, in the legislation as it stands.

The Hon. J. W. GALBALLY.—Prosecutions have failed in the courts.

The Hon. R. J. HAMER.—That is so. The mystery to me is why, in the first place, there have not been more prosecutions against gun clubs and, secondly, why the prosecutions that have been commenced have almost invariably failed. The explanation must lie in the fact that the magistrates and Judges who try these cases have not taken the same view as that expressed in this Chamber by members who favour the banning of this sport. The matter has now been brought to a head, and we are bound to give our voices and our votes upon it. I cannot help hoping that the Bill finds acceptance.

The Hon. R. W. MACK (Western Province).—This is not the first measure of its kind brought down to Parliament. There was a Bill, introduced some years ago, which went some distance along the lines of that now before us. It was introduced by a Country party Government. A measure of the kind has never been introduced by a Labour Government, but such Bills have been introduced in this House by members of the Labour party, and this is another of them. Mr. Feltham quite rightly said that no matter of principle is involved in this measure. That being so, every member is entitled to express his own view and vote as he sees fit.

It is fairly well known that I am opposed to this Bill. I have never hedged on that issue. It seems to me that there are two grounds for the Bill. The first has been made quite clear, and it is that there is a great element of cruelty involved in this sport. That is the main reason for the measure. If I may refer to a statement in Hansard on this subject, it will be seen that what I say is supported. I quote from pages 3997 and 3998 of the official report of 2nd April, 1958, on the debate on the Police Offences (Trap-Shooting) Bill—

I have heard no contribution to this debate which has suggested that no cruelty is involved, and that, surely, should be the criterion. If any member of another party cared to prove that no cruelty is involved, then our case would fall to the ground.

That statement was made in this House by Mr. Slater. The first basis for the Bill is that of cruelty. That becomes a matter of opinion. I am convinced that Mr. Slater believes there is vast and untold cruelty.

The Hon. WILLIAM SLATER.—Hear, hear! There is cruelty.
The Hon. R. W. MACK.—I do not agree with him. The next factor that may possibly have brought this measure before the House is that there has been a great deal of press publicity. I think Mr. Byrnes covered the ground well when he said—

The Hon. William Slater.—You must concede that the press went out and examined the problem first-hand.

The Hon. R. W. MACK.—Yes, I concede that point. This is what Mr. Byrnes said, as recorded in the Hansard report of the same debate from which I have quoted—

It seems that varying opinions are held on this measure but one fact emerges, namely, that most people who criticize live-bird trap-shooting appear never to have taken part in it, or never to have seen it.

That comment will apply to the press, because some of the statements made in the newspapers could not have been farther from the truth.

The Hon. J. W. Galbally.—People who have discussed hanging have never taken part in that either.

The Hon. R. W. MACK.—If cruelty is to be the criterion as to whether we should legislate in this Chamber, we shall have our hands very full. I had the privilege of serving for some time on the old aborigines Board, and I am still connected, as Government representative, with the Framlingham welfare settlement, in which aborigines are established. A problem that is frequently put to me is whether it is possible to legislate to prevent half-castes from becoming "punch-drunk" because, when they are in that condition, it is impossible to handle them. Underlying that comment there is apparently a degree of cruelty that must be inflicted upon these unfortunate. A great number of people are deeply concerned with the cruelty that attaches to the use of the myxoma virus. That may be, but if myxomatosis is not used how shall we get rid of these pests? So far as I am concerned, the only good rabbit is a dead one.

It is true that the press is entitled to express its point of view on the subject-matter of the Bill before us, and it has done so. But it is rather interesting that in the year 1926 the Melbourne Gun Club ran the greatest live-bird shoot ever conducted in the world. Shooters came here from all parts.

The Hon. J. W. Galbally.—That is because they were not allowed to shoot in any other country.

The Hon. R. W. MACK.—They can shoot in various countries, including the United States of America, Canada, Europe, India and New Zealand. These competitors came here from all parts of the world to compete for £8,000 in prize money—and I might add that £8,000 in 1926 is equivalent to a very substantial sum to-day. The cup for the main event was donated by the Herald and the Weekly Times, and I am assured that it was a very beautiful cup indeed. Further than that, when it was won, it was by an Australian trap shooter—a gentleman named Campbell from Queensland. The presentation was made by General Williams, a Board member of the Herald.

So many people have told us what happens at one of these events and what, in fact, does not happen, that it is time we knew something more about it. There are five traps set in a semi-circle, and there is a puller. The puller cannot pull any particular trap because of a system of alleys that run through the trap. These are spread in a semi-circle 25 yards from a 2-foot-high fence. In pigeon shooting the novice is placed 23 yards from the traps, while the very good shooter is 32 yards distant. First he takes his place on the mark. Then he has to drop in a token for the bird he has already bought. Unless he drops his token he is not given a "go" because he has not paid for his bird. He takes up his position on his mark and, when ready, calls "Pull."

The Hon. J. W. Galbally.—Is the shooter in any danger?

The Hon. R. W. MACK.—He is in no danger at all. I advise the honorable member not to be deluded about that. I am explaining to the House how the sport is conducted. When the shooter is
ready he calls "Pull," and one of the traps collapses. A spring inside the trap is then released and the bird is thrust upwards. It is either shot or missed. A referee decides, in certain cases, whether the bird was shot from the first or the second barrel. Betting is normally on the result of the shot fired from the first barrel. The referee in charge of the meeting sees that it is conducted along proper lines. So far as I know, there has never been any argument about the conduct of this sport in Victoria. Indeed, it has not come in for the same degree of criticism as was levelled against it in Queensland. In that State I understand there was a substantial amount of wagering—so much so that it constituted a public scandal. I think that aspect, more than anything else, contributed to the abolition of live-bird trap-shooting in Queensland.

One day last week the Age newspaper published a report from Brisbane under the heading, "Sparrows Hit by High Cost of Living." It was in the following terms:

City sparrows have been hit by the high cost of living. Alderman W. M. Cook, who is honorary chairman of the Brisbane and East Moreton Pests Destruction Board, said to-day that as school boys' pocket money did not go as far as formerly there had been a revival of sparrow scalping at 3d. per head.

The Board pays 3d. a head on the sparrows because they cost ratepayers considerable sums of money by cluttering up household piping.

I suggest, as did Mr. Feltham, that if we accepted what someone else considered as cruelty, we would ultimately get nowhere. At page 3959 of volume 254 of Hansard, Mr. Galbally is reported to have said—

We shall deal with duck shooting and similar pastimes in due course, but let us handle one thing at a time.

That is a very good principle, which the Labour party has always adopted. I make it quite clear that this Bill is the forerunner of the end of field shooting, and Mr. Galbally is on record as having said so. Mr. Byrnes also had something to say on this subject. At page 3992 of the same volume of Hansard he is reported in the following terms, in reply to an interjection by Mr. Paul Jones, "Would duck shooting fall within the category of cruelty?"

The Hon. P. T. BYRNES.—It should be borne in mind that on the one hand the persons engaged in the sport of trap-shooting of live birds are expert riflemen. On the other hand, the many thousands who participate in duck shooting are not trained to the same degree.

Why should gun clubs be singled out for this legislation? In all probability, there is more cruelty associated with the duck shooting season than with the trap-shooting of live birds.

At page 3997 of volume 254 of Hansard, Mr. Slater is reported to have said—

I was amazed to hear some of the views of Mr. Byrnes. He asserted that we were not tackling the bigger problem when we did not attempt to ban duck shooting and similar sports.

The report proceeds—

The Hon. P. T. BYRNES.—I said that one type of shooting was more cruel than the other.

The Hon. WILLIAM SLATER.—All of our reforms have been achieved by following from one precedent to another. I am happy to say that blood sports are now under scrutiny by the House of Commons by virtue of the fact that a Conservative member has introduced a private member's Bill proposing to completely abolish them. The struggle down the years has been considerably to narrow instances of cruelty in the community. Here we have an opportunity of reaching and achieving that aim in Victoria. I hope that we will reach the stage that Mr. Byrnes envisages and prohibit the shooting of ducks. But that is not the issue before the House at the moment.

If that is the attitude now—and it has been documented—surely, this Bill is going only half way?

The Hon. I. A. SWINBURNE.—One step at a time.

The Hon. R. W. MACK.—That is true. It is obvious to me that if the measure is passed on the grounds on which it has been supported, we shall be terribly hard put to it to oppose the subsequent ones. I direct attention to that fact, not for the sake of a couple of thousand trap-shooters, but rather for the sake of 50,000 or 60,000 Victorians who like a little outdoor sport and whose sport in the future will become prejudiced. I appeal to the House to reject this.
measure. It has been claimed that no one is in favour of the retention of trap-shooting. I think it is true that probably the great majority of people who have never seen it know nothing about it. Some persons have even suggested that the birds are put in rabbit traps and there shot at. How silly can we get in these matters? The Victorian Wheat and Woolgrowers' Association wrote to the Chief Secretary on 25th August last, stating, inter alia—

The executive of my association at their meeting in July discussed this matter very fully, and agreed that gun clubs had an influence in pest destruction and that they would support them in opposing any legislation to ban the sport.

The Victorian Chamber of Fruit and Vegetable Industries also wrote to the Chief Secretary on 26th August, stating, inter alia—

The chamber, whose membership comprises the wholesale fruit and vegetable merchants of this city believes that your Government should continue to permit the destruction of those birds classed as pests which do such great damage to farmers' crops in our State.

The measure, if it is passed, will compel this House to follow on with the other steps that have already been forecast and so, for that and other reasons, I am opposed to it.

The Hon. V. O. DICKIE (Ballaarat Province).—I do not think there is much I can say that has not already been said on this issue, but I do believe that on an occasion such as this when one intends to vote, as I do, in opposition to the Bill, one should be prepared to state one's reasons. So far as I personally am concerned, my whole conscience is continually taxed, as Mr. Feltham said, trying to divide the necessary from the unnecessary when it comes to the killing of fish, birds and creatures in general. If ever a pumpkin has been made of a green pea, that has been done in respect of this particular Bill. I am not a sadist. Mr. Galbally would lead us to believe that any person who opposes this Bill falls within that category. I should say, however, that of the 100 members of both Houses of the Victorian Parliament, my name appears most frequently in the records of the Lost Dogs' Home as having delivered animals to that institution for safe keeping. I cannot bear to see cruelty to animals. I prefer to take a stray animal to the Lost Dogs' Home where I am sure it will be well cared for and may be purchased by some kind person; otherwise, it will be painlessly destroyed. In my home town, any persons who have unwanted animals drop them over my fence because they know I shall deliver them to the appropriate institution.

Only last week a cat with eight kittens was passed on to my small daughter who loves animals, but naturally we could not afford to keep them, and so they were taken to an institution. I make that observation to demonstrate that I am not a sadist. I venture to say that I probably do more to prevent cruelty to animals than does any other member of this House, yet I am opposed to the Bill. Honorable members may wonder how I can adopt that view. I shall be perfectly honest. My mind is quite open upon the matter, but I consider that none of the arguments submitted is strong enough to convince me that in passing the Bill we should not be taking away one of the liberties which Mr. Galbally keeps saying so forcibly we should be careful not to whittle away from the citizens of our State. Mr. Hamer cited the definition of the word "cruelty" as contained in the Police Offences Act. Incidentally, the Shorter Oxford English Dictionary defines the word "cruel" as follows:—

Cruel: Disposed to inflict suffering; indifferent to or taking pleasure in another's pain; merciless, pitiless, hard-hearted.

I, personally, know many men who indulge in the sport of live-bird trap-shooting, and I should say that that particular definition does not fit any one of them. Not one is cruel to the extent that he is disposed to inflict suffering, is indifferent to or takes pleasure in another's pain, or is merciless, pitiless and hard-hearted. I represent 62,000 voters in the Ballarat Province, yet in the last two years not one person has told me that he is opposed to live-bird trap-shooting. The gun clubs have sent me a circular putting their case in favour of the sport. However, the Labour party claims that
this is a live issue in the community. That is not so. If an opinion is asked for, a snap decision is made; some people will say "yes" while others will say "no," but obviously they do not have the opportunity to weigh the pros and cons of the matter.

There can be no doubt that the average person regards a bird as a pretty little creature, and so it is, without a doubt. Should it so happen, however, that rats had wings, I submit that we would all become members of gun clubs and shoot them because we have learned to abhor them as vermin. We teach our children how to set traps to catch them. Because of their very history, dating back to the Pied Piper, the rat has been abhorred by the community.

On this particular issue I must admit that to some degree I am inconsistent, possibly as much so as Mr. Galbally. During the debate in this House on a previous Bill relating to capital punishment, my sympathies were on the side of the victim who had been killed by a brutal murderer; Mr. Galbally’s sympathies were on the other side. To-night my sympathies are with the killer. I believe newspaper propaganda has brought this issue forcibly before the House. During the last debate on this subject, the Herald ran a full-page article on it. A reporter was sent out to Tottenham to see this, that and the other thing. I would go so far as to suggest that the hearts of some honorable members who support the Bill are not in the arguments they have submitted. Another very regrettable aspect of their statements is the queer implication that those who participate in the sport of live-bird trap-shooting are nothing but sadists and people of the lowest moral character. Such implications are utterly unjustified. I do not query the feelings of those who oppose the Bill on grounds of morality or of cruelty. I concede fully their right to hold that opinion. However, injustice should not be done to those who participate in the sport by the almost slanderous implications that have been made to-night. I have taken the trouble to witness some trap-shoots and have met many people who participate in them. In my assessment they would stand as citizens that advanced by Mr. Galbally and his colleagues would be needed to change my present opinion.

**The Hon. G. J. NICOL** (Monash Province).—This is a particularly difficult subject to which there are two lines of approach. The first is highly emotional and the other is logical. On a logical approach it must be conceded that the proposal contained in the Bill is simply another deprivation of the liberties some of the people of this State. It is argued from the emotional side that the basis for desiring this ban is the cruelty involved in the sport. As has been pointed out, in that event we must pursue the banning of cruelty very much further. In fact, proceeding along those lines eventually one would have to ban the Collingwood football team from participating in grand finals, because I can imagine no greater cruelty, except one, than that which its players displayed in the grand final match. Honorable members on the Opposition side of the House have adopted the emotional approach. Any sound judgment they may have on this and other matters is completely clouded by the outlook. I am unimpressed by certain arguments—if they can be so described—which have been advanced. They have been nothing but the outpourings of people in a highly emotional state.
equally with any member of this Chamber. I can see no particular cruelty in the sport. However, I can imagine no greater cruelty than has been inflicted on this House to-night by the lachrymose wanderings of those who have spoken on behalf of the Opposition.

The Hon. I. A. SWINBURNE (North-Eastern Province).—I do not wish to cast a silent vote on this issue. It behoves all honorable members to state the case as they view it. The Bill was introduced by the Leader of the Labour party in order, it is presumed, to end a cruelty which he and his party consider exists. However, I think the prime motive was to embarrass the Government; if so, the Labour party has been successful. Its members have completely embarrassed the Government on this issue. The Leader of the Labour party may criticize the attitude of the Country party, but at least it has been consistent. I have read the Hansard reports of the debate in this House some time ago on the trespass to farms legislation. On that occasion the Leader of the Labour party was the great champion of the field shooter. He and his colleagues opposed that particular Bill bitterly in the interests of the gun clubs and shooters of this State. Indeed, they asserted that it was a crime to bring forward any legislation which prohibited anyone from going out to have a shot at game in country districts. Another member of the Labour party, Mr. Tilley, a former member of this House, spoke on behalf of all the gun clubs in his electorate. These are the very men who to-day submit a measure which they champion on the issue of cruelty. Surely it is just as cruel to go out into the field and mow down rabbits or birds. The previous view taken by the Labour party was that every individual should have the right to shoot.

If we are to have moral or special issues on which we should have freedom to vote, let us be consistent. I have watched the sport at the gun clubs and agree with the remarks made by Mr. Mack. Every endeavour is made to eliminate cruelty. The fact that no one has been able to prove in a court of law that cruelty exists disposes of the argument aduced. Over the years, many cases of cruelty to animals and birds have been dealt with, and a number of convictions have been recorded. If the case can be proved in court, punishment is meted out. If cruelty is inherent in this sport, I see no reason why convictions should not be obtained in cases initiated by those members of the community who have interested themselves in the prevention of cruelty to animals. Quite recently in my home town, a prominent citizen was convicted of cruelty through the zealous attention to duty of a member of the organization concerned. Such persons have attended many shoots but have not been able to prove a case of cruelty. As a party, my colleagues and I have decided not to shift our ground. Members of the Government are embarrassed by a Bill on which they are divided. The Country party has the courage of its convictions and is prepared to stand on a majority vote.

The Hon. J. W. GALBALLY.—Your party is divided. Two members have gone home already.

The Hon. I. A. SWINBURNE.—The two members who are not present are the strongest opponents of the honorable member's measure. Once Mr. Galbally was the champion of the gun clubs, but to-day he finds they are cruel. The honorable member can confirm my statement by reading the Hansard record of the debate on the 1956 measure relating to trespass to farms. The submissions made were not limited to trespass but dealt with the individual's right to shoot game. Now, of course, neither Mr. Slater nor other members of the Labour party, including Mr. Todd, would shoot a mouse in the field. If they go to such extremes, eventually they will want to abolish the shooting of all game. This argument falls down on the principle on which it is put forward—the basis of cruelty. No one has yet been able to prove in a court that cruelty is involved in this sport. If there were any such proof, I would support the proposal, but for the reasons I have outlined I intend to vote against it.
The Hon. WILLIAM SLATER (Doutta Galla Province).—I am obliged to Mr. Mack for quoting observations that I made when a similar proposal to this was before the House previously. I stand by what I said on that occasion. I listened with interest to the observations made by honorable members during the debate, particularly those of Mr. Mack. From his remarks, one could imagine the position that prevailed in the House of Commons and the House of Lords 100 years ago. The very arguments that have been advanced to-night were put forward by members of those institutions at that time. It has been the struggle of a number of courageous figures in this as well as other communities that has arrested cruelty of mankind to animals. To-day it has been left to a Conservative member of the Imperial Parliament to introduce a Bill that proposes the abolition of a blood sport. The simple measure before this House is one piece-meal effort towards eliminating the cruelty that is involved in live-bird trap-shooting.

I was interested to hear certain members of the Liberal party refer to restraints placed upon individual liberty. In other spheres they are the first to place restraints on human liberties and individual actions. In the past, communities have realized the varying degrees of cruelty that have prompted legislators to pass legislation to prevent cruelty. As Mr. Hamer observed, a great deal has been done under the provisions of the Police Offences Act to avoid cruelty, but the blood sport of trap-shooting has not been abolished in Victoria. The very nature of this sport, as honorable members have perceived through the eyes of the press, must be condemned. The amount of cruelty involved is the criterion upon which the case in favour of this Bill rests. If honorable members are satisfied that cruelty is involved—I strongly believe it is—then they should support the measure. What chance has a bird of escaping when it is released from the trap? As other honorable members pointed out, the position is different when a bird is in its natural surroundings, because it has an opportunity to escape from the shooter.

Mr. Feltham based his arguments—it was most extraordinary coming from his logical mind—on the ground that legislators should not interfere with the cultivation of skill. If that argument is taken to its logical conclusion, Mr. Feltham must justify the cultivation and use of skill in every blood sport. I think the argument is unsound, particularly when clear evidence of cruelty is available. Therefore, why should Parliament hesitate to pass this Bill. I was glad to hear some of the observations made by certain Government supporters. I paid rapt attention to the logical and reasoned remarks of Mr. Bridgford, who traced the history of legislation of this kind. Nobody can accuse Mr. Bridgford of being moved, in his splendid contribution, by a surcharge of emotion. Parliament has succeeded in narrowing the incidence of cruelty to animals, and this Bill seeks to restrict it further. Despite the arguments advanced by Mr. Byrnes, I consider that Parliament should not hesitate to further enlarge that field.

Mr. Galbally is to be congratulated for introducing this Bill. I am pleased to see the division of opinion amongst members of the Liberal party, and I appreciate the fact that they have decided to determine the matter according to their consciences. I am satisfied, having heard their views, that they will assist the passage of this Bill in this Chamber.

The House divided on the motion (the Hon. G. S. McArthur in the chair)—

Ayes 18
Noes 13

Majority for the motion 5

AYES.
Mr. Bridgford
Mr. Cameron
Mr. Chandler
Mr. Galbally
Mr. Garrett
Mr. Gawith
Mr. Mair
Mr. Merrifield
Mr. O'Connell
Mr. Slater

Mr. Smith
Mr. Thomas
Mr. Thompson
Mr. Todd
Mr. Walton
Sir Arthur Warner. TELLERS:
Mr. Hamer
Mr. Machin.
The Bill was read a second time and committed.

Clause 1 was agreed to.

Clause 2 (Prohibition of trap-shooting).

The Hon. J. W. GALBALLY (Melbourne North Province).—I think all members will agree that there has been a very good debate on this measure. I particularly wish to congratulate two members of the Liberal party who spoke—Mr. Bridgford, who made an excellent contribution, and Mr. Hamer. I listened very attentively to the Minister of Transport, but at the end of a long speech he was not able to say whether he was voting for the Bill or against it.

The Hon. WILLIAM SLATER.—He was right when the division was held.

The Hon. J. W. GALBALLY.—I think Mr. Bridgford and Mr. Hamer made up his mind for him. It is encouraging to see the younger members of the Liberal party asserting their weight, and I am sure that, as time goes on, if they are allowed to say something occasionally, we shall achieve a very high standard of debate in this Chamber. I look forward to the time when their voices will be heard and they will not be muzzled on what I may call the great social issues of hire-purchase, rents, and so on.

It is not put crudely that the reason the Labour party seeks the abolition of live-bird trap-shooting is that it is a cruelty according to provisions of the Police Offences Act. I want to make that clear. It is true that the Royal Society for the Prevention of Cruelty to Animals has launched prosecutions against persons engaging in live-bird trap-shooting and has relied on the Police Offences Act, but that legislation has been found wanting. So it cannot reasonably be said, "Why not proceed under the Police Offences Act?" There is no need for this measure to be brought in." That method has been tried and the courts—rightly, I believe—have said that a prosecution under that Act could not succeed.

Broadly speaking, our attempts to ban live-bird trap-shooting began when we submitted an amendment to a Government Bill providing that where domestic animals were abandoned some penalties should be prescribed. We took the opportunity then of endeavouring to put a prohibition in that measure. Later, some eighteen months or so ago, I introduced a private member's Bill dealing with this subject, and the House then had an opportunity of expressing its mind.

Sir ARTHUR WARNER.—To say that you "took the opportunity" is a very apt way of describing the situation!

The Hon. J. W. GALBALLY.—Every party represented in this House has had ample opportunity to give this matter full consideration. I think that was evident in the discussion to-night. We take the view that live-bird trap-shooting is a cruel sport and that, as sport, it should be abolished. That is not the way the argument is put. We contend that, in the name of sport, birds are collected, put in a trap, and then released, when they are at the mercy of the shooter. We do not think that kind of sport should be encouraged in the community. It may be said that if the Minister of Transport were sailing his yacht in the Sydney to Hobart race at the end of the year, it would be cruel for him—breathless and hungry—to throw a line overboard and catch a fish; but that—and the allied question of duck shooting—is not the issue at all. We recognize that all kinds of cruelties surround us every day, but live-bird trap-shooting is cruelty in the name of a sport, and we oppose it.

I do not wish to traverse ground covered by other members. Mr. Swinburne made a violent attempt to retrieve the situation for his party,
but he was "all at sea." He quoted the debate in 1956 on the Police Offences (Trespass to Farms) Bill. When that measure was debated the Labour party took strong exception to the provision that before people could enter land for the purpose of shooting they must get permission from the owner. Some emphasis was laid by you, Mr. Chairman, on the fact that this was just the thin edge of the wedge. There is nothing novel in that argument. The history of some of the social reforms in England is most interesting. Until about 75 or 100 years ago little boys were sent up flues to clean chimneys.

Sir ARTHUR WARNER.—Not again!

The Hon. J. W. GALBALLY.—It bears repetition. The casualty rate was rather high among the boys; they could not get out easily and many were killed. It was suggested in the British Parliament, when efforts were made to forbid the practice, that long brooms might be used, and several members advanced the argument that unless the hostesses at dinner parties were assured that the chimneys had been properly cleaned by the boys, the dinners might not be properly cooked and the parties would be a failure. Lord Ellenborough, speaking to the Bill designed to abolish capital punishment for children who stole in shops, stated that if the measure were carried not one shopkeeper in Britain would be safe. So the arguments advanced against live-bird trap-shooting really amount to the same old thing. This attitude has been voiced not only in Britain but all over the world when reforms of this kind have been discussed. I am delighted with the debate that has taken place. It was good to hear the various expressions of opinion. I had thought that some members of the Liberal party were not allowed to talk any more.

Sir ARTHUR WARNER.—It is not like the Labour party.

The Hon. J. W. GALBALLY.—I was wrong about that, and I look forward to an interesting debate on the Government's Hire-Purchase Bill.

The Hon. P. T. BYRNES (North-Western Province).—I can understand Mr. Galbally's jubilation. It is not given to many members belonging to a party other than the Government party to have four Ministers voting with them, particularly in view of what we, in our innocence, thought was the difference that existed ideologically between the Labour party and the Liberal party. Of course, the members of the Country party are political innocents, as you will admit, Mr. Chairman. I wonder whether this is the pattern of things to come. I sincerely hope it is, because in that event we shall derive much amusement. All the Ministers are sound men, and, when they voted as they did, they must have been thinking ahead and much deeper than we poor innocents of the Country party can think. I am sure that in the life of this Parliament we shall again see the Labour party and the Ministers lined up together.

The Hon. ARTHUR SMITH.—The Country party and the Liberal party have been lined up against the Labour party often enough.

The Hon. P. T. BYRNES.—Not on anything worth while.

The Hon. J. W. GALBALLY.—Not on hire-purchase.

The Hon. P. T. BYRNES.—We have never lined up against the Labour party on the question of hire-purchase.Probably, the Country party, applying a little reasonable thought to the question of hire-purchase, has saved members of the Labour party from making fools of themselves.

The Hon. ARTHUR SMITH.—The test will come.

The Hon. P. T. BYRNES.—I shall accept that challenge, too. Clause 2 is really a most arbitrary provision and, if it is placed on the statute-book, live-bird trap-shooting will be prohibited. The clause has been ill-considered and hastily drafted.

The Hon. J. W. GALBALLY.—It is a bit of a let-out for the birds!
giving much consideration to the principle embodied in it or to the actual form in which it has been drafted.

Sir ARTHUR WARNER.—It was not a party vote but a personal vote.

The Hon. P. T. BYRNES.—I am so entranced with the situation, that I will give members of the Government an opportunity of voting again with the Labour party, because I intend to ask members to vote against the clause. If enacted, it will create an injustice to members of gun clubs throughout the State. According to Mr. Todd, they are the lowest form of human life.

The Hon. J. W. GALBALLY.—He did not say anything of the kind.

The Hon. ARCHIBALD TODD (Melbourne West Province).—I rise to a point of order. At no time did I reflect on people who indulge in shooting—on their morals or anything else.

The CHAIRMAN (the Hon. R. W. MACK).—There is no point of order.

The Hon. ARCHIBALD TODD.—I ask that the statement be withdrawn.

The CHAIRMAN.—If the statement is considered to be offensive, I am sure it will be withdrawn.

The Hon. P. T. BYRNES (North-Western Province).—Is it offensive, Mr. Chairman?

The CHAIRMAN.—Mr. Todd claims that it is.

The Hon. P. T. BYRNES.—If he claims that it is offensive, I shall withdraw. Mr. Todd stated that any person who engaged in this sport was a pretty poor type of character, and that it was a poor sport, and a low sport. I would say that a person who engages in a low type of sport is a low type of individual.

The Hon. J. W. GALBALLY.—That is McCarthyism at its worst.

The Hon. P. T. BYRNES.—The clause is crudely drafted. Probably, Mr. Galbally did not expect that it would be agreed to by the House, and so did not give it careful consideration.

Sir ARTHUR WARNER.—What kind of amendment do you have in mind?

The Hon. P. T. BYRNES.—I do not intend to move an amendment, but to ask members to vote against the clause.

The Hon. J. W. GALBALLY.—The wording is exactly the same as that used by Mr. Dodgshun when, as a member of a Country party Government several years ago, he introduced a Bill designed to abolish live-bird trap-shooting.

The Hon. P. T. BYRNES.—Mr. Dodgshun may have been dealing with galahs; I am dealing with this measure. I urge members to vote this clause out; if it is agreed to, it should be amended drastically when debated in another place, if it ever receives consideration there.

The Hon. ARCHIBALD TODD (Melbourne West Province).—I desire to correct one or two impressions that may have been created by Mr. Byrnes and to express satisfaction at the fact that the motion for the second reading has been agreed to.

You, Mr. Chairman, have lucidly described what occurred at one of the trap-shoot meetings, but you stopped when you came to the part of the alleged sport to which we take objection. That was when the unfortunate bird was released from the trap for destruction by the shooter. The whole purpose of the Bill is to show that members of Parliament, as the custodians of the welfare of the people, consider that live-bird trap-shooting is one form of alleged sport that can be done without.

Mr. Nicol alleged that Labour members had reflected on the morals of those people who indulge in the sport, but that is not so. We reflected on the sport itself. It is conceivable that a man of the highest repute in the community would have no more compunction in indulging in the art of trap-shooting than the lowest man in the community. At no time did we use the argument that persons of low intellect were those who engaged in the sport.

Mr. Feltham spoke of the proficiency and skill of certain sportsmen and, in that regard, he referred to various other types of sport. To-night, this House is dealing with live-bird trap-shooting. However, in the fullness of time, it is
conceivable that the Victorian Parliament may ban some other type of sport. Having in mind some of the spectacles that may be seen in boxing it is possible that some future Parliament may decide that this sport has no further use in the community. Many young Australians who have been carried unconscious from the boxing ring have never recovered, and they have been carried to their graves within a few days. A future Parliament may regard boxing as a worthless sport and consider that youths should not be encouraged to batter one another in engagements of this kind.

Again, a future Parliament may decide that it is not necessary for the welfare of the people that a group of individuals should mount themselves on horses and, accompanied by a pack of hounds, chase an unfortunate fox all over the countryside until the fox either "flukes" an escape or is caught. It may be considered that these people could employ their time more profitably. To-day, this Parliament is considering the elimination of one form of sport that we believe the community could do without.

The Hon. J. W. GALBALLY (Melbourne North Province).—Mr. Byrnes raised a point concerning the drafting of this clause. Although I have not been a member of this institution for as long as Mr. Byrnes, I have been here for a measurable period of time, and I have never seen a Bill worded in simpler language. For example, clause 2 provides simply that no person shall engage in, or keep, or use, any place or premises for the purposes of the trap-shooting of live birds. Surely, that expresses clearly just what we have been talking about. Paragraph (b) of this clause defines the term "trap-shooting" to mean shooting at a bird which is released from a box, trap, cage or other contrivance used for the holding of a bird which, after being held in captivity, is released or projected either by mechanical means or by hand. I challenge any honorable member to say that this Bill does not express exactly what is in the minds of the majority of the members of this Chamber, namely, the prohibition of the shooting of birds out of traps. Mr. Byrnes has cast aspersions, not on me, but on the Parliamentary Draftsman. However, I assure him that Bills in this form have been presented to the Parliament of Victoria on a number of occasions and, on one occasion within the last six years, an identical measure was introduced by a member of his own party, the then Deputy-Premier, Mr. Dodgshun.

The Committee divided on the clause (the Hon. R. W. Mack in the chair)—

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<th>Ayes</th>
<th>Noes</th>
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Majority for the clause 6

AYES.
Mr. Bridgford
Mr. Cameron
Mr. Chandler
Mr. Galbally
Mr. Gawith
Mr. Hamer
Mr. Machin
Mr. Mak
Mr. Merrifield
Mr. Slater
Tellers:
Mr. Smith
Mr. Thomas
Mr. Thompson
Mr. Todd
Mr. Waton
Sir Arthur Warner
Mr. Garrett
Mr. O'Connell

NOES.
Mr. Byrne
Mr. Byrnes
Mr. Dickie
Mr. Feltham
Mr. Grigg
Mr. Mansell
Mr. Nicol
Tellers:
Mr. Swinburne
Mr. Thom
Mr. Walters
Mr. Bradbury
Mr. Gross.

The Bill was reported to the House without amendment, and passed through its remaining stages.

DOG (GUIDES FOR THE BLIND) BILL.

The Hon. L. H. S. THOMPSON (Honorary Minister).—I move—

That this Bill be now read a second time.

The purpose of this Bill is to remove all restrictions on the use of guide dogs by people who are unfortunate enough not to have eyesight. Section 32 of the 1958 Dog Act exempts guide dogs from a number of the restrictive provisions of the Act. For example, guide dogs for the blind may enter shopping areas, shops and bathing beach areas, whereas other dogs are
restrained by the provisions of the Act. However, there are a number of other Acts relating to public health which impose certain restrictions in regard to places to which guide dogs may be taken. Recently, a number of hotel proprietors and café proprietors have been rather worried as to whether they have been breaking the law in admitting a blind person with a guide dog. They probably have been. To clear up all legal doubt as to their position, the Government has decided to introduce this Bill which will enable a guide dog to be taken wherever a blind person may go.

A cursory perusal of the Bill may lead one to the conclusion that a guide dog can be taken anywhere by a blind person, and that a blind person may also be entitled to go to places where normally he would not be entitled to go. However, there is some significance in the word "only" in clause 2 of the Bill which makes it clear that a blind person shall not be guilty of an offence by virtue only of the fact that he has taken a guide dog into a certain place.

I do not wish to claim any personal credit for the introduction of this Bill, although I am, of course, very pleased the Government decided to introduce it. If credit should be given to any individuals, it should be given to Mr. Rossiter and to Mr. Mitchell, members of another place, who, in their endeavours to have restrictions removed from the use of guide dogs, have taken a particularly keen interest in the welfare of blind people. As the Minister introducing the Bill, it is only reasonable that I should be familiar with the activities of these dogs; hence last week I took the opportunity of witnessing a guide dog in action. It was one of the most pleasing sights I have ever witnessed. The Labrador I saw was able to guide her mistress away from all obstacles with an uncanny skill which had to be seen to be believed. For the first time, many of these blind people are enabled to enjoy a degree of real personal freedom which would have been impossible but for the fact that man's faithful friend, the dog, has been trained in such a way that it can almost take the place of natural eyesight. It is certainly not a full substitute, but it is probably the best mankind can devise for the assistance of those who are blind.

Honorable members will no doubt be familiar with the fact that there has been a training institution for guide dogs in Western Australia. This will shortly be removed to Victoria because the Australian Council for the Blind believes it is undesirable and uneconomic for training institutions to spring up all over the Commonwealth. It has been recommended that a central training institution be set up in either New South Wales or Victoria. Latest advice indicates that the training centre may be established in Kew, Melbourne. Already eight Victorian people have availed themselves of the services of guide dogs trained in Western Australia. Quite a lot of publicity was given to two persons some months ago, but another six have now made use of their services. In the interests of humanity and of our blind citizens, I warmly commend this Bill to the House.

On the motion of the Hon. J. M. WALTON (Melbourne North Province), the debate was adjourned until Tuesday, October 21.

MELBOURNE AND METROPOLITAN BOARD OF WORKS (BORROWING POWERS AND DEBENTURES) BILL.

The debate (adjourned from October 7) on the motion of the Hon. G. L. Chandler, (Minister of Agriculture) for the second reading of this Bill was resumed.

The Hon. SAMUEL MERRIFIELD (Doutta Galla Province).—This is a Bill which is usual in respect of those bodies whose finances are fixed by Acts of Parliament. Amending legislation is necessary from time to time to increase the borrowing powers of the various instrumentalities. This Bill also relates to the issue of debentures for the raising of loan funds. The Board of Works is a huge undertaking which controls sewerage, water supply and drainage in respect of streams and certain artificial watercourses. It has recently taken

*The Hon. L. H. S. Thompson.*
charge of metropolitan roads, foreshores and town planning. The functions of the Board have, therefore, widened considerably. It is questionable whether it will be able to operate as efficiently in respect of all those matters as it did when it had more limited functions. Suggestions have been made that its duties might well be divided. The ramifications of the Board are complicated by the number of commissioners and by the method of representation. At present the commissioners number 50, and there is a possibility that several more will be appointed shortly to represent new districts which are included in the Board of Works area.

The opinion has been expressed—even by the Leader of the Country party in another place—that the Board might well be reconstituted to give greater representation to fast developing perimeter municipalities and less to inner suburbs where the difficulties of water supply and sewerage are not so great. Other opinions suggest that all municipal representation should be abolished, and that a more expert authority should administer the Board, as is the case with bodies such as the State Electricity Commission, the tramways Board and the Railway Department. I understand that the Government intends to call a conference of municipalities on the question of the constitution of the Board of Works. Obviously, every municipality will still want representation, so it will be difficult to reduce the number of commissioners to any extent. Parliament will eventually have to determine the matter, and a lead must be given by the Government of the day. I shall not express any particular views on that point, because one can speak only generally on this measure.

The Board's borrowing powers have been increased by about £10,000,000 a year over the past two or three years, and this Bill provides for a further increase of £20,000,000. The Board has the task of providing amenities to the community of Victoria. They should be available for reasons of health, safety, and security. Over the last few years, the Board has not been able to keep abreast with development and is behind in its programme of providing water and sewerage to dwellings. The problem will become more acute in the near future. In 1954, it was believed that the increase in Melbourne's population would be at the rate of about 30,000 people a year, whereas it has been expanding at the rate of 50,000 a year.

Considerable progress has been made recently in regard to water supply. The stage was gradually reached where old supply reservoirs could no longer meet the demand for water in the metropolitan area, and during the régime of a Country party Administration some years ago the Board of Works commenced construction of the Upper Yarra dam. It has now been completed and will bring great benefits to the metropolitan area. However, mains still have to be constructed to convey this water to the places where it is needed and that work will entail additional expenditure by the Board. The fact that additional areas to the south-east of Melbourne have been placed under the Board's jurisdiction means greater expenditure by that body. It is easy to understand the need of the Board of Works to raise additional funds for capital works in relation to water supply.

Similar difficulties have arisen in connexion with the sewerage system. Many of the sewerage mains constructed some years ago were designed to serve a population much smaller than that of Greater Melbourne at the present time, and there has also been an increase in the volume of water used per head of population. In turn, this means that the sewerage system must cope with more effluent. Consequently, some of the older mains will have to be duplicated, or, where they are showing serious deterioration, replaced. In addition, the tremendous volume of building which has taken place in the outer metropolitan area in unsewered country presents a great problem. The cost of sewerage some of the outlying areas still has to be faced, and in many cases it will prove to be exorbitant. These are the problems which the Board of Works has to face. I have no criticism generally of its policy, but I suppose that
from time to time we are all disappointed about individual cases. While I do feel that at times a little influence is brought to bear concerning some of its decisions on priorities, I believe that in the long run the Board administers its activities in a very efficient manner. It has been mooted that the Board should construct an outfall sewer to Cape Schanck to relieve the position at Werribee. Although no firm policy decision on the project has been taken, it has been discussed publicly by people in the south-eastern suburbs of Melbourne as well as those within the rural parts through which the proposed sewer would pass. It is inevitable that with the increase in the size of Melbourne, steps will have to be taken to provide additional sewage disposal facilities.

Of course, the powers granted under this Bill for the Board of Works to raise additional loan funds for water supply and sewerage works will not affect its metropolitan bridge and road maintenance problems. Separate legislation provides authority for the Board to raise £10,000,000 for that section of its activities.

The second part of the Bill concerns the issue of debentures, and one of the proposals is to relieve the chairman and the secretary of the task of having to sign personally all of these documents. One can readily understand the onerous nature of this task, and the change will mean that the personal care which those officers exercise will largely be removed from future issues, as any officer of the Board who is duly authorized will be able to attend to the engraving of the debentures with the signatures of the chairman and the secretary. Although no honorable member would wish to be too difficult about this matter, it seems to me that Parliament should scrutinize proposals such as these with some concern in order to ensure that the care which has been taken in the past in the issue of these documents will continue to be exercised. I have sufficient confidence in the Board of Works and in its responsible officers to believe that the right thing will be done. No doubt the State Electricity Commission and other Government instrumentalities adopt a procedure similar to that now envisaged for the Board.

I notice that it is provided that the paper on which debentures are printed must be watermarked paper of a quality approved of by the Treasurer. It seems to me a little out of date to prescribe watermarked paper. The Postal Department formerly printed its stamps on this type of paper, but that practice has now been discarded. One can understand the need to print debentures on good quality paper which will not tear or crease readily and will not be easy to destroy. However, many types of watermarked paper are of poor texture and quality, and there seems little point in prescribing simply that the paper must be watermarked. So long as paper of good quality is used, I am sure that satisfaction will result. It might be thought that the use of watermarked paper would prevent unauthorized persons from duplicating documents, but I point out that the Board would not necessarily have supplies of paper made to its own specifications, and other people could buy the same type of paper as that used for the Board's debentures.

Although this Bill authorizes the Board to borrow a further sum of £20,000,000, I point out that this amount has still to be raised. The Board, like other public authorities, is having trouble in filling its loans, and, in common with the other bodies, it is forced to have them underwritten at additional cost. The underwriters are stock-broking firms like Were's and Potter's who also underwrite loans for the finance companies which are offering rates of interest as high as 12 per cent. for long-term issues, and these are more attractive to the public than the terms offered by Government instrumentalities. How the public authorities can be expected to raise money under present conditions is extremely hard to understand. I have in mind a deputation from the City of Broadmeadows that waited on the Acting Premier and asked for an additional allocation for municipal purposes. In the absence of the Premier from the State, his Deputy said the money would have to come from loan allocation. The
deputation pointed out however, that money could not be obtained from that source. The position will be the same with the Board of Works.

The Hon. P. T. BYRNESE (North-Western Province).—The principal purpose of this measure is to increase the borrowing power of the Melbourne and Metropolitan Board of Works from £69,000,000 to £90,000,000. It is only a matter of lifting the ceiling; it does not mean that the Board will have the additional amount of money available to it immediately, and there is the proviso that loan money will be available in any case. I do not know whether the Melbourne and Metropolitan Board of Works is in the same category as the State Electricity Commission, which arranges its own borrowing. I should like to know whether the loan allocation for works will be out of the Government’s allocation or whether the Board will be able to borrow its requirements separately.

The Hon. G. L. CHANDLER.—The Board borrows for itself, but the amount is controlled by the Loan Council.

The Hon. P. T. BYRNESE.—I want to know whether the amount raised by the Board is included in the total borrowings for governmental instrumentalities.

The Hon. G. L. CHANDLER.—The loan raisings by the Board are independent but are included in the total grant.

The Hon. P. T. BYRNESE.—I should like to know also whether any of the loan allocations to other Departments have been limited. There is a general idea that it will be very difficult to get sufficient money to finance the loan programme in the near future. The Prime Minister has been directing attention to the huge volume of war loans now falling due—a sum total of £300,000,000 this year. Many people took out war bonds that are now maturing and, no doubt, they will renew them; however, there will be many bond holders who will not wish to renew their holdings. We are running into a period when it will be extremely difficult for authorities requiring money to raise the necessary loans.

The Hon. WILLIAM SLATER.—The Federal authorities cannot get sufficient money, and they have only themselves to blame because of the way in which they have treated bond holders.

The Hon. P. T. BYRNESE.—That may be so. There are a number of reasons for loss of confidence in Commonwealth bonds. This wealthy State of Victoria has now become a mendicant in company with the lesser States of the Commonwealth in having to approach the Grants Commission. I take it that the Premier would never have approached the Commission if he had had any confidence in the loan market to provide the money required for Victoria’s expansion. Without doubt, there is still a large programme of expansion to be undertaken. I have visited various newer suburbs in the metropolitan area, in which there are fine modern homes but where there seems to be no possibility of sewerage facilities being provided for very many years. I have seen, at such new areas as in the neighbourhood of Box Hill, conditions suggesting that there will be trouble in the not distant future in getting rid of effluent. There are spots in which the ground can be seen to be absolutely sodden.

Everybody sympathizes with the efforts of the Melbourne and Metropolitan Board of Works to cope with the huge problems of this very-rapidly expanding city. But has the Government considered where it is going in the matter of loan raisings, and has it taken into account the system of loan allocation of funds for the future? The expansion programme for this financial year would not have been met except for payments out of revenue by the Commonwealth to the States. Now, the Commonwealth Government has budgeted for a very big deficit and is depending upon Treasury notes to keep going. We may be paying the penalty for our inflationary programmes of the past. The Melbourne Harbor Trust for example, will want to increase its borrowing powers. All the big public utilities will need much more money to cope with their work schedules.
At the same time, consideration must be given to the requirements of the rest of the State. There is a clamour for more schools, even though the total expenditure on education to-day is about 25 per cent. of the total revenue of the State, apart from loan programme money. Cognizance must be taken of all these considerations. Great prosperity has been experienced throughout our country. The world markets have been very high, but they are now coming down and there will not be surplus funds available for investment in loans. I hope the Government will give serious thought to the proportional allocation of votes so that every spending Department shall receive its proper share of funds. How any Federal Government will face up to the huge conversion from the war loan programme, at the same time withstanding the demands of the States, is difficult to foresee.

Nobody objects to the Melbourne and Metropolitan Board of Works having money with which to provide its essential services. Mr. Merrifield referred to the reorganization of the Board. I had some experience in that matter during my term as Minister of Public Works. Without doubt, reorganization is long overdue. It was overdue then, but no very great change has been made in the matter of representation on the Board, which is becoming a very unwieldy body. For the sake of more efficient administration of the works undertaken by the Board—which, of course, is carrying on efficiently—the present basis of representation is certainly wrong.

The Hon. WILLIAM SLATER.—I think there is fear of the power of the Melbourne City Council representatives.

The Hon. P. T. BYRNES.—It may be that the Melbourne City Council has too much pull to allow reasonable reorganization of the Board. Melbourne's outer areas have grown tremendously. The incidence of population in the metropolitan area has entirely altered in recent years.

The Hon. WILLIAM SLATER.—The need for services in the outer areas is far greater than in the City of Melbourne.

The Hon. P. T. BYRNES.—I have in mind the situation in areas north of the city, such as Keilor and Sunshine. Expansion is becoming very rapid in the north and north-west now, whereas previously all the development had been to the south and east of Melbourne. Great sums of money will have to be spent in connexion with northern developments. I realize that the Board of Works is confronted with many difficult problems. We expect the Government to allocate loan funds fairly within the huge metropolitan area. It should not forget that there is a part of Victoria outside the ten-mile radius of the General Post Office that merits consideration.

The Hon. ARCHIBALD TODD (Melbourne West Province).—Legislation of this character affords members the opportunity to offer either praise or criticism of the particular body that happens to be named. In this case, it is the Melbourne and Metropolitan Board of Works. Frequently, the Board is subjected to criticism by people who in the summer months suffer from shortage of water. Those folk then claim that everything is wrong with the Board. On other occasions they become sensible and think of large projects such as the Upper Yarra dam, which is a magnificent monument to the undertaking, from the humblest to the highest employee. Then, perhaps, the Board can be viewed in its proper perspective. It may well be that the system of government of the Board has become unwieldy, but it follows the pattern that those districts which pay the most in water rates secure the highest representation on the Board. Until that system is altered, the present unwieldy method of government will continue.

It should be realized that the real work of the Board is done through the chairman, down through the engineering section, by the technical staff and ordinary workers. The Board of Works is an efficient organization which, over the years, has tried to overtake the lag in water reticulation and sewerage in and around the City of Melbourne. It is only natural that that body should approach the Australian
Loan Council seeking permission to raise certain sums of money on the loan market to enable it to carry out its programme. In the year 1955, the Board sought the right to borrow £8,900,000, but it was permitted to raise only £4,800,000. In 1956, it sought authority to raise £9,700,000, but was authorized to raise only £6,200,000. In 1957, the respective sums were £9,450,000 and £7,300,000. It will be noted that there was a consistent lag in capital expenditure over that period of three years. In 1958, the Board of Works sought authority to borrow £10,700,000, but was permitted to raise only £7,800,000. Although the Board was honestly endeavouring to catch up on outstanding work it was not enabled to do so. It has been urging that Jordanville should be sewered because of repeated outbreaks of hepatitis in the area, but the Board can carry out just so much of its programme as can be accomplished with the money it is enabled to raise. Year after year it has been frustrated in the same way as many other Government Departments and instrumentalities have been. So, in criticizing the Board, we should be reasonable enough to appreciate some of the difficulties with which it is confronted.

Under the Bill, it is proposed to permit the Government to guarantee the loan funds of the Melbourne and Metropolitan Board of Works up to £90,000,000. At this stage, we should consider one of the items that is responsible for swallowing up much of the Board's income. I refer to interest and repayments. I understand that the annual bill for interest commitments amounts to £3,800,000. That is a tremendous sum of money. We should not lightly allow this Bill to pass without appreciating the difficulties that face the Board of Works owing to the demands made by an expanding city. We could devote much time to reviewing the organization of the Board of Works and considering whether it should be altered by further representation being given to outlying suburbs. If the Board is to do its job properly, we Parliamentarians who are charged with piloting the fortunes of the people must render it possible for the Board of Works to raise sufficient money to carry out the work it has to do. If we cannot do that, we must not criticize the Board for its failure to do what is expected of it.

I appreciate Mr. Byrnes's remarks concerning a fair allocation of money from the pool. I hope that the pool will be deep enough on this occasion to meet the requirements of the State of Victoria. One of the factors which I hope will be taken into account is the culpability of investors. I cannot see how we will be able to preserve the economy of the State by seeking governmental and semi-governmental loans at interest rates of 5½ per cent. and 5½ per cent. while other bodies are offering interest rates ranging from 7 per cent. to 12 per cent. Unless we are prepared to jettison some of our favourite ideas and agree that there must be some form of control of investments, I am sure, as Mr. Byrnes stated, that we shall be in for some very difficult times. I sincerely hope that the Board of Works will be able to raise the money it is permitted to raise in this year of grace and that it will push ahead with many of the sewerage and water reticulation projects that are so badly needed in and around the City of Melbourne.

Sir ARTHUR WARNER (Minister of Transport).—I should like to answer some of the questions asked by Mr. Byrnes. One problem of the Australian Loan Council is that a certain amount of money is allocated to all the States for public works. Then there is a gentleman's agreement under which the available money is allocated to the various State instrumentalities. All of the money is under the control of the Loan Council, except borrowings for the purpose of State instrumentalities when they are less than £100,000. There are several causes of trouble in regard to the Melbourne and Metropolitan Board of Works. In earlier years, when money was freely available, there was some nervousness on the part of members of the constituted Board about borrowing too much money, particularly in view of the fact that interest charges had a tendency to raise water rates. In more recent years, when there has been
a shortage of loan funds, the Board has not been directly represented in Cabinet; it has had only indirect representation in regard to the allocation of loan funds. The Board has suffered to some extent from that situation. Whether that means there should be a complete reconstruction of the Board of Works is another question, which must be examined in a broad manner.

One reason why this State is applying, in effect, to the Commonwealth Grants Commission for assistance, is the incidence of uniform taxation. We have been debarred not only from financing for revenue but also from financing for loan purposes. The Commonwealth has taxed revenue income for loan purposes, and that revenue money has been lent back to the State at interest, which currently amounts to at least £4,000,000 or £5,000,000 annually. That is the interest bill on that portion of the money lent back to us which otherwise would be our own taxation income. So, every year we have not only to borrow our own tax back but we have also to pay a continually increasing interest bill on our tax money. If this State were not paying tax on its own income, the Government would be in a position to balance its Budget without any trouble.

The Hon. William Slater.—That is a big "if."

Sir Arthur Warner.—I agree. So long as the Commonwealth has the power, in effect, to say to Victoria, "We shall collect the money and when we give it to you—not for ordinary revenue, but for loans—we shall charge you interest on it," we are left in a nightmare of a position.

The Hon. William Slater.—You have the remedy in your own hands.

Sir Arthur Warner.—I wish we had that remedy.

The Hon. Archibald Todd.—Can you not take action within the council of your own party? .

Sir Arthur Warner.—We have already done that. The State Liberal party of Victoria has voted in favour of the abolition of uniform taxation in order to afford this State a chance. All Liberal members are pledged to that policy. I do not submit this as a political argument, but, as members are well aware, the other States are perfectly satisfied to milk Victoria dry so long as they can get away with it.

The Hon. William Slater.—They will continue to do so.

Sir Arthur Warner.—Exactly. That is what is happening. Until the people of Victoria are completely aroused concerning this aspect, the position will continue. If I were Premier of New South Wales or of Queensland and saw that Victoria was struggling at great expense to itself and was imposing considerable taxes on its people, I should be perfectly happy about the situation. The only aspect I fail to understand is why the people of Victoria are happy about it. When we have the total loan moneys allocated, plus the tax money, we are still short of the sum which is necessary for the proper development of this State. Every governmental instrumentality and Government Department must have its requirements cut below what might be regarded as reasonable. Education is an urgent and necessary item in this State because of the growing population. However, despite the fact that we are spending all time record sums of money in this Department, it is still short of funds. Conversely, the more we allot to education the less money we have for water reticulation and sewerage projects to be undertaken by the Melbourne and Metropolitan Board of Works. Money is needed for railways, roads, and other developmental projects. The size of the "pot" is limited. It is as big as we can make it and there is always a big problem in the allocation of funds.

I thoroughly agree with Mr. Todd that the Board of Works is in a very unhappy position. I think in the metropolitan area there are 60,000 houses that are not sewered. That is a disgrace to the State. Until we can get additional money we cannot overcome that disability at the rate we should. It was for that reason, and that reason
alone, that the State Electricity Commission and the Gas and Fuel Corporations were authorized to increase their charges—in order that they might have funds available for capital works. In other words, we are doing, through the imposition of higher charges, what the Commonwealth is doing with income tax for loan funds. I do not want to labour that point because the Bill is confined to the Melbourne and Metropolitan Board of Works. However, the State is confronted with a financial problem of considerable magnitude, and an application is being made to the Commonwealth Grants Commission for some relief.

The motion was agreed to.

The Bill was read a second time and committed.

Clause 1 was agreed to.

Clause 2, relating to an increase in the Board's borrowing powers.

The Hon. G. L. CHANDLER (Minister of Agriculture).—I think it can be truly said that the Melbourne and Metropolitan Board of Works is one of the most efficient of the semi-governmental instrumentalities operating in the metropolitan area. I pay a great tribute to the officers of the Board and to the many Commissioners who work on a committee basis on sewerage, water supply and other phases of the Board's work. Many of them have given years of honorary service to the Board. They have a thorough knowledge of their job, and within the financial limitations placed on the Board they have rendered excellent service over the years.

The question of representation on the Board has been a vexed one for some time. In 1944, the late Mr. Gartside took over a Bill which I, as a member of the Dunstan-Hollway Ministry at the time, had prepared after consultation with the metropolitan section council of the Municipal Association of Victoria. The Bill was passed as a private member's Bill in this House. In Assembly it was handled as a Government measure. The Bill reduced the representation of certain municipalities but not that of the City of Melbourne, which remained at nine members. I think the representation of the City of South Melbourne was reduced from four to two and that of Prahran from three to two members, and various other changes were made. Another revision took place in 1953 when Mr. Merrifield was Minister of Public Works. On that occasion I introduced a private member's Bill. The representation of the City of Melbourne was reduced from nine to six members and that of other municipalities which had more than two members was reduced to two each, except Camberwell. The cities of Oakleigh, Mordialloc, Box Hill and Moorabbin, and the shires of Broadmeadows, Braybrook, Blackburn and Mitcham had no representation whatever on the Board until the 1944 amendment was passed. There is a real necessity at present to bring the Board's constitution up to date. The outer municipalities, such as Broadmeadows, Dandenong and Altona, which are rated, should be brought in on the basis of single representation, and an adjustment should be made in respect of the City of Melbourne. I do not believe a commission should be set up to administer the functions of the Board. I believe in the committee system, which has worked very well. Probably the total number of representatives could be reduced to the benefit of everybody.

The Hon. WILLIAM SLATTER.—Can you give a promise that something will be done?

The Hon. G. L. CHANDLER.—The Minister of Public Works made a promise to that effect recently. A meeting is to be convened. I think it is the responsibility of the Government to have the whole matter straightened out.

The clause was agreed to, as was clause 3.

The Bill was reported to the House without amendment, and passed through its remaining stages.

COMPANIES BILL.

This Bill was received from the Assembly and, on the motion of Sir ARTHUR WARNER (Minister of Transport), was read a first time.
ADJOURNMENT

Sir ARTHUR WARNER (Minister of Transport).—By leave, I move—

That the Council, at its rising, adjourn until Tuesday next.

The motion was agreed to.

The House adjourned at 10.56 p.m. until Tuesday, October 21.

LEGISLATIVE ASSEMBLY.

Wednesday, October 15, 1958.

The Speaker (Sir William McDonald) took the chair at 4.12 p.m., and read the prayer.

YOUTH ORGANIZATIONS.

FINANCIAL ASSISTANCE.

Mr. STONEHAM (Leader of the Opposition) asked the Chief Secretary—

1. What organizations applied to the Government during the past three years for financial assistance towards the provision of buildings, equipment, &c., to foster youth club activities?

2. What organizations were granted assistance and what amount was granted in each case?

Mr. RYLAH (Chief Secretary).—The answers to this question are in the form of a return and, with the permission of the House, I should like them incorporated in Hansard without my reading them.

The Speaker (Sir William McDonald).—Leave is granted.

The answers were as follows:

1. The Youth Organizations Assistance Act 1956, which established the Youth Organizations Assistance Fund, came into operation on the 1st January, 1957.

The following organizations have applied for assistance from the Fund during the financial years 1956-57 and 1957-58:

Financial Year 1956-57—continued.

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<td>Albion-street Methodist Church.</td>
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<td>Australian Students' Christian Movement.</td>
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<tr>
<td>Boy Scouts Association of Victoria.</td>
</tr>
<tr>
<td>Brunswick Youth Club.</td>
</tr>
<tr>
<td>Brunswick City Youth Welfare Committee.</td>
</tr>
<tr>
<td>Bungaree and District Youth Club.</td>
</tr>
<tr>
<td>Church of England Council of Youth Education.</td>
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<tr>
<td>Churches of Christ Young People's Department.</td>
</tr>
<tr>
<td>Coatesville Progress Association.</td>
</tr>
<tr>
<td>Coburg Girl Guides.</td>
</tr>
<tr>
<td>Congregational Union of Victoria Young People's Department.</td>
</tr>
<tr>
<td>Don Bosco Boys' Club.</td>
</tr>
<tr>
<td>Elaine and District Progress Association.</td>
</tr>
<tr>
<td>Girl Guides Association of Victoria.</td>
</tr>
<tr>
<td>Horsham Youth Centre.</td>
</tr>
<tr>
<td>Junior Legacy Melbourne.</td>
</tr>
<tr>
<td>Kilmoro Youth Club.</td>
</tr>
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</tr>
<tr>
<td>Malvern Youth Club.</td>
</tr>
<tr>
<td>Methodist Young People's Department.</td>
</tr>
<tr>
<td>National Catholic Girls' Movement.</td>
</tr>
<tr>
<td>National Fitness Council of Victoria.</td>
</tr>
<tr>
<td>Navy League of Australia.</td>
</tr>
<tr>
<td>Norlane North Shore Youth Centre.</td>
</tr>
<tr>
<td>Numurkah Youth Club.</td>
</tr>
<tr>
<td>Our Lady of Victories Camberwell.</td>
</tr>
<tr>
<td>Pakenham and District Youth Club.</td>
</tr>
<tr>
<td>Presbyterian Church of Victoria Young People's Department.</td>
</tr>
<tr>
<td>Preston Police and Citizens' Youth Club.</td>
</tr>
<tr>
<td>Salvation Army.</td>
</tr>
<tr>
<td>Senior Section Young Farmers of Victoria.</td>
</tr>
<tr>
<td>St. Arnaud Youth Club.</td>
</tr>
<tr>
<td>St. Christopher's College.</td>
</tr>
<tr>
<td>Third Melbourne Boy Scouts.</td>
</tr>
<tr>
<td>Victorian Association of Youth Clubs.</td>
</tr>
<tr>
<td>Victorian Council of Christian Education.</td>
</tr>
<tr>
<td>Victorian Jewish Board of Deputies.</td>
</tr>
<tr>
<td>Victorian Society for Crippled Children.</td>
</tr>
<tr>
<td>Warrnambool Youth Centre.</td>
</tr>
<tr>
<td>Wendouree Youth Club.</td>
</tr>
<tr>
<td>Winchelsea Citizens' Police Youth Club.</td>
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<td>Young Catholic Student Movement.</td>
</tr>
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<td>Young Christian Workers' Movement.</td>
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<td>Young Men's Christian Association.</td>
</tr>
<tr>
<td>Young Women's Christian Association.</td>
</tr>
<tr>
<td>Newborough.</td>
</tr>
<tr>
<td>Young Women's Christian Association (Southern Region).</td>
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</tbody>
</table>

Financial Year 1957-58.

<table>
<thead>
<tr>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ararat Youth Club.</td>
</tr>
<tr>
<td>Ballarat Youth Centre.</td>
</tr>
<tr>
<td>Balwyn Boys' Club.</td>
</tr>
<tr>
<td>Barwon Heads Lions Club.</td>
</tr>
<tr>
<td>Beaufort Youth Club.</td>
</tr>
<tr>
<td>Beaumaris East Youth Club.</td>
</tr>
<tr>
<td>Bell Park Police and Citizens' Youth Club.</td>
</tr>
<tr>
<td>Belmont Community Youth Club.</td>
</tr>
<tr>
<td>Benalla Police and Citizens' Youth Club.</td>
</tr>
<tr>
<td>Bendigo Girl Guides' Local Association.</td>
</tr>
<tr>
<td>Bendigo Police and Citizens' Youth Club.</td>
</tr>
<tr>
<td>Boronia Police and Citizens' Youth Club.</td>
</tr>
<tr>
<td>Boy Scouts Association of Victoria.</td>
</tr>
<tr>
<td>Brighton Youth Centre.</td>
</tr>
<tr>
<td>Brotherhood of St. Laurence.</td>
</tr>
<tr>
<td>Brunswick and Coburg Boys' and Girls' Club.</td>
</tr>
<tr>
<td>Carrum Youth Club.</td>
</tr>
<tr>
<td>Castlemaine Police and Citizens' Youth Club.</td>
</tr>
<tr>
<td>Caulfield City Memorial Youth Centre.</td>
</tr>
<tr>
<td>Chelsea Women's Amateur Athletic Club.</td>
</tr>
<tr>
<td>Church of England Council of Youth Education.</td>
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</table>
Financial Year 1957-58—continued.

Churches of Christ Young People's Department.
Collingwood and Citizens' Police Youth Club.
Congregational Union of Victoria Young People's Department.
Corryong and District Youth Club, Croydon Open Youth Club.
Drouin and District Youth Club.
Elaine and Meredith District Youth Club.
Eltham Community Youth Club.
Footscray West Recreational League.
Footscray and Yarraville Youth Club.
Geelong Boys' Athletic Club.
Geelong East and District Police and Citizens' Youth Club.
Geelong West Police Boys' Club.
Glendearg-grove Malvern Youth Club.
Heathmont Youth Club.
Horsham War Memorial Youth Centre.
Jeparit Committee for Youth Activities.
Kyabram Youth Club.
Lilydale and District Police and Citizens' Youth Club.
Maryborough Community Youth Club.
Melbourne City Newsboys' Society.
Merbein Police and Citizens' Youth Club.
Methodist Young People's Department.
Mildura Youth Centre.
Mirboo North R.S.L. Youth Club.
Montmorency Police and Citizens' Youth Club.
Mooroopna Youth Club.
National Catholic Girls' Movement.
National Fitness Council of Victoria.
Norlane North Shore Youth Centre.
Numurkah Youth Club.
Oakleigh City Youth Club.
Opportunity Clubs for Boys and Girls.
Parkside (Footscray) Youth Club.
Presbyterian Church of Victoria Young People's Department.
Preston Police and Citizens' Youth Club.
Queenscliff Borough Boys' Club, Girls' Club, Boy Scouts.
Queenscliff and District Police and Citizens' Boys' Club.
Queenscliff Young Women's Club.
Ringwood Police and Citizens' Youth Club.
Salvation Army.
Senior Section Young Farmers of Victoria.
Springvale Community Youth Club.
St. Georges Boys' Gymnasium Club.
Strathmore Methodist Table Tennis Club.
Sunshine City Youth Centre.
Sunshine East Youth Club.
Victorian Association of Youth Clubs.
Victorian Baptist Youth Department.
Warragul Athletic Youth Club.
Warrnambool Youth Centre.
Wendouree Youth Club.
William Forster Try Boys' Society.
Winchelsea Citizens' Police Youth Club.
Yarragon Youth Club.
Yarraville Mouth Organ Band.
Young Anglican Fellowship.
Young Catholic Student Movement.
Young Christian Workers' Movement.
Young Men's Christian Association.

Financial Year 1957-58—continued.

Young Men's Christian Association (La-trobe Valley).
Young Women's Christian Association (Mulgrave and Moorabbin Project).
Young Women's Christian Association (Southern Region).
Youth Hostels Association of Victoria.

Applications for assistance from the fund for the current financial year did not close until 4 p.m. on the 30th September last. These applications, which number 173, have not yet received consideration by the Youth Organizations Assistance Committee.

However, the total amount applied for is in the vicinity of £500,000 and the total amount made available by the Government for allocation amounts to £70,000.

2. The Minister, on the recommendation of the Youth Organizations Assistance Committee, approved of the payment of the grants set opposite the names of the following youth organizations:

PAYMENT OF GRANTS.

<table>
<thead>
<tr>
<th>Name of Organization</th>
<th>1956-57</th>
<th>1957-58</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ararat Youth Club</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Ballarat Youth Centre</td>
<td></td>
<td>200</td>
</tr>
<tr>
<td>Barwon Heads Lions Club</td>
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<td></td>
</tr>
<tr>
<td>Beaufort Youth Club</td>
<td></td>
<td>500</td>
</tr>
<tr>
<td>Beaumaris East Youth Club</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Bell Park Police and Citizens' Youth Club</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>Belmont Community Youth Club</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>Benalla Police and Citizens' Youth Club</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>Bendigo Girl Guides Local Association</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>Bendigo Police and Citizens' Youth Club</td>
<td>400</td>
<td></td>
</tr>
<tr>
<td>Boronia Police and Citizens' Youth Club</td>
<td>260</td>
<td></td>
</tr>
<tr>
<td>Boy Scouts Association of Victoria</td>
<td>750</td>
<td>750</td>
</tr>
<tr>
<td>Brighton Youth Centre</td>
<td>230</td>
<td></td>
</tr>
<tr>
<td>Brunswick and Coburg Boys' and Girls' Club</td>
<td>750</td>
<td></td>
</tr>
<tr>
<td>Carrum Youth Club</td>
<td>80</td>
<td></td>
</tr>
<tr>
<td>Castlemaine Police and Citizens' Youth Club</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>Church of England Council of Youth Education</td>
<td>2,000</td>
<td>1,500</td>
</tr>
<tr>
<td>Churches of Christ Young People's Department</td>
<td>200</td>
<td>800</td>
</tr>
<tr>
<td>Collingwood and Citizens' Police Youth Club</td>
<td>600</td>
<td></td>
</tr>
<tr>
<td>Congregational Union of Victoria Young People's Department</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Corryong and District Youth Club</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>Croydon Open Youth Club</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>Drouin and District Youth Club</td>
<td>350</td>
<td></td>
</tr>
<tr>
<td>Elaine and Meredith District Youth Club</td>
<td>350</td>
<td></td>
</tr>
<tr>
<td>Eltham Community Youth Club</td>
<td>500</td>
<td></td>
</tr>
</tbody>
</table>
PAYMENT OF GRANTS—continued.

<table>
<thead>
<tr>
<th>Club Name</th>
<th>1956-57</th>
<th>1957-58</th>
</tr>
</thead>
<tbody>
<tr>
<td>Footscray West Recreational League</td>
<td>£1,750</td>
<td>£2,000</td>
</tr>
<tr>
<td>Footscray and Yarraville Youth Club</td>
<td>250</td>
<td>75</td>
</tr>
<tr>
<td>Geelong Boys’ Athletic Club</td>
<td>1,100</td>
<td>1,350</td>
</tr>
<tr>
<td>Geelong East and District Police and Citizens’ Youth Club</td>
<td>4,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Geelong West Police Boys’ Club</td>
<td>750</td>
<td>750</td>
</tr>
<tr>
<td>Girl Guides Association of Victoria</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Glendare-grove Malvern Youth Club</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Heathmont Youth Club</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Horsham War Memorial Youth Centre</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Jepart Committee for Youth Activities</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td>Kyabram Youth Club</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Lilydale and District Police and Citizens’ Youth Club</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Maryborough Community Youth Club</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Melbourne City Newsboys’ Society</td>
<td>1,000</td>
<td>1,597</td>
</tr>
<tr>
<td>Merbein Police and Citizens’ Youth Club</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Methodist Young People’s Depart....</td>
<td>1,750</td>
<td>2,000</td>
</tr>
<tr>
<td>Mildura Youth Centre</td>
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<td>250</td>
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<tr>
<td>Mirboo North R.S.I. Youth Club</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>Montmorency Police and Citizens’ Youth Club</td>
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<td>100</td>
</tr>
<tr>
<td>Mooroompa Youth Club</td>
<td>250</td>
<td>250</td>
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<tr>
<td>National Catholic Girls’ Movement</td>
<td>1,100</td>
<td>1,350</td>
</tr>
<tr>
<td>National Fitness Council of Victoria</td>
<td>4,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Norlane—North Shore Youth Centre</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Numurkah Youth Club</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Oakleigh City Youth Club</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Opportunity Clubs for Boys and Girls</td>
<td>8,000</td>
<td>8,000</td>
</tr>
<tr>
<td>Presbyterian Church of Victoria Young People’s Department</td>
<td>1,000</td>
<td>1,597</td>
</tr>
<tr>
<td>Queenscliff Borough—Boys’ Club £40</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Queenscliff and District Police and Citizens’ Boys’ Club</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Queenscliff Young Women’s Club</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Ringwood Police and Citizens’ Youth Club</td>
<td>500</td>
<td>500</td>
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<tr>
<td>Salvation Army</td>
<td>100</td>
<td>100</td>
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<tr>
<td>Senior Section Young Farmers of Victoria</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Springvale Community Youth Club</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>St. George’s Boys’ Gymnasium Club</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Sunshine City Youth Centre</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td>Sunshine East Youth Centre</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Victorian Association of Youth Clubs</td>
<td>700</td>
<td>700</td>
</tr>
<tr>
<td>Victorian Baptist Youth Department</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Victorian Jewish Board of Deputies</td>
<td>200</td>
<td>200</td>
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<tr>
<td>Warragul Athletic Youth Club</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Warrnambool Youth Centre</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Wendouree Youth Club</td>
<td>500</td>
<td>500</td>
</tr>
</tbody>
</table>

PAYMENT OF GRANTS—continued.

<table>
<thead>
<tr>
<th>Club Name</th>
<th>1956-57</th>
<th>1957-58</th>
</tr>
</thead>
<tbody>
<tr>
<td>William Forster Try Boys’ Society</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Winchelsea Citizens’ Police Youth Club</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Yarragon Youth Club</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Young Catholic Student Movement</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td>Young Christian Workers’ Movement</td>
<td>1,500</td>
<td>4,720</td>
</tr>
<tr>
<td>Young Men’s Christian Association (Latrobe Valley)</td>
<td>3,000</td>
<td>6,000</td>
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<tr>
<td>Young Men’s Christian Association (Mulgrave and Moorabbin Project)</td>
<td>200</td>
<td>200</td>
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<tr>
<td>Young Women’s Christian Association (Southern Region)</td>
<td>1,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Youth Hostels Association of Victoria</td>
<td>150</td>
<td>150</td>
</tr>
</tbody>
</table>

STATE INSTRUMENTALITIES.

INCREASED CHARGES: RAISING OF ADDITIONAL REVENUE.

Mr. STONEHAM (Leader of the Opposition) asked the Premier—

In connexion with the recent increases in railway and tramway fares and in charges for gas and electricity, what was the date on which the Government received the first intimation, either written or oral, from—(a) the Railways Commissioners; (b) the Melbourne and Metropolitan Tramways Board; (c) the State Electricity Commission; and (d) the Gas and Fuel Corporation, that consideration must be given to the raising of additional revenue?

Mr. BOLTE (Premier and Treasurer).

—It is not the policy of the Government to make known details of the private discussions which, from time to time, take place between Ministers and their advisers. That is a sound rule to observe. I might add that an examination of the files relating to the Melbourne and Metropolitan Tramways Board, the Victorian Railways, the State Electricity Commission and the Gas and Fuel Corporation would indicate that even five years ago, when certain advice was tendered, it was either followed or not followed.
HOUSING COMMISSION.

APPLICATIONS FOR TENANCY.

Sir HERBERT HYLAND (Gippsland South) asked the Minister of Housing—

How many applicants are waiting for Housing Commission homes in each of the following centres:—Sale, Traralgon, Leongatha and Yarram?

Mr. PETTY (Minister of Housing).—The answer is—

<table>
<thead>
<tr>
<th>Centre</th>
<th>Applicants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale</td>
<td>57</td>
</tr>
<tr>
<td>Traralgon</td>
<td>97</td>
</tr>
<tr>
<td>Leongatha</td>
<td>46</td>
</tr>
<tr>
<td>Yarram</td>
<td>14</td>
</tr>
</tbody>
</table>

MELBOURNE AND METROPOLITAN BOARD OF WORKS.

SUGGESTED RE-CONSTITUTION.

Sir HERBERT HYLAND (Gippsland South) asked the Minister of Public Works—

Whether the Government will give consideration to the reconstitution of the Melbourne and Metropolitan Board of Works by setting up a new permanent Board of three members consisting of the present chairman and two highly qualified engineers?

Sir THOMAS MALTBY (Minister of Public Works).—The answer is—

The constitution of the Melbourne and Metropolitan Board of Works is due for periodical review within the next six months, but the Government believes that a Board based on representation of councils is preferable to one constituted as suggested by the Leader of the Country party.

EDUCATION.

FINANCIAL ASSISTANCE BY COMMONWEALTH.

Mr. WILKES (Northcote) asked the Treasurer—

1. Whether he is aware of the statement made by the Right Honorable the Prime Minister, when replying to a deputation from the National Education Committee on 22nd May, 1958, that the State had never asked for grants for education; if so, why the Treasurer has not availed himself of the terms of section 96 of the Commonwealth Constitution?

2. Whether, in view of the serious plight of education in Victoria, the Premier proposes taking action on the Prime Minister's statement in seeking financial assistance?

Mr. BOLTE (Premier and Treasurer).—The answers are—

1. Yes. All grants to the State from the Commonwealth, including tax reimbursement grants, are made pursuant to section 96 of the Commonwealth Constitution. In making submissions to the Commonwealth each year in connexion with tax reimbursement grants, my Government has placed considerable emphasis on the requirements for education as part of the over-all revenue requirements of the State.

If the Commonwealth Government accepted the full responsibility of providing for education, and the same formula for distribution between the States applied as for tax reimbursements, Victoria would get a smaller share of the amount provided than its present expenditure on education represents as a proportion of the total expenditure on education by all States. The amount of loan funds that can be spent on education for capital purposes is governed by the allocation of loan moneys from the Loan Council, but the percentage of total loan funds applied to education in recent years is higher in Victoria than in any other State.

Taking expenditure from Consolidated Revenue and loan funds combined, in 1954-55 our expenditure on education represented 15.9 per cent. of our total expenditure, and in 1955-56, this would have represented more than $1,000,000 loss to Victoria.

2. In 1957-58 it was 19.6 per cent. and this year it is estimated that it will be over 20 per cent.
2. As foreshadowed in the Budget speech, application has been made to the Commonwealth for financial assistance. The need for this assistance is due in large measure to the increased provision necessary for education.

SOLDIER SETTLEMENT COMMISSION.

FARMS FOR DAIRYING: ALLOTMENT AND CARRYING CAPACITY: COMMONWEALTH APPROVAL OF SUB-DIVISIONS: WRITE-OFF OF SETTLERS' LIABILITIES.

Mr. SCOTT (Ballaarat South) asked the Minister of Soldier Settlement—

1. How many farms have been allotted each year from 1946 to date by the Soldier Settlement Commission for the purpose of dairying only?

2. What is the average carrying capacity (milch cows) of these allotments?

3. What portion of the increase in the total number of dairy cows in Victoria since 1946 is attributable to soldier settlement?

4. What is the number of proposed dairy farms not yet allotted, including those in the new Heytesbury area?

5. What is the State Government's attitude to soldier settlement in cases where the Commonwealth and State disagree as to the subdivision or type of farming as is proposed by the State?

6. What would be the estimated write-off based on present cost of freehold land on the following types of farms where a settler's liability for the farm is determined and what is the Commonwealth's contribution in each case:—(a) dairy farm with actual 50-cow capacity; (b) sheep grazing farm with a capacity of 1,250 dry sheep; (c) sheep farm with a capacity of 500 ewes for fat lamb-raising; and (d) mixed farm with a capacity of 25 cows and 450 fat lamb ewes?

Mr. K. H. TURNBULL (Minister of Soldier Settlement).—The answers are—

1. Number of straight dairy farms allotted each financial year—

<table>
<thead>
<tr>
<th>Year</th>
<th>Number Allotted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1946-47</td>
<td>62</td>
</tr>
<tr>
<td>1947-48</td>
<td>209</td>
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<tr>
<td>1948-49</td>
<td>72</td>
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<td>1949-50</td>
<td>89</td>
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<td>1950-51</td>
<td>142</td>
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<td>1951-52</td>
<td>103</td>
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<td>1952-53</td>
<td>68</td>
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<tr>
<td>1954-55</td>
<td>108</td>
</tr>
<tr>
<td>1955-56</td>
<td>64</td>
</tr>
<tr>
<td>1956-57</td>
<td>44</td>
</tr>
<tr>
<td>1957-58</td>
<td>16</td>
</tr>
<tr>
<td>1958</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>1,038</td>
</tr>
</tbody>
</table>

2. The estimated carrying capacity of each holding is 50 milch cows. The actual number of milking cows carried is estimated at 45 per farm.

3. Total increase in Victoria since 1946 . . . . 424,000

Increase attributable to Soldier Settlement . . . . 46,700

4. In order to meet the Commonwealth's wishes, the Commission has not, of late, been purchasing properties suitable for straight dairying. The Commission has still to advertise three blocks suitable for irrigation dairying (Gippsland) but has not as yet received Commonwealth approval. Total dairy farms not allotted, 3. The subdivision of Heytesbury has not yet been determined, but any wholesale endeavour to turn this country into a fat lamb raising proposition will be fraught with grave danger, even in the hands of experts.

5. The State will continue to buy land at sensible prices for Soldier Settlement purposes—at least until June, 1959. In cases where the Commonwealth and State agree on the subdivision and the type of farming, allocation of the blocks will proceed in the normal manner. In cases where there is disagreement as to size and type of farm, the State will still undertake to honour its obligations to ex-servicemen and will subdivide the land as to area, and determine the type of farming as is provided for in the Victorian Soldier Settlement Acts.

The State realizes it is accepting a heavy financial burden in following this course without Commonwealth guarantee of assistance. It is, however, prepared to take this risk and, in doing so, will call on the Commonwealth to honour its obligations by extending the benefits of the assistance period to the settler who, after all, is in no way connected with the disagreement between the Commonwealth and State.

<table>
<thead>
<tr>
<th>Type of Farm</th>
<th>Estimated Average Carrying Capacity by the State</th>
<th>Average Contribution by the Commonwealth</th>
<th>£</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>50 Dairy cows</td>
<td></td>
<td></td>
<td>7,000</td>
<td>2,500*</td>
</tr>
<tr>
<td>1,250 Dry sheep (wool)</td>
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<td></td>
<td>10,500</td>
<td>2,600*</td>
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<tr>
<td>900 Ewes fat lambs</td>
<td></td>
<td></td>
<td>11,000</td>
<td>2,600*</td>
</tr>
<tr>
<td>25 Dairy cows and 450 Ewes fat lambs</td>
<td></td>
<td></td>
<td>9,000</td>
<td>2,500*</td>
</tr>
</tbody>
</table>

* The Commonwealth has not as yet made a contribution to any write-off on settlers land or on shire roads, notwithstanding the original partnership arrangement to share losses equally.
LEGISLATIVE ASSEMBLY ELECTIONS.

METHOD OF VOTING.

Mr. TOWERS (Richmond) asked the Chief Secretary—

1. Whether the 153 electors residing at 2 Clarke-street, Abbotsford, exercised their votes in person, or by post at the recent elections for the Legislative Assembly?

2. If the voting was by post, on what ground each elector secured such right?

Mr. RYLAH (Chief Secretary).—
The answers are—

In replying to the question, it is necessary to establish first of all an accurate basis for the desired statistical information.

This question, which refers to 153 electors, appears to be in furtherance of matters raised by the honorable member in this Chamber on the 17th September last, in the course of which he questioned the enrolment on the supplemental roll used at the recent elections of 152 persons in respect of the address concerned, which is a female refuge under the control of the Convent of the Good Shepherd and which is situated in the Abbotsford subdivision.

For the information of honorable members, I desire to state that that matter has been investigated by the Chief Electoral Officer and the Commonwealth electoral authorities and the result of the investigations has been conveyed by me in writing to the honorable member for Richmond.

Dealing therefore with the 152 electors so enrolled, the records of the Chief electoral officer show—

1. At the recent election for the Electoral District of Richmond, the voting particulars of these electors were as follows:—

(a) 121 voted by post.
(b) 24 voted personally.
(c) 7 failed to vote.

2. Of the 121 electors who were granted postal votes, the grounds stated in their application forms for postal ballot-papers were as follows:—

(a) One hundred and twenty electors—"(e) That I am seriously ill (or infirm) and by reason thereof I will be prevented from voting personally at any polling place at which I am entitled to vote."

(b) One elector—"(b) That I will not throughout the hours of polling on the polling day be within the State of Victoria. My reasons for believing this ground to be applicable are:—Relieving in South Australia."
sat even on Christmas Eve. Apparently
the Government desires deliberately to
keep the House in session during the
Federal election campaign rather than
to extend the length of the session,
which would be necessary if the House
adjourned for, say, a fortnight to enable
members quite properly to participate
in the Federal election campaign which
so vitally affects State
affairs. I ask
the Premier if he will be kind enough
to make a statement to the House on
these aspects.

Mr. BOLTE (Premier and Treasurer)
(By leave).—As
I informed the House
last week, it might be necessary to sit
on this Thursday, but that could be
avoided if a certain programme of
business is completed to-day. However,
most certainly it will be necessary
for the House to sit on Thursdays,
commencing next week. In Cup week,
with a holiday on the Tuesday, the House
will meet on Wednesday and Thursday
in place of the normal Tuesday and
Wednesday sittings. I think the Leader
of the Opposition has some bee in his
bonnet concerning the House adjourning
during the Federal election campaign.
It must be realized that the State
of Victoria is a sovereign State whose
affairs must be carried on. Of course,
there is a Federal election in the near
future and no doubt members on both
sides of the House will participate in
that campaign. I remind the Leader
of the Opposition that his statement that
the Government has been instructed or
desires to remain out of that election
campaign is wrong and untrue.
If our
Federal colleagues fare as well in their
election as did members of the Govern-
ment party in the recent State election,
they will be very happy. Even the
Leader of the Opposition himself nearly
lost his seat. I should have thought
the honorable member would be
delighted if members of the Victorian
Government party stood out of the
Federal election campaign. The Govern-
ment believes that the business of the
State of Victoria must be transacted
and, therefore the House will remain in
session during the Federal election
campaign. Honorable members have
three nights of the week in which they
can assist or hinder, according to the
point of view, the Federal election cam-
paign. Several members on the Govern-
ment side of the House have already
contracted to assist in that campaign.

Mr. STONEHAM.—Are you going to
appear at Wonthaggi?

Mr. BOLTE.—If Government party
members did go to Wonthaggi, the
Leader of the Opposition would be
delighted because they would not be at
Castlemaine, Maryborough and Bendigo.
I have no desire to start a dog fight
with the honorable member on the
merits or demerits of the Federal elec-
tion, as the result is not within our
province. I hope that this House will
rise in the first week of December. It is
not the usual practice to continue in
session until Christmas Eve. That has
occurred only when there have been
resignations from the Labour party or
an upset of a Government.

Mr. SUTTON.—The election was late
one year.

Mr. BOLTE.—That is so. When an
election is held in December, Parliament
may have to meet late in the month so
that a Supply Bill may be passed. I
give the assurance that a reasonable
number of pairs will be given on any
and every night desired to Opposition
members who desire to take part in the
Federal election campaign. Further, as
the Leader of the Opposition believes
that he can play such an important part
in this election campaign, I shall ensure
that those particular Bills in which he
is most interested are not brought
on for consideration on nights when he
is absent. I shall meet the wishes of the
honorable member on all occasions so
that he can go out and do his worst.

Mr. STONEHAM (Leader of the
Opposition).—I thank the Premier for
his assurance.

The motion was agreed to.

BREAD INDUSTRY BILL.

Mr. G. O. REID (Minister of Labour
and Industry) moved for leave to bring
in a Bill relating to the bread industry.
The motion was agreed to.
The Bill was brought in and read a
first time.
COMPANIES BILL.

The House went into Committee for the further consideration of this Bill.

Discussion was resumed of clause 2, providing for repeals.

Mr. RYLAH (Attorney-General).—At this stage, I should like to make some comment upon the matters raised in the debate on the second reading of this Bill. First, I shall deal with the matters raised by the honorable member for Brunswick West. I am gratified to find that the honorable member, who has obviously made a careful examination of this large Bill, considers that it is a genuine attempt to protect fools from themselves. I agree with him that it is not possible to protect fools completely, but if Parliament ensures that the best that can be done to protect them is done I think we should be satisfied.

I was impressed by the remarks of the honorable member for Brunswick West relating to the abolition of the doctrine of ultra vires. I fear that he is in advance of the average member of our profession in advocating this course. There was strong and widespread opposition to the abolition of the doctrine. I am of the opinion that the doctrine will one day be abolished, but at this stage, rather than force its abolition on an unwilling business and legal community, I think the course adopted, of introducing a wide range of incidental powers into the charter of every company, is to be preferred. This course will enable the community to adjust itself to the idea of companies having wide general powers and will perhaps prepare the community for the eventual abolition of the doctrine.

On the question of a retiring age for directors, I am more in agreement with the honorable member for Murray Valley than with the honorable member for Brunswick West. I would point out that the Bill makes changes which are important in relation to the control of directors by shareholders. For instance, it is provided in the measure that each director must be separately elected, and, by clause 103 that any director of a public company can be removed by an ordinary resolution. In my view, these provisions give the shareholders the right to remove any director if they consider he is unfit—whether because of his age or for any other reason—to carry out his duties. I agree with the honorable member for Murray Valley that the difficulties of drawing an arbitrary line, when the capacity of individuals varies so greatly, are such that no legislative action should be taken.

The inherent difficulties in dealing with the subject of private companies are very great. These companies vary from the small family concern to large companies of considerable economic and commercial significance. I think everyone would agree that there is no need to bring to the public gaze the financial position of genuine family companies. I am unable to see how the commercially significant companies can be separated from the genuine family concerns without a high-powered administrative authority being established to do the job, and I think the expense and dangers of establishing such an authority outweigh the possible public benefit that would arise from the forced publication of accounts of a proprietary company. Furthermore, in Australia any action along these lines taken by one State without the simultaneous concurrence of the other States would only have the effect of driving industry and finance from the State that took the action, in this case Victoria.

I am most sympathetic to the honorable member's remarks concerning the penalties provided by clause 43 of the Bill and, if he is prepared to move a suitable amendment at the appropriate stage, I assure him that it will receive my earnest consideration. I feel that the possible disadvantages that have been foreseen by some people in the operation of clause 134 of the Bill are imaginary rather than real.

Mr. CLAREY.—I will tell you about that later on.

Mr. RYLAH.—Apparently the honorable member for Melbourne thinks there is some sinister political purpose behind this particular provision.
Mr. CLAREY.—No political purpose. The Australian Society of Accountants has “got at” the Government.

Mr. RYLAH.—I assure the honorable member and the Committee that the Government has not been “got at” by any society of accountants, reptiles, or anyone else. This is a genuine attempt to place before Parliament legislation which will improve the administration of companies in this State. Consideration of the measure has not been approached in a political way by most members who have taken part in the debate. I wish the honorable member for Melbourne would see the other side of the question, or even faintly consider it, because every member of the community and of Parliament with whom the matter has been discussed has been prepared to see both sides of most aspects of this Bill. A company will be controlled by regulations if it avails itself of this exemption. The company and its servants will be guilty of offences if they fail to provide the information to which members and the public are entitled. To suggest that the law will be flouted seems to me to be somewhat pessimistic. However, I realize that the advantages to the companies must be weighed against even possible disadvantages to the members and to the general public, and at the appropriate stage I shall move an amendment to remove any possibility that the public will be inconvenienced.

I am very much at one with the honorable member for Brunswick West on the question of the priority to be given to workers’ wages and salaries on the liquidation of a company, but I do not agree that the matter should be dealt with in this Bill. The whole idea of applying the law of bankruptcy to the winding up of companies is to keep the law of bankruptcy and the law of winding up the same. To make special provisions in this Bill would immediately create distinctions and difficulties in the application of the law of bankruptcy, but I am prepared, and I do now undertake, to bring to the notice of the Commonwealth Attorney-General what appear to me to be archaic provisions governing the priority to be given to workers’ entitlements under the Commonwealth law of bankruptcy.

I am in complete opposition to the last point made by the honorable member. To appoint some official to investigate a company’s accounts and to certify as to the true financial position of a company before it raises funds from the public would, I think, be a retrograde step. If the official were misled, his certificate would become an instrument of fraud rather than an instrument to prevent fraud. Inevitably delays and pressures in relation to his certificates would arise.

Mr. CAMPBELL TURNBULL.—The honorable gentleman must have discussed this matter with the Government Statist.

Mr. RYLAH.—I may have. The Government has consulted a wide range of people in regard to this legislation. I believe the best guarantee for the protection of the public is the raising of standards in the accountancy profession which I believe will be assisted by the Companies Auditors Board.

As to the matters dealt with by the honorable member for Melbourne, I consider that they can generally be dealt with more adequately when the particular clauses are under consideration, but I make no apology for not putting before the House the voluminous correspondence and records of the Government’s dealings with the various bodies which have contributed their views on this measure. This Bill, like every other measure brought before the House, represents the considered view of the Government as to what is proper legislation, and the Government accepts responsibility for its contents.

Once again, I should like to pay tribute to the unselfishness and unceasing efforts made by all organized bodies in the community interested in company law, which, in my opinion, speak volumes for their sense of duty and their desire to assist the community generally. However, I think I can say that the Bill is generally accepted and
approved by all bodies which have considered it. Naturally, some of these bodies have reservations about particular matters, but the important thing is that they regard the Bill generally as a great advance on the existing position and worthy of their support.

In referring to the speech of the honorable member for Brunswick West, I dealt with his contentions in relation to the control of proprietary companies and I have nothing to add. I will leave the matter of the Companies Auditors Board until clause 5 of the Bill is being considered, but I join issue immediately with the proposal that auditors for public companies should be appointed by the Government. This Administration has no desire to intrude in the affairs of companies. Auditors are appointed by the shareholders. Every protection is given to shareholders to ensure that competent and reputable auditors are appointed. If they do not choose to exercise their rights, I know of no reason why the Government should step in or for supposing that the Government would exercise more skill or perception in the appointment of auditors than companies do. Moreover, I fail to see any analogy between companies which are associations of private people and local governing bodies which are constituted under a statute for public purposes.

With respect to the honorable member's remarks on the raising of funds on deposit, and as to the provisions of clause 134 of the Bill, I have reconsidered the matters in the light of his remarks and will at the appropriate time explain amendments that I propose to both these clauses.

As to the remarks of the Leader of the Country party, I would point out that under clause 36 and under sub-clause (4) of clause 37, the Government has attempted to deal with the raising of money on loan at high rates of interest. The Bill proposes that debentures shall be issued for all loans, and this will necessitate the issuing of a prospectus and the creation of a trust deed to protect the rights of the debenture holders. The Bill proposes also that the type of advertisement that can be used to persuade the public to invest their money in such issues will be severely limited. Any further action in relation to interest rates is not within the practical competence of this Parliament, even if it were desirable, but I trust that the steps that it will be possible to take under this Bill will be sufficiently effective to protect the public in the way that the honorable member desires.

Mr. CAMPBELL TURNBULL (Brunswick West).—The matters raised by the Attorney-General relate to various clauses of the Bill, and I shall refer to them when those clauses are being considered by the Committee. I introduced the matter of penalties merely to point out that I consider them to be inadequate in view of the seriousness of the offences. I think it is a matter for the honorable gentleman to determine whether or not the penalties should be increased. I think they should.

Sub-clause (3) of clause 2 provides, inter alia—

Nothing in this Act shall affect—

(a) Table A in the Second Schedule to the Companies Act 1938 or any part thereof (either as originally contained in that Schedule or as altered in pursuance of any statutory power) or the corresponding Table to companies (either as originally enacted or as so altered) so far as the same applies to any company existing at the commencement of this Act;

Probably a great number of companies have adopted Table A from the 1938 Act or the 1928 Act. Doubtless some have even adopted the table from the 1890 Act. One difficulty at present is that it is not easy to obtain copies of Table A relating to old companies. Sub-clause (3) of clause 2 merely preserves the old tables as articles of association of companies which have been in operation for a considerable time. I should like to know whether provision can be made to enable companies to transfer their articles of association from the forms provided in the old Acts to adopt Table A in this Bill.
Mr. RYLAH.—If the honorable member for Brunswick West can tell me how to do that, I shall consider the matter.

Mr. CAMPBELL TURNBULL.—Perhaps it could be solved by inserting a provision to the effect that any company may by resolution adopt Table A of this legislation so far as articles of association are concerned, notwithstanding that it has other articles of association in existence.

Mr. RYLAH.—That can be done now by special resolution.

Mr. CAMPBELL TURNBULL.—I appreciate that fact.

Mr. RYLAH.—Surely the shareholders should have notice of a change of that type.

Mr. CAMPBELL TURNBULL.—I agree. I should like to see a simplification of the procedure whereby shareholders can transfer to the new table. One difficulty is that copies of the old Acts are practically unprocurable. Perhaps the Parliamentary Draftsman could prepare an amendment that would enable this action to be taken in a speedy manner.

The clause was agreed to.

Clause 3, providing, inter alia—

"Debenture" includes debenture stock bonds and any other securities of a company whether constituting a charge on the assets of the company or not.

Mr. RYLAH (Attorney-General).—I move—

That, in the definition of "debenture", after the word "bonds" the word "notes" be inserted.

This amendment is proposed at the request of the Law Institute. It has been suggested that there is still some doubt whether the ordinary form of unsecured notes is a debenture within the meaning of the definition. As the purpose of clause 36 of the Bill is to require a prospectus to be issued and not to force the use of complicated forms of debenture, it is proposed to put beyond doubt the question whether a note is within the meaning of debenture, by inserting specifically into that definition the word "notes."

Mr. CAMPBELL TURNBULL (Brunswick West).—I agree with the Attorney-General that the amendment will put this matter beyond doubt. A note will become a debenture, and the whole idea will be to group all similar types of documents under the one definition, and thus it will be necessary for all companies to abide by the legislation as far as a prospectus is concerned. The Opposition has no objection to the amendment.

The amendment was agreed to, and the clause, as amended, was adopted, as was clause 4.

Clause 5, relating to the registration of company auditors, and providing, inter alia—

(2) (a) The Board shall consist of three persons appointed by the Governor in Council of whom—

(i) one shall be a barrister and solicitor of not less than five years' standing who shall be the chairman of the board;

(ii) one shall be selected from a panel of three names nominated by the Victorian State Council of the Institute of Chartered Accountants in Australia; and

(iii) one shall be selected from a panel of three names nominated by the Council of the Victorian Division of the Australian Society of Accountants.

(c) The Governor in Council may at any time remove any member of the Board.

(5) Any person—

(a) who was licensed as a company auditor under the Companies Act 1938 or any corresponding previous enactment; or

(b) who is a member of the Institute of Chartered Accountants in Australia or the Australian Society of Accountants; or

(c) who holds the degree of Bachelor of Commerce or the diploma in Commerce of the University at Melbourne and who has passed examinations in the course for such degree or diploma in such subjects, under whatever name, as the Dean of the Faculty of Commerce of the said University certifies to the Board to represent a course of study in accountancy or auditing of three years and in commercial law (including company law) of two years duration; or

(d) who holds the certificate in accountancy of the Royal Melbourne Technical College; or
who has satisfied the Board that he has a thorough knowledge of accounts and auditing and of the provisions of this Act and of such other subjects as are prescribed—shall if the Board is satisfied with his general conduct and character be entitled on the payment of the prescribed fee to be registered as a company auditor in the register of company auditors to be kept by the Registrar.

(6) Every registration of a company auditor shall be in force until the thirty-first day of March in the year following the year in which the registration was effected and such registration may, if the applicant is still qualified, on payment of the prescribed fee be renewed for the ensuing year.

Mr. CLAREY (Melbourne).—Honorable members will have in their possession copies of an amendment which I propose to move to sub-clause (2). First, I should like to clear up one point. I have not seen a copy of the speech that the Attorney-General has just made, and if I interjected at the wrong place through having misheard the honorable gentleman, I am prepared to withdraw my remarks. I think the Attorney-General referred to section 134 of the present Act. However, what I said still stands because in my second-reading speech I foreshadowed an amendment to this vital provision. The honorable gentleman and his advisers have doubtless read the report of my speech, and it is obvious that the Government intends to do nothing about the matter that I raised. However, the honorable gentleman has told the Committee that this is a non-party Bill. Moreover, he has said that the contents of the measure have been approved by the vast majority of people who were consulted in regard to it. I point out that those who are to be wiped out of existence by the provisions of clause 5 do not approve of the measure. It is proposed that this clause shall replace section 134 of the 1938 Act, which deals with two closely-connected matters, namely, the constitution of the Companies Auditors Board and the qualifications necessary for appointment as an auditor of a public company.

The Bill proposes the appointment of an entirely new Board. The Attorney-General, being a lawyer, apparently wishes to give some privileges to a member of his profession, because the measure provides that the chairman shall be a barrister and solicitor of not less than five years standing.

Mr. RAFFERTY.—That is a very good idea.

Mr. CLAREY.—The honorable member for Ormond can inform the Committee later why he considers that is so. Why was it not thought a good idea in all the years that the Companies Act has been in force?

Mr. DUNSTAN.—Can you not do anything but smear people?

The CHAIRMAN (Mr. Christie).—Order! The honorable member for Melbourne will ignore the interjection.

Mr. CLAREY.—If the honorable member for Mornington wishes to be smeared, I shall come at him any time he likes. The Government is smearing the present chairman of the Companies Auditors Board by removing him from office. The occupant of that position is Mr. W. M. Scott, one of the best and most highly respected public accountants in Victoria. The inference to be drawn from the Bill is that Mr. Scott is not sufficiently qualified to continue to be chairman of the Board.

The Companies Act 1938 embodies provisions contained in the 1915 Act and earlier legislation. It provides that the Governor in Council may appoint a Board of three persons, at least one of whom shall be a public accountant who has been practising as such for the five years immediately preceding his appointment. To my knowledge, every member of the Board for many years past has been a practising public accountant. When I was appointed to the Board in 1947, the Cain Labour Government was in office, and I was smeared in the press. Supporters of members now on the Government side of the House publicly suggested that I was not a qualified person. It was stated, "A Minister's brother gets a highly paid Government job!" Actually, the payment worked out at only about £100 a year. In any event, the Government of the day took the responsibility for making the appointment.
The present Government cannot even make up its own mind and has decided that it will ask the Australian Society of Accountants and the Institute of Chartered Accountants in Australia, each to submit three names, from which members of the Board shall be selected. However, it has decided that the chairman must be a barrister and solicitor of not less than five years’ standing. What will the Board have to do under the new Act that it was not empowered to do under the 1938 Act? Sub-clause (1) of clause 5 states that the functions of the members of the Companies Auditors Board shall be to report to the Minister on any matters relating to the operation of Part V. of the Act which they have investigated either on their own motion or at the request of the Minister, and to control the registration of company auditors “as hereinafter prescribed.” Then the Bill sets out the class of persons who may be appointed company auditors. Members of the Board are not required to have any particular discretion with regard to the appointment of company auditors. The new Board is to be given specific authority to report to the Minister on any matters, but the existing Board has that authority by section 134 of the 1938 Act, which states—

(6) The Board after giving notice to the holder of a licence whether issued before or after the commencement of this Act and giving him an opportunity of being heard may at any time—

(a) inquire into the conduct and character as well as the ability of such holder; and

(b) cancel such licence.

Apart from that the Board, during the eight years in which I was a member, was requested by the Government to give advice or make recommendations on a number of questions. My amendment proposes that the Board shall consist of three persons appointed by the Governor in Council who are public accountants and who have been practising as such for the five years immediately preceding their appointment. I shall be interested to see the attitude taken by the Government on this question. The honorable member for Ormond contends that a barrister and solicitor should be chairman so that the Board may properly deal with Part V. of the Act. I point out that Part V. is headed, “Accounts and Audit.”

Mr. CAMPBELL TURNBULL.—What does he know about it?

Mr. CLAREY.—Apparently, the honorable member for Ormond does not know much about it. I am not casting any smears. There are plenty of barristers and solicitors who do know something about the question, but when the Legal Profession Practice Act was passed in 1946, accountants were debarred from carrying out certain functions which they formerly performed, including the drawing up of memorandums and articles of association. Accountants are debarred from “bargaining into” the sphere of barristers and solicitors, yet in this Bill, which concerns the accountancy and auditing profession, the Government has decided that a barrister and solicitor must be chairman of the Companies Auditors Board.

The Attorney-General has not attempted to justify this particular provision. I ask members to examine the matter from a non-party political angle. The Government is deliberately saying that Mr. W. M. Scott, the present chairman, is not qualified to continue in his position. If smears are to be cast, they will come from the Government side. I move—

That paragraph (a) of sub-clause (2) of clause 5 be omitted with the view of inserting the following paragraph:

“( ) The Board shall consist of three persons appointed by the Governor in Council who are public accountants and who have been practising as such for the five years immediately preceding their appointment.”

Mr. CAMPBELL TURNBULL (Bunswick West).—I support the honorable member’s amendment. I do not know what the average barrister and solicitor knows about the duties and responsibilities of auditors. Sub-clause (7) of clause 5 provides that the Board may inquire into the conduct and character as well as the abilities of any person registered as a company auditor. I should imagine that this would be one of the principal duties of the Board. I do not know whether there are any

Mr. Clarey.
barristers and solicitors who have accountancy or auditing qualifications. I should have thought that a proper person to be appointed to the Board would be someone well versed in the ethics of auditors and the ability of members of the profession.

Mr. SNIDER.—There are persons qualified in both professions.

Mr. CAMPBELL TURNBULL.—That may be so, but generally if a person is a member of two professions he practises either one or the other. I should think that a person qualified in accountancy and the law would spend most of his time practising the law. A grave responsibility rests upon a person required to inquire into the conduct and character of people. I should have thought the best judges would be members of the same profession. In the medical and legal professions there are Boards whose duty it is to inquire into the professional conduct of members. Does any one suggest that an auditor should inquire into the conduct and ability of lawyers, or that an accountant should become a member of a Board dealing with the professional conduct of doctors? If I were the Attorney-General, I would leave this as a domestic matter to be dealt with within the profession concerned. In saying that, I am in no way “writing down” members of my own—the legal—profession. Let the lawyers keep to the law and let the auditors keep to auditing.

Mr. RYLAXH (Attorney-General).—At this stage, the Government is not prepared to accept this amendment. The reasons behind the Government’s action in proposing the appointment of a Board in the form set out in the Bill are these: In the first place, as the law stands, the Board can consist of any three persons so long as one is an accountant. Any argument that the proposed reconstruction of the Board departs from the principles of the past in the sense that a slur is cast on accountants is quite wrong. The Government has realized that there are two recognized bodies of accountants and has provided that each shall nominate a panel of three names, from each of which one shall be selected by the Govern-

ment, and provision has been made for the appointment of a barrister and solicitor as chairman. This action has been taken for two reasons. Parliament accepted the principle with regard to estate agents in the Estate Agents Act of 1956, and it has proved successful. The committee appointed under that legislation has derived considerable advantage from the fact that a lawyer is a member. The second reason is that there are many legal problems associated with the companies legislation. The honorable member for Melbourne himself disclosed one the other night when discussing the interpretation of a particular section; the duties of auditors revolve very closely around that section.

Mr. CLARBY.—Are you suggesting that the present Board is not functioning properly?

Mr. RYLAXH.—I find it extremely difficult to make a dispassionate statement when interjections are shouted by the honorable member for Melbourne.

The CHAIRMAN (Mr. Christie).—I invite the Attorney-General to ignore the interjections.

Mr. RYLAXH.—I try to do so, but it is difficult. Many questions of legal interpretation come under the notice of the Companies Auditors Board, which may have to decide whether an auditor has acted correctly. To suggest that the Government is not satisfied with the present Board is fair comment. I believe that it has done a reasonable job, but that the new Board will have much greater responsibilities under the revised legislation. In my opinion, there have been a number of cases in which the conduct of auditors has been such that the community in general and shareholders of companies in particular have suffered and in which the Companies Auditors Board has not taken proper action to deal with them. I mention the case of Freighters Limited which was the subject of an inquiry by the Statute Law Revision Committee. It was clearly disclosed that the actions of the auditor of that company were quite foreign to the actions one would consider an auditor should take; he actively participated in what the special investigating
tribunal decided was a transaction which, to put it mildly, was not carried out to the best benefit of the shareholders.

Mr. Fennessy.—We have had bad lawyers also.

Mr. Rylah.—That is so. The last Parliament accepted the principle that a committee, with a lawyer as chairman and the representatives of the organizations as members, should be established to deal with real estate agents. It has been a great success.

Mr. Holland.—Would there not be more legal problems associated with the Real Estate and Stock Institute of Victoria than with the Companies Auditors Board?

Mr. Rylah.—I do not think so. There are just as many legal problems associated with auditors and company law as with real estate agents. The Government is not prepared to accept the amendment in its present form. However, before the Bill is introduced into another place, I shall be happy to discuss with the honourable member for Brunswick West, who is handling the matter for the Opposition, the question whether the Board should be rearranged in some way to meet the wishes of the honourable member for Melbourne.

Mr. Clarey (Melbourne).—I feel that I must make some reply to the Attorney-General. I do not doubt his sincerity but I am not prepared to accept the assurance—we have been given many similar assurances during the past three years—that before the matter is dealt with in another place, the Government will further examine it. Obviously, in this instance, the Attorney-General is not prepared to review the matter. He said that the work of the Companies Auditors Board would be far more complex under this legislation and, therefore, it was necessary for a qualified barrister and solicitor to act as chairman. However, the chairman, who would not have a casting vote, would be in a minority and, consequently, his powers would be greatly restricted.

I rise in defence of the Companies Auditors Board because, unwittingly, the Chief Secretary has maligned and cast aspersions against it. In the correspondence files at the Crown Solicitor's Office there is a letter addressed to the secretary of the Law Department and written by the Companies Auditors Board on 29th March, 1955—that was before I ceased to be a member of the Board. We asked for a legal interpretation from the Crown Solicitor on certain matters because we were inquiring into the conduct of a particular auditor. I admit that the auditors of Freighters Limited, and those of many other organizations, have done much that they should not have done, but how is the Companies Auditors Board to know that such practices exist? The Board has no staff to enable it to investigate the affairs of every company. The Attorney-General has stated that the Government will not appoint auditors for companies; he contends that the shareholders should take that action. Even under this legislation, the Companies Auditors Board will not necessarily have staff to police the conduct of every auditor. It is only when something is brought to the notice of the Board that action can be taken. In the past, whenever the Board considered that there were some grounds to investigate an auditor's conduct, it did so. Under this Bill, the Board is required only to report to the Minister on any matters relating to Part V. of the legislation, but Part V. relates purely to accounts and audit. If, therefore, it is felt necessary for a barrister and solicitor to act as the chairman of the reconstituted Board, it is a definite indication that the Government is not satisfied with the Board and has taken the opportunity to smear three highly-reputable members of the accountancy profession.

The Committee divided on the question that the words proposed by Mr. Clarey to be omitted stand part of the clause (Mr. Christie in the chair)—

- Ayes . . . . . . 40
- Noes . . . . . . 15

Majority against the amendment . . 25
Mr. CLAREY (Melbourne).—Paragraph (c) of sub-clause (2) of clause 5 provides—

"( ) A member shall—

(i) hold office for such time not exceeding three years as is fixed by the terms of his appointment;

(ii) cease to hold office—

if without leave of the Board he is absent from three consecutive meetings of the Board;

if he becomes bankrupt;

if he assigns his estate for the benefit of his creditors or makes an arrangement with his creditors that is pursuant to Part XI. or Part XII. of the Commonwealth Act known as the Bankruptcy Act 1924-1955 as amended from time to time;

if he is convicted of any felony;

if he becomes of unsound mind;

if he resigns or dies;

(iii) be eligible for reappointment."

It appears, however, that the Attorney-General will not even permit a member of the Board to resign.

On 5th May, 1955, I wrote a letter to the then Attorney-General in the following terms:—

By reason of my proposed candidature for the Legislative Assembly, at the elections to be held on the 28th May, I hereby tender my resignation as a member of the Companies Auditors Board.

On the 31st May, 1955—the Monday after the elections—I received the following letter from the secretary of the Law Department:—

With reference to previous correspondence, I desire to inform you that at a meeting of the Executive Council held to-day, your resignation as a member of the Companies Auditors Board, pursuant to the provisions of section 134 of the Companies Act 1938, was accepted.

Then the telephone wires ran hot. On the 2nd June, 1955, I received this letter from the Attorney-General—

With reference to the letter of the 31st ultimo from the secretary of the Law Department informing you of the acceptance by the Governor in Council of your resignation as a member of the Companies Auditors Board, I desire to advise you that at the meeting of the Executive Council held to-day approval was given to your removal as a member of the before-mentioned Board, pursuant to the provisions of section 134 of the Companies Act 1938, was accepted.

In other words, my resignation was accepted pursuant to the provisions of section 134, but two days later, when it was discovered that I could not resign, I was informed that I had been removed from the Board. The letter continues—

I wish to point out—

and this saved my reputation—

that this action was taken to obviate any possible objection which could be made, under the provisions of sections 14 and 27 (1) of The Constitution Act Amendment Act 1928, in connexion with your election to the Legislative Assembly of Victoria.
I propose, by this amendment, to insert a reasonable provision so that a member may legally resign from the Board. Apparently the Government considers that a member cannot resign, but that he can be removed from office at any time. I do not understand the references that have been made to political propaganda and leave my amendment for consideration by the Committee.

Mr. RYLAH (Attorney-General).—I compliment the honorable member for Melbourne on putting forward this constructive amendment. The Government accepts it.

Mr. CLAREY.—In view of the Attorney-General's remarks, I withdraw my previous comments.

The amendment was agreed to.

Mr. CLAREY (Melbourne).—I move—

That sub-clause (5) of clause 5 be omitted with the view of inserting the following sub-clause:

"(a) Any person who satisfies the Board as to his general conduct and character and—

(a) who was licensed as a company auditor under the Companies Act 1938 or any corresponding previous enactment;

(b) who holds the degree of Bachelor of Commerce or Diploma of Commerce in the University of Melbourne and has passed examinations in the course for such degree or diploma in such subjects under whatever name as the Dean of the Faculty of Commerce of the said university certifies to the Board to represent a course of study in accounting or auditing of three years and in commercial law including company law of two years' duration;

(c) who has satisfied the Board that he has a thorough knowledge of accounts and audit and the provisions of this Act and such other subjects as are prescribed; or

(d) who—

(i) is a member of the Institute of Chartered Accountants in Australia;

(ii) is a member of the Australian Society of Accountants;

(iii) holds the certificate in Accountancy of the Royal Melbourne Technical College;

(iv) is a member of any body of persons declared by Order of the Governor in Council upon examination has satisfied the Board that he has a thorough knowledge of the provisions of this Act—

shall be entitled on the payment of the prescribed fee to be registered as a company auditor in the register of company auditors to be kept by the Registrar."

Prior to the enactment of the 1938 Companies Act, the Companies Auditors Board set its own examination papers so that irrespective of professional qualifications a person who desired to be a company auditor had to sit for that examination, which consisted of two papers in accounting, and one each in auditing, company law and commercial law. In the Companies Act of 1938 provision was made for certain exemptions to be granted, although the Board could still conduct its own examinations. Under that legislation a member of an accountancy body approved by the Governor in Council could be admitted as a company auditor, provided he sat for the examination conducted by the Companies Auditors Board on Part I. of the Companies Act. Bachelors of Commerce who had studied an approved accountancy course covering two years of commercial and company law were admitted as company auditors. Members of an approved institute of accountants had to sit for the Board's examination as provided for in the Companies Act. Then there was the third examination. Only one was conducted in my time, because most people studied the approved accountancy course and then sat for the Board's examination.

On the 17th September this year, I asked the Attorney-General a question concerning the number of candidates who sat for the examinations conducted by the Companies Auditors Board during the last ten years. The answer revealed that of 1,466 candidates, only
623 passed, or about 40 per cent. All of those candidates were members of the Institute of Chartered Accountants in Australia or of the Australian Society of Accountants or some other approved body. When this Bill is passed those who sat for that examination and failed will be given their licences as company auditors, because it provides that as long as a person is a member of the Australian Society of Accountants or of the Institute of Chartered Accountants in Australia he may be granted a licence as a company auditor. From the results of the Board's examinations it is obvious that the standard set was high. I am not aware of the standard for admission to the Institute of Chartered Accountants, because I was admitted without examination. I know that the standard of the Companies Auditors Board is considerably higher, as far as company law is concerned, than that of the Australian Society of Accountants. Is it just that persons who failed in the examination and others who did not even bother to sit for it are to be given their licences as company auditors?

Mr. RYLAH (Attorney-General).—The Government is not prepared to accept the amendment. Those accountants who were fortunate enough to take a certain university course have always been exempted from passing the company auditor examination. The Government feels that this exemption could be extended to include those people who have been admitted to the various societies which have raised their standards and have generally likened their courses to that of the university, and also those who hold a certificate in accountancy of the Royal Melbourne Technical College. Under the previous legislation, undue preference was given to those who had the advantage of the university course, and it was considered that the position should be rectified.

The Committee divided on the question that the sub-clause proposed by Mr. Clarey to be omitted stand part of the clause (Mr. Christie in the chair)—

Ayes ... ... 41
Noes ... ... 15

Majority against the amendment ... 26

Ayes.

Mr. Balfour
Mr. Barclay
Mr. Bolte
Mr. Brose
Mr. Cochrane
Mr. Cook
Mr. Darcy
Mr. Dunstan
Mr. Fraser
Mr. Gainey
Mr. Garrisson
Mr. Gibbs
Mr. Holden
Sir Herbert Hyland
Mr. Kane
Sir George Knox
Mr. MacDonald
Sir Thomas Maltby
Mr. Manson
Mr. Meagher
Mr. Mibus

Mr. Mitchell
Mr. Moss
Mr. Petty
Mr. Porter
Mr. Rafferty
Mr. Reid
(Box Hill)
Mr. Rossiter
Mr. Rylah
Mr. Scott
Mr. Snider
Mr. Stirling
Mr. Stokes
Mr. Suggett
Mr. Turnbull
(Kara Kara)
Mr. Wheeler
Mr. White
Mr. Wilcox.

Tellers:
Mr. Loxton
Mr. Wiltshire.

Noes.

Mr. Clarey
Mr. Crick
Mr. Divers
Mr. Doube
Mr. Floyd
Mr. Mutton
Mr. Ring
Mr. Ruthven
Mr. Stoneham

Mr. Sutton
Mr. Towers
Mr. Turnbull
(Brunswick West)
Mr. Wilkes.

Tellers:
Mr. Fennessy
Mr. Holland.

Pats.

Mr. Gillett
Sir Albert Lind
Mr. Tanner

Mr. Schintler
Mr. Lovegrove
Mr. Galvin.

Mr. RAFFERTY (Ormond).—I move—

That, in sub-clause (6), after the word "fee" the following expression be inserted:—"(which in no case shall exceed One pound)".

It is not necessary to speak at length on this amendment, which is designed to limit the registration fee which can be imposed on auditors. It is probable that, under the Act as presently worded, the fee could not exceed £2, but the Government's intention in this matter
is to charge only a small fee for the purpose of covering administrative costs and not to use the provision as a medium of taxation. Accordingly, I hold the view that the sub-clause should clearly express the limits of the power to be given.

Mr. RYLAH (Attorney-General).—The amendment is acceptable to the Government.

The amendment was agreed to, and the clause, as amended, was adopted, as were clauses 6 to 14.

Clause 15 was verbally amended, and, as amended, adopted, as was clause 16.

Clause 17, providing, _inter alia_—

(6) Any person may apply in the prescribed form to the Registrar for an inhibition of registration of any company person firm or society by or under the name set out in the application as the name of an intended company or the name under which a foreign company proposes to be registered or an existing company proposes to adopt as its name.

Mr. RYLAH (Attorney-General).—I move—

That, in sub-clause (6), the words "as its name" be omitted.

This amendment is designed to allow the sub-clause to have its intended effect in relation to foreign companies. The phrase, "proposes to adopt as its name" included in the sub-clause is appropriate in relation to existing companies, but not in regard to a foreign company proposing to be registered here under its own name. I believe that the words "as its name" are surplus to the requirements of the legislation and can be omitted without altering the intention of the clause.

Mr. CAMPBELL TURNBULL (Brunswick West).—The Opposition has no objection to the amendment.

The amendment was agreed to, and the clause, as amended, was adopted, as were clauses 18 and 19.

Clause 20, providing, _inter alia_—

(1) Subject to this section a company registered as unlimited may by special resolution register as a limited company, or a company registered as a company limited by guarantee may by special resolution register as a company limited by shares, but such registration shall not affect the rights or liabilities of the company in respect of any property or any debt or obligation incurred or any contract entered into by to with or on behalf of the company before such registration.

Mr. RYLAH (Attorney-General).—I move—

That, in sub-clause (1) after the words "limited by shares" the words "or by shares and guarantee" be inserted.

This amendment is designed to allow companies limited by guarantee to convert themselves into companies limited by shares and guarantee. A company limited by guarantee cannot increase its capital in the way a company limited by shares can increase its capital. It has been brought to the notice of the Government by the Minister of Housing that some organizations which started in a small way as companies limited by guarantee and which have prospered greatly are unable to increase their capital as they wish. This proposal will enable such organizations to reorganize, if they so desire, without harming the existing members.

The amendment was agreed to, and the clause, as amended, was adopted, as were clauses 21 to 35.

The sitting was suspended at 5.54 p.m. until 7.20 p.m.

Clause 36—

(1) No invitation to the public to deposit money with or to lend money to any company whether incorporated in Victoria or elsewhere shall be made unless a debenture is to be issued in respect of every deposit or loan so made.

(2) Nothing in this Act shall require a prospectus to be issued in connexion with any invitation to the public to deposit money with or to lend money to—

(a) a banking company; or

(b) a company the shares of which are listed on any prescribed stock exchange in the Commonwealth of Australia and whose liabilities including any amount proposed to be accepted on deposit or on loan have been certified by the company auditor not to exceed three times the total shareholders' funds of the company and its subsidiaries determined in the prescribed manner as at the end of the last period to which the accounts of the company have been made up.
(3) Every person who knowingly contravenes or permits or authorizes the contravention of any of the provisions of this section shall be guilty of an offence against this Act and liable to a penalty of not more than Five hundred pounds.

Mr. RYLACH (Attorney-General).—I move—

That, in sub-clause (1), after the word “is” the word “intended” be inserted.

This is designed to improve the drafting of the clause and to make it clear that every deposit obtained as a result of an invitation to the public must be accompanied by a debenture.

Mr. CAMPBELL TURNBULL (Brunswick West).—This is a new provision which stipulates that every deposit or loan shall be made by the system of a debenture. This is the way in which the new legislation will circumscribe a doubtful policy or technique of companies. Much legal opinion has been obtained, including that of the Solicitor-General on behalf of the Crown, and I believe the provision will overcome the mischief which has prevailed in the loan market as a result of the actions of some companies.

The amendment was agreed to.

Mr. RYLACH (Attorney-General).—I move—

That the following words be added to sub-clause (1):—

“and a debenture shall be issued in respect of every deposit or loan so made.”

Again, this is merely a matter of clarifying the meaning of the clause.

The amendment was agreed to.

Mr. RYLACH (Attorney-General).—I move—

That sub-clause (2) be omitted with the view of inserting the following sub-clause:

“(2) Nothing in this Act shall require a debenture or prospectus to be issued in connexion with any invitation to the public to deposit money with a banking company.”

This amendment gives effect to Cabinet’s decision to remove the exemption proposed by the Bill to be allowed to a listed company which had not borrowed more than three times its shareholders’ funds. The amendment is supported by the Stock Exchange, the Law Institute and the chartered accountants, and is based on the belief that it would be improper to distinguish between listed and unlisted companies in this respect. It is felt that it is more equitable to require all companies to submit to the same procedure when raising money from the public.

The amendment was agreed to.

Mr. CAMPBELL TURNBULL (Brunswick West).—As I said previously, I consider that the penalty provided in this clause is too low. The Attorney-General agreed with that view earlier this evening, and I think he should now name a more appropriate penalty.

Mr. RYLACH (Attorney-General).—I accept the suggestion, and now I move—

That, in sub-clause (3), the words “Five hundred pounds” be omitted with the view of inserting the words “One thousand pounds.”

The amendment was agreed to, and the clause, as amended, was adopted.

Clause 37, providing, inter alia—

(4) Every advertisement offering or calling attention to an offer or intended offer of shares in or debentures of a company whether incorporated in Victoria or elsewhere to the public for subscription or purchase shall be deemed to be a prospectus issued by the person responsible for publishing or disseminating the advertisement (and all enactments and rules of law as to the contents of prospectuses and as to liability in respect of statements in and omissions from prospectuses or otherwise relating to prospectuses shall apply and have effect accordingly) unless it contains no more information than the following:—

(a) The number and description of the shares or debentures concerned;
(b) The name and date of registration of the company;
(c) The general nature of the main business or proposed main business of the company;
(d) The names of the directors or proposed directors.

Mr. RYLACH (Attorney-General).—I move—

That the following words be added to paragraph (b) of sub-clause (4):—“and its paid up share capital.”

This amendment and that which I shall submit to paragraph (d) allow the information as to the paid up share capital of a company and the names of any
sharebrokers or underwriters concerned to be inserted in the advertisement offering shares, and so on. The amendments will meet some of the objections put to the Government that the provision, while worthy in itself, prevented the publication in the advertisement of certain information that the public should have; but they will not depart from the principle that the advertisements should be limited to inviting people to obtain a prospectus and then make their investments on what they find in the prospectus.

The amendment was agreed to.

Mr. RYLAH (Attorney-General).—I move—

That the following words be added to paragraph (d) of sub-clause (4):—"and of the brokers or underwriters to the issue."

The amendment was agreed to and the clause, as amended, was adopted, as were clauses 38 to 50.

Clause 51 was verbally amended and, as amended, adopted, as were clauses 52 to 62.

Clause 63, providing, inter alia—

(a) once at least in every calendar year lodge with the Registrar—

(i) a return containing a list of all persons who on the day of the first or only ordinary general meeting of the year are holders of such interests showing their names and addresses and the extent of their holdings of such interests; and

(ii) a copy of the lists and statements required by the next succeeding paragraph to be posted to the holders of such interests;

Mr. RYLAH (Attorney-General).—I move—

That the following proviso be added to paragraph (a) of sub-clause (8):—

"Provided that subject to the regulations any company which is required pursuant to the provisions of sub-paragraph (i) of this paragraph to lodge with the registrar a return of holders of interests and which has its registered office at a place within three miles of the General Post Office Melbourne, need not lodge such return with the registrar if such return is available without fee for inspection and copying by any person at the registered office of the company during the hours in which the registered office is accessible to the public."

The purpose of this amendment is to help the unit trust companies, which are required to file a return of unit holders. There was formerly a power to exempt the unit trust companies from any of the provisions of the relevant section of the companies legislation, but even if the provision had been retained it would not be practicable to exempt such companies wholly from filing a return of unit holders. Such a return is basic to the operation of the provisions allowing members of a company to require a meeting and to the operation of the clause dealing with unit trust companies voting for the election of directors in another company. The actual physical labour of filing a list of unit holders would be greater than the labour required for any company because unit trust companies consist of numerous small investors. One trust has 117,000 unit holders. To an extent, this provision is tied up with clause 134, which attempts to do the same thing for companies, but in a very much modified form to what was suggested to the House. The rights of the individual are safeguarded by the fact that the return may be inspected without fee during the hours which the registered office is accessible to the public.

Mr. CAMPBELL TURNBULL (Bruns-wick West).—The Opposition objects to the amendment because it is considered that the public should have the right to search the records to ascertain the holders of units under unit trusts in the same way as any member of a company has the right to make a search of the list of members of a particular company at the office of the Registrar-General. The Attorney-General's proposition is, of course, a watering down of clause 134 by reducing the distance from 10 miles to 3 miles.

Mr. RYLAH.—That is so.

Mr. CAMPBELL TURNBULL.—The Opposition must object to the amendment because of an amendment I propose to submit in regard to clause 134. We
believe it is in the interests of the public that they should have the right to go to an independent office and make a search of the list of shareholders of a particular company or to an independent office and there make a search of the list of unit holders of various unit trusts. We could well imagine that a person desiring to make a search of a list of unit holders would not be welcome.

Mr. SNIDER.—Why?

Mr. CAMPBELL TURNBULL.—For the reason that it would be known that he was trying to discover the names of individual shareholders. I claim that any person should have the unfettered right to go to the Registrar-General's office, quite apart from the office of the company concerned, to obtain that information. It must be remembered also that the Registrar-General's office is safe from fire risk, whereas some companies' offices may not have the same facilities for protecting their records. Having regard to the fact that the Opposition is objecting to the terms of clause 134, not only in its present form but also in a modified form, we intend to vote against this amendment.

Mr. SNIDER (St. Kilda).—I can well appreciate the object which the honorable member for Brunswick West has in mind in raising this point, and I think he has expressed a genuine concern. Accordingly, I direct attention to the relevant distinction between a share register of individual companies which would show very clearly the specific interests of each member as distinct from a list of unit holders.

Mr. CAMPBELL TURNBULL.—It is the same thing.

Mr. SNIDER.—I beg to differ. A unit might represent only a fraction spread over a number of different companies, and if the honorable member's objection is based simply on that aspect, I would point out not only to him but to other members of the Committee that a list of unit holders would not necessarily be as informative as one might be led to believe. It would still be necessary to work out what fractions these unit holders possess in the various companies. As to the point concerning loss of records, I can only add that a duplicate of those records is retained by the custodian trustee.

Mr. CAMPBELL TURNBULL.—He, too, may suffer a fire.

Mr. SNIDER.—If the honorable member wants to carry his argument further, the Registrar-General's office could not be considered to be immune from that type of hazard. It is not merely a question of lack of accessibility. There are different issues involved in the share register of the company itself. I might add that the share register of the company would in turn reflect the unit holder as being one of the shareholders. The same information would be much more readily obtainable from the list of the company's shareholders.

The Committee divided on Mr. Rylah's amendment (Mr. Christie in the chair)—

Ayes . . . . . . 38
Noes . . . . . . 15

Majority for the amendment . . . . 23

AYES.

Mr. Balfour
Mr. Barclay
Mr. Bloomfield
Mr. Bolte
Mr. Brose
Mr. Cochrane
Mr. Cook
Mr. Darcy
Mr. Dunstan
Mr. Fraser
Mr. Gainey
Mr. Garrisson
Mr. Gibbs
Mr. Holden
Sir Herbert Hyland
Sir George Knox
Mr. MacDonald
Sir Thomas Maltby
Mr. Manson
Mr. Meagher
Mr. Mibus
Mr. Clary
Mr. Crick
Mr. Divers
Mr. Doube
Mr. Floyd
Mr. Lovegrove
Mr. Mutton
Mr. Ring
Mr. Stoneham

Mr. Moss
Mr. Petty
Mr. Porter
Mr. Rafferty
Mr. Reid
(Box Hill)
Mr. Rossiter
Mr. Rylah
Mr. Snider
Mr. Stirling
Mr. Stokes
Mr. Sujett
Mr. Turnbull

Tellers: Mr. Loxton
Mr. Wiltshire.

NOS.

Mr. Clarey
Mr. Crick
Mr. Divers
Mr. Doube
Mr. Floyd
Mr. Lovegrove
Mr. Mutton
Mr. Ring
Mr. Stoneham

Mr. Sutton
Mr. Towers
Mr. Turnbull
(Brunswick West)
Mr. Wilkes.

Tellers: Mr. Fennessy
Mr. Holland.
The clause, as amended, was agreed to, as were clauses 64 and 65.

Clause 66 (Certificate to be evidence of title).

Mr. RYLALH (Attorney-General).—I move—

That, at the end of the clause, the following sub-clause be inserted:—

"( ) A company may if authorized by its articles have a duplicate common seal which shall be a facsimile of the common seal of the company with the addition on its face of the words "Share Seal" and a certificate under such duplicate seal shall be deemed to be sealed with the common seal of the company for the purposes of this section."

This amendment is designed to allow a company to use a mechanized system of preparing and handling its scrip. Whilst a company can probably have more than one common seal, the dangers of such a practice are such that it is not practicable. This amendment will enable them to keep a separate seal to authenticate their share certificates, and should be a great advantage to companies.

The amendment was agreed to, and the clause, as amended, was adopted.

Clause 67, providing, inter alia—

(3) The production to a company of any document which is by law sufficient evidence of probate of the will, or letters of administration of the estate, of a deceased person having been granted to some person shall be accepted by the company, notwithstanding anything in its articles, as sufficient evidence of the grant.

Mr. WILCOX (Camberwell).—I move—

That, in sub-clause (3), the words "by law" be omitted with the view of inserting the following:—"under the law of Victoria or under the law of any other State or Territory of the Commonwealth of Australia."

The amendment is of a far-reaching nature. The position at present is that if an interstate person, who owned shares in a company whose share register is in Victoria, died, probate, or letters of administration if there was no will, would be sought and in the normal course granted by the Supreme Court of the State concerned. When the executors of the estate come to deal with the Victorian assets in the form of shares, they are required to have the probate or letters of administration resealed in the State of Victoria. To illustrate, the New South Wales probate would be placed before the Supreme Court of Victoria, which would place its seal on the probate. The executor is then entitled to be recognized in Victoria, and the company concerned can deal with the transfer of shares submitted by the executor. Of course, that procedure entails expense. Occasionally, companies waive the requirement and are prepared to take a chance and deal with the shares on production of the New South Wales probate, but they are entitled and are required by law to have the resealed probate produced to them. My proposal will not altogether assist the legal profession in that it might cut down a certain amount of their work, but I am pleased to be able to state, particularly for the benefit of my colleagues on the Statute Law Revision Committee who are interested in the legal profession, that the amendment was first conceived in the mind of the Law Institute of Victoria.

Doubtless, honorable members are aware that Victoria has been what one might term the premier State for investment. Probably Melbourne is the financial capital of Australia. It is well known that many companies operating throughout Australia have their headquarters and share registers in Victoria. Therefore, shortly, the effect of the amendment I propose is that Victorian companies will be able to deal with shares held by shareholders who die in other States without putting the executors to the expense of resealing the grant of probate obtained in the State of origin. In case honorable members should think that the revenue of the State will be prejudiced, perhaps I should point out that provision is made in section 14 of the Administration and Probate Act for a company, before dealing with the transfer of shares in the name of a deceased person, to have produced to it a certificate stating that
the probate duty has been paid on the shares. That is a protection for the revenue. The amendment recognizes that grants of probate and letters of administration in other States have already been the subject of revenue collection. Often Government supporters are accused by the Opposition of being too narrow in their approach to some matters. In this case we are setting an example to the other States of Australia, which I trust they will follow.

It is interesting to note that at a time when Victoria is bringing up to date its company law—this legislation might well be regarded as a model which other States might be induced to follow—the Commonwealth Parliament is considering seeking a power to make laws with respect to corporations. That recommendation is contained in a report recently tabled in Canberra by the Joint Committee on Constitutional Review of that Parliament. There might be some attraction in the prospect of uniform company law, and if the matter were dealt with along the lines of this Bill it would be desirable. However, I think a warning should be sounded in relation to the Commonwealth proposal. The people of Australia should be under no illusion as to what the proposed power means. It would mean that a Government so minded could have complete control over all the activities of companies in Australia. There would be no need for the Federal Parliament to worry about nationalizing anything in particular. It could achieve the same effect by means of the wide power it would possess over companies. Honorable members should be aware of the trend. It is clear that in the future nationalization will be regarded as too blunt an instrument to use on the Australian people. This much more subtle weapon might be the one used. When considering this Bill, by which we are endeavouring to give a lead in the matter of company law, we should bear in mind what is going on within Australia. The Bill safeguards the rights of shareholders and will encourage investment in this State. Victoria has attracted many investors from other States and overseas and, if the machinery involved in dealing with shares and the legal expenses attaching thereto can be reduced, it will be a good thing. I commend the amendment to the Committee. In company with many other parts of the Bill, it will give a real lead in sensible company legislation which can only benefit the working of our system.

Mr. Campbell Turnbull (Brunswick West).—The honorable member for Camberwell has pointed out that Victoria is the home of big business. The main reason why the major companies, such as the Broken Hill Proprietary Company Limited, were attracted to incorporate in Victoria was that until approximately 1938 there was no duty on the transfer of shares in Victoria, although duty had been payable elsewhere for many years. The honorable member also mentioned overseas finance being attracted to Victoria. I hope he did not have the distressing experience of watching Mr. Leavitt, an overseas investor, being interviewed on television recently. If he is the type of overseas investor being attracted to Victoria by the Liberal Government, I suggest that the Government should look to countries other than America.

Mr. Rossiter.—Why do you not go there?

Mr. Campbell Turnbull.—If the honorable member for Brighton desires to attract investors to this State, he should look to places like Great Britain and not bring out from America the type of gentleman I mentioned. The amendment is somewhat revolutionary. The idea of causing probate to be resealed in Victoria is to ensure that duty will be paid on the property within jurisdiction and liable to probate duty.

Mr. G. O. Reid.—That is covered by the Administration and Probate Act.

Mr. Campbell Turnbull.—I agree. If the provision contained in section 14 of that Act is disobeyed, the person concerned is liable to a penalty. Under the terms of the amendment, the shares or property might be outside the jurisdiction of the Administration and
Probate Act. However, I agree that there is nothing objectionable about the amendment, but merely wish to raise the point that, as far as revenue is concerned, it may present a medium of escape from the payment of probate duty.

Mr. Wilcox.—If you understood the practice, you would know that that is impossible.

Mr. Campbell Turnbull.—That is so. I suggest that this is a revolutionary procedure, and I accept the assurance of the honorable member for Camberwell that section 14 of the Administration and Probate Act is sufficiently wide to protect the revenue.

Mr. Rylah (Attorney-General).—This amendment is revolutionary, and the Government has great pleasure in accepting it because we believe that we should accept progressive amendments. The honorable member for Brunswick East showed how silly he is when he said that the Government is out to protect shareholders. The people to benefit from this amendment will not be those who hold thousands of shares, because the costs involved in obtaining a reseal of probate would be large.

Mr. Fennessy.—The average man owns no shares in companies.

Mr. Rylah.—I have had some experience of acting as a solicitor in small estates which are not in a position to pay large costs, and frequently I have found small parcels of 100 shares that may be worth from £20 to £50.

Mr. Fennessy.—I repeat that—

Mr. Rylah.—Shut up!

The Chairman (Mr. Christie).—Order! I ask the Attorney-General to withdraw that remark.

Mr. Rylah.—I withdraw it. However, it is difficult to give a lucid dissertation on a technical matter when one is interrupted every few minutes. No matter how small the parcel of shares may be, it has some value to the beneficiaries. The solicitor has to advise them that they cannot obtain control of the shares unless probate is resealed in Victoria, New South Wales, Queensland, or whatever State may be involved.

Mr. Fennessy.—Is that the purpose of the amendment?

Mr. Rylah.—Yes.

Mr. Floyd.—Why was it not put in the Bill?

Mr. Rylah.—Because we did not think of it. This revolutionary provision does not amend existing legislation; it is something new and progressive and is designed to assist the type of case to which I have referred. I am pleased that it has been introduced by a member of the legal profession and of the Law Institute of Victoria, because the only people to suffer will be lawyers in that they will not receive as much in costs. The Commonwealth authorities have for some time been seeking uniform company laws, and this Government is giving a lead in that regard. Several of the other States are interested in this Bill, and I am certain that they will be interested also in this amendment, because they will appreciate, irrespective of their political colour, its value to the small investor.

Mr. Campbell Turnbull (Brunswick West).—I wish to point out that I did not oppose the principle of the amendment. I merely wished to ensure that the revenue of the State should be safeguarded.

Mr. Rylah (Attorney-General).—I did not for one moment think the honorable member for Brunswick West was opposed to the amendment. I appreciate his remarks in regard to revenue, and I can assure him that the Government has checked the point made by the honorable member for Camberwell. Section 14 of the Administration and Probate Act, which was introduced by a Country party Government in 1951, will protect the revenue and save complicated legal proceedings.

Mr. G. O. Reid (Minister of Labour and Industry).—I strongly support the amendment. In that regard I can speak from experience as a practising solicitor who has had a good deal to do with probate applications. I have found
time and time again that small estates involving a small parcel of shares in Victoria have had probate granted in another State. Then it is necessary to have a resale of probate in Victoria—possibly to get possession of a small amount for the executor. I have gone to various companies and said, "Will you accept this probate of another State without the necessity for resale?" I have been told that the company must act strictly according to the legislation, and my request has therefore been refused. The result has been a hardship on the beneficiaries of a small estate. A resaling application can cost up to £30 or £40. I consider this to be a practical amendment and one which should receive the whole-hearted approbation of the Committee.

Mr. MUTTON (Coburg).—In my opinion, the words "New Zealand" should be included in the amendment. In about 1938, many people in Victoria invested in companies formed in New Zealand for reafforestation purposes. Some of the companies were genuine, and others were wild cat schemes. I know several Victorian residents who are at present in New Zealand, and who own shares in companies formed in that country. It would be most awkward if they died in that country, as far as this legislation is concerned. I have 50 shares in one New Zealand company, and I am prepared to sell them cheaply to any honorable member. Since the amendment proposes to cover every State in Australia, why should New Zealand not be included? If that were done, the Government would be acting in a manner beneficial to the general public. I trust that the Attorney-General will give serious consideration to my suggestion.

Mr. RYLAL (Attorney-General).—I thank the honorable member for Coburg for his suggestion, and I shall examine it. The amendment which the Government proposes to accept will provide uniformity throughout Australia.

Mr. FENNESSY (Brunswick East).—I wish to clear up the matter of my interjection to the Attorney-General when I stated that the Government represents the shareholders. I appreciate the sincerity of the honorable member for Camberwell in moving this amendment, and I am sure he believes it to be in the best interests of the beneficiaries of small estates. The Minister of Labour and Industry said that there will be a saving of from £30 to £40 in legal expenses.

Mr. G. O. REID.—Professional costs.

Mr. FENNESSY.—That is the same thing. In moving the amendment, the honorable member for Camberwell, who is a member of the legal profession, is making some contribution and some personal sacrifice to his fellow members of the community.

The amendment was agreed to, and the clause, as amended, was adopted, as were clauses 68 to 80.

Clause 81 (Disqualification for appointment as receiver).

Mr. CLAREY (Melbourne).—The explanatory notes furnished by the Attorney-General relating to disqualification for appointment as receiver state that, in addition to the existing disqualification, this clause provides for an undischarged bankrupt and an auditor of the company being disqualified for appointment. One can understand an undischarged bankrupt being disqualified, but could the Attorney-General inform members why an auditor should also be disqualified? In certain circumstances, I think the auditor would be one of the best persons to be appointed as receiver.

Mr. RYLAL (Attorney-General).—The whole purpose of the provision is to ensure that anybody who has been associated with a company which has got into difficulties shall be excluded. I realize that in most cases the auditor acts as an independent person and watches very carefully the affairs of companies, but there have been cases in which auditors have been "mixed up"—I was almost going to say "in the swim"—in some of the things that have gone wrong. I think this is a safety provision that should be agreed to. It does not provide that auditors as such are to be excluded, but that the auditor of the particular company concerned shall be.
The clause was agreed to, as were clauses 82 to 85.

Clause 86, providing, *inter alia*—

(2) The Registrar may, at his discretion or on the application of the company or a creditor cause the accounts to be audited, and for the purpose of the audit the receiver or manager shall furnish the auditor with such vouchers and information as he requires and the auditor may at any time require the production of and inspect any books of accounts kept by the receiver or manager or any documents or other records relating thereto:

Provided that where the Registrar causes the accounts to be audited upon the request of a creditor he may require the applicant to give security for the payment of the costs of the audit in the event of it appearing that neither the receiver nor the company has any available assets.

**Mr. Campbell Turnbull (Brisbane West).—** I move—

That the proviso to sub-clause (2) be omitted with the view of inserting the following proviso:

"Provided that where the Registrar causes the accounts to be audited upon the request of the company or a creditor he may require the applicant to give security for the payment of the cost of the audit."

This part of the Bill deals with receivers or managers. The implication is that a company has failed and that a receiver has been appointed; in effect, he is a mortgagee. It may be that even the company, at some stage when the receiver is in, would desire the accounts to be audited. Sub-clause (2) states that the Registrar may, at his discretion or on the application of the company or a creditor cause the accounts to be audited, but the proviso contains no mention of the company. My suggested proviso is more in accord with the spirit of the sub-clause. The Registrar will have a discretion if the amendment is agreed to. He should be allowed to decide whether he should call upon either the company or the creditor seeking the audit to lodge some security for costs.

**Mr. Rylah (Attorney-General).—**

The Government accepts the amendment.

The amendment was agreed to and the clause, as amended, was adopted, as were clauses 87 to 94.

Clause 95 (Registered office of company).

**Mr. Campbell Turnbull (Brisbane West).—** Sub-clause (3) states—

Every company shall paint or affix and keep painted or affixed its name, on the outside of every office or place in which its business is carried on, in a conspicuous position in letters easily legible and also, in the case of the registered office, the words "Registered Office."

Many companies have their registered offices in premises other than the main place of business. For example, a big manufacturing company may have a city office apart from its factory. In many cases, the office is in a big building where the tenant has no right to paint or affix signs except in the premises rented. It might be sufficient if the name of the company was visible externally, although the sign was placed within the premises. This matter was brought to my notice by an accountant, and, if the Attorney-General feels it is a question of some moment, I ask him to consider taking suitable action before the Bill is debated in another place.

**Mr. Rylah (Attorney-General).—**

I will examine the proposal submitted by the honorable member for Brisbane West.

The clause was agreed to, as were clauses 96 to 104.

Clause 105 was verbally amended and, as amended, adopted, as were clauses 106 to 111.

Clause 112, providing, *inter alia*—

(1) Every company shall keep at its registered office a register of its directors and managers and secretaries.

(2) The register shall contain with respect to each director his consent in writing to appointment as such and—

(a) in the case of an individual, his present christian or other name and surname, any former christian or other name or surname, his usual residential address, his business occupation (if any) and particulars of any other directorships held by him;

**Mr. Rylah (Attorney-General).—** I move—

That, in paragraph (a) of sub-clause (2) after the word "directorships" the words "of public companies or companies which are subsidiaries of public companies" be inserted.
This amendment, if agreed to, will limit the number of directorships that must be disclosed in the return. It has been brought to notice that many people—mostly accountants, but some are lawyers—have directorships in a large number of small proprietary companies of no particular public significance. If the provision were to be enacted as drafted, it would mean that every time a return was submitted to the Registrar-General's office much information of no great moment would have to be disclosed.

The amendment was agreed to.

Mr. SNIDER (St. Kilda).—I direct attention to a significant change being made in the legislation. The Bill, by means of this clause, recognizes in a quiet and unostentatious manner the full rights of citizenship of residents of this State, regardless of their country of origin. In section 144 of the Companies Act 1938, there was a requirement that, in addition to his name and address, the director should disclose his nationality. It was provided that "if that nationality is not the nationality of origin" he had to disclose by Form 45 his nationality of origin. A citizen born in Poland, Czechoslovakia, or elsewhere abroad has hitherto been required to disclose that information. I am not certain what purpose that served, but I am sure that all members would not want the legislation to contain a provision that suggested any distinction or differentiation between citizens because of their place of origin. No member would want to encourage a suggestion that there was such a thing as a second-class citizenship. The omission of the former provision relating to nationality is a sign of maturity in our national outlook, and for that reason I commend the clause to the Committee.

The amendment was agreed to.

Mr. RAFFERTY (Ormond).—I move—

That the following sub-clauses be inserted at the end of the clause:

"( ) Any member of a public company limited by shares entitled to attend and vote at a meeting of the company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of him and a proxy appointed to attend and vote instead of a member shall also have the same right as the member to speak at the meeting but unless the articles otherwise provide a proxy shall not be entitled to vote except on a poll.

The new sub-clauses are aimed at bringing the provisions of this Bill in relation to proxy voting into line with those in operation in England and New Zealand. At present, the right of a member to appoint a proxy is governed by the articles of the company, and the articles commonly provide that the proxy shall be a member of the company. That provision is too restrictive, and the effect of such an article is to limit the choice and the right of a member to appoint another person as his proxy, or, in the case of his being overseas, to be represented by his attorney. The amendment is limited to public companies only, because the affairs of proprietary companies are, in the main, more essentially of a private nature, and proceedings in a private company would, perhaps, be better regulated by the members outside.

The second proposed new sub-clause is a machinery provision to void company articles which would have the effect of vitiating the statutory provision provided for in the first sub-clause, which gives any member of a public company entitled to a vote authority to appoint his own proxy, whether that person is a member of the company or not.

Mr. CAMPBELL TURNBULL (Brunswick West).—I am sure that there could be no objection to this amendment. It has been pointed out that if a shareholder is ill and wishes to be represented at a meeting so that a point of view may be expressed, there should be no objection to his appointing a proxy. I have no doubt that shareholders who
wish to have their points of view expressed will probably instruct a barrister or solicitor to attend the meeting and submit the viewpoints with the usual clarity for which solicitors are noted. This is a desirable amendment.

The amendment was agreed to, and the clause, as amended, was adopted, as were clauses 118 to 125.

Clause 126 was verbally amended, and, as amended, adopted, as was clause 127.

Clause 128, providing, inter alia—

(2) Except when the register or any part thereof is so closed the register (or the register except for such part) and index shall be open to the inspection of any member without charge and of any other person on payment for each inspection of Two shillings: or such less sum as the company prescribes.

Mr. RYLAH (Attorney-General).—I move—

That the following words be added to the sub-clause:

"and any member or other person may on any such inspection take copies of the register."

This amendment reverses an odd decision of the courts which was that even if the statute gave a person the right to inspect a register, it gave him no right to make copies. This makes nonsense of the right to inspect, if the person concerned wishes to obtain a considerable amount of information.

The amendment was agreed to, and the clause, as amended, was adopted, as were clauses 129 to 133.

Clause 134—

Subject to the regulations any company the shares of which are listed for quotation on the Stock Exchange of Melbourne and which keeps its principal register at a place within ten miles of the General Post Office, Melbourne, need not comply with the provisions of this Division or the Eighth Schedule which relate to the inclusion in the annual return of a list of members and particulars of shares transferred.

Mr. CAMPBELL TURNBULL (Brunswick West).—I urge members to vote against this clause. During the second-reading debate, I expressed the opinion that it should be omitted. In effect, it relieves certain companies which are within 10 miles of the General Post Office, Melbourne, of the necessity of complying with the provision which relates to the inclusion in the annual return of the list of members. For many years, it has been the privilege of persons desiring to ascertain the names of shareholders of a particular company to obtain the requisite information from the Registrar-General's office. I think it would be a retrograde step to take away this privilege. At the present time, the Registrar-General's office is a central place where an inspection can be readily made. It would not be easy for persons to go to the offices of the various companies for this purpose. In many cases, the time during which inspections could be made may be limited. I have been approached by many persons in connexion with this clause and they have expressed concern at the proposal. Some of them, I understand, have already been in touch with the Attorney-General's office. This is a revolutionary idea so far as Victoria is concerned, and I trust that the Attorney-General will give my remarks serious consideration.

Mr. RYLAH (Attorney-General).—The honorable member for Brunswick West raised this matter during the second-reading debate and I have given it careful consideration. Now, however, he has alleged that the intention of the provision is to prevent shareholders of companies from obtaining information from their companies. Surely, had that been the intention, I would not have moved an amendment to clause 128 to enable persons to obtain copies of the register. I agree that this clause should be negatived but I do so for entirely different reasons from those advanced by the honorable member for Brunswick West.

The clause was negatived.

Clause 135—

For the purposes of this Part a proprietary company (not being a subsidiary company) shall if more than fifty per centum of the paid up value of its issued share capital is beneficially held directly or indirectly by two or more public companies (whether incorporated under this Act or not) be deemed to be a public company.
Mr. CAMPBELL TURNBULL (Bruns-
west West).—I move—

That the following sub-clause be added:—

"(2) For the purposes of this Part a pro-
negrietary company the paid up value of the

issued share capital of which exceeds

Twenty thousand pounds and which is not

a subsidiary company shall be deemed to

be a public company."

I understand that many proprietary

companies are organizations of some

substance, and my amendment is to

ensure that they shall be brought into

line with public companies. The amount

stipulated in my amendment is sufficient

to exclude the small family company.

I consider that this addition would be

of great assistance to those who are

interested in proprietary companies.

Mr. RYLAH (Attorney-General).—

At this stage the Government is not

prepared to agree to the amendment

suggested by the honorable member for

Brunswick West. I appreciate the

motive behind it, but if this State

adopted a provision of this sort and

other States did not come into line, it

would have an adverse effect on Vic-
toria. I will take the matter further

when discussions on uniform company

law take place in the near future, as

a basis for some form of publication

of proprietary company accounts. If

the Government accepted the amend-

ment at this stage it might prove

harmful to Victorian industry.

The amendment was negatived.

The clause was agreed to, as was

clause 136.

Clause 137, providing, inter alia—

(4) Every such balance-sheet shall give

a true and fair view of the state of affairs

of the company as at the end of the period

to which it relates and every such profit

and loss account shall give a true and fair

view of the profit or loss of the company

for the period of accounting as shown in

the accounting and other records of the

company, and without affecting the gen-

erality of the foregoing, every such

balance-sheet and profit and loss account

shall comply with the requirements of the

Ninth Schedule so far as applicable thereto,

but where under the laws of the Common-

wealth relating to banking a company is

required to prepare a balance-sheet and

profit and loss account annually a balance-

sheet and a profit and loss account each

of which complies with the law of the

Commonwealth shall be deemed to comply

with the provisions of this Act relating to

the form and content of balance-sheets

and profit and loss accounts.

(5) Every such balance-sheet and profit

and loss account shall be accompanied by

a statement signed on behalf of the board

of directors by two of the directors of the

company, or if there is only one director

resident in Victoria by that director,

stating that in their or his opinion—

(a) the profit and loss account is drawn

up so as to give a true and fair view of the results of the business

of the company for the period covered by the account;

(b) the balance-sheet is drawn up so as to

exhibit a true and fair view of the financial position of the com-

pany as at the end of such period.

(6) Every such balance-sheet and profit

and loss account laid before the company

in general meeting shall be accompanied

by a statutory declaration by the secretary

of the company verifying to the best of

his knowledge and belief the correctness

of the balance-sheet and profit and loss

account.

(8) Any profit and loss account balance-

sheet summary advertisement statement of

assets and liabilities or other document

whatsoever published issued or circulated

by or on behalf of a company (other than

a banking company) shall not contain any

direct or indirect representation that the

company has any reserve unless—

(a) such reserve is actually existing; and

(b) the representation is accompanied—

(i) if the reserve is invested out-

side the business of the

company, by a statement

showing the manner in

which and the security upon

which it is invested; or

(ii) if the reserve is being used in

the business of the company,

by a statement to the effect

that the reserve is being so

used.

Mr. RYLAH (Attorney-General).—

I move—

That the following words be added to

sub-clause (4):—

"and the provisions of the last pre-
ceding sub-section shall not apply to such balance-sheet."

This amendment is to make it clear

that the provisions governing directors’

reports do not apply to banking com-

panies. The accounts and disclosures

of such companies are governed by the

Commonwealth Banking Act, and the

provisions of this legislation, which are
designed for ordinary companies, are not appropriate to banking companies. The banks regard this amendment as vital.

The amendment was agreed to.

Mr. RYLAH (Attorney-General).—I move—

That sub-clause (8) be omitted.

The amendment was agreed to, and the clause, as amended, was adopted, as was clause 138.

Clause 139 was verbally amended, and, as amended, adopted, as were clauses 140 to 152.

Clause 153, providing, inter alia—

(4) The company shall annually during the month of January lodge with the Registrar a copy of all such entries in the register signed by a director or the secretary.

Mr. RYLAH (Attorney-General).—I move—

That sub-clause (8) be omitted.

The amendment was agreed to, and the clause, as amended, was adopted, as were clauses 154 to 181.

Clause 182 was verbally amended, and, as amended, adopted, as were clauses 183 to 189.

Clause 190 was verbally amended, and, as amended, adopted, as were clauses 191 to 215.

Clause 216, providing, inter alia—

(2) So far as the assets of the company available for payment of general creditors are insufficient to meet any such preferential debts which are due by way of wages or salary, such debts shall have priority over the claims of holders of debentures under any floating charge created by the company, and be paid accordingly out of any property comprised in or subject to that charge.

Mr. CAMPBELL TURNBULL (Brisbane West).—I move—

That sub-clause (2) be omitted with the view of inserting the following sub-clause:—

"( ) In applying the law of bankruptcy in any winding-up the law shall be read and construed as if it provided for amounts due by way of wages or salary to be preferred debts to an amount not exceeding Two hundred and fifty pounds and as if wages or salary included amounts due to any employé for annual leave or long service leave or for any other matter
arising out of his employment and in so far as the assets of the company available for the payment of general creditors are insufficient to meet any such preferential debts such debts shall have priority over the holders of debentures under any floating charge created by the company and shall be paid accordingly out of any property comprised in or subject to that charge.

As I have said previously, the liquidation of companies is governed by the Insolvency Act of this State. So far as the individual is concerned, his insolvency is dealt with under bankruptcy law. The effect of this amendment is to transfer the liquidation of companies from the Insolvency Act of 1928 to the Commonwealth bankruptcy law. If the clause is passed in its present form, the necessity of the Insolvency Act will disappear because it was preserved only for the purposes of liquidation of companies. There has always been in the Insolvency Act a provision for the preferential payment of wages.

Mr. Bloomfield.—Up to what amount?

Mr. Campbell Turnbull.—The amount is £50 at the present time, and it may have been the same for the last 100 years. I am certain that it is the amount mentioned in the 1890 consolidation. In the days when it was fixed at £50, the average wage was probably 30s. or £2 a week.

Mr. Rylah.—Do you not intend to accept my suggestion that we should approach the Commonwealth Government to have the bankruptcy law amended? Would not that be much more effective?

Mr. Campbell Turnbull.—It would, but I think the suggestion was that the operation of the Bankruptcy Act would be interfered with. The liquidation of a company has always been dealt with under the Insolvency Act.

Mr. Rylah.—We are bringing bankruptcy laws in now. Surely there is some advantage in uniformity.

Mr. Campbell Turnbull.—I agree, but this Parliament has no authority over bankruptcy laws. Various officials at the Trades Hall have contacted me about this matter, and at one stage I directed a letter on the subject to the Minister of Labour and Industry. This problem arises mostly in the case of people who were employed by companies which have gone into liquidation and who are due for long service leave. The Labour and Industry Act provides that long service leave payments shall be classed as wages. The amendment I propose puts the point beyond doubt, and it would be preferable to retain the matter within the realm of the State law.

Mr. Bloomfield.—Why should the employee of a company be in a better position than an employee as an individual?

Mr. Campbell Turnbull.—Only in this way, that Parliament has some say as to rights in relation to the liquidation of a company, but it is beyond the sphere of this State so far as an employee of a bankrupt individual is concerned because the Commonwealth exercises its legislative powers in respect of bankruptcy. I believe this amendment would be of great benefit to many employees in Victoria. The alternative is to seek an amendment of the bankruptcy laws along these lines in the Commonwealth Parliament, but up to date the Federal Government has not taken as much notice of this Government as it should have.

Mr. Bloomfield.—Where did the expression in the amendment “or for any other matter arising out of his employment” come from?

Mr. Campbell Turnbull.—There are various types of payments under awards payable to employees which may not be wages or salary in the true sense. This amendment was worded by the Parliamentary Draftsman, whom I have always found accurate.

Mr. Bloomfield.—It is rather general. The Draftsman was expressing what you told him to express.

Mr. Campbell Turnbull.—I told him to try to cover every possible payment which may be due from an employer to an employee.

Mr. Bloomfield.—That might cover thousands of pounds for commission.
Mr. CAMPBELL TURNBULL.—The Minister is becoming too interested in big business. I commend the amendment to the Committee. I realize that the Minister of Education is trying to be helpful, but he is not interested in the same type of person as the Opposition.

Mr. RYLAH (Attorney-General).—Once again, the honorable member for Brunswick West cannot resist the temptation to bring politics into this Bill. However, he has raised a point which I had not appreciated previously, and that is the question of long service leave. I suggest the clause be agreed to in its present form, but I ask the honorable member for Brunswick West to confer with the Minister of Labour and Industry on this aspect. If the Minister feels that some specific provision is needed to meet the position, I will be prepared to consider an amendment being moved in another place. I express the same concern as the Minister of Education as to the scope of the amendment.

Mr. CAMPBELL TURNBULL (Brunswick West).—In view of the superiority of numbers on the Government side and of the co-operative spirit which the Attorney-General has displayed, I agree to his proposal. I am sure the Minister of Labour and Industry has had this question brought to his notice on many occasions.

Mr. G. O. Reid.—That is so.

The amendment was negatived, and the clause was agreed to, as were clauses 217 to 256.

Clause 257 was verbally amended, and, as amended, adopted, as were clauses 258 to 268.

Clause 269 (Shares unsubscribed for or transferred to a company to be its property).

Mr. RAFFERTY (Ormond).—The provisions of this clause will require a no-liability company to register all its unsubscribed shares in its name or in the name of a trustee appointed by the company for that purpose. I suggest that the reason for the provision has always been somewhat obscure, and now that no-liability companies will be incorporated in the general framework of the Act there is no reason for its continuation. The shares in any company can be dealt with in the ordinary manner, and there is consequently no need for a special provision for shares of no-liability companies. If the clause is negatived, the difference between no-liability companies and other companies will be further narrowed and importantly, there will be no diminution in the protection given to shareholders. Therefore, I urge the Committee to vote against the clause.

The clause was negatived.

Clauses 270 to 278 were agreed to.

Clause 279 (Directors' reports).

Mr. RAFFERTY (Ormond).—I consider that the Committee should vote against this clause. Its provisions will require directors of a no-liability company to lodge at the company's office for inspection a full and true report of the state and prospects of the company, together with any other matter which, by the articles, they are required to set out in reports made by them. No doubt the original idea was to give shareholders a chance of obtaining some indication of the position of a company prior to a general meeting. From my observations, the provision has been honoured more in the breach than in the observance. The real justification for voting against the clause is that no-liability companies will in future be governed by the ordinary provisions of the legislation as to accounts and reports by directors. It is provided in one of the schedules to the Bill that directors' reports must disclose any items of an abnormal character and must show a full and true account of the financial position of the company. In view of those requirements, clause 279 as at present framed is completely redundant.

The clause was negatived.

Clause 280 was agreed to.

Clause 281—

Notwithstanding anything in the memorandum or articles of a no liability company the holders of any shares issued to vendors or promoters shall not be entitled to
any preference on the winding up of the company but shall rank equally with the holders of ordinary shares in the company.

Mr. RYLAH (Attorney-General).—I move—

That the words "but shall rank equally with the holders of ordinary shares in the company" be omitted.

The effect of this clause in its present form would be to prevent the Stock Exchange from continuing its practice of requiring promoters' shares to be deferred to other shares issued on the flotation of the company. The only intention of the clause is to prevent promoters from obtaining priority over other investors, and the words proposed to be omitted, instead of furthering the idea of preventing fraud by promoters, could actually help promoters to get a priority which the Stock Exchange would otherwise prevent.

The amendment was agreed to, and the clause, as amended, was adopted, as were the remaining clauses.

Mr. RYLAH (Attorney-General).—I propose the following new clause:—

AA. (1) Subject to the regulations any public company of which—

(a) the registered office is within three miles of the General Post Office at Melbourne;
(b) the principal register is kept at its registered office; and
(c) the number of members exceeds three thousand

need not comply with the provisions of this Division or the Eighth Schedule which relate to the inclusion in the annual return of a list of members and particulars of shares transferred.

(2) The Governor in Council may by Order published in the Government Gazette require any company exempted under the last preceding sub-section to comply with the provisions of this Division or the Eighth Schedule.

I believe this proposal will meet practically all the objections which have been raised on the matter of exemptions. The radius has been reduced from 10 miles to 3 miles, the number of members must exceed 3,000, and the regulations will prescribe the circumstances under which the register can be inspected. An amendment to clause 128 relating to copies of documents has already been agreed to. The Government has also provided in the proposed new clause that the Governor in Council may withdraw an exemption if a company plays any tricks. We are not prepared to go further, because we feel that the exemption method is sound and will apply only to reputable companies. I believe there is nothing in the suggestion that there may be some victimization of persons who make searches under this provision. In any case, searches may be made by agents. I am sure that if any company took advantage of the position, any Government would exercise its right of withdrawing an exemption immediately. I consider that there is a very good case for saving the laborious copying of thousands of share names year after year and filing them with the Registrar General who is cluttered up with enough information already.

The new clause was agreed to, as were the First and Second Schedules.

The Third Schedule was verbally amended, and, as amended, adopted, as were the Fourth and Fifth Schedules.

The Sixth Schedule was verbally amended, and, as amended, was adopted as was the Seventh Schedule.

The Eighth Schedule was verbally amended, and, as amended, adopted, as were the remaining schedules.

The Bill was reported to the House with amendments, and the amendments were adopted.

Mr. RYLAH (Attorney-General).—I move—

That this Bill be now read a third time.

I wish to take this opportunity of thanking members of all parties for their constructive approach to this Bill and for the assistance they have rendered to the Government.

The motion was agreed to, and the Bill was read a third time.

Mr. RYLAH (Attorney-General).—Clause 268—

(1) The acceptance of a share in a no liability company, whether by original allotment or by transfer, shall not be deemed a contract on the part of the person accepting it to pay any calls in respect thereof or any contribution to the debts and liabilities of the company, and such person shall not
be liable to be sued for any such calls or contributions, but he shall not be entitled to a dividend upon any share upon which a call is due and unpaid.

(2) Subject to any provisions of the articles relating to preferred deferred or other special classes of shares, dividends when payable to the shareholders in any no liability company shall be payable to the parties entitled thereto in proportion to the shares held by them respectively, irrespective of the amount paid up or credited as paid up thereon.

I move—

That in sub-clause (2), the figure "(2)" be omitted with the view of inserting the figures "269."

The purpose of this amendment is to save considerable reprinting of the Bill which would otherwise be caused because of the fact that two clauses were omitted during the Committee stage. As a result of this amendment, sub-clause (2) of clause 268 will become clause 269.

The motion was agreed to.

Mr. RYLAH (Attorney-General).—Clause 280 provides, _inter alia_

280. (1) If after all the liabilities of a no liability company are discharged there remains any surplus and the company has ceased to carry on business without being wound up, the surplus shall be distributed amongst the parties entitled thereto in proportion to the shares held by them respectively irrespective of the amount paid up or credited as paid up thereon.

(2) If a company ceases to carry on business within twelve months of its incorporation, shares issued for cash shall on a distribution of assets, to the extent of the capital contributed by subscribing shareholders, rank in priority to those issued to vendors or promoters or both for other consideration than cash.

I move—

That the figures "280" be omitted with the view of inserting the figures "279."

This amendment, and the next one I shall submit, are also necessary because of the omission of the clauses to which I referred earlier.

The motion was agreed to.

Mr. RYLAH (Attorney-General).—I move—

That, in sub-clause (2), the figure "(2)" be omitted with the view of inserting the figures "280."

The motion was agreed to.

It was ordered that the Bill be transmitted to the Council.

VOTES ON ACCOUNT.

The House went into Committee of Supply for the further consideration of the motion of Mr. Bolte (Premier and Treasurer) that a sum not exceeding £19,778,592 be granted to Her Majesty on account for or towards defraying services for the year 1958–59.

Mr. WILCOX (Camberwell).—When Supply was last discussed by the Committee, the Leader of the Opposition addressed certain remarks to the subject of education, and called upon the Government to seek Federal aid for the purpose. I was interested in his arguments because only a short time ago we had heard the Deputy Leader of the Opposition, the honorable member for Fitzroy, complaining most bitterly that the Government was debasing itself by going on its knees, or perhaps its stomach, to Canberra, asking all the time for money. I do not quite know in what way Opposition members want it. On the one hand, the Government is not asking for enough; on the other, all that the Government does is to ask Canberra for money. I suppose the Leader of the Opposition adopts the view, complaining as he does, that education in this State is in a bad way. I do not think that is so at all, although, of course, there is room for improvement.

I am interested in what the Leader of the Opposition had to say and in the way in which he based his attack. He seemed to rely solely on what was set forth in the teachers' journal, and not on his own thinking on the problem. He suggested no solution other than asking Canberra for more money. As to seeking more from that source, whenever one obtains assistance from Canberra there are numerous strings attached. In the Federal aid-for-education campaign, which began during the last State election campaign, there are considerations which should cause members to beware. If the Leader of the Opposition wants to sell his soul for what he can get from Canberra, that is all right for his philosophy, but it is not for mine, nor for that of the party to which I belong. Such a policy would
that this Government and Parliament no responsibility whatever. Instead of accepting the responsibility as one for the State to handle, it would simply be a case of going to Canberra for an annual handout.

The Government has shown a great deal of fight in that it has contested the system of uniform taxation and has carried the fight as far as it can through legal channels. In addition, it has made application to the Grants Commission. The Leader of the Opposition and many of his supporters do not show much understanding of the problem of State-Federal financial relations. Earlier to-day, the Premier was asked a question by the honorable member for Northcote, who got more than he bargained for. He received an answer, the first paragraph of which showed that the Opposition does not understand the beginning of the problem. It was pointed out by the Premier that all grants to the State from the Commonwealth, including tax reimbursement grants, are made under section 96 of the Constitution. That is the very section under which the Government was charged with not having sought a grant for education.

If Opposition members hope to solve problems in this State, they must do a little more thinking and understand the fundamental position as created in the Federal Constitution. All that members opposite are interested in is unification. It is a part of their policy. They want to abolish State Parliaments, and that is the reason for their lack of interest and complete lack of understanding of the problems involved. If they want to continue a system of government in this State there will have to be a complete revision of State-Federal financial relations. The only course is to secure the return of some of this State's taxing powers. I shall continue to hold that view until I am persuaded that the course I have mentioned is not the sensible step that must be taken to get over the recurring financial difficulties faced by the Government of Victoria. I can understand a lack of understanding on the part of members opposite. They do not want to understand. They are concerned with only one Parliament, that at Canberra. It is in keeping with their Socialist aims.

I pass now to another subject which was raised in the course of the present debate, concerning road accident control. I have previously spoken on the matter in this House and, particularly, on the question of compulsory blood tests of drivers. There are many causes of road accidents, some of them human and some mechanical. As to the human factors, I do not think there is any single cause that can be pointed to, nor is there any single solution of the problem. I do think, however, that the institution of compulsory blood tests would not provide the solution. It may be something that can be considered, but the problem is not so simple.

Having been engaged in some research on this subject, I have found, on the authority of the National Safety Council of Australia, that in Sweden, where there is compulsory blood testing of drivers, the accident rate is higher, though not by much, than in any State of Australia, the United Kingdom, New Zealand, or the United States of America. In referring to the accident rate, I use the expression in relation to the number of accidents for 10,000 registered vehicles on the road for the year ended the 31st December, 1956. The top figure comes from Sweden and is 10.6. The lowest figure is from New Zealand, with 5.3. The Victorian figure is 8.94. The Victorian statistics are now lower, but it is significant that the accident rate is the highest in the one country where the system of compulsory blood testing is in operation.

There has been a reduction in the road accident toll in this State, and that is a matter of congratulation to those concerned. A number of road safety campaigns have been organized by such bodies as the Royal Automobile Club of Victoria, the National Safety Council, the schools, and the Police Department; and, whilst there is always room for improvement, it is a matter for some reflection that something has been achieved. For the year ended 30th
June, 1958, the number of fatal accidents on Victorian roads was 470, representing a drop of 119 as compared with the previous year's total of 589. A reduction of that magnitude is worthy of note. However, there was only a small paragraph in the daily press concerning it.

Mr. DOUBE.—To what do you attribute the reduction?

Mr. WILCOX.—To education of the community generally and of motorists in particular. I have already mentioned some of the bodies concerned in the educational process. Not only one factor but rather several factors must be taken into consideration, and the most important one is the human factor. We can deal with humans only by trying to educate them. In this matter, I think the police are worthy of praise because they have played a big part in the lowering of the accident rate.

Mr. DOUBE.—Perhaps the speed limits that we introduced are having a good effect.

Mr. WILCOX.—I think speed limits are very useful. The safety campaigns that have been conducted have been successful to a degree. That is the point I am endeavouring to make. In view of the huge number of cars at present on the roads, there is no hope of reducing the number of fatal accidents to zero, but a big improvement can be effected. It is fair to say that this will result in a proportionate reduction in the number of non-fatal accidents, many of which have serious results for the victims. In complimenting those concerned on the improvement in the accident rate, I do not think we should leave out the drivers themselves, because obviously they have played some part in the matter. Nevertheless, there are still many incompetent drivers on the roads. Perhaps a different standard of testing applicants for driving licences should be adopted as part of the safety campaign. I have not given a great deal of consideration to this aspect, but I am sure that many people who are permitted by law to drive motor vehicles lack the necessary qualifications. I make that submission as a possible avenue of tackling a big problem that faces the community. Although I have drawn attention to the partial success of the road safety campaign, I do not underestimate the importance of dealing with bad drivers, irrespective of whether their bad driving is due to incompetence or to the taking of too much alcohol. All bad drivers must be dealt with, not only through the courts but also by means of education. I recommend all concerned, and particularly members of Parliament, to play what part they can to assist in road safety campaigns.

Sir HERBERT HYLAND (Gippsland South).—Last night in this Chamber there was one of the greatest exhibitions of stupidity I have ever witnessed in my long experience here. I refer to the nincompoop from Hawthorn.

The CHAIRMAN (Mr. Christie).—Order!

Sir HERBERT HYLAND.—Never before have I seen Cabinet Ministers squirm so much in their places as they did last night in utter disgust at what one of the members of their party did to lower the dignity of this place.

Mr. GARRISSON.—You were laughing your head off.

Sir HERBERT HYLAND.—The occurrence last night is just what I predicted when the honorable member was first elected a member of this House.

The CHAIRMAN.—Order! The Leader of the Country party must refer to any member of the Assembly as the honorable member for his constituency.

Sir HERBERT HYLAND.—When the honorable member for Hawthorn first came here I predicted that within a month or two he, backed up by the honorable member for Brighton, would attempt to run this place. I expressed the view that he would try to run not only the Government but also everyone else associated with this institution. Last night he proved that my prediction was correct. He tried to tell the Government what to do and he also tried to tell the Opposition what to do. This
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mere babe in the woods—the honorable member for Hawthorn—wanted to tell the Country party what it should do. We have been here a mighty long time, but the honorable member has been here little more than five minutes.

Mr. PETTY.—He must have hurt you a good deal.

Sir HERBERT HYLAND.—I shall have a go at the Minister of Housing, if he wants me to.

The CHAIRMAN.—Order! I ask the Leader of the Country party to address the Chair.

Sir HERBERT HYLAND.—The Country party will run its own affairs. It does not need to be told by the honorable member for Hawthorn what it should do. We resent the statements he made in relation to how members of this House should act in their own time. Frequently the honorable member referred to Opposition members and special mention was made of the honorable member for Brunswick East, who was asked why he did not give up his bowls and check up on statistics as the honorable member for Hawthorn did. He spoke as though the playing of bowls was a crime. He might just as well have asked why the Premier did not give up racing or why the Deputy Premier did not abandon his tennis or, for that matter, why the honorable member for Prahran did not give up cricket and broadcasting. I submit that what members do in their private time is their own personal business and is no concern of the honorable member for Hawthorn. We resent the remarks of such a nincompoop.

The CHAIRMAN.—Order! I have already asked the Leader of the Country party to refer to the honorable member for Hawthorn by his proper title. I now ask him to withdraw the expression he has just used, which I regard as unparliamentary.

Sir HERBERT HYLAND.—I withdraw. However, last night the honorable member was unfair to his own party, let alone other members of this House. He made a thorough exhibition of himself, and I want to tell him that we shall speak as we please in this House. We will not ask the honorable member for Hawthorn what we shall do or how we shall vote. At one time the honorable member for Rodney, who has been a member of eight Parliaments, stated that during his period of membership there had been eight representatives of the Hawthorn electorate. Accordingly, he claimed that the odds were eight to one against the present member for Hawthorn being a member of the next Parliament. I submit that, after last night’s demonstration, the odds have lengthened considerably, but we should not be compelled to put up with his insults in the meantime. I do not mind a fair thing. It is one matter to tackle a member about what he says in this House or outside of it, but when a member tells political parties what they should do it is high time that someone dressed him down. The Government has not the stomach to do that. Apparently the Minister of Education thinks it is a joke to see a goat like that—

The CHAIRMAN.—Order! I ask the Leader of the Country party to withdraw. He may not use unparliamentary language for the sake of withdrawing it.

Sir HERBERT HYLAND.—I withdraw. I say in all seriousness, however, that members of this House, whether they were on the Government side or the Opposition side of the Chamber last night, thoroughly resented the statements made by the honorable member for Hawthorn and deprecated the lowering of the dignity of Parliament by his exhibition. I sincerely trust that we shall not have to put up with that kind of thing again.

Mr. BROSE.—He will probably be expelled before long.

Sir HERBERT HYLAND. — A previous member for Hawthorn was expelled. Indeed, there have been some peculiar members for that constituency in this Chamber. Some of them lost their seats before they knew they were in them. It seems that we shall have to put up with the present member for Hawthorn for the time
being unless the Government straightens him up in some way. When all is said and done, we believe in the freedom of the individual. If a person wants to play his chosen sport, let him do so. There is nothing against that. The Minister of Education is a confirmed doodler and does not make a bad job of painting. Why should he give up that pastime just because the honorable member for Hawthorn wants him to do so?

Mr. GARRISSON.—He does not need to, because he knows the arts.

Sir HERBERT HYLAND.—The honorable member for Hawthorn should get back in his kennel. Moreover, he should withdraw his interjection.

The CHAIRMAN.—I regret that I did not hear the interjection.

Mr. GARRISSON.—I shall repeat it. I said that the Minister of Education did not have any need to give up his painting because he knew the arts.

The CHAIRMAN.—I call upon the Leader of the Country party to address the Chair.

Sir HERBERT HYLAND.—I say to the Minister of Education, "Where did you pick up this thing? He is a member of your party."

The CHAIRMAN.—Order! I ask the Leader of the Country party to speak to some particular item on the Supply schedule.

Sir HERBERT HYLAND.—We will have ample opportunities to state what we think of the honorable member, and the Government will be discomforted. It could not possibly have been proud of the “show” last night.

Mr. FRASER.—I was.

Sir HERBERT HYLAND.—The Honorary Minister has gone down considerably in my estimation.

The CHAIRMAN (Mr. Christie).—Order! I ask the Leader of the Country party not to pursue the matter further.

Sir HERBERT HYLAND.—I should like to discuss a number of items. Regional planning was instituted at the instigation of the Commonwealth Government twelve or fourteen years ago, and the task was expected to be completed within a year or two. I understand that a number of shire secretaries and others throughout the State are paid a certain amount each year for their services and that certain travelling allowances are paid and so on. However, members never hear what is being done. I ask the Premier and Treasurer to ascertain whether the task has been completed and, if not, whether it is essential that the planning should be continued. Every Supply schedule reveals that a sum of money is allocated for this service. The same applies in regard to the Ministry of Transport. The New South Wales Government appointed a co-ordinator of transport on a high salary, and a Government of which I was a member was weak enough to set up a Ministry of Transport. I should like to know what it is doing to-day. The amount involved in respect of that Ministry and for regional planning is not large, but payments are being made year after year. If something worth while is being done, let them continue their efforts, but if not let us endeavour to effect some economies.

A couple of years ago I spoke at Wesley church during the Pleasant Sunday Afternoon on the room rent racket that existed in the metropolitan area and in many country districts. Mr. Condon was appointed to inquire into the matter. People were paying £6 or £7 a week for a room and were not provided with proper sanitary conveniences. A number of the persons who let the rooms were new Australians. I ask the Government to advise honorable members what is being done in relation to the room racket. Of course, we are optimists to expect to receive a reply to points raised in the House. In days gone by when an honorable member spoke on any subject, an officer of the Premier’s Department cut the relevant extract out of Hansard and sent it to the Minister concerned. In due course, the member would receive a reply which he could send on to the interested persons. I ask the Premier to revive the practice. During debates on Supply, the Budget, and the Address-in-Reply...
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to the Governor's Speech, members have
the opportunity of airing matters
relating to their electorates. It is a
waste of time if their remarks are
merely recorded in Hansard and no
action is taken. The Government should
reply to the proposals advanced.

Mr. Bolte.—When the Country party
was in office I did not receive a reply.

Sir Herbert Hyland.—Admitting
we were wrong, or that a Labour party
or other Government, was similarly
slack, that is no reason why the matter
should not be rectified. The honorable
member for Hawthorn and the honor­
able member for Brighton hinted that
the Country party should go to the
Opposition side of the House. The
Premier asked, "Why do you not sit
in the other corner?" Members of my
party will sit where they please in this
House without seeking advice from any­
one else. It is proper for my party to
sit on either side of the House. We
have been sitting on the Government
side for three and a half years and, if
it suits us, we will continue to do so.
If the Government wants to push us out
and does not want us to sit on its side,
we will consider the matter at a party
meeting and advise the Premier accord­
ingly. We have supported the Govern­
ment fairly solidly, despite its mistakes,
and it is rubbing it in a bit to ask
why we do not go to the Opposition
side of the House, because that would
suit the Democratic Labour party.

Now I wish to refer to a matter
within the province of the Fisheries and
Game Department. We have requested
the Government to allow an open season
for the killing of kangaroos in specified
areas where they are doing considerable
damage to crops. I understand that the
Government has decided not to grant
an open season but to issue certain
permits to farmers to enable them to
bring in other persons to assist them
to destroy kangaroos. It is no good
giving a farmer a permit to kill six
kangaroos when there are 200 on his
property. We want a statement in black
and white on this subject. If the
Government has decided to do some­
thing, why does it not inform honorable
members?

I have asked the Government on three
or four occasions to make a statement
on what it proposes to do in relation
to soldier and general land settlement.
We know that soldier settlement is fold­
ing up, but there are a number of
excellent ex-servicemen desirous of tak­
ing up land who did not qualify for
that scheme. The Premier or the
Minister of Soldier Settlement should
make a statement on this subject, so
that we may advise people who are
writing to us on the average of once
a fortnight what the position is.
Ex-servicemen who can comply with all
the conditions laid down should be
settled on the land as soon as possible.
Then the settlement of civilians on the
land should proceed.

The Mental Hygiene Authority has
not received a very large increase in its
grant. We are all proud of the magnifi­
cent work being done by Dr. Cunningham
Dax on mental hygiene and in
relation to mentally retarded children.
I urge the Premier to endeavour to make
more funds available to the Authority.
Now I turn to the subject of alcoholism.
It has been stated that because of the
lack of epidemics, such as poliomyelitis,
certain hospitals in Melbourne are only
about half-full. This idea is not mine
but emanated from the press, which
has been advocating the setting up of
a hospital for alcoholics.

Mr. Bolte.—We are thinking in terms
of the present Royal Children's Hospital.

Sir Herbert Hyland.—I take it,
Mr. Chairman, that I have another
quarter of an hour available to me if
I wish to speak again.

The Chairman (Mr. Christie).—
The rights and privileges of the honor­
able member will be preserved.

Mr. Fennessy (Brunswick East).—
As has already been indicated by the
Leader of the Opposition, we can adopt
no other course than to support the
Supply Bill. Nevertheless, it is our duty
to examine individual items and com­
ment upon them. I wish to reply to
some statements made last night by the
honorable member for Burwood in rela­
tion to the coalmines at Wonthaggi. He
prefaced his remarks by saying that a statement I made during the Address-in-Reply debate that approximately 7,000,000 tons of coal remained underground at the Wonthaggi mine was incorrect. I assure the Committee that I was not speaking from imagination; I was quoting from the 1956-57 report of the general manager of the State Coal Mine. It is clearly set out on page 13 of that report that the estimated coal reserves are 7,000,000 tons. I have had some experience in metalliferous mining, and I have attended the school of mines, and I know that an efficient mine is operated on the basis that a certain amount of revenue is put aside each year for exploration work and other money is used for developmental work. Any well managed mine, such as the State Coal Mine, would have adequate reserves for exploration. Men are engaged in diamond drilling at various levels and in testing the ground at the surface in order to obtain indications of the reserves available.

Mr. Fraser.—Does not this matter hinge on selling the coal at a profitable rate?

Mr. Fennessy.—I agree, and I shall discuss that matter later. The honorable member for Burwood quoted facts and figures relating to shafts and stopes, but never at any stage did he indicate the authority from which he obtained his information. During the three and a half years that I have been a member of this House I have realized that any statement made must be authoritative. In view of that, on every occasion on which I quote facts and figures I ensure that I can substantiate my statements. The honorable member for Burwood did not bother to do that.

Concerning the cost of production, the honorable member said that it costs £7 10s. to produce one ton of coal and the selling price is £6 10s., which results in a loss of £1 a ton on all coal mined. I do not dispute his figures in regard to costs of production and selling prices, but I shall quote the following statement from the report for the year 1956-57 of the State Coal Mine:

Slack coal prices are now fixed at nine-tenths of the price received for large coal, and not on the basis of its efficiency relative to other coals used at Newport power station. Adoption of the new basis of fixation of the price for slack coal followed an intimation by the State Electricity Commission (the principal consumer of State mine slack coal) that it was no longer using Maitland coal and that it was not prepared to pay for State mine coal on the basis of its relative efficiency to the Callide coal being used at the Newport power station. In these circumstances, the Commission offered to pay for State mine slack coal at the rate of 90 per cent. of the price paid by the railway for large State mine coal. This basis is regarded as operating unfairly against the mine, particularly in regard to its value relative to Callide coal used by the Commission, and efforts were made to develop a more satisfactory formula but without success. There was therefore no alternative but to accept the Commission’s offer, with the result that compared with 1955-56 there is a decrease in price amounting to approximately 19s. 3d. per ton.

That statement was made by Mr. Byrne, the general manager of the mine, and consequently must be regarded as indisputable. Therefore, it behoves the honorable member for Burwood to reveal the source of his information.

Mr. J. D. Macdonald.—I obtained my information from the Mines Department.

Mr. Fennessy.—I am not prepared to accept any figures unless they are in printed form.

Mr. J. D. Macdonald.—Would you like to see them?

Mr. Fennessy.—If the honorable member produces them to the Committee, I shall be pleased to peruse them. I would be surprised, if the Mines Department declared that the State Coal Mine is of no further use to this State as the honorable member for Burwood indicated. His argument was that the mine might just as well close up. Quite boastfully, he said, “I am a businessman and this is a businessman’s Government. If an ancillary of the Government does not pay, then it should be wiped out.” On this argument, the dairying industry, which is heavily subsidized, should cease to function because the overseas price of butter is not profitable. By the same token, the sugar industry in Queensland should be closed down. That is the attitude of a keen businessman. He is not concerned with the humanities or with anything
of that nature. I can quite appreciate his sentiments because they are similar to those of big business. No consideration is given to the sacrifices of individuals. The honorable member knows that the miners at Wonthaggi have made sacrifices. I am sure that few members of this Committee would work underground for eight hours a day.

Mr. FRASER.—Many miners like to work underground.

Mr. FENNESSY.—They do not like it, but they do so because of necessity. In many instances they are born into the industry. The same position applies at Newcastle, at Broken Hill, and in England. The Opposition wants to ensure that Wonthaggi remains intact as a town and that its population increases. It is our desire, and I am sure that of the Country party, to ensure that decentralized industries are established in country towns and provincial cities. The Opposition has submitted a scheme to the Government to encourage industries to be established at Wonthaggi.

Mr. J. D. MACDONALD.—What type of industries do you suggest could be established there?

Mr. FENNESSY.—I am sure that the honorable member for Burwood appreciates that I am not associated with big business. Government supporters have consistently stated that Victoria is developing at such a fast rate that it is impossible to cope with the number of firms which desire to establish factories. I suggest that the Government should induce some industry to commence business at Wonthaggi and take up any slack which might occur as a result of the dismissal of miners. Since this agitation started, we have achieved some results; the other day I read in the Age a statement that the Treasurer intended to bring down a Bill to provide for the retirement of miners at the age of 58 years instead of 60. That idea did not originate from the Treasurer, but from a source outside this Chamber, and we agree that the proposal is a good one. The Treasurer has stated that it would be the means of assisting 50 men at the mine; in other words, that number could be retired at an earlier age than usual.

The honorable member for Burwood referred to a letter published in yesterday's Age and written by a person about whom he apparently knows nothing. I can well understand that, because the honorable member is comparatively new to Parliament and to politics. The writer of the letter, Mr. W. G. McKenzie, is a well-respected former Minister of Mines and Minister of Agriculture, and in the Legislative Assembly he represented Wonthaggi for twenty years. I should say he would be competent to advise the Government on what would be good for Wonthaggi. In his letter, Mr. McKenzie stated—

Might I make a few suggestions regarding the future of the working of the State Coal Mine? Most of the miners are working in the western area pit, with its 18-in. seam, while the eastern area, with thousands of tons of coal and a 3-ft. seam, is closed. About £100,000 has been spent in developing the Kirrak shaft, but not one miner is employed there. Why?

In view of the expenditure of £100,000 on the Kirrak shaft, I should like to know why further development has not been carried on, when it is known there is a seam of coal 3 feet in thickness.

Mr. J. D. MACDONALD.—Why do you not check with the Mines Department?

Mr. FENNESSY.—The honorable member for Burwood apparently thinks he is the only member in possession of the facts. Because he happened to go to the Mines Department to obtain some information, he seems to think he can prove that the State Coal Mine is practically finished. The honorable member challenged me on my statement that there was a reserve of coal amounting to 7,000,000 tons. He does not have to take my word, as this fact is recorded in the 1956-57 annual report of the general manager of the mine. Dealing with boring operations, the report states—

The Mines Department "Failing 1500" drill continued drilling at Kirrak area during the year. Due to reverting to single-shift operation instead of two-shift operation, only twelve bores with a total footage of 11,900 feet were drilled.
One bore was abandoned owing to faults, and another struck no coal due to faulted ground near the coal horizons. The remaining bores struck coal varying from 2 ft. 2 in. to 5 ft. 9 in. in thickness.

When a fault is encountered, it does not necessarily mean that there is no coal in that particular area. A fault can carry a seam perhaps half a mile away, but it can also carry a seam 300 yards away. It is only a question of using a diamond drill to ascertain exactly where the fault occurs and where it has carried. The report continues—

Until a further five bores are drilled in the section north west of the shaft and a further eight bores north east of the shaft, an overall change in the reserves of the Kirrak area is still not justified.

That does not sound a dismal prophecy. All the writer is saying is that the present reserve amounting to 7,000,000 tons will remain. The general comparative statement from the commencement of the mine to the 30th June, 1957, indicates that the estimated coal reserves dropped to as low as 6,250,000 tons, but, over a period of five years, increased to 8,750,000 tons. With persistent diamond drilling, it is possible to find further reserves of coal. The report states also—

The gross reserves of all pits, together with unworked area, now stand at 7,001,925 tons, an actual reduction of 137,992 tons as compared with the 1955-56 estimate.

Dealing with the Kirrak area the report reads—

Rehabilitation work in this area was suspended by direction in May, 1956, and operations were recommenced in September, 1956, to exploit an area to the south west.

Probably that direction came from the Minister of Transport.

On resuming operations after the Easter holiday period an outbreak of fire was discovered between one of the old workings and one of the developmental headings. This necessitated the sealing of the area near the shaft bottom. Two men have been employed examining and taking air samples.

That is the position existing to-day. Despite all the money spent on the Kirrak area, only two men are employed there at present. I maintain that the so-called loss on the mine is merely a book entry.

Mr. Fennessy.

Mr. J. D. MACDONALD.—Nonsense!

Mr. FENNESSY.—The history of the mine shows that every year since 1930-31 there has been a loss, but we claim that it is purely a book entry.

Mr. BLOOMFIELD.—Do you mean that it does not actually cost money to keep the mine going?

Mr. FENNESSY.—I do not think the Minister of Education heard the whole of my speech.

Mr. BLOOMFIELD.—I did.

Mr. FENNESSY.—There has been a loss of £1 a ton on all coal sold to the State Electricity Commission, on the 1955-56 figure. According to the figures presented by the honorable member for Burwood, it costs £7 10s. a ton over the whole colliery to produce coal and it is sold at £6 10s. a ton; he shows a loss of £1 a ton on all coal brought to the surface. I claim that if the coal were given its full value, the deficit would have been reduced considerably, provided that the State Electricity Commission paid an extra £1 a ton.

Mr. BLOOMFIELD.—In other words, the electricity consumers should pay to keep the mine going?

Mr. FENNESSY.—The State Electricity Commission paid the proper amount in 1955-56 and the price of current was not increased. The Commission did not pay it in 1957-58, yet the tariffs were raised. I cannot work that out. Opposition members are concerned mainly with the humanitarian aspect of this case. The family interests of the men concerned should be considered. I would welcome the introduction of a Bill to provide for the retirement of miners at the age of 58 years, so long as their compensation and superannuation rights are preserved. Even if that action is taken, however, there will still be 50 or 60 men who may have to leave the town if the dismissals are put into effect. It is in the interests of the State to ensure that the position at Wonthaggi remains as it is. I am sure the honorable member for Gippsland West will agree, because Wonthaggi is in his electorate, and I should
have thought he would have had something to say about the welfare of the people of this town.

The CHAIRMAN (Mr. Christie).—Order! The honorable member's time has expired.

Mr. DARCY (Polwarth).—The vast amounts of money set out on the Supply schedule should make all members realize that we live in exciting times. As Victorians and Australians, we should be very proud that we are privileged to take part in the building of this nation on the foundations that were laid for us by our pioneers. We may differ in our ideas, but we all feel our responsibilities. I believe a private member can best face up to these responsibilities by stating what part his own electorate or district can play in the general progress of the State. My remarks shall not be made in a carping spirit of criticism of any particular person or party or any part of the State. However, there is a strong feeling in the Western District that it has not participated in the general progress of the State. To some extent that is true. Of course, it is not true in connexion with land settlement, because there has been extensive land settlement in that area since the war, but to the extent to which it is true there is a perfectly good and logical reason for the situation.

If Victoria to-day is somewhat out of balance, it is due principally to the fact that the great coal and water resources of the State were put, by Providence, in a particular area, which is roughly to the east and north-east of Melbourne. Before the other parts of the State could participate in development, these great resources had to be tapped and made to work for the State. I fear that in my time, in whatever public affairs I have participated, I have spoken a good deal of rubbish concerning decentralization. Decentralization committees and other similar organizations have been functioning for some considerable time, but, within the last few years, particularly since the war, it is safe to say that there could not have been any great degree of decentralization in Victoria until we had developed the resources which make decentralization possible. The task of developing our great resources is well under way, and I make no apology for suggesting to the Committee, and even to the Government, that we are now in a position to encourage a more balanced development of Victoria. In the western part of the State there is at Geelong an excellent port, which is being rapidly improved. At the other end of this section of the State, there is the splendid port of Portland, which is also being developed at present. Between those two ports there are large areas of fertile land and a number of towns such as Colac which, to some extent at least, are ripe for industrial development.

Recently, we have had proved a coalfield not far from Geelong and I have been informed by the Mines Department that it contains a large quantity of the best brown coal in Victoria. Of course, in size it is not comparable with the huge deposits of brown coal at Yallourn and Morwell, but this proven field of more than 20,000,000 tons is easily accessible and could be developed by private enterprise at no great cost to the Treasury.

In addition to our mineral resources, there are in Victoria a number of tourist resorts, which represent a great asset to this country. We realize the need for attracting tourists to Victoria and, therefore, tourist resorts of this type can, and should, be further developed. In a copy of one of the morning daily newspapers of to-day, I read that a new alpine road was to be built somewhere in the north-east of Victoria. The Great Ocean-road, to the west of Geelong, could be an outstanding asset so far as tourism is concerned. Unfortunately, however, Apollo Bay, which is situated on the Great Ocean-road, has had a regrettable experience. With the best intentions in the world, a harbor was provided at Apollo Bay for the protection of the fishing fleet. Unfortunately, the Southern Ocean did not behave as had been anticipated by those persons who designed the harbor and, consequently, Apollo Bay has suffered a setback in that respect.

The availability of a good bus service plays an important part in the welfare and progress of a community. It is
particularly important to the business community. The proprietors of the bus service to this area decided that it would be economical to use vehicles of a certain length, but, to their dismay, it was found that buses of this size will not be permitted to operate on the Great Ocean-road until the curves of the highway have been made suitable to take them. Some of the money which is covered by this Supply schedule could be used more profitably to give relief in this district by making it possible for the Great Ocean-road to carry buses of the type envisaged.

The outstanding feature of the Supply schedule, which is part of the Budget, is the estimated increase in expenditure over the year of £8,500,000, which expenditure has necessitated a deficit of £1,750,000. No honorable member regards deficits lightly—certainly, I do not do so. In the circumstances in which we are placed, however, it appears to be thoroughly and properly justified. We are facing a most critical time in the history of this country and, if I may misquote to some extent, the immortal bard, "There is a time in the affairs of nations, as well as men, that must be seized upon." This could be the only opportunity this nation will have to bring sufficient capital and people into this country to preserve the traditions which our pioneers established and for which two generations of our people have fought and died.

Mr. WHITE (Ballaarat North).—After listening to the honorable member for Brunswick East, all honorable members will be convinced that the Government has no intention of trying to keep the town of Wonthaggi going. The honorable member for Burwood had no observations to make when the honorable member for Brunswick East was speaking, but he made suggestions last night of what the Government intended to do. He is now convinced, apparently, that he was then under a misapprehension. I suggest that a Cabinet meeting should be held at Wonthaggi. Such meetings have been held at Ballarat, Geelong and Bendigo.

The Government professes that it will go into country areas and save them; therefore, let it go to Wonthaggi and save that town.

My observations will be mainly concerned with the activities of the Minister of Transport. Owing to his lack of interest in country rail services, he intends, I believe, to attempt to close down some of those services. Between the cities of Ballarat and Melbourne the service consists of carriages which have been in use since the railway service was initiated between those cities. I challenge the Minister of Transport to ride to Ballarat in one of those carriages instead of travelling in a Government car. It is impossible to read a newspaper in these trains and it is almost impossible to keep on the seat. I ask the Minister of Education, who is at the table at present, to suggest to the Minister of Transport that he travel with me tomorrow on the 5.25 p.m. train, which takes two and a half hours to reach Ballarat. Only a Country party member would be fit for work on Friday morning after travelling on that train. The Government is spending tens of thousands of pounds in providing new passenger carriages for suburban lines, but no new carriages are provided for country areas. Members on the Government side of the House have available to them all the benefits and privileges of railway transport in the metropolitan area but do not have to pay the increased fares because they are in a position to avail themselves of the best class of motor car transport.

Sturt-street, is the division of the two Ballarat electorates, and a Country party member has always represented the electorate of Ballarat North, in which the railway station is situated. A heading in the Ballarat Courier on Tuesday of this week is "Council indignation about the clock loss." There has always been a clock on the station at Creswick. The clock has now been taken away, probably to Melbourne. The article states—

Cr. E. J. Semmens said the incident was symbolic of the removal of amenities from country towns. "If municipalities tolerate this sort of thing they will find that it is
No truer words were ever spoken by a public man on the actions of this Government. Of the members of this House, 44 were elected by metropolitan voters. All the amenities are to be taken away from country areas and brought to the metropolis. The Minister of Transport is the greatest dictator who has ever been a member of the Victorian Parliament. As a result of this determination, a clock which has been at Creswick for probably 100 years has been taken away. I ask the Minister at the table to ensure that the clock will be restored to the township of Creswick, where some of the greatest public men were reared. I am glad the Minister of Electrical Undertakings is in the Chamber.

Mr. CLAREY.—You may be able to obtain an electric clock.

Mr. WHITE.—It may be necessary to ask the Minister to have electricity installed before an electric clock could be put in. What action does the Government intend to take in regard to uniform charges for electricity? During the forthcoming Federal election campaign, Liberal party members will be touring country districts telling the people how they, the country people, have made Australia. Country people are entitled to be charged for electricity the same rate as that charged to consumers in the metropolitan area. Recently a question was asked as to the profits made by some municipalities in Melbourne on the sale of electricity purchased from the State Electricity Commission. The answer revealed that they make hundreds of thousands of pounds profit from the low rates they are charged by the Commission, but country people still pay much more than metropolitan consumers. The Government will find that the reduced price of wool and the chaotic position of the dairying and other primary industries will have their effect on the economy.

Mr. J. D. MACDONALD.—What about wheat?

Mr. WHITE.—It was a Country party Administration which stabilized the wheat industry, and it will probably be a Liberal party that will pull it down. Members representing country areas, irrespective of the political party to which they belong, are entitled to know when the Government intends to adopt uniform charges for electricity.

Mr. FRASER.—Why were not uniform rates introduced in 1952?

Mr. WHITE.—Two wrongs never made a right. The Government stated that it intended to assist municipalities. A Municipal Assistance Fund was created by a Country party Government and £100,000 was allocated to it to assist municipalities in their activities. In 1950, that was a considerable sum of money. This Government, which boasts of what it is doing for the people of Victoria, has not added to that amount. The equivalent of £100,000 in 1950 would be £200,000 to-day. I urge the Government to take action so that country municipalities can obtain assistance. All the matters raised by Government speakers during the Budget debate and now in this discussion on Supply have concerned the metropolitan area. Six months ago there were signs that the State would not enjoy a very good season, but fortunately the outlook has now been completely altered. Nevertheless, I urge the Government to authorize the Department of Agriculture to take steps to help farmers to conserve fodder. Had beneficial rains not fallen at crucial times there would have been a shortage of fodder reserves, which would have created a tragic situation in the country this year. The primary producers should be helped so that adequate supplies of fodder can be conserved.

Mr. WILcox.—Why do they not do that for themselves?

Mr. WHITE.—Throughout the years primary producers have been forced to look after themselves. They do not depend on anybody else and have always stood on their own feet. Incidentally, they work seven days a week. The Department of Agriculture should plan a fodder conservation campaign to assist primary producers.
It seems futile for us to expect any of the Ministers, apart from the Chief Secretary, to put forward any constructive suggestions in this Chamber. The Government should not depend upon one or two back-benchers like the honorable member for Brighton, who makes some rubbishy interjections now and again, to present the Government's view. Parliament is the place where Government policy should be expounded. However, nothing of that nature is heard in this Chamber, yet one frequently reads press statements of the Government's intentions. I invite the Minister of Electrical Undertakings to announce the policy of the Government on uniform electricity charges throughout the State. I should also like to hear the Minister of State Development inform members when a new industry is likely to be started in Creswick or Daylesford, instead of along the shores of the Yarra. We are not interested in knowing what the Government did last year or the year before; we want to know what its intentions are for tomorrow and next year.

Mr. DOUBE (Oakleigh).—In the time available to me, I intend to remind the Government of one or two things I have said previously in similar debates. If any honorable member accuses me of repetition, I point out that I consider it my duty to continue to hammer into the Government my point of view on difficulties I have encountered until action is taken. Unfortunately, we are cursed with a self-satisfied Government, the members of which will accept advice from nobody. When constructive criticism is offered by members of the Opposition it is completely ignored. We might as well be speaking in Central Australia for all the notice the Government takes. On two occasions recently, I raised the question of the ill-treatment of a child at the Kew Children's Cottages, yet no word of explanation has been offered by the Government on this matter. Previously I read to honorable members a letter sent by the responsible Minister and told the Committee that I considered it to be an unsatisfactory communication. I pointed out also that no attempt was made to inform the parents of the child's condition. The Government completely ignored my representations.

On the last occasion the Minister for Public Works spoke on behalf of the Government, after Opposition members had put forward proposals, he adopted the familiar method of ignoring all the statements made by Opposition speakers, and saying that nothing constructive had been offered. Consequently, all that is left for us to do is to repeat what we have said, because the matters which have been raised are of vital importance to the people of the State.

On a previous occasion, I reminded the Government that there were two big factors associated with its deficits. One was the Commonwealth Government's attitude to Victoria's point of view, and the other was the Government's attitude to the railways and their management. I pointed out that an organization with an annual revenue of £39,000,000 cannot be considered to be operating satisfactorily when it is losing £6,000,000 a year. There are few organizations in the community, private or otherwise, with such a huge revenue, although the amount earned by General Motors-Holden's Limited might approximate that figure. I believe that the railways turn away business by outmoded and antiquated methods, and neither the Government nor the Minister of Transport is interested in changing its policy. The huge losses incurred by the Railway Department affect the finances of the State generally as they impose greatly increased debt redemption charges, so I cannot understand the Government's lack of interest.

Mr. BLOOMFIELD.—Why do you always say that we are not interested?

Mr. DOUBE.—When nothing is done to rectify the position, it is reasonable to assume that the Government is not interested. If the Minister of Education cares to examine the operations of the railways, he will see that they are run in a ridiculous manner. Trans-Australia Airlines, which has a revenue of £7,000,000, spends considerable sums advertising the services offered. The
railways spend nothing on advertising. Does the Minister of Education think that is reasonable?

Mr. Fraser.—It is not a correct statement.

Mr. Doube.—The railways spend practically nothing on advertising, in comparison with other organizations selling travel to the public. I have pointed out on numerous occasions that neither the Minister of Transport nor the Government is interested in improving the railways, and that the Commissioners themselves do nothing.

Mr. Dunstan.—The standardized gauge is a case in point.

Mr. Doube.—That is something in the future; I am talking about the immediate proposition of competing with the services made available by airways companies. The Daylight Express from Melbourne to Sydney does not connect with the train to Brisbane. A person travelling from Adelaide to Brisbane must spend a day in both Melbourne and Sydney. Is that the way to compete with the airways? Why do not these trains connect so that a traveller may complete his journey more speedily? If a person could travel by rail from Melbourne to Surfers Paradise in 28 hours instead of about 68 hours, the railways would be able to compete with Trans-Australia Airlines. That is a means of choking business, and Government supporters know that it is not possible to operate a business by making a potential customer pay a deposit before he obtains credit.

The Railway Department places great difficulties in the way of a person who wishes to open an account. He must first enter into a bond of £50 before the account is opened. That is a means of choking business, and Government supporters know that it is not possible to operate a business by making a potential customer pay a deposit before he obtains credit.

Mr. Fraser.—The airways companies do that.

Mr. Doube.—They do not. The Government should be interested in the administration of the Railway Depart-

been greater than ever before. Railway capital expenditure should be the responsibility of the whole State.

Mr. GARRISSON.—It is.

Mr. DOUBE.—That is not so.

The ACTING CHAIRMAN (Mr. Rafferty).—Order! I ask the honorable member for Hawthorn to cease interjecting and the honorable member for Oakleigh to address the Chair.

Mr. DOUBE.—I shall be delighted to do so because the interjections have not been helpful. Shouting is not a substitute for argument, and all I can hear is a loud, maniacal barking from the honorable member. By ignoring the recommendations of experts, the Government has got into financial difficulties. Because it has placed the whole of the indebtedness of railway capital works onto the undertaking, it has endeavoured to increase revenue by increasing fares. The recommendation of the experts from overseas was that the railways are of value to the whole of Victoria and that capital indebtedness and interest charges should be borne by the State as a whole, as is the case with water supply, aerodrome facilities, navigational aids, and so on.

Whether the trains run or not, those debts must be paid. Fixed costs associated with railway works should be borne by Consolidated Revenue, and running costs by those who use the service. The Government has decided, however, that the railways must bear all the costs. As a result, fares keep going up and up, and people are using the railways less and less. The more the Government makes it an economic proposition for people to use private motor cars as against rail travel, the more will the railways be damaged.

Mr. GARRISSON.—Study the figures.

Mr. DOUBE.—The figures show that while the population of Victoria has increased over the years the railways are transporting fewer passengers. The Government blames the private motor car.

Mr. BLOOMFIELD.—Is there no sense in that contention?

Mr. DOUBE.—Not a great deal. The Government never attempts to advertise the virtues of railway travel at 1.7d. a mile. The Department would not buy any worth-while space in the newspapers for that purpose. Airlines and bus companies spend large sums in advertising of this nature.

Mr. GARRISSON.—The Department does advertise in the press.

Mr. DOUBE.—It is ridiculous to say that, with a turnover of approximately £39,000,000, the railways are doing any real advertising. It is practically confined to the suburban stations. The Department does not enter the fields of radio, television and newspapers generally. If it pursued a vigorous campaign, I am confident that the revenue could be lifted to £40,000,000 or £41,000,000. I have previously pointed out that the Department makes it difficult for people to do business with it; it insists that customers establish a bond in a bank when an account is opened, and it does not allow trucks loaded with goods not intended for rail transport to enter railway yards.

Mr. FRASER.—That is nonsense.

Mr. DOUBE.—It is a fact, and the interjection of the Honorary Minister shows how much a member of the Government knows about the railways. The honorable gentleman can see this happen every day. A truck driver is not allowed to take in goods which are not to be transported by rail.

Mr. FRASER.—He can if he makes a declaration at the gate.

Mr. DOUBE.—That is not so. Difficulties are placed in the way of people wishing to use the railways. One of the big problems of State finance is a £6,000,000 loss in the Railway Department on a £39,000,000 turnover. Opposition members have issued warnings, have urged that an advertising campaign should be engaged in, and have advocated that every attempt should be made to make it easier for people to do business with the Department; we have pointed out that good connections should be established between interstate trains
if there is to be competition with the airways. However, it is no satisfaction to put these views to members who merely shout abuse. If the Government continues to take this view, it will go from deficit to deficit.

I have had brought to my notice the fact that one of the Education Department’s hostels for student teachers in Armadale serves an inadequate diet. A sample menu sent to me by the parents of one of the children relates to the Frank Tate House, where food such as honorable members would not provide for their children is supplied.

Mr. Bloomfield.—How long ago did you get it?

Mr. Doube.—I should say in June.

Mr. Bloomfield.—Why did you not bring it to my attention before this?

Mr. Doube.—I know what little interest the Minister of Education has in the matter. Many matters that I have brought to the notice of the Government have been entirely ignored, and now there is this pretence on the part of the Minister that something would have been done had I raised it previously.

Mr. Bloomfield.—I have not ignored what you have submitted to my office.

Mr. Doube.—I decided to raise the matter in Parliament; I did not want to bring it under notice by means of a private letter to the Minister of Education. One has no confidence in a Government that ignores matters raised in the House.

Mr. Bloomfield.—Yesterday, you wrote me about four letters, but you did not mention this question.

Mr. Doube.—I believe that this is a matter of public importance which should be brought before Parliament. The food served for breakfast at the hostel on a Sunday is toast, margarine, and jam—that is a typical Sunday’s breakfast for young people of eighteen or nineteen years. For dinner, onion soup, roast with potato and silver beet, pudding and custard are provided. For tea on Sunday night, the menu consists of salad, one apple, bread, and cold scones. From a dietary point of view, the menu is sadly lacking. Little fresh fruit is provided for young people more or less under the care of the Department. For Monday, the menu lists Weeties, tomatoes on toast, and more toast for breakfast.

Mr. Wilcox.—That is not a bad breakfast.

Mr. Doube.—It is completely lacking in protein, and people of eighteen years of age need body building substances rather than a pure carbohydrate breakfast. I am sure that honorable members who have growing children do not provide that type of meal.

Mr. Wilcox.—Is there not protein in milk and butter?

Mr. Doube.—There is, but only a small amount, and not sufficient to meet the needs of young people. Experts at the Emily McPherson College of Domestic Economy will agree that this is a poor diet. Fruit is supplied on two days. The breakfast served on Tuesdays consists of Weeties, minced sausage on toast, toast and golden syrup.

Mr. Rylah.—Are you really concerned about this?

Mr. Doube.—I am.

Mr. Bloomfield.—It is utter humbug.

Mr. Doube.—I do not usually take a great deal of notice of statements made by irresponsible members of the Committee, but I consider that the word “humbug” is unparliamentary, and I ask for a withdrawal.

The Acting Chairman (Mr. Rafferty).—I did not hear any honorable member use the word “humbug.”

Mr. Doube.—Mr. Acting Chairman, the word was used; if you ask the Minister of Education, I am sure he will admit to having used it. I ask for a withdrawal.

Mr. Bloomfield.—I most certainly used the word.

The Acting Chairman.—I ask the Minister to withdraw it.

Mr. Bloomfield.—I withdraw.
Mr. DOUBE.—I think it will be agreed that the menu for Frank Tate House is completely lacking in the sort of food young people who are doing arduous and heavy work should receive. I hope the Minister of Education, even at this late stage, will take appropriate action to rectify the position. The Government ought not to be particularly perturbed about doing so, because it is in no danger of being thrown out of office. The only matter that concerns me is the welfare of young people who have been more or less handed over to the care of the State. They should receive food of proper quality.

It is time that the Minister of Education commented on the entry of four-and-a-half-year-old children into State schools. Dr. Doris Officer, secretary of the Free Kindergarten Union, is of the opinion that this age is much too young for children to be taking on formalized schooling. Following the remarks of Dr. Officer, some comments were made by the Minister, but this House has heard nothing about them. All that members know is what has been published in the newspapers. Seeing that this procedure represents a departure from established practice, I think it is about time the Minister told us of his aims and whether he considers it to be wise for children of such tender years to be placed in a formalized atmosphere.

The Government's contention that it can handle the State's education problem without Commonwealth aid disturbs everyone. Figures clearly show that the Government cannot carry on indefinitely with makeshift accommodation, and handle the problem efficiently without Commonwealth assistance. It has been said that the Commonwealth will come to our aid with tags, but it is better to forego assistance on that basis. That point was made by the honorable member for Camberwell. However, I direct his attention to the fact that assistance is coming to us for mental hygiene and the building of new hostels and old people's homes without any tags that can be described as obnoxious. It is reasonable to assume, therefore, that the Commonwealth may provide assistance for education without any tags and without taking control of State functions. There is no need to bring that point into the argument. I do not know the Minister's views about Commonwealth aid, but it is useless for him to boast that the Bolte Government built more schools than did the previous Administration. We are not interested in that aspect, because the Labour Government built more than did the previous Administration and the last Country party Government, in turn, built more than did the Government which preceded it. In an expanding economy, such as we have in this country today, each succeeding Government will no doubt build more than did its predecessor.

What we are interested in is whether the present Government is building sufficient accommodation. That question is always by-passed. The Government uses education as a means of glorifying itself. The only cry the Opposition can get out of the Minister of Education or the Premier is, "We build more." We say that is not enough. We want to know whether the Government is building sufficient schools. I know that unfortunately the answer is that the State has not sufficient money to do so. It must be regretted that the State Government in Victoria today is hiding this fact from the people and will not tell them that, unless Commonwealth aid is forthcoming, the present condition regarding schools will continue for years to come. I raise these matters in the hope that the Government will take action, but I am not particularly confident in that regard. I fear that the railways will continue to incur deficits and that the children of this State will continue to have inadequate school accommodation unless the Government realizes that both the railway deficit and the matter of Commonwealth assistance for education are tackled in a realistic manner.

Mr. BLOOMFIELD (Minister of Education).—I find it a little difficult, after listening to what I have just heard, to put myself in a properly composed state of mind to commence my remarks in the way I had intended. Nevertheless, I shall try. This is the
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first time I have spoken in the House since we lost Mr. Ernest Shepherd as a member, and I should very much have liked to address the House, on the occasion when his loss was referred to, with a view to expressing briefly the feelings of the Education Department. I shall now satisfy myself by stating publicly that his death caused the greatest sorrow in the Department of which I, as the responsible Minister, am his successor. In the course of this debate, there has been rather a concentration on the Education Department. This commenced with the Leader of the Opposition, and it was followed up by the honorable member for Albert Park. I feel it would hardly be possible to let what was said to-night pass without making some reply. The Leader of the Opposition referred at great length to a series of articles that appeared in a particular number of the Journal of the Victorian Teachers' Union, and he also mentioned newspaper articles of a very sensational nature which followed that publication. I notice the honorable member for Albert Park looking at me in surprise, but I think it could hardly be denied that the matter of the occupation of the so-called munitions factory, for example, was treated as a first-rate sensation in the daily press.

Mr. SUTTON.—I do not think that is correct.

Mr. BLOOMFIELD.—It can hardly be regarded as the subject of a point of order. Rather, it is a matter of opinion. I am expressing the view that the matter was extremely widely publicized and profusely illustrated with a picture of would-be pathetic children in what appeared to be a concentration camp. In the initial article in the Journal of the Victorian Teachers' Union there was a suggestion that those children were in a position of considerable danger. Whether intentional or unintentional, that is utterly misleading and complete rubbish. I shall give to the Committee, as far as I know it, the history of the occupation of this factory. It first came to my notice—and I cannot be expected to know where every school is housed—on 26th June, 1958, when the following entry, relating to the high school at Maribyrnong was made on my file—

"The Hon. A. E. Shepherd, M.L.A., called on the Minister with a deputation in relation to the Footscray Technical School and he mentioned that Mr. Herbert, controller of munitions, Department of Supply, had control of buildings near the site of the Maribyrnong High School and said that if the school was not ready for
occupation by the time the Showgrounds had to be vacated, Mr. Herbert would probably be able to provide accommodation.

Following this entry, there appears this note to Mr. MacDonell, the Chief Inspector of Secondary Schools—

The Minister would like you to note this information with a view to making any necessary enquiries, please.

Mr. MacDonell then noted on the file—

Action already taken with Department of Supply.

There was some delay in providing the normal accommodation for this school because, in the course of blasting operations on the permanent site of the school, unexpected difficulties were encountered. Following the outburst in the press about the unfortunate children in the dangerous munitions and explosives factory, I asked Mr. MacDonell to look at the situation and report to me. He said in his report—

The school is housed in portion of a two-storied brick building within the Ordnance headquarters area. The rooms used are on both ground and first floors and provide really excellent school accommodation. Rooms are well lit and airy and the building is in a quiet area. Some 50 yards away is the main administrative Ordnance block where many clerks and typists are employed. According to the officer in charge of the guard house there are no explosives whatever on the area; the nearest factory dealing with explosives is at least half a mile away.

That should indicate to honorable members what a completely false impression can be given by the use of an occasional word which is something like the right word—"munitions" instead of "ordnance." It is quite clear that there is no possibility of danger.

Mr. LOVEGROVE.—Why would the newspaper publish such an article?

Mr. BLOOMFIELD.—It was published because it appeared to be sensational. The honorable member for Fitzroy, of course, is completely in agreement with me in this matter because, from time to time, he has protested against the use of newspaper articles which he knows, as all honorable members know from experience, are frequently unreliable.

The next matter referred to in the article in the Journal of the Victorian Teachers' Union—the Leader of the Opposition used it last night—is the reference to the Dandenong Girls' Technical School, which was described as a factory. However, I have visited the building, which is extremely well suited for school purposes. In fact, it has been purchased by a church for use as a school in unaltered condition. The girls at the school are completely happy, and the head mistress is satisfied with the accommodation. In fact, she regards herself as having been fortunate in obtaining such accommodation. However, for the purposes of abusing the Department, it has been described by the Leader of the Opposition as a hopeless bungle, and the site of the school, which is being built for these children, has been described as a hopeless quagmire. That is nonsense. In July, after heavy rain had fallen, photographs were taken of the new school, and, like many other places where sewerage pipes are being installed, it gave the impression of confusion and wetness.

Mr. FENNESSY.—The newspapers misrepresented the whole thing?

Mr. BLOOMFIELD.—I think they did.

Mr. FENNESSY.—Deliberately?

Mr. BLOOMFIELD.—I do not know, but apparently it was more sensational in that form. I was told that there was no doubt whatever that the matter would be fixed in ten days or a fortnight. Undoubtedly the school will be occupied next year. The next thing in the article to which I object is the reference to the rate of increase in the provision of loan funds for education. The article states that in 1954-55 provision under the last Government was £5,114,000, and that in 1955-56 it was £6,600,000—an increase of 30 per cent. It goes on to say that in the next year there was a further increase of £500,000, in the following year £300,000, and in the next year £150,000, and that the total increase over four years has been 45 per cent. Most of the increase occurred in the first year, and presumably the writers of these articles would have been happier if the Government had done it more slowly. As the increase in the first year was 30 per cent., it would have been impossible to keep increasing the
amount by 30 per cent. over four years. The thing would have got completely out of control, and this year's grant would be almost £15,000,000. Anyone with a sense of proportion and possessing an interest in other services that the Government must provide would realize that is a sheer impossibility. This is how the matter is referred to in the article—

In his second year of office Mr. Bolte cut the education allotment by 66 per cent.

Could anyone regard that as a fair statement? That is what the Leader of the Opposition was quoting and endeavouring to explain to the House last night. If one seeks the weirdest explanation possibly it can be justified. Of course, the Government did not keep on increasing the grant at the same rate. But to describe the Government's action as cutting the allotment by 66 per cent. is nonsense and can be designed only to mislead the readers.

I am not responsible for how much money the Education Department receives, and the honorable member for Albert Park was generous enough to say that he felt that with the means available the Government had done as well as could be expected. I was delighted this afternoon when the Premier gave the answer he did to the honorable member who asked about Federal aid. There is no doubt whatever that this cry of Federal aid has been whipped up for months past by a number of sympathizers of the Opposition, who have a very considerable influence in a number of organizations. That has been done because it is known that Dr. Evatt has one view and Mr. Menzies has another.

Mr. Fennessy.—Do you disagree with it?

Mr. Bloomfield.—I do completely. It is founded on a false assumption. We all know that there is a limited amount available for loan funds. If I believed we would get more money in the aggregate in the shape of something that was created for education which did not come out of the general funds available to the State, and no objectionable strings were attached to it, I would, of course, welcome the contribution. It would save me hundreds of headaches. But there is a limit to what the public will subscribe to loan funds and to the amount that the Commonwealth Government can afford to underwrite. This so-called Federal aid for education would come about in this way. The sum of £200,000,000, or whatever is the limit of loan funds available, would be decided upon by the Federal Government as the amount it could raise. Then it would state that £50,000,000 would be made available as a special grant for education. Dr. Evatt and all those who are sponsoring the agitation would be delighted if that grant were made, but only £150,000,000 would be available for other purposes. This State provides the highest rate for education pro rata out of its Budget. Say we had been spending £10,000,000 before and that the other States between them had been spending £30,000,000—a total of £40,000,000. It is clear that the extra £10,000,000 would come out of the amount available for other purposes.

Mr. Doube.—That has not been the case with Federal aid for mental hospital building.

Mr. Bloomfield.—Of course, it has had that effect. There is only a certain amount available. That is why I was delighted to hear the Premier express the view that he did to-day. To find myself attacked on the basis that we did not ask the Commonwealth for anything, which on analysis must be to the detriment of the welfare of this State, shows how little consideration is given when an opportunity to criticize the Government is grasped. Now I want to refer to what was said about the White Paper on education.

Mr. Fennessy.—Do you not think the teachers' union has consideration for the children?

Mr. Bloomfield.—We do not run the teachers' union.
Mr. BLOOMFIELD.—I do not suggest the Opposition does, but it has a number of supporters there. It is said that I have been arrogant and obstinate, and that I have refused to listen to recommendations from all quarters that I should appoint numbers of people representing numbers of interests to the committee that is to make the survey. I should like briefly to relate the history of the matter. I received from the State School Committees Association, who were the first people to bring the matter to my attention, repeated requests extending from February, when I became Minister, until May, when they presented to me a written statement of what they wanted. During that time I heard nothing from any other person on the subject, although I understand that this body had been agitating in this matter over a considerable period previously. I thought there might be something in what they wanted. They brought me a brief of nine pages on the matter—unfortunately there was no fee marked on the back of it—and I considered it. I then wrote to Sir John Medley, who was mentioned last night by the honorable member for Albert Park. I told Sir John, who is a friend of mine, that I had been asked to prepare a White Paper on education. I asked him to tell me what he thought of the case that had been presented to me, whether it would be a good idea, and whether the Australian Council for Educational Research would care to undertake the inquiry. I received the answer on the 13th June, 1957. After referring at length to the merits of the proposal to hold an inquiry, Sir John Medley said—

'It seems to me that the Association's very specific request for a governmental White Paper would not and could not be met by any report by the Council. Put in another way—the Association does not want us to report but wants you to inform and guide its interests and effort.'

Within a few days of receiving that letter, I announced that a survey would be undertaken, and although I had not quite made up my mind how it was to be done I have never said anything inconsistent with its being a departmental survey. When I appointed the preliminary committee, I was immediately besieged by people who wanted to be represented. In the intervening period of sixteen months—for which I have accounted with what the honorable member for Albert Park described as "superficial candour," although it was as complete candour as I can muster—I have come to the conclusion that it would be practically impossible to find people to represent all the various interests which have sought representation on this committee, and who have the ability, the knowledge of education, the interest, the standing in the community and the time to take part in such an inquiry. In that regard, let me recall to the Committee what the honorable member for Brighton said recently. Frequently, the survey of secondary education in New South Wales has been referred to as a model for action which I should be taking. A representative committee was called upon to undertake that work. It received the terms of reference in September, 1953, and produced a report in October, 1957. That report was on secondary education alone, and only on some aspects of that subject.  

Mr. SUTTON.—It was not a departmental survey?

Mr. BLOOMFIELD.—No, it was not, and it took four years.

Mr. SUTTON.—Perhaps it was worth it.

Mr. BLOOMFIELD.—But was it?

Mr. SUTTON.—Perhaps this report could be produced in four weeks. You need only to instruct your inspectors to do it, and it will be done.

Mr. BLOOMFIELD.—I have been taken to task because many other people are not represented, and I am pointing out what happened in New South Wales when such action was taken. What will happen will be this: My officers, with the assistance of Dr. Radford will produce a report that will be very largely factual with regard to statistics which it is agreed will be available. On the rest of the matter, they will deliver themselves into the hands of the critics and of the public; they will say, for the information and the criticism of the
honorabe member for Albert Park and anyone else who is interested in education, "That is what we are driving at."
Those who do not like it can say they are on the wrong track, but it will be known what they are intending to do. I think the report will be a very valuable document. Three gentlemen from the Presbyterian Education Committee undoubtedly agreed completely with that proposal. The honorable member for Albert Park asked me why they did not write to the press because one of them did not agree, but three of them have expressed themselves in agreement.

The ACTING CHAIRMAN (Mr. Kane).—The Minister's time has expired, but if no other member rises he may continue for another fifteen minutes.

Mr. BLOOMFIELD.—I have had correspondence and discussions with people on this matter and have stated what has been intended from the start. I have explained the various reasons why it is not possible to obtain the services of a suitable man. One of the gentlemen from the Presbyterian body, Dr. French, interviewed me, and I explained to him that it is useless to say that a member of the committee should be a country person, or should be a church man or anyone else unless I could be told the name of the actual man who knew something of the subject, who was in a position of respect in the public eye and who was prepared to undertake the task over a period with his other colleagues on the committee. The question would also arise as to whether one would be a Catholic, one a Protestant, and so on. I bore in mind, too, the fact that to investigate one branch of education in New South Wales took such a body four years. I do not intend to wait for four years for a report of the position in Victoria. Undoubtedly, there will be some uncomfortable revelations. There will be disclosures which will be criticized, and for which I will be censured. It would probably suit me very well to clutter up the committee with people representing all sorts of interests and to have the report postponed for five or six years. I do not want to do that.

What I desire is to make some contribution, because I believe the public can be interested in education and that in a reasonable time we shall have a document that will be of great value. Do not let it be said that I, as the Minister of Education, am not interested or that I am arrogant or obstinate, because it would be very much easier for me to appoint to the committee all those who wish to be represented.

The honorable member for Oakleigh referred to the question of four-and-a-half-year-olds being admitted to schools. I realize, without any reservation, that there is room for two views on the wisdom of admitting these children. There are all sorts of complications. There are kindergartens, pre-school centres, and so on which, on the one hand, are embarrassed by the Department taking these young children. On the other hand, many parents in districts where State schools have not been able to take in children regard themselves as suffering from great handicaps. This is a difficult problem but it is hardly fair to call these children four-and-a-half-year-olds. The youngest child that can be enrolled in our schools under the new policy is four years and eight months— to enter school in February, they must be five years of age by the 30th June in the same year. Of course, most of them are nearly five when they are enrolled. The reason why we have adopted this policy is so that we shall not be in the position where children will have either six or eighteen months in the infant grade. In the one case, the period is just too short for them to be moved up and in the other it is too long for them to spend in that grade. I do not know the answer to the difficulty, but I do want to remove any idea that we are not interested. The matter of school ages at both ends of a child's education presents a serious problem, and on this question I hope to have a well considered statement of departmental ideas by the middle of next year. I know that it will be thoroughly examined and, with the considered report of the senior people in the Department, we will also have Dr. Radford's
views of what is done in other parts of the world. However, at the moment, I cannot tell the honorable member for Oakleigh that our policy is unalterable; I cannot tell him that it is right. However, from what I have heard, probably it is.

I believe the honorable member for Oakleigh has a genuine interest in matters of human suffering, disability, or difficulties. But it is really a bit much to swallow when he lashes himself into indignation in this House when speaking of young women in Frank Tate House who apparently have not been getting square meals. He had this information in his possession months ago, but did not approach me so that I could take some action, despite the fact that yesterday morning, as he admitted, I received four letters from him pointing out various minor deficiencies in educational matters in his electorate. That indicates at any rate that he has sufficient confidence in my administration to think it worth while bringing matters to my attention. Surely we should be able to regard education as a subject on which we ought to co-operate in this House. Where is the co-operation when a member says to himself, "I will keep this information to myself until I have the Minister in the House and we are discussing Supply, and I will then give him the rounds of the kitchen."? I hope that sort of thing does not happen again.

It is fascinating to see that the Deputy Leader of the Opposition is plunging into the aesthetic waters of artistic criticism. All I want to say is that in his first effort he got very far out of his depth and was floundering rather badly. He presented a list comprising the names of all artists who had sold pictures to the National Gallery during the period of Mr. Westbrook's appointment, and then he produced a smaller list of six people who, he said, were the only traditional and representational artists whose works had been bought by the gallery. Where I quarrel with him is that included in the list of the six whom he regarded as traditionalists were two of the most distinguished, rewarded, and highly regarded artists in Australia today. There can be no question that by whatever standards one judges Charles Bush and Phil Waterhouse, they would satisfy anybody as representational painters who were completely outside the abominable gallery which he displayed to the House of the so-called modernists. They are distinguished artists in their own right, and are representational painters of good standing. I do not know who drew up the list of the six people produced by the honorable member, but it would almost seem to me that it was the honorable member himself, as the list had obviously been prepared by someone with a profound ignorance of the subject. Unfortunately, he is not here to spear me with that flashing tongue of his, but I do suggest to him in all kindness that for a while, until he has paid visits to the library, and taken the opportunity of listening to better informed people and reading books on the subject, he should keep off criticism of artists. At the moment, he is in the hands of very unsafe guides.

Mr. SUTTON (Albert Park).—I do not propose to pursue the last matter raised by the Minister of Education, except to say that I used to buy small and cheap books on art once. Whatever inspiration I derived from them was soon dissipated when I saw real pictures. I am much more concerned with the library side of the building in Swanston-street than with the pictorial or representational side.

The Minister's speech was courteous and persuasive. Had he paid the Opposition the compliment of rising earlier in the debate, he might have disarmed criticism from this side of the Chamber. He appears to think that we have been chiding the Government with failure, although indeed he did say we had been gracious enough not to do that. What we have been really trying to get at is for him to accept the attitude that education is essentially not a controversial subject. I am not accusing the Minister of even being arrogant. He has proved that he is capable of taking a humane and interested attitude. He
spoke of sensationalism in the presentation of the case by the teachers' union aided and abetted by the press. The emotional note which he struck made considerable impression on the Opposition. The claims by the Government's propagandists about what the Government has done for education have led the public to believe that a very great deal more had been done than indeed had been achieved. Nobody on this side of the House has denied that a considerable amount has been achieved. The Government went to the country with the plea that it was a progressive Administration and that the economy of the State was stable. It is on that basis that we make out a case for education. I am a little concerned why, if the Minister of Education is so critical of the teachers' union—

Mr. BLOOMFIELD.—I am critical only of the publication.

Mr. SUTTON.—The Minister was not controversial, and I am endeavouring not to be. I cannot understand why the honorable gentleman chose Mr. Baker because he is not the most able or experienced teacher in the Department.

Mr. BLOOMFIELD.—Mr. Baker has travelled all over the State and has had more experience of the three branches—technical, secondary, and primary—than anyone else other than the Director of Education.

Mr. SUTTON.—I do not think so, but I accept the Minister's version. If ever I had a complaint about the teachers' union, it was that it was too much department-minded; that it was a stickler for regulations. I found, during my association with it, that it was keen to keep the Department up to the mark in regard to regulations. I am not appearing as an apologist for the union, but I ask the Minister of Education to accept my assurance that twenty years ago to my knowledge the question of Federal aid for education was raised. It could be that that ties in with the policy speech which the Leader of the Opposition in the Federal Parliament delivered to-night, but I do not think there is any association between them.

Mr. G. O. REID.—The organization is based on electorates and is political?

Mr. SUTTON.—It is not party political. I understood the Minister of Education to say that education should not be treated as a political issue. Now we have the Minister of Labour and Industry, who perhaps has been reading books on Communism, talking about organizations charged with the capacity for an attack on the Government. It could be. Does the Minister of Labour and Industry want more money for education? Of course he does. If it was just a report that the Minister of Education wanted, he could have obtained that from the Director of Education and the inspectors. I have complete confidence in the members of the committee appointed, but I fear very much that the Minister's belated exposition of the case has caused the public to become apprehensive.

Mr. BLOOMFIELD.—I have been misquoted 50 times in regard to this matter.

Mr. SUTTON.—I regret that. Perhaps the Minister did not then make as persuasive a speech as he did to-night. If he had done so, the public would have been better informed and the honorable gentleman would have obtained the credit which he disclaims but to which he is entitled. Once again, we are not condemning the Government for failure; we are chiding it for allowing the people to believe it had succeeded.

The motion was agreed to.

Mr. RYLAH (Chief Secretary).—I move—

That towards making good the supply granted to Her Majesty for the service of the year 1958-59, the sum of £19,778,592 be granted out of the Consolidated Revenue of Victoria.

The motion was agreed to, and the resolution was reported to the House and adopted.
CONSOLIDATED REVENUE BILL (No. 3).

Leave was given to Mr. Bolte (Premier and Treasurer) and Mr. Rylah (Chief Secretary) to bring in a Bill to carry out the resolution of the Committee of Ways and Means.

Mr. RYLAH (Chief Secretary) brought in a Bill to apply out of the Consolidated Revenue the sum of £19,778,592 to the service of the year 1958-59, and moved that it be read a first time.

The motion was agreed to, and the Bill was read a first time, and passed through its remaining stages.

POLICE OFFENCES (TRAP-SHOOTING) BILL.

This Bill was received from the Council and, on the motion of Mr. LOVEGROVE (Fitzroy), was read a first time.

ADJOURNMENT.

Mr. RYLAH (Chief Secretary).—I move—
That the House, at its rising, adjourn until Tuesday next, at half-past Three o'clock.

The motion was agreed to.

The House adjourned at 12.32 a.m. (Thursday) until Tuesday, October 21.

LEGISLATIVE COUNCIL.

Tuesday, October 21, 1958.

The President (the Hon. G. S. McArthur) took the chair at 4.54 p.m., and read the prayer.

CONSOLIDATED REVENUE BILL (No. 3).

This Bill was received from the Assembly and, on the motion of Sir ARTHUR WARNER (Minister of Transport), was read a first time.

MELBOURNE AND METROPOLITAN BOARD OF WORKS.

LAND ABUTTING HUME HIGHWAY:
PURCHASE BY COMPANY: REZONING CONDITIONS.

The Hon. SAMUEL MERRIFIELD (Doutta Galla Province) asked the Minister of Transport—

(a) Have any assurances been given by the Melbourne and Metropolitan Board of Works regarding rezoning of land abutting on the Hume Highway in the Shire of Whittlesea recently purchased by Goodrich tyre company; if so, what assurances have been given, and what conditions are to be imposed on the company?

(b) Will the Minister lay the file relating to this matter on the table of the Library?

Sir ARTHUR WARNER (Minister of Transport).—The answers are—

(a) No assurance has been given by the Board regarding the rezoning of land abutting on the Hume Highway in the Shire of Whittlesea believed to have been purchased by or on behalf of Goodrich tyre company.

However, the company's representatives have been advised that a permit under the Board's interim development order to use the land for the purpose of an industrial undertaking will be issued subject to the approval by the Board of a plan or layout and to the following conditions:

1. An area to the satisfaction of the Board shall be set aside within the curtilage for the parking of vehicles.

2. The loading and unloading of vehicles and the delivery of goods to and from the store or other place where goods are or are to be kept shall at all times be effected within the curtilage.

3. In the event of default being made in the observance or performance of any of the above conditions, the responsible authority may by notice forthwith cancel this permit.

(b) The file relating to this matter is not a departmental file, but is the property of the Melbourne and Metropolitan Board of Works, and I regret, therefore, that I cannot see my way clear to lay it on the table of the Library.
RAILWAY DEPARTMENT.

SOFT-DRINK MACHINES ON STATIONS: HEALTH PRECAUTIONS.

The Hon. J. M. WALTON (Melbourne North Province) asked the Minister of Transport—

(a) Does the Minister propose to replace drinking fountains at railway stations with soft-drink machines?

(b) How many of these machines have been installed, and how many more are to be installed?

(c) Who are the suppliers of these machines?

(d) Are the machines purchased outright; if so, what is the cost of each machine?

(e) Are the machines supplied on commission basis; if so, what percentage is paid to the Railway Department?

(f) Are proper health precautions taken in refilling these machines?

Sir ARTHUR WARNER (Minister of Transport).—The answers are—

(a) No.

(b) 49 machines have been installed, and it is proposed to install a further 21 machines.

(c) Vending Machines Proprietary Limited.

(d) 16 of the machines were purchased outright by the Railway Department for installation at Flinders-street, Princes Bridge and Spencer-street stations, where their operation and servicing could be readily undertaken by railway refreshment staff.

The first machine was installed for trial purposes on 1st December, 1954, and, in view of the satisfactory results, the additional machines were subsequently purchased and installed. They have dispensed more than 2,500,000 drinks worth over £62,000.

The cost of the first twelve machines was £288 each, and four of an improved type cost £426 each.

(e) 33 machines are operated at suburban stations by Vending Machines Proprietary Limited which installs, services and maintains them and pays to the Railway Department 15 per cent. of the revenue plus a charge for electricity.

(f) Proper health precautions are taken by the Railway Department in refilling the machines operated by it, and Vending Machines Proprietary Limited understands the health requirements and takes every precaution in servicing the machines operated by it.

ROAD TRAFFIC.

St. KILDA JUNCTION ROUNDABOUT: ALLOCATION OF COST.

The Hon. SAMUEL MERRIFIELD (Doutta Galla Province) asked the Minister of Transport—

(a) What was the cost of construction of the St. Kilda Junction traffic roundabout?

(b) How was such cost allocated as between the various authorities concerned?

(c) From what source was the Government share paid?

Sir ARTHUR WARNER (Minister of Transport).—The answers are—

(a) £5,011 9s. 6d.

(b) The State Government and the St. Kilda City Council agreed to share the cost in equal proportions.

(c) Provision will be made on the Supplementary Estimates for the Government's contribution of £2,505 14s. 9d.

DEPARTMENT OF LABOUR AND INDUSTRY.

REGISTERED METROPOLITAN BAKERS: DELIVERIES TO HOUSEHOLDERS.

For the Hon. P. T. BYRNES (North-Western Province), the Hon. I. A. Swinburne asked the Minister of Transport—

(a) How many of the 122 bakers registered in the metropolitan area are engaged in bread-making?

(b) How many of these bakers deliver bread to householders?

Sir ARTHUR WARNER (Minister of Transport).—The answers are—

(a) There are 122 factories occupied by bakers which are registered under the Labour and Industry Acts. So far as is known from official records all these bakers are engaged in bread baking.

(b) No official records are available as to how many of these bakers deliver bread to householders, but it is known that the majority of the bakers do so deliver.

COMMERCIAL GOODS VEHICLES ACT.

CLAIMS AGAINST GOVERNMENT BY HAULIERS.

The Hon. WILLIAM SLATER (Doutta Galla Province) asked the Minister of Transport—

(a) What was the total amount of claims made against the Government by road hauliers in respect of legislation declared invalid by the High Court and/or Privy Council?
(b) What was the amount actually repaid to road hauliers by the Government?

(c) What is the amount (if any) of such claims remaining outstanding?

Sir ARTHUR WARNER (Minister of Transport).—The answers are—

(a) £379,194.
(b) £94,660.
(c) £186,395.

LAND AT BROADMEADOWS.

SALE TO FORD MOTOR COMPANY OF AUSTRALIA PROPRIETARY LIMITED.

The Hon. SAMUEL MERRIFIELD (Doutta Galla Province) asked the Minister of Transport—

Will the Minister lay on the table of the Library the file relating to the sale of land at Broadmeadows to the Ford Motor Company of Australia Proprietary Limited?

Sir ARTHUR WARNER (Minister of Transport).—The answer is “Yes.”

FRIENDLY SOCIETIES (AMENDMENT) BILL.

The Hon. E. P. CAMERON (Minister of Health) moved for leave to bring in a Bill to amend the Friendly Societies Act 1928.

The motion was agreed to.

The Bill was brought in and read a first time.

FIREARMS (AMENDMENT) BILL.

The Hon. L. H. S. THOMPSON (Honorary Minister) moved for leave to bring in a Bill to amend the Firearms Act 1951.

The motion was agreed to.

The Bill was brought in and read a first time.

DOG (GUIDES FOR THE BLIND) BILL.

The debate (adjourned from October 15) on the motion of the Hon. L. H. S. Thompson (Honorary Minister) for the second reading of this Bill was resumed.

The Hon. J. M. WALTON (Melbourne North Province).—The purpose of this Bill is to add to section 32 of the Dog Act 1958 a provision that will allow a blind person to be accompanied by a guide dog into any building or place or on any public transport without committing or rendering himself liable to any offence against any law or laws that might ordinarily prevent any person from doing so. I believe, with other members of my party, that this is a worthy motive, and we will support the passage of the Bill. I propose to make one or two comments, which I hope will receive the consideration of Parliament and will reveal the necessity of these dogs, and the Act itself.

I consider that prevention is far better than cure, or that, as in this case, prevention is far better than substitution. A great proportion of the blindness that has occurred could be prevented if proper precautions were taken to avoid accidents and if sufficient money were available for research. In this connexion, I wish to refer briefly to the necessity for safety precautions to be taken, particularly in industry. The National Safety Council of Australia is doing a wonderful job in this regard, and I have no doubt that already it has been responsible for the saving of the sight of hundreds of people. The need for giving the council our utmost support in its drive to reduce industrial accidents is imperative. The Victorian Government grant of £1,500 is very small compared with the amount of money that the State is saved by the work of the council, not to mention the saving of suffering on the part of unfortunate victims. To make more money available for the purpose would be a sound business proposition, and I urge the Government, when it is again considering such a grant, to keep that point in mind.

I have already mentioned the aspect of research, and Australia has the talent to undertake it. Independent achievements of some of Australia's eye specialists over the past 30 years and more have received world recognition. For instance, a Brisbane oculist traced the cause of blindness of many children to lead poisoning from paint used on wooden houses. The lead content was changed but, even so, the Queensland Government is now supporting 28 pensioners...
whose blindness was due directly to that cause. Again, a Sydney oculist, during the last war, discovered that a mother's illness during pregnancy could cause blindness as well as other malformation to her child. Most countries had recorded this same source of blindness but had been baffled by its cause. Canada hailed the discovery as the greatest in medicine in a period of ten years.

Melbourne doctors, who had suggested that many premature babies were blinded because they had been given too much oxygen in an effort to keep them alive were forced to leave it to American and English doctors to prove that theory, since the local practitioners had not suitable equipment here to do so themselves. While their discovery arrested that particular source of blindness all over the world, it has been estimated that in America alone it will cost the Government $1,000,000,000—which is equivalent to £470,000,000—to train and support people already affected by this disability. About 30 cases of the kind are already known in Australia, and the cost to the Australian Government will amount to about £1,000,000 annually.

The disease which causes blindness to unborn children is rubella—commonly called German measles. The blindness is due to the mother having contacted rubella in the early stages of pregnancy, resulting, with monotonous regularity, in some form of malformation and blindness. There are two things we must do in our endeavours to avoid that kind of affliction. First, we must make available money for research and, secondly, we must make people realize the dangers, the consequences, and the method by which the results of certain illnesses can be avoided.

The simple answer to the problem is to ensure that all young women contract German measles before they begin to have a family; for once they have had the disease, they rarely get it again. Rubella is not a serious matter, and the rash associated with it lasts for only a day or so.

In order to implement these necessary precautions, there must be some way in which the disease can be given to those who may wish to be infected with it. This can be done by means of a throat spray, in which the infection is transferred from one person to another. This process may be effective in a small way but it can never be successful on a national scale. That is due, first, to the difficulty of securing sufficient germs and secondly, to a natural dislike of the idea generally. Further, there is the possibility of other diseases being transferred at the same time.

The second method is by inoculation with a preventive serum in the same way as there is inoculation against tetanus, diphtheria, whooping cough, small pox, poliomyelitis and many other diseases. I believe this to be the best procedure but, from inquiries I have made, it is evidently not as easy a course as it may sound. Rubella, being a virus disease, needs to be grown on living tissue. Its rate of growth is very slow, and consequently other organisms swamp the rubella cultivation and make it impossible under existing conditions for the germ to be isolated.

This is the point at which it becomes necessary for research, and research cannot be carried on without the provision of money for the purpose. A way must be discovered in which the germ can be isolated, and our doctors must find a vaccine that will prevent young women, after marriage, from contracting rubella. If this can be done, a large proportion of the cases of blindness at birth will be eliminated, but this will require the expenditure of a considerable sum of money. Until vaccine is found the State will be obliged to spend millions of pounds each year to support children whose blindness was caused by German measles.

In the meantime, we must start a programme to make people aware of the dangers I have mentioned. This programme could include lectures in schools and radio broadcasts, and parents could be advised of the danger of the disease. In this way, much could be done to prevent blindness. The tendency would be to eliminate the need for institutions and the expenditure of large sums of money on the upkeep of
the blind and the provision of substitutes for eyesight. It is to be regretted that there are blind people in our community, but we should do everything within our power to ensure that those so afflicted lead a happy and useful life. I am sure that they, too, have a similar wish.

The provision of guide dogs for the blind is a step in the right direction. Members of the public, on recognizing these dogs, should help as much as they can to make the use of dogs as effective as possible. Such is the purpose of the Bill, and members of the Labour party wholeheartedly support its passage through Parliament.

The Hon. A. K. BRADBURY (North-Eastern Province).—Members of the Country party have much pleasure in supporting this Bill because we believe that it will be of tremendous benefit to the unfortunate people afflicted by blindness. Under the 1928 Dog Act, a limited concession was granted to the owners of guide dogs—although it was necessary that a dog should be registered, no fee was required to be paid. The new sub-section proposed to be added to section 32 of the Dog Act, as contained in clause 2 of the Bill, provides—

(2) Notwithstanding anything in any Act regulation rule order or by-law a blind person shall be entitled to be accompanied by a dog bona fide used by him as a guide dog into any building or place or on any public transport and no blind person shall be guilty of any offence by reason only of the fact that he has taken any such dog or permitted any such dog to go into any building or place or on any public transport.

That provision will widen the exemptions previously permitted, and I believe that to be in the interests not only of the blind people but also of the general public, because the blind will be put on a more even footing with the rest of the community. They will gain a greater feeling of freedom and independence, which they have to some degree been denied through their affliction. In the past, these people have been dependent largely upon the generosity of the general public to guide them along streets and through public places. Sometimes they find their way about with a walking stick, tapping their way along. They have become familiar with their own immediate surroundings and to a degree they are able to carry on normal pursuits in the home. Outside, however, there is that barrier of darkness, which is a tremendous disadvantage to them.

I compliment the Guide Dog Association of Western Australia, which was the first organization to introduce a scheme for the training of dogs for this purpose. The Association was placed upon a reasonably sound footing in 1951. When I was in Western Australia last year, I had the pleasure of visiting this training centre. I am sure that anyone who has had a similar privilege must have been impressed by the methods that are being used by the trainers. Many dogs are offered to the centre for training, but the rigid instruction and training given means that, at the most, only one dog in ten ultimately qualifies as a guide dog. Even when a dog has almost completed its training, it may be rejected because it does not meet the temperamental requirements of the unfortunate individual who will acquire it.

No charge is made to a blind person for one of these dogs. If the person is able to make a donation, the Association willingly accepts it. I understand that the cost of training one dog to the ultimate degree of efficiency is in excess of £500. That high cost results from the fact that although many dogs are given training, few qualify. I was at the training centre when two Victorian citizens, Mrs. Gratton and Miss Gillett, were there. Their trip had been sponsored by the Melbourne Apex Club, which paid the cost of transport and the donation for one dog. These ladies were receiving tuition in the handling of the dogs. A person who is to receive a dog must spend at least one month at the training centre before he or she may take possession of the animal. That is necessary in order that the person concerned may become fully conversant with the movements of the dog and the correct method of touching the harness.
It may appear, from first observations, that, because of the rigid training necessary, some degree of cruelty may be inflicted upon the dog, but that is not so because it must show a complete willingness for this work. If that is not the case, the dog is immediately rejected. While I was at the training centre, the trainer produced a harness and walked towards one of the pens. As soon as the dog saw the harness he jumped about in excitement. However, when the harness was put on, it became docile. That demonstrates that the dogs really love the work for which they are trained. The intelligence of these animals is amazing. A barrier approximately 2 feet high was placed in front of a dog wearing a harness and as the dog walked along with the trainer the barrier touched the harness. Although the dog was able to negotiate the barrier it knew that the blind person would not be able to follow him. So it backed out and found another means of getting around the obstacle.

In another instance, two small pegs were placed in the ground and the dog had sufficient intelligence, because one of the pegs touched the harness, to know that a blind person would not be able to get between the pegs. One young blind lady in Western Australia is now a telephonist in a big exchange. She has a dog which guides her to the lift in the building in which she works, up in the lift, and to her post. The dog remains with her until she has finished work. Thus, this woman is now more or less independent.

I compliment the Government upon introducing this Bill, which will permit guide dogs to be used in public places. In addition, no charge will be made if they travel on public transport. These dogs will enable those people in the community who are at present suffering a great disability to regain a great deal of independence and experience joy which has hitherto been denied to them. It is with pleasure that the Country party supports the Bill, which I am sure will have a speedy passage.

The motion was agreed to.

The Bill was read a second time and committed.

Clause 1 was agreed to.

Clause 2 (Blind persons to be permitted to take a guide dog into any building or place or on to public transport).

The Hon. P. V. Feltham (Northern Province).—I suggest that the Honorary Minister (Mr. Thompson) should re-examine the drafting of clause 2, in order to ascertain whether an amendment should be submitted in another place. The proposal in clause 2 is to insert into the Dog Act a new sub-section which really contains two provisions. The first portion provides—

Notwithstanding anything in any Act regulation rule or by-law a blind person shall be entitled to be accompanied by a dog bona fide used by him as a guide dog into any building or place or on any public transport.

There is an additive to that in these terms—

. . . and no blind person shall be guilty of any offence by reason only of the fact that he has taken any such dog or permitted any such dog to go into any building or place or on any public transport.

The first part of the proposed new sub-section confers a privilege or entitlement, and the second does not take that away, but merely adds another. As I read the provision, with the word “accompanied” in it, two things are connoted: First, the presence of a blind man, and, secondly, the presence of a dog. It appears to me that, so long as a blind person is accompanied by a guide dog, he can commit trespass or any other illegal action.

The Hon. William Slater.—Would not mens rea need to be established?

The Hon. P. V. Feltham.—He might have mens rea. I suppose it is presumed that all blind persons are good citizens, but there may be bad citizens among them.

The Hon. William Slater.—Do you think that the proposed new sub-section is exculpatory?

The Hon. P. V. Feltham.—Yes, completely so. It seems to me that, after the words “into any building or
place or on any public transport," the words "where he may lawfully be or enter" should be added in order to make the intent of the legislation perfectly clear.

The Hon. J. M. WALTON (Melbourne North Province).—In the second-reading speech of the Honorary Minister who explained this measure, it was stated that the amendment to the law would give protection to shopkeepers who allowed guide dogs on to their premises contrary to the provisions of other legislation. I should like to know which portion of this Bill gives that protection.

The Hon. L. H. S. THOMPSON (Honorary Minister).—Answering the point raised by Mr. Feltham, when I first read clause 2 I gained the same impression as he did and raised the matter with the Parliamentary Draftsman. I was assured that the two parts of the proposed new sub-section should be read together and when that was done it was perfectly clear that the intention of the legislation was to ensure that a blind person would not be guilty of an offence by reason of the fact that he had taken a dog into a building, and that his other actions would be judged in accordance with other requirements of the law.

The Hon. P. V. FELTHAM.—Will the Honorary Minister take steps to see that the clause is re-examined before the Bill is submitted in another place?

The Hon. L. H. S. THOMPSON.—I consider that when the two parts of the proposed new sub-section are read together the intention is perfectly clear. Answering Mr. Walton's query, I suggest that this Bill provides over-all cover, which will override any relevant existing regulation or statute. No longer will a blind person be guilty of an offence by taking a dog into certain shops, and the owners of the shops will be protected also.

The clause was agreed to.

The Bill was reported to the House without amendment, and passed through its remaining stages.
is acquired by this means, some considerable time elapsed in the cleaning up of all the details entailed. The land sought to be disposed of by this Bill was not acquired in small parcels generally, as were other parts of the big estate of which it forms part, but fairly substantial areas were involved. I do not know that there are any difficulties concerning the title to these areas, but the Housing Commission did secure new titles in 1956 before the sale of portion of the land to the Ford motor company, and no doubt that procedure will also be adopted on this occasion.

It is interesting to consider the position regarding town planning as it affects this area. Of course, it is covered generally by the planning scheme administered by the Melbourne and Metropolitan Board of Works. The Board of Works followed the practice in respect of public authorities generally of zoning land to suit their particular purposes. In the plan which was exhibited in 1954, the Housing Commission area with which we are now concerned was zoned as residential land. The municipality within whose boundaries this area lies also had a planning scheme, and it deliberately excepted Housing Commission land from that scheme.

When the sale of land to the Ford motor company was first projected, the matter was raised in the local municipal council in an extremely interesting way. A typewritten resolution was prepared and submitted to the council to amend the by-law under the Local Government Act in respect of all the area of land concerned east of the Somerton railway siding and across to Sydney-road. That was done without any official indication being given to the council concerning what development was likely to take place. No information was forthcoming from any other quarter. It is interesting to note that the councillor who submitted the resolution subsequently registered in the name of a member of his family the purchase of 7 acres of land on the south-eastern corner of Sydney-road and Barry's-road, and another gentleman bought 183½ acres on the opposite side of Sydney-road in an area which was then zoned as rural under both the Broadmeadows and the Board of Works planning schemes. It is interesting to note that this latter gentleman then had the title transferred to a second firm and, later, on the transfer of the firm's office to Geelong, it emerged as Glenbarry Motors, the big distributors of Ford cars in Geelong. The Ford motor company evidently "beat the gun" when it purchased from the Housing Commission 183½ acres of rural land on the opposite side of the line.

The Hon. W. S. Slater.—The company must have had a friend in the Broadmeadows council.

The Hon. S. Merrifield.—It would appear that other honorable members also have certain information in their possession. However, I shall not make any comments but shall merely recite the facts. In November, 1956—at that time the name of the family concerned had not emerged—there was a discussion in the council as to whether that particular area should be acquired for a reserve, and the gentleman concerned walked out of the meeting saying that he was an interested party.

It is interesting to note that the price paid for the land by Glenbarry Motors was £45,345. At that stage, it was purely rural land and nothing was known of the intentions regarding it. Certainly, the person from whom the land was purchased did not know what was intended, and he has been somewhat aggrieved ever since.

The Hon. W. S. Slater.—He "missed the bus."

The Hon. J. W. Galbally.—It was a case of "The spoils to the victor."

The Hon. S. Merrifield.—That is so. Glenbarry Motors, of course, is a subsidiary company of Heath Motors, which is generally owned by the Heath family, although there are some contradictions on that aspect. Heath Motors distribute Ford cars in Geelong. Solicitors and solicitors' clerks were registered.
as the directors of Heath Motors, and Alan E. McDonald, I. J. Lewis, and C. V. William, of Moorabool-street, Geelong, each held one share in the company.

An amendment to the local government by-law was approved by the Minister, and the Metropolitan Board of Works then varied the plan to suit the amended by-law. The Government then introduced a certain Bill concerning Broadmeadows land—I was not a member of Parliament at the time and, possibly, other honorable members know more about that measure than I do. That is the story of the Ford motor company. I do not propose to enter further into the details of the matter other than to say that there were some unsavoury features associated with the transactions relating to the sale of the land, but some of these same features were not only repeated but also accentuated in the transactions with Clyde Industries Limited. As honorable members know, the Ford motor company did not take up an option to purchase an additional 230 acres of land. The company paid £200,000 for 400 acres and notified the Housing Commission in September that it did not wish to take up the option on the remainder of the land. The Commission was then faced with the question of what to do with this land.

Honorable members know that Stanhill Holdings Proprietary Limited, of whom the managing director is a man named Korman, is extremely interested in large areas of land to the north-west of Melbourne. Clyde Industries Limited was interested in an area of land adjacent to the Glenroy-Albion siding railway line. Apparently, the part of the line where they looked for land was between the high viaduct over the Moonee Ponds creek and the bridge which carries the Lancefield-road over the siding line. The track between those two points was curved and traversed broken country, and it would have been extremely difficult to provide a siding line from the north. Consequently, this project was abandoned. It could be termed "the first nibble" by Clyde Industries Limited. Later, the interests of this firm moved to the vicinity of the land now under consideration.

The next story comes from a gentleman named Mallon, whom Mr. Lovegrove the member for Fitzroy in the other House, and I interviewed. Apparently, he was approached by a Mr. Humphreys, who said that he was the owner of land to the east of the Merri creek—that is about half a mile east of the Hume Highway. He offered his land to Clyde Industries Limited, but that company felt that it would be unsuitable for its purposes as it wished to be situated adjacent to the railway line. The significance of the "first nibble" for land adjacent to the Glenroy-Albion siding railway line becomes apparent when it is remembered that Clyde Industries Limited is a New South Wales organization engaged in manufacturing rolling-stock of various types. Naturally, this company was interested in securing land adjacent to the Melbourne-Albury standard gauge line while, at the same time, being strategically situated close to the broad gauge system. This would greatly assist the company in its industrial engineering activities. The land owned by Mr. Humphreys was obviously unsuitable.

At this stage, Mr. Humphreys approached Mr. Mallon and stated that Clyde Industries Limited was seeking land. Mr. Mallon had heard that the land not taken up by the Ford motor company was available for sale, and he telephoned the Minister of Housing who first stated that there were certain prices attached to it, and advised him to see certain officers of the Housing Commission. He stated also that it would be inadvisable for the Government to deal with the matter before the elections. This occurred about the 7th February and, as honorable members know, the Legislative Assembly elections were held on 31st May, and the elections for this House were conducted on 21st June. In other words, there was an interval of at least four months during which time Parliament would be sitting. What mysteries were in the mind of the Minister of Housing to compel him to state that he did not
want to introduce a Bill concerning this matter before the elections? It would appear that there was something in his mind that had not been disclosed to Mr. Mallon.

The Minister had informed that gentleman that the land had been valued and any offer would have to be considerably more than £500 an acre. When he interviewed the officers of the Commission, he came to the conclusion that the figure in their minds was £1,000 an acre. As an estate agent with vast experience, Mr. Mallon realized that £1,000 an acre was a reasonable figure, and he was quite prepared to attempt sell the land on that basis. At the same time, he was not informed that the Commission would not pay commission on the sale and that he would have to seek commission from the purchasers. Mr. Mallon then contacted Mr. Humphreys, and arrangements were made for him to meet a gentleman named Mr. Kevin Johnston, who is understood to be connected with Martin and King Proprietary Limited. Johnston met Humphreys and Mallon and together they inspected the Broadmeadows land, when Johnston indicated keen interest in the proposition. They calculated what commission should be paid by the company to Mallon for introducing them to the property—it was worked out at something like £2,000. A public announcement was made later that the Government proposed to sell the land to Clyde Industries Limited. That was the first indication that Mr. Mallon had that something had been going on behind his back, and he took certain steps—they were related in another place—to try to get his commission from somebody. Certainly, this man had a very raw deal.

Mr. Cameron replied, and I quote from page 699 of Hansard—

I could not undertake to do so because the file is under the jurisdiction of the Minister of Housing.

I approached the Minister of Housing for permission to bring the file into this Chamber so that I could read direct from it and honorable members would be aware of all the matters contained in the file. The Minister informed me that he did not think I could do that. I then told him that I had asked the Minister of Health for the file. He then saw Mr. Cameron, and the two Ministers spoke to me about the matter. Both of them, in effect, agreed that the file should not be brought into the House.

I propose now to acquaint honorable members of the material contained in the Housing Commission's files. During the Minister's second-reading speech, I asked—

Will you give authority for the file to be brought into the House?
Mr. Morris Sallman made a second valuation, and my notes on it are as follows:—

Comments on general seasons holding back values previously for water supply and poor rail facilities. But these being removed. Water being available in two years.

Rail—Extension of electric light system to Somerton in time to meet his requirements. Rail sidings on broad and standard gauges.

Electric light power available immediately.

COMPARABLE SALES:

I have, because of the reasons outlined in paragraph 1 and 1 (c) as above, decided to ignore other sales in the area with the exception of that to the Ford motor company on the 400 acres adjoining this land, made in 1956 at £500 per acre. Since this sale three factors have arisen all of which justify a valuation of your land at a considerably higher figure than £500 per acre.

(a) The mere passage of time has brought the provision of proper services nearer.

(b) The fact that the Ford motor company has just announced plans for and actually commenced construction of an enormous motor car factory on their land must have the effect of increasing the value of all land in the vicinity.

(c) The decision of the State and Federal Governments to proceed with the provision of standard gauge rail track from Melbourne to Albury is of great importance. It means that the purchaser of this land will be able to have both broad and standard gauge sidings for his property. A very great advantage to anyone sending their products to New South Wales and Queensland as well as to Victoria and South Australian centres. Prices obtained for industrial land elsewhere in Melbourne with comparable services have also been considered. I value your land zoned for industrial purposes at £1,100 per acre. 140.75 acres at £1,100 per acre equals £154,825.

The Clyde company was dissatisfied with the valuation, and submitted two others which I have trimmed down somewhat in my notes. The first was by Mr. J. J. McGee O'Callaghan. My notes of his valuation are as follows:—

Mentions outcrop of stone. Extensive earthworks essential services will be available power, water, transport and private railway siding facilities.

Value £77,550 or £550 per acre.

If this land was zoned for rural purposes only, I am of opinion that its value could not exceed £115 per acre. For your information rural zoned land close by on the opposite side of Sydney-road has been sold within the last two years at a price of £185 per acre. Area involved 180 acres.

That was the land sold to Glenbarry Motors, which I have already referred to. The second valuation was made by Mr. C. H. Beauchamp. My notes of it are as follows:—

Assumes all facilities.

The subject land appears to hold a greater quantity of surface stone which suggests the possibility of further deposits below ground level than does the adjoining land, which in my opinion is a depreciating factor.

The market for all classes of freehold property since 1956 has been buoyant, but there is reason to believe that the demand, particularly for this type of property is showing signs of becoming easier.

Without pursuing further other comparable sites and an examination of other factors which might tend to make this report tedious, I can see no reason to believe that the value of the subject land is any greater than £500 per acre, and accordingly declare subject to the reservations already made then in my opinion the said figure truly represents the value of the subject land at to-day's date.

Commenting on the assertion that this type of property is showing signs of becoming easier, I would point out that already an announcement has been made about the Goodrich tyre company going to the district. Federal Spring Works are already there, and dozens of other firms are being established in the district. The Melbourne and Metropolitan

The Hon. Samuel Merrifield.
Board of Works is rezoning land generally in the area, which is being converted from a rural district to a potentially large industrial area. One can appreciate the value of Mr. Beauchamp's remarks in that connexion. The land concerned is the only property adjacent to the standard gauge railway line. In regard to Mr. Beauchamp's point he did not state and, therefore, one cannot follow his reasoning on the matter.

The Hon. I. A. Swinburne.—Is he not the valuer for the purchaser?

The Hon. Samuel Merrifield.—Mr. Swinburne is offering a suggestion that I am not making at this stage. Then the Minister of Housing wrote to the Premier. The letter appears as the original on the file—for some reason it must have been returned to the Minister. Speaking from memory, I did not see a copy of the letter on the file, but perhaps that can be checked in due course. The letter was in the following terms:—

You will recall a discussion last week with representatives of a large industrial company inquiring about land in the Broadmeadows estate owned by the Housing Commission subsequent to the interview, I have had the land valued by two independent sworn valuers one of whom has submitted a valuation of £1,100 per acre and the other a valuation of £1,026 10s. per acre (approximately).

In order to provide for a satisfactory subdivision of the area, the Commission submitted to the valuer an area of approximately 140.75 acres with the proviso that the company could purchase some additional land should they require a few more acres for developmental purposes.

The price works out at £154,325 under one valuation and £144,500 under the second. It is the opinion of the Commission that the land should not be sold for less than £1,075 per acre. On the basis of £1,075 per acre the price would be £151,306 5s. for approximately 140 acres.

The Hon. J. W. Galbally.—So the Minister's opinion is reinforced by the Commission and the valuers!

The Hon. Samuel Merrifield.—I did not bother to copy the next paragraph, as it was not particularly relevant, but if any honorable member doubts my word on the point, the letter is on the file and may be checked. The letter continued, referring initially to the managing director of the company:—

His company obtained a valuation which was approximately half of our highest valuation, but, knowing the land and the development that has taken place in the area, I would not place much reliance on his price.

I support the recommendation of the Commission that the land should not be sold for less than £1,075 per acre and feel sure that the company will be doing very well for itself to obtain it at this price.

The Housing Commission could offer this land for sale by tender thus saving the Government the trouble of having to pass special legislation. In order to assist the company to acquire the land, it is possible for the Commission to define the purpose for which the land would be used, specifying a particular industry and it would be very unlikely that any other tenderer could come forward and pay approximately £150,000 for a block of land in this area without preliminary notice of its ultimate use.

My only comment on the letter relates to the last paragraph in which the Minister of Housing stated that the zoning might be “rigged” to suit one company, so that in effect there might be only one tenderer. The suggestion is offered without it being stated that it is actually being done. The Minister then went to the other extreme of suggesting that the land should not be offered for sale by tender as the Act required, but that the sale should be approved by passing legislation after the elections were safely over. Apparently Cabinet discussed the matter and, in its great wisdom, decided to obtain another opinion. The file was referred to the Director of Finance, who apparently referred it, in turn, to the Land Tax Commissioner. The Commissioner submitted a memorandum on the matter.

The Hon. J. W. Galbally.—Did the Land Tax Commissioner have the benefit of the Housing Commission valuations?
The Hon. SAMUEL MERRIFIELD.—I shall read the memorandum first and offer comments later. It reads:—

The attached valuations have been examined with interest. No sales of comparable sites at a greater value than that received for the Ford site are known.

The drainage problem could exist, but with no contour survey available it cannot be estimated to what extent this would be a desirability.

The facilities being provided make the site most attractive for industrial users; very few if any other sites of such magnitude with all facilities would be available.

In other districts where large industrial concerns have become established, subsequent sales of adjacent areas have generally shown considerable advance in value.

The visual examination of the district at the moment shows nothing to help in establishing value above the £500 per acre.

Recently in the Coburg area, land of about 160 acres sold for approximately £150,000; this included an area in “Green Belt” which I understand from the vendor is to be compensated on a basis of about £400 per acre when resumed by the Town Planning Authorities. The balance of the land is zoned “residential.”

This sale was made possible by the establishment of the Ford industry in the locality and the possibility of the sale of home sites.

For the desirability of establishing the industry and the extraordinary amount of tax that would be collected annually, a satisfactory figure, to my mind would be given between £750 and £850.

That is the file up to that stage, and on that material Cabinet made a determination. There is a copy of a contract, and it may be discussed in Committee. Clyde Industries Limited wrote to the Premier enclosing the two valuations, and stated that the company now had pleasure in offering to purchase 140 acres 3 roods and 16½ perches at a price of £600 an acre, the terms of sale to be payment of a deposit of 25 per cent. and the balance in five annual instalments with interest at 5½ per cent. The Premier replied to that offer. The file contains two letters dealing with this point, one being signed by a Mr. King, of Martin and King Proprietary Limited, containing an offer of £650 an acre, and the other being from Clyde Industries Limited offering £600. The Premier replied to the Clyde company and agreed to a sale at £650.

I direct attention to inconsistencies and evidence of carelessness on the file. Concerning the letter of the Minister of Housing to the Premier, it is obvious that the honorable gentleman intended to cite the figure £1,075 three times, but he actually quoted £175 in two places; those figures were subsequently altered crudely with what appears to have been a ball-point pen. Clyde’s final letter of 5th May quoted a price of £600, and the letter from Martin and King mentioned £650. Otherwise the body of each letter is practically the same. On the same day, the Premier wrote to the Clyde company—probably he was afraid that the Opposition would hear about the matter—and accepted the price of £650. The original of the letter from the Minister of Housing to the Premier is now back on the file, although, strangely enough, I did not notice any copy. The Minister’s letter refers disparagingly to the two valuations of £500 and £550 submitted on behalf of Clyde Industries Limited. The interesting point is that the two valuations of the Commission are dated 3rd March, and the letter of the Minister to the Premier is dated 5th March, two days later. The two valuations of McGee, O’Callaghan and Beauchamp were dated April, about a month later, and it is interesting to note that the Minister, in his letter, referred to the valuations made on behalf of the company.

Another interesting feature is that the file seems to be higgledy-piggledy. Normally, the oldest documents appear at the back of the file and the more recent ones toward the top. In this file, however, the memorandum submitted by the Land Tax Commissioner is attached to the two valuations submitted by the company. Those two valuations were received in April, but the two received by the Commission in March are well forward in the file, these documents being separated by a number of papers. Why this is so, I do not know. Moreover, the memorandum of the Land Tax Commissioner is next to Clyde’s valuations.

In a debate in another place, the Minister of Housing mentioned that there were no other bidders for the land,
and there is no record of any other bidder appearing, except the request made by Mallon, the one agent who inquired about land and who was quoted a figure of £1,000. If that figure were thought to be too high, other prospective purchasers would have "shied off." If there were others, they did not get the prize received by the Clyde company for being more persistent.

I have referred to the fact that no action would be taken before the election. I wish to be fair to Mr. Morriss, the Land Tax Commissioner. I telephoned him with a view to discussing his memorandum, because it contained certain matters I desired to raise in Parliament, but — probably quite properly — he stated that he did not wish to discuss them. I have considered Mr. Morriss's memorandum without perhaps resolving what might be differences of approach by him and by myself. The memorandum does not state how many valuations Mr. Morriss saw. He said something to me on this point over the telephone, but I shall not repeat it because it may be unfair to do so.

Mr. Morriss, in his memorandum, spoke of comparable sales and cited one in the Coburg district of 160 acres for £150,000. I rang the office of the City of Coburg and the officer to whom I spoke knew of no such sale in the district. He informed me that the largest area of land not subdivided in the municipality was 98 acres in extent and that it had not changed hands recently. I point out that the Coburg area finishes at Boundary-road, where the municipality of Broadmeadows commences. The comparable sale referred to by the Land Tax Commissioner is probably the disposal of land previously held by the Watkins family. This was sold to Leighton's and is to be developed for housing. It is only a quarter of a mile south of Camp-road at Campbelfield, and is one and a half miles outside Boundary-road. The commissioner's statement that it is in the Coburg district is a very broad generalization. In fact, it is halfway between the Coburg boundary at Fawkner and the site of the land sold to Clyde Industries Limited.

As regards the Watkins property, the high tension transmission line from Yallourn to Yarraville passes through the front part of it. I admit that the length is not great, but over the distance the State Electricity Commission has an easement 110 feet wide. The Commission obtained that easement in the 1920's, and it is well protected in the matter. Anyone who now owns land under the transmission lines or in the area covered by the easement is unfortunate, because there are definite restrictions on this land. The picture is worse because at the moment the Commission proposes to duplicate the line. In fact, it has already acquired an easement in addition to the original one of 110 feet. This is 40 feet in width and is on the north side, and it is proposed to take an additional 70 feet on the south side. This will make the width of the easement through Watkins's property 220 feet.

The rear part, as Mr. Morriss mentioned, is part of the Melbourne and Metropolitan Board of Works rural zone. This land extends back towards Merri creek, and I should say contains about 20 acres. I can only assume that it will be retained for grazing purposes. The Board has a proposal for a secondary road to enter the Hume Highway lower down. On an objection being lodged, the Board varied the plan and now proposes to run a roadway, probably about 100 feet wide, across the rear of the Watkins property. Mr. Morriss referred to the payment under the planning scheme of compensation amounting to £400 an acre, and I take it that he was referring to the facts I have just outlined. I do not know whether any application has been made for permission to develop this land. The legislation requires that an application must be made under an interim development order for permission to develop, and, if it is refused, an appeal may be made to the Minister, who may refuse it. This process must be gone through before any compensation is payable. I have not had time to check whether this procedure has been observed.
The point I make is that I doubt whether any compensation has been paid, although it might have been; if not, compensation would be paid when the planning scheme was proclaimed. Compensation may be payable under certain circumstances if the Board and the subdivider agree on the reservation of land for a non-access road, and so on. It could be paid later if land was subdivided, but so far only a tentative plan for a subdivision has been lodged. Although the values there work out at about £930 an acre, they have been considerably depreciated by the factors I have mentioned. The best land towards the front is probably worth more than £1,000 an acre. In his report, the Land Tax Commissioner refers to the Watkins property as being in the Coburg district.

The sitting was suspended at 6.30 p.m. until 7.53 p.m.

The Hon. SAMUEL MERRIFIELD.—Prior to the suspension of the sitting I was discussing the Land Tax Commissioner's memorandum. Before I proceed, I might mention that the copy of the letter written by the Minister of Housing to the Premier is on the file relating to this matter. The next point I desire to make concerning the Land Tax Commissioner's memorandum is that Mr. Morriss mentioned that one comparable value was in the Coburg district. That leads me to wonder whether Mr. Morriss inspected the land. He does not say so in his memorandum. Housing Commission land is not subject to land tax, and, as it was acquired in 1951, it is doubtful whether the Land Tax office would be able to assess the value apart from any information it may now have as to comparable values. Mr. Morriss's values range from £550 an acre to £750 an acre. He does not say whether that indicates his inability to assess the value more accurately or whether it indicates some variation in the land itself over the 140 acres. He does not mention the fact that there is a State highway on one boundary, a Government road fronting the northern boundary for nearly three-quarters of a mile on which there is no liability for street construction, or that the land has a large frontage to the standard and broad gauge railway lines.

I refer now to Barry's-road, which has a vital influence on values in that area. First, it is a private street scheme from the Hume Highway to the Somerton-Campbellfield railway line; beyond that it is a scheme sponsored by the Housing Commission with an overpass to Pascoe Vale-road. In regard to the private street scheme, the approximate price at this stage is £34,590, the share payable by landholders on the north side being £19,220. Information which has now emerged, but which was not known when the Bill relating to the sale of land to the Ford motor company was before the House, is that the Housing Commission contracted to assume responsibility for private street construction on land owned by that company.

Sir ARTHUR WARNER.—On one piece of land on one side street.

The Hon. SAMUEL MERRIFIELD.—The price which the Ford motor company paid included, in effect, what would be subsequent private street construction. Even recently, the Minister attempted to evade the issue by saying that the Commission owned the land on the north side and that it was responsible for the northern side only. That is not correct. The Ford motor company owns the land on the north side. The estimated cost of the construction of that road is £12 a foot, the cost for 60-foot blocks on the south side working out at £720. This will add substantially to the value of land abutting on the south side, and it is interesting to note that this land is owned by a person named Zimmer. Before any rezoning took place he was approached by one of the gentlemen to whom I referred earlier, but he was astute enough not to sell.

Barry's-road was originally a 66-foot street. It has been widened twice with the consent of the Ford motor company in order to avoid a water main on the south side. Between kerbs it is 46 feet in width, approximately twice that of an ordinary private street. I understand that the width is the same right to Pascoe Vale-road. Apparently it was envisaged as a private street scheme with certain people in mind, and the
Housing Commission carried the responsibility for this greater width of road. It was obviously designed as an arterial road to benefit the Ford company. The overpass at the other end is costing £38,000, and the section of Barry’s-road in between is estimated to cost £120,000. The Minister stated that the idea was to open up the site generally, which is no doubt true, but it is not easy to see why the Commission has proceeded with the development of Barry’s-road at this juncture, when the land owned by the Commission north and south of the road is open paddocks and is likely to remain so with the exception of the land occupied by the Ford company and possibly another factory yet to be established on the western side of the Campbellfield railway line.

The sum of £193,000 has been expended by the Housing Commission for the construction of Barry’s-road, and the only inference that can be drawn is that this work was done purely to suit the convenience of the Ford motor company. It is interesting to note that the Bill dealing with this matter was introduced in 1956 and that later a Railway Loan Application Bill was brought forward which provided the sum of £300,000 for the diversion of the line, electrification of part of the track and renovation of the remainder. As yet there is no mention of what would be the additional cost to the Railway Department of providing a standard gauge track for this line. Possibly, that contingency has been provided for in the sum of £300,000, but I doubt it because the standard gauge proposition has emerged in detail only since the negotiations commenced in 1956. Then there is the matter of the Board of Works drain, for which the Ford motor company is to lend the Housing Commission the sum of £250,000, which amount is to be repaid later.

Sir Arthur Warner.—What has the Ford motor company to do with this measure?

The Hon. Samuel Merrifield.—I am indicating how everything the Government has done has been designed to suit the convenience of a big commercial organization.

Sir Arthur Warner.—That matter has nothing to do with this Bill.

The Hon. Samuel Merrifield.—I maintain that this public investment enhances the value of the land which the Ford motor company has obtained and that which the firm of Clyde Industries Limited is to receive. There can be no doubt that in 1956 private valuers valued the Ford motor company’s land at £500 an acre, and the value of the area has since increased substantially—indeed, far beyond the sum of £650 an acre which is the basis of the measure in relation to the land for Clyde Industries Limited. The State looks like benefiting to the extent of about £291,000 from those two transactions without the later option, and by £349,000 with the option. The Government would have spent a lot more money than that on the area in the meantime. Whereas the Ford motor company is spending from £6,000,000 to £8,000,000 on approximately 400 acres of land, Clyde Industries Limited will be spending, for some mysterious reason, only £250,000 in respect of 450 acres. It is interesting to note that a little further north the sum of £3,000,000 is being invested in respect to an area of 55 acres. Incidentally, I understand that at Springvale premises that are now occupied by Martin and King Proprietary Limited are to be vacated in favour of Volkswagen (Australia) Proprietary Limited, but at this stage there is no indication of the amount of money involved. What I have been trying to demonstrate is that development has considerably increased the value of the land. Even governmental expenditure has enhanced the valuations. That is recognized by the way that the Melbourne and Metropolitan Board of Works is varying its planning scheme.

Honorable members have heard the reply which the Minister made to my question in respect of the Goodrich tyre company. Although the land concerned is a rural zone, because of an ordinance of 1954 it is possible to issue a permit. I emphasize that the relevant land is a mile farther north in an area which lacks water and electricity and in respect of which there is no rail access of any
sort. It is difficult to say what will be the expense to the public in respect of the development of that land. Without a doubt, however, the development will have a considerable effect on the values of intervening properties. The Broadmeadows City Council is proposing to rezone an industrial area land on the south side of Barry's-road and to the east of the Hume Highway. Behind that there is an area of many acres which is being rezoned from a rural area to partly residential and partly industrial areas. There are other propositions on the move also, and there can be no doubt that values have increased considerably since 1956. Yet, this Government has increased its price for land in the district from £500 an acre to only £650 an acre. The Minister has made certain statements about comparable valuations. In the House I asked a question about industrial sites on the spur line to the Commonwealth military workshops and was informed that they ranged from £2,382 an acre to £906 an acre. I now read from a letter that was sent to three firms who submitted valuations of the Ford company's area—

The land coloured red on the enclosed plan comprises an area of 400 acres at Broadmeadows, and I would be pleased if you would supply me with the present day valuation of it on the assumption that it is industrial area land and on the basis that water would be available within three years and sewer within from six to eight years.

(Sgd.) T. C. Widdop,  
Estate Officer.

That letter was dated the 30th August, 1958. At this stage no mention was made of renovation of railway. On 25th October, 1956, the Government explained a Railway Loan Application Bill which provided the sum of £300,000 for renovation of the line. That factor completely changed the whole of the valuations in the area, but that aspect was not mentioned in the letters sent to the respective valuers. Actually, three valuers were concerned, and I shall not reflect on them by mentioning all of their names. One of them submitted valuations of £350 and the other submitted a valuation of £300. Morris Sallman made a valuation of £500 "if the property was sold as a whole." I shall read the final paragraph of his report—

The land should increase in value over the years but no sharp increase in value is likely until rail, water, sewerage and drainage services are adequately connected and the area actually developed for housing and industrial purposes.

These developments are in the planning stage only and I have to strike a balance between present facts and a high future potential.

I value the land at £500 per acre if sold as a whole.

The first comment I make is that in 1956 there were three valuations, of which that of Mr. Sallman was the highest. The Government accepted Mr. Sallman's 1956 valuation. However, in 1958 he was also valuer, and he submitted a valuation of £1,100 in respect of the land for Clyde Industries Limited. Yet, the Government ignored his valuation completely. In 1956, Mr. Sallman prophesied what would happen and by 1958 what he predicted actually occurred. Really, his valuation was consistent with the views he set forth earlier. The Government has ignored Mr. Sallman on this occasion. The Minister of Health mentioned a valuation of £400 or £500 in regard to the Ford motor company's land, but £500 is the correct figure. The Minister in another place stated that there were no other bidders. Of course there were not. The land was not known to be available. Mallon was the first man to hear of it, and he got straight on to Clyde Industries Limited. While he was waiting for the company to determine its attitude, it dealt direct with the Government. Naturally, therefore, he made no effort to see whether other bidders could be found. Actually, they were shut out. If Mallon did go behind the back of Clyde Industries Limited by approaching other people in the meantime, he would naturally refer to the sum of £1,000 per acre that the Housing Commission had set as a valuation on the land, and every other bidder would deal with the matter only on that basis. I think that answers what was said by the Minister in another place.

The Hon. Samuel Merrifield.
The PRESIDENT (the Hon. G. S. McArthur).—Order! The honorable member must be careful about discussing what a Minister said in another place.

The Hon. SAMUEL MERRIFIELD.—That is all I want to say on the matter, Mr. President. I was comparing what the honorable gentleman said with what he put on the file earlier this year. How he can pretend to be consistent, I do not know. He said also that the local council had rezoned the area for heavy industries since the Government had sold land to the Ford motor company. As I have said previously, the land was originally zoned for residential purposes and it was rezoned behind the scenes. Everybody knows what happened. To rezone by a planning scheme, a three months’ exhibition must be held, objections dealt with, and all are referred to the Minister, but that sometimes takes twelve months. I claim that the rezoning was done by back-door methods, by the use of a local government by-law, so that no one would know about it. Indeed, that action was taken only two or three weeks before the projected sale of land to the Ford motor company. I have mentioned some of the Ministerial inaccuracies concerning this matter. I pass now to the matter of valuations, concerning which there is much that I could say, but I do not wish to weary the House unduly. The Assembly member for this district is an estate agent of considerable experience. He mentioned that land was being bought in the district at a price of about £650 an acre.

The PRESIDENT (the Hon. G. S. McArthur).—Order! Was that matter mentioned by a member of another place?

The Hon. SAMUEL MERRIFIELD.—Yes, Mr. President.

The PRESIDENT.—It is completely out of order for the honorable member to refer to a debate in another place.

The Hon. SAMUEL MERRIFIELD.—Very well, Mr. President. There are quite a few matters that were mentioned elsewhere, and I can only say that they do not dovetail with the facts. I should like to furnish the House with complete answers concerning them, but apparently the Standing Orders preclude me from doing so. As regards the land for the Goodrich tyre company, which was used as a basis for comparison, the 1958 figure was set down at £450 an acre. That land is a mile farther north, and it has no water or railway connexion. A 660-volt electric power line passes the area but no high tension supply is available. The present facilities would be inadequate for industrial purposes. The site is completely isolated from the railway. The proposed plant is no doubt the forerunner of the one-tyre service stations which are still to come. That is apparently not appreciated by Mr. Walkley of the Dunlop rubber company.

The Minister, in his second-reading speech, indicated that he did not know very much about the Bill. I think he said that in his own experience he had been concerned with one valuation of £200. That was land which I understand his firm was handling in connexion with a certain sale. Quite a number of other sales have been made in the general direction of the land involved in this measure. All of them are well to the west of that area and are at least three-quarters of a mile away, in the undeveloped back-road country, and it is all part of a fabulous scheme propounded by Mr. Korman. At this stage it is all purely speculative. The land itself is really only rural, with rural land valuation. There is no residential or industrial zone there as yet. An application has been made to the Minister of Public Works to rescind part of the Broadmeadows planning scheme, possibly to enable some machinations or tricks to be indulged in regarding part of Mr. Korman’s property.

It is interesting to note that Mitchell sold to Dominion for £114,000, and that the latter sold to Stanhill Proprietary Limited for £430,000. Whether that was in anticipation of the Commonwealth people becoming interested in the area, I do not know. It is all indicative of the speculation that has been taking place in the area in question. However,
it is with the Clyde engineering people that we are now concerned. In another place, many of the ramifications of this firm were described. Briefly, these included Martin and King Proprietary Limited, Pepac, and several other industries that are functioning in this State. They are connected to Dupont, and Pepac deals with accessories for Holden's, indicating part of the tie-up between the Clyde interests and General Motors-Holden's Limited. The Clyde company is obviously a "big show." I have here some indications as to its capital. There are many ordinary shareholders among them, of course, but there are certainly "big shots" also. There are some family interests involved, and certain of the big insurance companies centred in this city also, although the Clyde people are from New South Wales. In fact, most of the big insurance companies in this State figure in the Melbourne register.

It is interesting to note that on the file Mr. Purves's name is signed on behalf of Clyde, while King's name is there on behalf of Martin and King Proprietary Limited—Purves being the managing director of Clyde's. There is no indication either of Johnston or Humphreys, but it will be seen that the directors of the companies, as shown in the 1953 inspection, include a K. Humphreys. Among the directors today there appears to be no Mr. Humphreys, but there is a Mr. Humphreys who went to Mr. Mallon and said he had the New South Wales firm interested in land adjacent to the railway. He is the man who wants half the commission on the projected sale and who introduced the proposition to Johnston. Where Humphreys is, I do not know, but I am somewhat critical and suspicious of his part in the whole business. Mr. Johnston, of Martin and King Proprietary Limited was the man who conveyed the proposition to the firm and he made no mention of Mr. Mallon's name when introducing it. It seems certain that Mr. Mallon was bilked out of his commission by the company.

The firm of Clyde Industries Limited manufactures rolling-stock, and it is interesting to learn what is happening to-day in connexion with our own railways. The Clyde establishment is manufacturing railway stock and, more particularly, most of the diesel electric locomotives as well as the trailer carriages of the "Blue Trains." This firm does not make the motor carriages. It has been the policy of Victoria's present Government to give away our State undertakings bit by bit. The diesel small cars that run on country lines are being taken to the West Melbourne workshops where the motors are removed and handed over to private enterprise for servicing. The Newport railway workshops are now down to a lower staff than in the depression days. The work being done there is a mere fraction of the workshop's potential. It is all being handed over to private enterprise. When the Clyde company is established at the strategic point in our railway system where the gauges meet, it will be right on the spot. There is no knowing just what part these people will play. They have been making rolling-stock and changing over to broad-gauge bogies in Victoria, and in the future they will be doing a lot of the maintenance work because it will be handed to them by the Government. The firm of Martin and King Proprietary Limited does the body work on the diesel cars for country trains; and that firm, through the Commonwealth engineering company, is a subsidiary of the Clyde company.

The story is the same with respect to the tramways. Bit by bit the tramway system is being sold. It is the policy of the tramways Board that no more trams are to be built and the system is going to be allowed to run down. Some time ago the Board ordered bodies from the Commonwealth engineering company, then backed out of the order and cancelled it. The cars that were under construction were dismantled and the tramways had to pay the company £11,000 for the cancellation of the order. The firm of Martin and King Proprietary Limited does some of the body work for the Board also.

The PRESIDENT (the Hon. G. S. McArthur).—Order! The honorable member is departing from the Bill. I
have given him a great deal of latitude; but he must now return to the terms of this measure.

The Hon. SAMUEL MERRIFIELD.—I have not yet quite made by point, which is that Martin and King Proprietary Limited is to go out to the Clyde company's land. They are subsidiaries of that company, and that is why they are involved in this Bill and why I have referred to them.

The PRESIDENT.—The honorable member may continue, but I hope he will confine his remarks specifically to the Bill.

The Hon. SAMUEL MERRIFIELD.—Obviously under the present Government of Victoria, Martin and King Proprietary Limited and the Clyde company are being given the bulk of the railway repair work, and probably with respect to this new venture at Broadmeadows they will get a lot more. Bit by bit the State system will be whittled down, and this is all part of the policy of the Government.

From the point of view of members of the party to which I belong, the Bill has fairly serious implications. I sum up by saying that the method of arriving at the figure at which the land is being sold to the company is completely unsatisfactory. The land is being disposed of to this company at a give-away price. Some of the circumstances which led to the company getting the opportunity to obtain the land are a shame and a scandal. In fact, there could be suspicion of impropriety in the matter. In saying this, I absolve the Minister of Housing, who is the Minister controlling the land generally. I do so because he put on record his views in March last and cleared himself. All the things that happened behind the scenes are not indicated on the file. That is where suspicion arises. If the Government had done its duty, it would have shown greater frankness about this matter. Now that some facts have been dragged out, the Government should abandon the Bill with the view of putting this proposal on a sounder footing. The way in which the Government proposes to sell this land is a public scandal, and I express the disapproval of the Opposition. I hope the Government will show more wisdom in the future than it has done in this connexion. If the people who handled the transactions were selling property of their own, they would have been more just to themselves than they have been to the State.

The Hon. I. A. SWINBURNE (North-Eastern Province).—Members have listened with interest to the story told by Mr. Merrifield of all that has happened in the negotiations concerning the sale of this land to Clyde Industries Limited. I agree with Mr. Merrifield as to many of the matters he placed before us, and I think members are now in a better position to judge the facts and to realize the implications in the sale of this land by the Housing Commission.

As has been stated, this land was "blanketed" during the term of the McDonald Government, and, as the Minister of Housing at the time, I issued the order for the purpose of further development in the area. It was realized that the whole of the area would not be used for housing, and provision had to be made for industrial expansion. It will be remembered that the press of the day made it appear that a city of the same size as Ballarat would arise in that area, and that it would be built in a week. Although that did not happen, development is taking place there and probably in time this area will progress to a city even bigger than Ballarat; it will be one of the great industrial centres of the State.

The Country party approves of the principle of developing areas of this nature. Over the years, members of my party have shown their desire to assist in the industrial progress of the State, and we can claim some credit for the extensive development in the Dandenong area, because it was during the régime of a Country party Government that most of it was planned. There was some opposition to the proposals, and it was claimed that unjust methods were used, but I do not subscribe to that view. Much vision and foresight were shown. The Country party agrees with the principle in the Bill for the sale of this land for industrial development,
but I intend to criticize some of the arguments that have been placed before the House.

As Mr. Merrifield said, doubt arises as to the negotiations that have taken place in relation to this project. Probably the honorable member and I have studied this matter more than other members for the reason that we have been vitally interested in the project over the years. While one can go through the files and find many facts such as those Mr. Merrifield has given to-night, there are other facts that are not disclosed in the official correspondence. One important aspect is that this land has been sold too cheaply. If valuers are employed on behalf of the Government, and they value the land at more than £1,000 an acre, and if it is then sold for £650 an acre, one wishes to know the reason for that reduction. I may look at this matter differently from the way in which Mr. Merrifield views it, and I shall try to state the value of the benefits to be derived from the sale of the land in question and the advantages to the persons concerned.

I must weary members a little by referring to the Bill that came before this House some two years ago in connexion with the purchase of land by the Ford motor company. It was an area of 230 acres and the Ford company had a twelve-month option on land which was valued at £500 an acre. The company purchased 400 acres at £500 an acre, and had an option for twelve months on an adjoining area. The position to-day is that the company has released its option, and it is proposed to sell this land to the Clyde engineering company. The proposal with which the Bill deals is to sell 140 acres of the area of 230 acres to Clyde Industries Limited and to give that company an option over a further 90 acres. The subdivision of the area is in what may be termed an "L" shape. Coming down Somerton-road and along the railway, one can see the portion of 140 acres that is to be sold. On the other section of the area is the 90 acres over which it is proposed an option shall be given.

What amazes me is that in this subdivision there is an isolated area of 90 acres. If Clyde Industries Limited does not exercise its option, there will be 90 acres without rail access, as all the land with rail access will have been sold. Such aspects should be considered in connexion with the development of an area. The Ford motor company had an option but did not exercise it, and there is no guarantee that the Clyde company will exercise its option. If it does not, there will be 90 acres from which there is no access to the railway, and that fact will greatly depreciate the value of this acreage. This area is being developed mainly because of the rail access available and I am amazed that the Government did not make provision so that rail access would be available to all portions of the area.

It will be remembered that when the Bill relating to the sale to the Ford motor company was before the House, I asked that the agreement with the company should be tabled. The Leader of the Government vigorously tried to stop that from being done, but the agreement eventually was read so that it could be placed on record. Many conditions had to be complied with. The first was that certain money was to be lent by the Ford motor company to the Melbourne and Metropolitan Board of Works, interest free, over a period of five years for the purpose of providing water. In return, the Government had to provide housing over a period of years. The company also had to develop Barry's-road, a controversial point to which I shall refer in greater detail later.

The cost of the land in question was £500 an acre, but it is now proposed to sell it at £650 an acre without any conditions attaching to the sale. Only the usual procedure will be observed, so I presume that when water supply is to be connected this company will have to make some contribution; when electrical power is to be added, it will have to pay, under what is known as the "self-help" scheme, towards the cost of the installation. The company will have to pay also for the siding to be erected. That is the difference between the conditions applying to the two adjoining blocks. One company had to accept certain special conditions, but

The Hon. I. A. Swinburne.
the other company will be subject to only the normal conditions. Through the generosity of the Railway Department in re-establishing this line at Government expense, the company will get a rail siding on to a main line connexion within a mile or so of its boundary.

It has been suggested by the Minister of Housing that a siding of the standard gauge will be available. That amazes me because in a statement by the Railways Commissioners during the weekend as to financing the work to be carried out in this area, there is no mention of a standard rail gauge siding being made available. The Minister of Transport is shaking his head, which indicates that he agrees that such a siding will not be available. If it were said that such a siding would be built at this location, I was going to raise the point that if such an amenity was good enough for Somerton it should also be good enough for many other places along the main line, where similar sidings should be provided. We were informed that only express trains would run and that there would be no sidings available for anyone, and so I hope that such a siding will not be built at this location. If the suggestion is made, we will oppose it.

I am not perturbed as to the price to be charged so long as it is just, but I think someone has made a big mistake by accepting £400 an acre less than the valuation. It does not appear to me to be right that a valuation prepared for the Department and submitted by the Minister as a recommendation should not be adopted and that land should be sold for less, unless there is something about which we have not been told. I trust the Minister will be able to inform the House why such a concession was made and what contributions have been given to so affect the value.

The next important question is the purpose for which the money to be paid for this land will be used. The land was purchased for the Housing Commission, and the Act specifies what is to be done with the money. Under the Commonwealth-State Housing Agreement, when an area is being developed, notice must be given every three months to the Commonwealth Government in relation to the housing scheme. The cost is assessed and is related to the rent charged for individual houses. On the 1st October, I asked the Minister of Transport the following question:

(a) With respect to the lands in the Broadmeadows estate sold (or in course of sale) by the Housing Commission to the Ford motor company and the Clyde engineering company, to what fund will be paid the difference between the original cost of the land to the Commission and the present sale price?

This was the answer I received:

(a) All receipts in respect of land sold will be paid to the "general fund" of the Housing Commission, as provided for by sub-clause (2) of clause 11 of the Housing Act No. 4583.

My next question was:

(b) For what purposes will such moneys be used?

The following answer was given:

(b) For housing purposes as provided in the Housing Acts.

When a start is made on the development of an area, the costs have to be borne in the way provided by the Housing Acts. That is clearly laid down in the Commonwealth-State Housing Agreement. If the money obtained from the sale of this land is to be paid into the general funds of the Housing Commission, it could be used for slum reclamation work in Collingwood or Fitzroy or for other Commission purposes. Mr. Merrifield stated earlier that the construction of Barry's-road was of vital concern not only to Clyde Industries Limited but also to the Ford motor company. It will be used as an arterial road leading to all developmental work in the area.

When I asked a question before the last State elections as to who was to bear the cost of the overpass and the construction of Barry's-road, I was told that it would all be borne by the Housing Commission. I trust that the Minister of Health will be able to answer the queries I raised in the course of my speech, because he will be asked them deliberately when the Bill is in Committee. Unless steps are taken to
ensure that the money obtained from the sale of the land is not paid into Housing Commission funds, future purchasers of Commission homes in the area will be called upon to meet portion of this cost over the 53 years in which they will be paying off their homes. I realize that to-day there is not a house within 2 miles of the proposed site of Clyde Industries Limited, but in five or six years' time many homes will have been erected. The purchase price of the land in question was in the vicinity of £90 or £110 an acre, and it is being sold at £500 and £650 an acre. Surely the profits made should be set against any developmental work that is undertaken. By that means the Government would be enabled in the future to charge lower rents for houses built in that area.

It will be evident to anyone who examines the plans for Barry's-road and the overpass, that considerably more is being done than would have been the case had the work been undertaken for ordinary residential purposes. It needs little imagination to conceive that Barry's-road will be used as a back entrance to the Ford motor company's works by traffic travelling from Geelong, as that thoroughfare provides a very nice short cut to the Broadmeadows estate. The overpass will be constructed at no cost to the railways.

Sir ARTHUR WARNER.—Hear, hear!

The Hon. I. A. SWINBURNE.—I can appreciate the satisfaction of the Minister for Transport, but surely he must realize the merit in my contention that the money obtained from the sale of the land should be used to offset those costs. I do not know how the Government is managing to get around the Commonwealth-State Housing Agreement, but it seems to be able to circumvent most restrictions. An examination of plans for future development, will reveal that what is being done at present is only the commencement of industrial expansion in the area. Probably another 500 acres on the opposite side of the railway line will be used for industrial purposes. Surely the tenants of future homes should not be expected to pay for development of roads and other facilities to the extent demanded by industry. When the section of Barry's-road between the Somerton railway and the Hume Highway was constructed as a municipal project, the Housing Commission paid £25,000 as its share in connexion with land that it subsequently sold to Ford's, and a private purchaser paid £25,000 for the other side of the road. In other words, the Government contributed £25,000 to the Ford motor company, unless it included that sum in the purchase price of the land it sold to that company.

I trust the Minister of Health will be able to detail the items that were taken into consideration in arriving at the purchase price of £650 an acre for the land to be sold to Clyde Industries Limited. It is of no use telling us that land sold across the road from the site realized so much, and that land sold on the other side of the railway brought such and such a figure. We have not all the facts available concerning those transactions and so cannot judge the equity of the price realized. I know that valuers have pointed out that there are difficulties connected with the development of the site to be sold to Clyde Industries Limited, but there must be some advantages also. We wish to have knowledge of all the facts concerning this proposal. The Country party will vote for the second reading of this measure, but will seek further information in the Committee stage before it finally approves of the legislation.

On the motion of the Hon. William Slater, for the Hon. J. W. GALBALLY (Melbourne North Province), the debate was adjourned until the next day of meeting.

CONSOLIDATED REVENUE BILL (No. 3):

Sir ARTHUR WARNER (Minister of Transport).—I move—

That this Bill be now read a second time. The amount included in the Supply Bill is £19,778,592, which is sufficient to meet requirements until the end of December, 1958. The first column of the Supply schedule indicates the amount required under each division of the Estimates to meet expenditure
for the months of November and December, 1958, and the second column shows the proportionate amount of the expenditure under each division of the Estimates for the last financial year.

The Supply schedule discloses many variations from the expenditure for a proportionate period of the year 1957-58. There are many reasons for these variations, but the amount of Supply required, whether greater or lesser than the expenditure incurred for a proportionate period of the preceding year, does not necessarily reflect the position of the current year. In addition, Supply is not required for certain items of expenditure, such as interest, sinking fund and exchange payments, for which special appropriations have been authorized by Parliament. I shall now explain the main items in the schedule under which increased provision is required.

For Parliamentary printing, an additional £2,899 is required. Expenditure on this item is heavier whilst Parliament is in session. There has been an increase in the staff of the Children’s Welfare Department consequent upon the opening of a large number of cottage homes. There has been an increase also in the number of children under the care of the Department. For these reasons an increased provision of £17,024 is required for salaries, contingencies and miscellaneous expenditure.

An extra amount of £30,427 is needed for salaries, contingencies and miscellaneous in the Police Department. This is necessary because the strength of the Force and reservists was progressively increased during 1957-58, and to meet the additional costs involved consequent upon a recent determination granting increased salaries to the Police Force.

For salaries for teachers in the Education Department, an additional amount of £1,461,278 has been allocated to meet the impact of the award of the Teachers Tribunal which was operative for only portion of the year 1957-58, and because salaries normally due on 8th January, 1959, will be paid prior to the Christmas vacation.

Expenditure on contingencies and miscellaneous in the Education Department for the year 1957-58 amounted to £5,951,000 and, for the current financial year, it has been necessary to provide £6,339,000. A reference to the Estimates will disclose the various items under which increased provision has been made. For payments under the provisions of the Commonwealth Pay-roll Tax Assessment Act, an additional £16,952 will be required. To provide for the additional grant to the University of Melbourne, which will be paid during the month of December, an extra £67,244 is needed. For the Department of Health, £36,413 more is necessary for salaries, contingencies and grants, this sum being necessary to meet the increased contribution to the Hospitals and Charities Fund.

I shall now outline the main items under which decreased provision is necessary. The premiums on account of the insurance of State employees will not be paid until later in the financial year, so the amount that will be required for the State Accident Insurance Office will be decreased by £45,116. The sum provided for the Government Statist covering salaries, contingencies and miscellaneous is £13,023 less, because the Commonwealth Government is now performing certain duties previously carried out by the State. The allocation for the Free Library Service Board for salaries, contingencies, and grants, is £27,105 lower due to the fact that grants to libraries are not made until the second half of the financial year.

The amount set aside for works and buildings for the Education Department shows a decrease of £21,365. This is due to the fact that it is the practice to pay allowances for works and buildings as early as possible in the financial year. It is anticipated that the sum required by the Treasury under the heading of “Exceptional Expenditure” will be smaller in the current financial year and, consequently, £7,588 less is being provided on this occasion. If any honorable members desire any further information, I shall be pleased to furnish it.

On the motion of the Hon. William Slater, for the Hon. J. W. GALBALLY (Melbourne North Province), the debate was adjourned until Tuesday, October 28.
COMPANIES BILL.

Sir ARTHUR WARNER (Minister of Transport).—I move—

That this Bill be now read a second time.

This large Bill, as honorable members will see, covers approximately 250 pages. However, there is approximately 60 per cent. less writing in this Bill than was contained in the consolidating measure dealt with some time ago. I feel that in dealing with this measure, which marks a distinct change in the form of drawing Bills for company law, it might be as well for me to traverse some of the facts relating to companies generally. Of course, hundreds of years ago, there were partnerships of a few persons, but the general idea of companies of the type that exists to-day is of more recent vintage. In fact, joint stock companies date back only about 100 years. In those days, there were joint stock companies that consisted mainly of a few wealthy members operating a form of partnership; the idea of limited liability is comparatively recent. With limited liability of the shareholders there has come about a considerable increase in the number of shareholders. Whereas in the very early companies there were only a few shareholders and liability was not limited—in effect, they were joint partnerships—now there is a large number of shareholders and a limitation of the liability of the individual shareholders. This enables a great number of people to invest in companies.

With the change in the economic structure of the world, a great deal of capital is now required to enter into any form of industry, large savings are required and big investments are necessary in order to produce any commodity under to-day's methods. Formerly, the workman took his hammer and chisel and made something out of wood or metal. To-day, before the finished article can be produced, there must be two or three years of forward planning, considerable drafting is necessary, plant and machinery must be acquired, and so on. To a large extent, almost every manufacturing business to-day is a type of continual gamble.

The Hon. I. A. SWINBURNE.—Some are better gambles than others.

Sir ARTHUR WARNER.—Many of the gambles are very successful, whereas many years ago, of every 100 companies that commenced, only 4 per cent. lasted more than four years. One is inclined to ignore the tremendous number of failures in view of the outstanding successes. The first constructive measures for the control of companies were passed in 1844 and many of these have been retained—for example, the principle that the corporation is distinct from its members. A partnership company was once considered as an individual body of men working together, whereas now it is an individual created by law and it is regarded as a distinct and separate body. The next principle that has been retained is that incorporation can be effected by registration; the third is that the public should be protected against fraud and that has become more necessary as there are a great number of individual shareholders who can be protected either by having good, honest directors or, alternatively, by the insertion in the Companies Act of special protective provisions. The fourth principle is that the shares are transferable. Under the rules of the Stock Exchange, this is becoming a very common method of exchanging property and making ownership in shares a liquid asset in the hands of people who wish to use their savings in that way. As the number of joint stock companies has grown, there have been many variations in the forms of proprietary companies and special companies, all of which are more or less of recent growth, except the mining companies which date back to the days of the Cornish mining arrangements.

The law is contained largely in the Companies Act, but there is also a considerable body of case law—of interpretation of the general formula—that surrounds this type of legislation. In addition, of course, commercial practice has assumed regulation of companies' affairs, particularly through the Stock Exchange and bodies of accountants and secretaries. The requirements of the Stock Exchange
are more stringent than those of the Act itself. That applies particularly to the form of public accounts and preferred or deferred shareholders. Also, as time has passed, there has been a continuous effort to curb the powers of directors, to place greater power in the hands of the shareholders, and to prevent the rights of shareholders being whittled away. I think that is a good and very necessary feature, which to some extent has been extended in the Bill presented to the House. As Mr. Slater will know, there still remain a few problems in relation to companies legislation to be dealt with. One is that of monopolies. We have a slightly common outlook on the matter, but Mr. Slater's method of tackling the problem is opposed to mine. Probably we are approaching the matter from the point of view of different ideologies as well. I think there are some monopolies which have done a great deal of building up to the advantage of the community.

Another problem which I do not think has been dealt with particularly in this piece of legislation is growing in importance to those who are responsible for handling large companies. It is the question of where their responsibility to the shareholders ends, where it begins or ends to the employees, and to what extent they should operate the company in what might be called the public interest, or, alternatively, the charitable interest. All those things conflict. Not long ago I registered a company, and the next day I received an application for a very large subscription from a charitable organization. How far shareholders subscribe money to the directors to give away to charity I am not sure, nor do I know to what extent the directors are entitled to take shareholders' money and give it to charities, good or bad. There is also the question of the extent to which companies should be prepared to give directors or employees bonuses beyond the normal pay which might be considered reasonable as an incentive. Obviously there are some conflicting interests in that.

In the Bill considerable steps have been taken towards safeguarding shareholders, creditors, minorities, and so forth. I do not know whether anyone would take the view that as the Companies Act was consolidated in 1938 its further consolidation in 1958 is not warranted. However, in view of the reports that have been made in the meantime, the changing nature of companies and so on, the Government considered it reasonable to have another consolidation undertaken. We were also encouraged by the fact that a great deal of other legislation has been consolidated and that it was possible to put this legislation into a more modern form so that further amendments to it could be more easily effected.

The Government has endeavoured in consolidating the legislation to bring together all common features of companies. In other words, where proprietary companies and public companies require the same kind of rules and regulations, common rules have been made for all companies and only those things which are special to specific types of companies have been dealt with separately. In the old Companies Act, in most instances proprietary companies were dealt with in one place and public companies in another. That is one reason why it has been possible to reduce the volume of the legislation. We have also eliminated a number of redundant provisions which have been made unnecessary for various reasons. During the preparation of the Bill various samples and drafts were submitted to different bodies such as the Law Institute, the Institute of Chartered Accountants, the Stock Exchange, the Bar Council of Victoria, and so on, in order to obtain as much information and comment as possible on the Bill. As a result of all this, it has been possible to remove a good deal of unnecessary matter. Provisions have been re-arranged to put them in better order and more compactly, and the Bill has been redrafted in modern form.

Presently I shall traverse the major changes that are being made in the legislation. For the convenience of honorable members an explanatory memorandum has been furnished with the Bill, and it indicates changes and the reasons therefor in respect of practically every clause in the Bill. Subject
to the concurrence of the House, I propose that we should follow the procedure I shall outline. First, we should agree to an adjournment of the debate on the Bill for a week; then, if anyone wants a further adjournment it can be granted. This is largely a Committee Bill, and I shall be happy at any stage to postpone a clause of the Bill so that the Committee may examine it steadily. I have no doubt that, as Minister, I shall also require some time to investigate some questions that will be posed to me.

I shall now discuss the main principles which are dealt with in the Bill. Part I. is largely new and deals with methods that will be used by the Registrar of Companies and all offices in keeping records, making registrations and so forth. One of the major benefits the State hopes to receive from the Bill is to gather less documentation and to find a means of getting rid of such documents as are unnecessary or obsolete. At present, the offices of the Registrar and of solicitors are cluttered up with a tremendous volume of old papers which are unnecessary and are never used. We have reconstituted the Companies Auditors Board, and the details of the new Board are set out in the Bill.

For the benefit of honorable members who are not familiar with the subject, I should mention that it has been the rule that proprietary companies must have at least two directors. In the future it will be necessary for them to have only one director, or one shareholder in the case of a wholly-owned subsidiary company. That is to get over the difficulty that occurs when the shareholder who has one share, in respect of which he signs a deed of trust, dies, after which a long procedure is involved.

The Hon. William Slater.—Would that not destroy the whole notion of a family company?

Sir Arthur Warner.—A wholly-owned subsidiary company can hardly be a family company.

The Hon. William Slater.—What is provided for in the Bill is merely a development to meet the changes that have occurred. It will affect the original intention of proprietary companies.

Sir Arthur Warner.—I agree that the original intention was a small company of fewer than twenty shareholders, which meant they were largely family companies, but, as Mr. Slater is aware, larger public companies have adopted the principle of having a number of subsidiary companies, mainly for bookkeeping benefits—so that activities may be divided up in such a way that one must look at them through a microscope to see what each one is doing.

The Hon. William Slater.—The Minister of Transport is naive to suggest that such companies are formed for bookkeeping purposes.

Sir Arthur Warner.—Unless it had some idea of fraud or of taking down creditors, I can see no reason for a large company to form subsidiary companies other than for the reason I have stated. If Mr. Slater suggests that some public companies might want to avoid liabilities by forming proprietary companies of a venturesome type, I imagine it could be done, but I have not heard of it. However, if there is such a danger, perhaps an amendment to provide that the proprietary company shall be backed by the assets of the public company might be appropriate. One is always endeavouring to afford protection in so many directions that the administration of an ordinary honest company involves a colossal amount of work to provide for protection against some, usually imaginary, possibly fraudulent operations of a company or person.

The mining companies have been brought into the general provisions of the Bill as far as possible. The Third Schedule enables the memorandum of association—generally speaking, the powers of a company—to include a large number of enumerated matters. Very often companies have found in the past that by some inadvertence, usually of their solicitors, they have omitted a necessary power from the memorandum. It has been quite a performance to overcome that lack of power in a memorandum. It has been the experience of a great number
of companies that the problem of changing the powers is so difficult that they have decided to take the risk in the hope that no one will find out.

The Hon. WILLIAM SLATER.—It is a very desirable form. Was it drafted by company lawyers or by the Parliamentary Draftsman?

Sir ARTHUR WARNER.—I think it was drafted originally by the Parliamentary Draftsman but, like all of the subject-matter of the Bill, it has been examined by company lawyers, the Bar Council of Victoria, the Stock Exchange, and other bodies. I have examined the Third Schedule to the Bill, and I think it covers most of the normal things that the average company wants to do as being ancillary to its normal objectives. All those things may be done pursuant to its general objects. In that way the Government hopes to overcome a lot of difficulty. There have been provided a Table A and a Table B which may be adopted by a company in whole or in part, or not at all, as a means of bringing in its articles of association. A Table B for mining is provided, which can also be adopted in whole or in part or rejected. I think in a previous Act a number of articles of association were set out for various types of companies. In this case we have provided only two forms. Something has been done to eliminate the problem of dealing with the names of companies along the lines of the English Act. We have made it easier to amend the objects of the company, which is a matter for discussion in Committee.

Clauses 36 and 37 deal with invitations to the public to deposit money with companies and the contents of prospectuses. These provisions require a company to issue a prospectus if it wishes to raise money on deposit, and debentures must be issued. Moreover, there will be a restriction on the form of advertising. In substance, these clauses mean that a company desiring to issue notes will have to conform with substantially the same kind of actions that it would take if proposing to make a new issue of shares; a proper prospectus will have to be produced. Whether the Government has gone too far with this is a matter of argument.

The Hon. WILLIAM SLATER.—Have the recommendations of the Statute Law Revision Committee relating to this provision been embodied in the Bill?

Sir ARTHUR WARNER.—Not precisely, but very largely. It is proposed that if a company desires to raise, say, £500,000 on notes, secured or unsecured, the notes shall be defined as debentures, and it will be necessary for the company to produce a prospectus. When it advertises, it will have to include in the advertisement a short form of prospectus advising people that, if they want to subscribe, a prospectus will be provided, and it will contain an application form. In effect, nobody will be able to subscribe without having forcibly drawn to his attention the conditions under which the money will be accepted.

The Hon. P. V. FELTHAM.—It will protect the cautious, but do nothing for the incautious.

Sir ARTHUR WARNER.—This is not a political Bill, and there has been a great deal of argument on the subject amongst the experts. I am inclined to agree that the Government may have been over-cautious in attempting to protect the incautious and thereby it may be responsible for causing much expense in underwriting, investigations, accountants’ expenses, brokers’ expenses, advertising, and so forth—to such an extent that a lot more money may be wasted than we shall succeed in saving. Finally, the person who will not read documents but will take the word of smart salesmen, will still subscribe money under all sorts of conditions. It is almost impossible to avoid that. However, we felt—and the Government will be happy to listen to any suggestions on this—that perhaps we were justified in going to the present extremes and forcing every company wanting to invite subscriptions on deposit to produce a prospectus.

The Hon. WILLIAM SLATER.—Has that not been necessary because of the extraordinary flow of money into these channels, to the great detriment of the public loans?

The Hon. R. W. MACK.—This clause is not likely to affect that particular aspect.
Sir ARTHUR WARNER.—I think not. The general point Mr. Slater is making, and I appreciate it, is that because large companies have been enabled to advertise for big amounts of money, and consequently huge sums have been drawn out of the pool, that money is not available for public loans. But, this clause is aimed at overcoming what I understand is one of the objections. Certain mushroom-type companies with little backing have been advertising for money at very high rates of interest. I do not think they have been obtaining a great deal of money, but what they have obtained is in a form that is risky to the investors. The object of the clause is to protect the small investor from making a "wild investment" in a mushroom company that offers high rates of interest. I would be inclined to think that the mushroom companies of a "semi-dangerous" nature have not obtained an amount equivalent to 1 per cent. of the money subscribed by the public to the substantial companies which have advertised notes at more modest rates of interest. In my opinion, the average person is fairly cautious with his savings, but there are a few "suckers" who will put money into anything.

The Hon. WILLIAM SLATER.—Anybody knows that there are a million of them. That is why so much money has been taken out of the pool.

Sir ARTHUR WARNER.—I do not think the people who invest money in notes in a big company are taking a great risk. Their security is better than that of a preference or ordinary shareholder.

The Hon. WILLIAM SLATER.—The Minister of Transport is surely not serious in stating that unsecured notes have any protection?

The Hon. R. W. MACK.—No. But they rank ahead of the shareholders.

Sir ARTHUR WARNER.—Mr. Mack has expressed the point that I am putting.

The Hon. WILLIAM SLATER.—In all circumstances they do not.

Sir ARTHUR WARNER.—I find it hard to visualize circumstances in which a company would "go broke" and the shareholders would be paid before the creditors. If there is any such company, I should be happy to investigate it. The Government has taken precautions to exert some control over unit trusts. Action has also been taken to clear up some of the difficulties relating to the grant of probate to enable Victorian companies to recognize probate granted in another State and obviate the necessity of a rescaling.

The Hon. WILLIAM SLATER.—That is a very important change.

Sir ARTHUR WARNER.—This is contained in clause 67; it will authorize Victorian companies to recognize the grant of probate and letters of administration in another State or Territory. Clause 94 deals with minority shareholders and provides a remedy in cases of oppression. The provision is wider than the corresponding one in the existing Act. Part IV. of the Bill contains provisions relating to the management and administration of companies, and the question of information relating to directors, including their names and addresses, is covered. Power is given for the shareholders to remove directors by resolution. It will be necessary for directors to state particulars of their directorships in other public companies so that shareholders can see whether companies are interlocking. The Bill contains provisions restraining fraudulent persons from managing companies. Action has also been taken to reduce the volume of information required to be submitted with the annual reports and returns. This has been a major difficulty in the past with companies having 6,000 or 7,000 shareholders. It has been quite a nightmare for those concerned every time it has been necessary to prepare the statutory lists.

The Hon. WILLIAM SLATER.—How many companies would have those formidable lists of shareholders?

Sir ARTHUR WARNER.—It is surprising how many small shareholders invest in these companies. If Mr. Slater is interested in this point I can give him some particulars.
The Hon. William Slater.—I can cite some interesting figures revealed by the analysis made by Mr. Wheelhouse.

Sir Arthur Warner.—That publication contains a lot of inaccurate information.

The Hon. William Slater.—You say that because you do not like it.

Sir Arthur Warner.—I think the ordinary, small shareholder is well advised to put his money into a company in which the directors have themselves invested large sums.

The Hon. William Slater.—Wheelhouse shows the kind of money that directors invest.

Sir Arthur Warner.—If Mr. Slater is interested in the problem of directors, he should look at the companies controlled by Boards of directors who have no money invested in them. The Government has taken care to strengthen the general authority of accountants and auditors. Steps have been taken to see that the consolidated accounts of companies show what is being done by subsidiaries. Action has been taken to cover the position where there is an exact equality of shareholding and one of two companies is not a subsidiary of the other because neither has 51 per cent. of the shares.

The Hon. R. W. Mack.—Although both hold 50 per cent?

Sir Arthur Warner.—That is so. This matter has been taken care of; in future, it will not be possible for the facts to be hidden. The Government has removed some of the provisions of the existing Act regarding banking and insurance, because these matters are covered by Commonwealth legislation which overrides that of the State. The Bill contains further provisions regarding unclaimed money and investment companies. It is proposed that power shall be given to the Governor in Council to permit certain prospectuses of foreign companies to be advertised here, provided that they comply with the general principles of our laws. The Supreme Court is to be empowered to require production of the documents of a company when an offence is suspected, and penalties have been made uniform throughout.

There are marginal notes in the Bill indicating the origin of some of the clauses. The Government has deleted the requirement that companies shall file with the Registrar a private balance-sheet, as this procedure has proved a failure. Most companies have merely put in the auditors’ report, which they publish in any event. Provisions regarding extraordinary resolutions have been eliminated. In future, only one form of resolution will be required—a special resolution, for which 21 days’ notice must be given. Provisions required to cover the transition from extraordinary resolutions to special resolutions are contained in the Bill.

The Hon. P. V. Feltham.—What changes have been made in the Companies Auditors Board?

Sir Arthur Warner.—At present, the Board consists of auditors only. Under the Bill, it is proposed that the chairman shall be a lawyer. Whether that is an advantage is open to doubt. Possibly a mistake has been made, but nevertheless this is provided for. The Government has not included all the provisions recommended by the Statute Law Revision Committee arising from its investigation of Freighters Limited. However, they have been the subject of considerable discussion with outside experts. Perhaps the question whether the Government should have adopted the precise recommendations could be argued during the Committee stage.

I commend the Bill to the House. I thank Mr. Finemore, the Assistant Parliamentary Draftsman, who has been engaged on the preparation of this Bill for some months, and who has done an excellent job. On behalf of the Government, I express gratitude to all the others who contributed valuable assistance, even though their suggestions may not have been adopted. This Bill
has been discussed by Cabinet on a number of occasions, and represents an honest and sincere attempt to establish Victoria as the leader in company legislation in the English-speaking world. The measure embodies all the best features of other company legislation, and includes a number of provisions which have been the result of original thinking in this State. Since Victoria is the leader in commerce in the Commonwealth, it is fitting that it should lead also in company legislation.

The Hon. F. M. THOMAS (Melbourne Province).—I move—
That the debate be now adjourned.

The Minister of Transport stated that he was prepared to agree to an adjournment of the debate for one week. I should like it adjourned for three weeks. Perhaps the Minister did not realize that to-day fortnight is Melbourne Cup Day. My party is prepared to resume the debate in three weeks' time.

Sir ARTHUR WARNER (Minister of Transport).—I do not imagine the second-reading speeches on this Bill will be prolonged; the problems will be met during the Committee stage. It may be possible to have a number of second-reading speeches next week, but if any member is not prepared to speak at that stage I assure him that he will be granted further time. I imagine the House will not sit during Cup week. I suggest that the honorable member should not block the passage of the Bill unnecessarily by asking for an adjournment of three weeks.

The Hon. F. M. THOMAS.—I will be handling this measure on behalf of the Opposition. I should like to know whether, if I am not prepared to resume the debate next week, a further adjournment will be granted.

Sir ARTHUR WARNER.—If necessary, a further adjournment of a fortnight will be granted.

The motion for the adjournment of the debate was agreed to, and the debate was adjourned until Tuesday, October 28.
but they bring very sharply into contrast the fact that the Government allows to remain frozen the quarterly cost-of-living adjustments which were previously paid to employees under State awards. There is an anomalous position in that the Government has approved of the policy of its wage-fixing tribunals increasing substantially the wages and emoluments of State employees. Within the last few weeks highly placed officials of the State, including Judges of both the Supreme Court and the County Court, received very substantial increases in their salaries.

Sir Arthur Warner.—Do you think the margins are too great?

The Hon. William Slater.—No, but I condemn the Government for leaving the man on the bottom rung without any protection at all.

Sir Arthur Warner.—Does it not involve the Arbitration Commission?

The Hon. William Slater.—No. The Government deliberately enacted legislation which has prevented the application of a principle that was well grounded in our industrial law, namely, that the remuneration of those receiving the basic wage should be subject to an adjustment according to the quarterly rise or fall in the cost-of-living. I dissent entirely from the view of the tribunal that altered that principle. In the last quarter, according to figures issued by the Commonwealth Statistician, there was in this State an increase of 2s. in the cost-of-living. That burden falls not on the well-to-do sections of the community but exclusively on the people on the basic wage and those at the bottom of the financial ladder, the lower income groups. The Government is unmindful of them because it is following a decision of the Federal Arbitration Court, which made, in my view, a retrograde decision. Those who pass judgment on the economic life and conditions of the mass of the community are well provided for; they receive £6,500 a year.

I notice that the Government proposes to apply to the Commonwealth Grants Commission for aid to this State. I am conscious of the difficulties which face Victoria under uniform taxation. The Government—I have rebuked it repeatedly on this score—has the means of altering that system if it had the will.

Sir Arthur Warner.—I wish that were true.

The Hon. William Slater.—The Minister of Transport realizes that his party has a majority in both Houses of the Federal Parliament, but it cannot alter the system because there is a division of opinion in the Liberal party organization in, say, Tasmania, Queensland, South Australia and Western Australia.

Sir Arthur Warner.—So long as they can suck us dry they are happy.

The Hon. William Slater.—Yes, but if the Minister of Transport was a member of the Liberal party in Queensland, he would not mind. It is only the accident of location that makes him espouse the Victorian point of view.

Sir Arthur Warner.—You are not even loyal to your own State.

The Hon. William Slater.—I am as loyal as the Minister. I am loyal to Australia, and that is what matters. I am not a little Australian like the Minister of Transport. I favour an alteration in the formula and believe, without reservation, that the Commonwealth should make greater provision for this State. Victoria's contribution to the national income and the increasing burden, both social and economic, that is placed on us by the inflow of migrants to this State, justifies the change.

Sir Arthur Warner.—I am beginning to convert you.

The Hon. William Slater.—I am searching for some way out of the impasse, but I cannot see it.

The Hon. L. H. S. Thompson.—Do you mean some way of ending uniform taxation?

The Hon. William Slater.—The Honorary Minister knows as well as I do that until there is a change of heart and attitude on the part of Liberal party members in other States, there will be
no change in the uniform taxation system. However, the Government can surely obtain a change in the formula and obtain more liberal distribution.

Sir Arthur Warner.—That cannot be done without your support.

The Hon. William Slater.—We will give you support in that direction unhesitatingly and without reservation.

The Hon. R. W. Mack.—They will not change the formula for the same reason they will not change the system—they like it too much.

The Hon. William Slater.—If that is so, it is because each State looks on this problem through its own rose-coloured spectacles.

The Hon. G. L. Chandler.—Your Government did the same.

The Hon. Archibald Todd (to Mr. Chandler).—The Labour party Administration balanced its Budget, which is more than this Government can do.

The Hon. William Slater.—The Leader of the House is a man of marked financial ability whose business interests are widespread; I wonder whether, if he were the leader of a financial empire that was going down the drain to the extent of from £2,000,000 to £4,000,000 a year, he would look for some way out.

Sir Arthur Warner.—I would have to give up politics straightway.

The Hon. William Slater.—Honorable members may laugh at the position, but it has serious implications.

Sir Arthur Warner.—That is why I am always asking for your help.

The Hon. William Slater.—I am offering my help now. The Government wants not our help but rather that of our friends in other States.

Sir Arthur Warner.—When we call on you for help, the matter is indeed serious.

The Hon. William Slater.—I do not know the real answer to the problem. The prospects of ending uniform taxation are not real.

Sir Arthur Warner.—With your assistance, they could be.

The Hon. William Slater.—Uniform taxation has become an accepted condition of the economic and financial life of Australia.

The Hon. L. H. S. Thompson.—Other political systems of the world have not got it.

The Hon. William Slater.—I agree, but they have, in their Federal systems, helpful features that we lack. There are some avenues in which the State might well increase its revenue. Mr. Merrifield directed attention to the fact that certain people were able to buy properties for £100,000 and sell them later for £200,000. Surely, there is an avenue in which the State could gain additional revenue, by imposing a tax on capital gains. I think the Minister of Transport agrees with me in that regard. The State might well invoke the same procedure as have some of the States of America and Canada, by imposing capital levies. That is certainly a fairer method than the imposition by the Commonwealth of its iniquitous pay-roll tax, particularly on State employees and the employees of municipal authorities. It is an impost that cannot be justified.

Sir Arthur Warner.—It is all wrapped up with uniform taxation.

The Hon. William Slater.—I do not agree. I suggest that, if the State Government were to give the Commonwealth authorities some of their own medicine, the position might be different. The State could readily tax the Commonwealth for some of the services it renders.

Sir Arthur Warner.—How could we do that?

The Hon. William Slater.—That is an avenue which the Government must explore for itself. The Minister of Transport surely knows that there are services by the score which the State renders to the Commonwealth.

Sir Arthur Warner.—The Commonwealth will not even pay registration fees on its motor cars.

The Hon. William Slater.—I know that the Commonwealth claims immunity in that regard, but that does not exhaust the field entirely.
Sir ARTHUR WARNER.—If you give us a hint, we will go after the matter.

The Hon. WILLIAM SLATER.—The Government's legal advisers should be in a position to give it any necessary tips. They know all the available avenues.

Sir ARTHUR WARNER.—We are particularly interested in this matter.

The Hon. WILLIAM SLATER.—What I am most concerned about is the drift in State finances and the iniquity of the discrimination shown by the Government in its favouritism of persons in highly placed positions, coupled with its unwillingness to alleviate the distress and economic injustice of the people in the low-income groups.

The Hon. L. H. S. THOMPSON.—What about our travel concession scheme?

The Hon. WILLIAM SLATER.—The recent rise in tram and train fares cut that out. The Government has very little to brag about in that regard. It even wiped out the concession that had been given to pensioners.

Sir ARTHUR WARNER.—That is not so.

The Hon. WILLIAM SLATER.—I fear that I am departing somewhat from the ambit of the Supplementary Estimates, and I do not wish to incur the displeasure of the Chair.

Sir ARTHUR WARNER.—Do not copy Mr. Merrifield.

The Hon. WILLIAM SLATER.—The Government would do well to heed many of his remarks, which were the result of intense research.

Sir ARTHUR WARNER.—He got himself so mixed up on his speech on the Housing (Broadmeadows Land) Bill that I could not possibly follow his arguments.

The Hon. WILLIAM SLATER.—Anyone who concentrated with interest on what he was saying could follow the points he was making. However, that is by the way. The Bill before the Chair must be passed. The expenditure covered by the measure has already been disbursed and, for those reasons, I support the Bill.

The Hon. I. A. SWINBURNE (North-Eastern Province).—The Bill before the House relates to Supplementary Estimates which are brought forward each year by successive Governments. This measure relates to a sum of £2,343,819, the bulk of which was expended on education and health. Those of us who represent country provinces recognize the value of school bus services, and probably our constituents contribute largely to the expenditure incurred in that regard. Indeed, the expenditure might be increased considerably if the requests of all country members were acceded to. I have no doubt that, because of changing conditions, it is particularly difficult at the commencement of a financial year to visualize what increased demands will be made upon the Government during the ensuing financial period. So, at the end of each financial year, Supplementary Estimates are brought down, and Parliament must accept that position. I agree with Mr. Slater that we should not subscribe to the policy of continually incurring deficits, as that is not in the best interests of the State. However, I realize that while our finances are controlled from Canberra it is difficult to avert that situation. I am pleased to note that this year the Premier has realized the mistake his Government has been making in continuing to budget for deficits. This year he is making an effort to bridge the gap that exists. Nevertheless, next year there will still be Supplementary Estimates to be dealt with.

The present question is associated not with budgeting for deficits but rather with authorizing expenditure that has already been incurred in various categories as set forth in the schedule. It must be agreed that most of the items covered represent unforeseen expenditure on matters affecting the development of the State. Some of the items have arisen because of conditions over which the Government had no control. I refer to floods, agricultural disabilities and increases in certain salary rates. In those circumstances, there is no alternative but to agree to the Supplementary Estimates, because they are part and
parcel of the unscheduled development of the State and are in the best interests of the community. The excess expenditure incurred was not anticipated when the original Estimates were prepared. I support the Bill.

The Hon. ARCHIBALD TODD (Melbourne West Province).—I take this opportunity to refer to the dismissal of 100 miners from the State Coal Mine at Wonthaggi. Even though the mine was incurring a loss, the Government should be condemned by the people of this State for its action in dispensing with the services of those men without making proper provision either for the transfer of them and their families to another district or for their employment in other avenues. The dismissal of 100 miners at Wonthaggi is a different matter from the dismissal of 100 workmen in the metropolis. In the metropolitan area workers have thousands of avenues in which to seek employment, but at Wonthaggi there are no such opportunities. A coal miner who has spent a lifetime in the town, and has purchased a home and reared his family, is placed in an invidious position. He must seek a job in another district and he must try also to find there a house in which to live. In the metropolis many people are trudging from suburb to suburb seeking accommodation. The Housing Commission has no fewer than 17,000 applicants on its books waiting for Commission homes. Yet, at Wonthaggi, the Government has dismissed 100 miners without affording them any hope of securing other work.

It is all very well for the Government to assert that the miners may seek employment in the Latrobe Valley or elsewhere. It is the duty of the Government, in these days of modern ideas and modern planning, to ensure that, in a situation such as that which obtains at Wonthaggi, the State will undertake the responsibility not only of finding employment for the men but also of finding homes for them. It could well be that the Government could transfer those miners to the Latrobe Valley for a period and that the Housing Commission could provide homes there for them. A representative of the Government should have said to the Wonthaggi miners, “This mine must be closed down eventually because it is a financial failure. Therefore, we propose to offer you employment and housing accommodation in another district, but that may take a little time.” During the intervening period, the mine would have lost a few more pounds, but what would that have mattered? So far as I am concerned, pounds, shillings and pence do not matter when they are balanced against humanity. The provision of shelter for a man’s family and some money in his pay envelope means more to me than the loss of a few additional pounds by a State undertaking.

Mr. Merrifield has directed attention this evening to an avenue in which the Government has thrown away an opportunity to obtain additional funds by failing to charge for a certain allotment of land £100,000 more than it actually charged. In these days of planning, the Minister might well have followed the idea that was adopted in Cessnock, in New South Wales, where men were transferred from the mines to Newcastle and were given jobs there in the employment of the Broken Hill Proprietary Company Limited. Thus, no hardship was imposed. When a large body of people are at a dead end at their place of employment, is it not sensible that the Government should endeavour, through its various instrumentalities to find, say, a hundred jobs and a hundred homes for the displaced people over a period of twelve months? By that means the workers concerned would go happily from one job to another. They would have no grudge against society and would not be prepared to listen to people seeking to talk them out of their sensible way of thinking on community matters.

Decency ought to prevail over consideration for pounds, shillings and pence. The Government should be condemned for its action at Wonthaggi. Those workers should not be thrown on the scrap-heap. Private enterprise should not be afforded the opportunity to witness the spectacle of the Government saying to its employees, “You
have served your period of usefulness. We have no further need for you." I hope that even at this late stage the Minister of Transport will hold up the Wonthaggi dismissals until arrangements can be made in directions such as I have indicated.

The Hon. Buckley Machin (Melbourne West Province).—I support Mr. Todd in his representations respecting the Wonthaggi miners. Mining is a peculiar occupation in that the workers are brought up in an atmosphere of mining alone. Wonthaggi was created because it meant something to the State, and it has meant something for very many years. Surely what has been accomplished there still has some value. To look at the whole situation solely from the financial standpoint is entirely wrong. I am not personally aware of the circumstances, but understand that there are still profitable coal seams at Wonthaggi. Why cannot these be worked in some way or other? The Minister of Transport is taking the attitude of closing down everything that does not show an actual profit. The welfare of the people should be the first concern of any Government, and if there are any statesmen on the Government side of the House they should see to it that that is the Minister's duty.

Last year Parliament passed a measure aimed at abating the pollution of the air. Since then, I regret to say, the public have not been given the benefit of that legislation which they had been led to believe they would receive. I think the Department of Health is due for some criticism in this matter. I have to complain of the discourteous way in which its officers treat members of Parliament who communicate with the Department on subjects about which they are concerned. Since March last, when the Act came into operation, I have been inundated with letters from people complaining of the pollution of the air in many parts of the metropolitan area, including even such places as Brighton, Caulfield and Ringwood. In one instance I sent to the secretary of the Department a copy of a letter I had received, together with a covering note of my own. After a long delay in which no reply came to hand, I mentioned the matter personally to the Minister, and a week ago I received a reply containing reference to my communication "of the 23rd August."

I obtained information, in reply to a question I addressed to the Minister of Health last week, concerning the activities to date of the committee appointed under the Clean Air Act. I was informed that that body had held seven meetings. The only matter of any substance set out in the regulations under the Act is that the members of the committee shall be paid £5 5s. for each meeting. The motive behind the legislation was the removal of a nuisance and the planning so that it should not recur.

On the recent Show holiday, I passed through Ringwood and Mitcham and noted that from one chimney there had been an emission of smoke for a period of 35 minutes. Municipal council inspectors have told me that the powers they formerly held respecting quite a number of matters have now been taken from them. We should ask ourselves whether certain Government Departments are doing the job their officers are paid to do. I know that officers of the Department of Health did not want the Clean Air Act. They have never tried to help the legislation one iota; indeed, they have placed obstacles in the way of any progress at all.

Reference has been made to certain efforts to relieve the Government in the matter of the pay-roll tax. There is one direction in which the Victorian Government might see fit to relieve local governing authorities. At present, I understand, the only exemption that councils can obtain is from stamp duties on rate receipts. It would be a very acceptable and worthy gesture on the part of the Government to say to the municipalities, "We will relieve you of the obligation of paying any stamp duties."

The Government is cheese-paring in some things—for instance, in depriving a large number of working men of their livelihood—and we may well ask ourselves, "Is the Government spending its
money properly or is it misspending it?” I am afraid that in a number of Departments the Government is not handling matters well. The Department of Labour and Industry deals with activities that should be the responsibility of the Mines Department and of the Forests Commission. There is a conglomeration of affairs in the Chief Secretary’s Department that could very well be sorted out and handed to other Departments.

We ask the Leader of the Government to take notice of our suggestions and to ensure that in the preparation of Estimates the items are put in the right perspective. Moreover, we ask him to ensure that departmental officers treat members with the courtesy to which they are entitled.

The Hon. E. P. CAMERON (Minister of Health).—I have been entertained many times to-night, but I was very surprised at the remarks of Mr. Machin, particularly when I remember that a year ago we were told the millennium was coming through the Clean Air Bill. Other countries have not solved the problem of the pollution of the atmosphere, but the Clean Air Bill was going to do it. It was proposed to take away the powers and duties of the Commission of Public Health and to place them in the hands of the Clean Air Committee, as provided for in that measure. The personnel of the committee was agreed upon and duly appointed. The committee requested the Commission of Public Health to promulgate the regulations that had previously operated pending the stage when the committee would have time to consider amendments of or additions to them. These regulations were promulgated accordingly. We cannot accept responsibility for the fact that the committee has met only seven times and has produced a gnat or some such insect, but we have no doubt that it will do much better in future. Mr. Machin had greater hopes than the Commission had of the committee doing anything. I take exception to the Commission being blamed for these things when the original germ of thought that produced the Bill came from the other side of the House. On behalf of the Government, I was pleased to hear Mr. Machin’s statement that when he applied to a member of the Government he got action. That will always be the case with members of this Government.

The Hon. D. J. WALTERS (Northern Province).—A paragraph appears in the statement before members relating to the Supplementary Estimates, and it may be one reason why the Government is facing such a huge deficit. It is shown that 460 copies of these Supplementary Estimates were printed at a cost of £285, or 12s. 9d. for each statement, and that does not include the cost of the paper, or the preparation of the material contained in the document. Either the Government Printer must be charging the Government a tremendous amount for printing these documents or an efficient job is not being done. Why should 460 copies be printed when there are only 100 members in both Houses? Surely there is no necessity to print that number at a cost of 12s. 9d. each. When the paper is added, the actual cost must be 14s. or 15s. a copy. We criticize the Government for spending money, although we try to get it to spend as much as possible when we introduce deputations from our provinces, but I think there is inefficiency in the administration of some Departments. I have been a member of Parliament for many years, and I should say that I have received sufficient paper from Parliament and Government Departments to fill the Queen Mary.

The Hon. WILLIAM SLATER.—I do not know what would be the cost of printing reports issued by some Departments. They could be roneoed at a greatly reduced cost.

The Hon. D. J. WALTERS.—That is so, and a case in point is the printing of 460 copies of these Supplementary Estimates. Many of the printed statements we receive go into the waste paper basket. The Leader of the Government may find some of his lost millions have gone in waste by Departments. They could be roneoed at a greatly reduced cost.

The Hon. I. A. SWINBURNE.—Many Acts provide that printed advice and statements have to be circulated to members.
The Hon. D. J. WALTERS.—We can amend any Act.

The Hon. SAMUEL MERRIFIELD.—The Parliamentary Papers Room must keep copies for record purposes.

The Hon. D. J. WALTERS.—There may be justification for the printing of 460 copies of these Estimates but does anyone believe they are worth 12s. 9d. a copy? I am sure that a private printer could do the work for less than that sum. From my knowledge of paper that is wasted in this way, the Government might not save a million pounds but it could save a large sum, and that is an avenue through which it might obtain a surplus for the next financial year.

The Hon. SAMUEL MERRIFIELD (Doutta Galla Province).—I wish to discuss an aspect relating to the Essendon hospital project. This was conceived and set in train in 1945. A provisional committee was appointed and in good faith its members commenced to raise money. I think it probably made greater efforts in that respect than any other committee in this State. Then we ran into trouble with the old Hospitals and Charities Commission and had serious set-backs. There was a delay in the acquisition of the land, the result being that by the time it was acquired it cost twice as much as the original price. Then the committee was given approval to commence its plans, but it was found that the Hospitals and Charities Commission has gone behind our backs and instructed the architect not to proceed with the project. Members of the committee were not aware of that decision, and the result was that the project was "scrubbed" a few years ago.

All those things have had an extremely adverse effect on the operations of the committee and the money-making efforts of its personnel. Public support diminished and the energy and enthusiasm of certain members of the committee lessened. Some of the original members have retired, but those remaining are desirous of continuing their activities. They are now at the stage when they cannot learn anything definite about the proposed hospital.

Some time ago a deputation waited upon the Minister of Health, who replied to the effect that when the Preston-Northcote Community Hospital and the Southern Memorial Community Hospital were finished, the project of which I am speaking might take its chance with some other project. What I wish to put to the Minister is that if the committee is given permission again to proceed with the plans, it will take some time to revive its activities. Frankly, I think any committee would be wise to have a look at the tentative designs being prepared by architects nowadays, to become familiar with modern trends. The planning side can last a considerable time.

The Hon. G. L. CHANDLER.—Plans drawn up now could be out of date in twelve months.

The Hon. SAMUEL MERRIFIELD.—I could enter into a long discussion on that aspect. Members of the committee genuinely wish to continue their efforts, but it will be impossible to do so until they have some definite information on the matter. The reply the Minister gave does not help very much, and the committee will be more or less at a standstill for another three years. It may learn that it can come into the hospital building scheme in five years' time. A project suffers while that sort of thing continues. The Hospitals and Charities Commission, after the new members had been appointed to it, reoriented the whole hospital building programme, and I can understand its commitments throughout the State; but surely it is in a position to indicate when money will be available for the Essendon hospital project. If we were given that information, the committee would come to life again and the scheme would benefit.

There is urgent need in the district of which I am a representative for a midwifery hospital. The nearest one is a Sacred Heart Hospital at Moreland and the next is at Footscray. In our district there is no such hospital, and a modified project should be prepared so that that phase can now be covered. Another minor requirement is an outdoor section to cater for patients who have been
given clinical treatment in other hospitals but who live in the Essendon district and could be attended to there. Something should be done to enable the committee to prepare the project and to rekindle public interest in it.

The motion was agreed to.

The Bill was read a second time and committed.

Clause 1 (Issue and Application of £2,343,819).

Sir ARTHUR WARNER (Minister of Transport).—First, I should like to answer questions raised by Mr. Todd dealing with the State Coal Mine. The mine has lost £3,000,000 to date, and over the past three or four years has been losing money at the rate of £300,000 a year. A number of investigations have been made into the mine's operations and its prospects seem to be completely hopeless. No seams are capable of being worked without great loss being incurred. Some seams could be worked at a lower loss than that now being incurred, provided that considerable capital was expended. This would mean spending large sums of money in order to be sure that we would lose money.

The Hon. I. A. SWINBURNE.—That is a very effective way of putting it.

Sir ARTHUR WARNER.—Yes, I have given the cold, hard facts. During the past three years, the Government has been able to encourage the establishment of secondary industries in Wonthaggi, and, in spite of the number of miners employed being reduced from 1,700 to 529, the population of the area has increased. That means that farmers and proprietors of secondary industries in the town have absorbed any men who have left the mine. We have endeavoured to persuade miners to enter secondary industry, but have met with little success. The average wage of miners working on the coal faces is approximately £24 a week, and the average weekly wage of all persons employed by the mine is more than £20. As the miners have put it in a somewhat vulgar way, they will not leave the mine to work for some "cooky" at £14 a week, or in a factory for £15 a week. One cannot blame them for that attitude. As miners, they retire at 60 on quite a favourable pension and enjoy all sorts of other privileges in addition to their wage of approximately £24 a week. They will not leave the mine to go to secondary industry unless they are forced to do so.

The Hon. I. A. SWINBURNE.—Neither would you.

Sir ARTHUR WARNER.—I quite agree. I offer no criticism of their attitude. A great number of men are working on seams which are almost non-productive. The Government has examined every aspect in an endeavour to determine the right thing to do. If one considered sheer economics the answer would be to shut down the mine completely, and that is the recommendation of the experts. After a great deal of consideration, I arrived at the conclusion that it would be almost inhuman to close down this undertaking as it would deprive Wonthaggi of population very suddenly or it would place a great number of people suddenly in unemployment. Consequently, the Government decided that the best thing to do would be to attempt to carry on the mine but at the same time reduce losses, and a plan was evolved to keep 420 miners in employment at a net annual loss of £120,000. That seems to be a reasonable subsidy to pay to one town. If every town in Victoria received similar treatment the State's finances would be bankrupt. The result of the plan was that the employment of 109 people would be terminated in some way or other to reduce the annual loss from £300,000 to £120,000, and the loss per man from £12 to approximately £6. Most of the uneconomical faces, some of which are as narrow as from 3 to 7 inches, will not be worked.

The Hon. ARCHIBALD TODD.—I believe 18 inches is the narrowest seam.

Sir ARTHUR WARNER.—They come down to 7 inches in thickness, and it is completely stupid to work such areas. Men working on those faces cost the mine £18 a week loss.
The Hon. D. J. Walters.—It would be better to pay them not to work.

Sir Arthur Warner.—That is so. I held a conference with representatives of the Miners’ Federation in order to arrive at some equitable means of deciding on which men should be dismissed. Included in the award is a provision that when dismissals are contemplated the last on shall be the first off. That means that married men and those with other responsibilities must be dismissed if they are amongst the last to be employed. I attempted to obtain the agreement of the Federation that humane consideration should govern the dismissals, but it maintained that the award conditions should be observed regardless of other considerations. Therefore, if any unfortunate case arises in the dismissal of men at the mine, it will not be the responsibility of the Government, as it offered to study the matter on a humanitarian basis.

Further conferences were held with the Federation and other unions concerned on the question of the 109 men to be dismissed. Since the time of the previous discussion, 25 men had either resigned, retired, or had been dismissed for some reason of misconduct. We then decided to agree to retire 36 others at the age of 58 during next year and the following year. They will be retired on full pension, and that confirms Mr. Walters’s point that it is cheaper in some cases to retire men instead of paying them to work when their effective production is negligible. Some 48 men remain to be dismissed. The dismissal of these men will take place at the rate of three a week so that there will be no sudden disruption of the town’s activities. We hope to be able to find jobs for some of them in other forms of Government employment. For instance, electricians may be transferred to the railways. However, it is impossible to induce men to leave the mine before they are dismissed, so before any transfer takes place dismissal from the mine must ensue. The Government is also offering subsidies and other forms of assistance to private employers in the locality who are prepared to employ any of the 48 men dismissed from the mine. It is also asking the State Electricity Commission to give preference in employment to any of the 48 men to be dismissed.

The Hon. Arthur Smith.—Will these men who are transferred to other Government employment retain their pension rights?

Sir Arthur Warner.—They will preserve all their rights with regard to long service leave, retirement benefits and so on. In the case of those men who retire at the age of 58, the Government will pay into the retirement fund the sum they would have paid in had they worked till they were 60 years of age. I do not know how the Government will handle the pension rights of any men who transfer to the State Electricity Commission. I have not yet had such a case to deal with.

The Hon. P. V. Feltham.—Any men who have had 10 years’ service will automatically obtain any long service payments due as they are dismissed.

Sir Arthur Warner.—That is so. The miners enjoy special long service leave privileges, but I am not familiar with the exact details. I do know that their entitlement is better than the normal privileges. It will be necessary for both Houses of Parliament to pass legislation permitting the Government to retire these men at the age of 58, instead of the normal retiring age of 60 years. There is nothing to prevent them from obtaining further employment and supplementing their incomes—the average pension will be £10 a week. The Government was faced with a difficult problem. There were no means whereby the loss of approximately £300,000 a year could be reduced. Almost every expert who examined the situation stated that the mine should be closed down. It has been maintained for some time for the sole purpose of assisting Wonthaggi. Nobody wants Wonthaggi coal to-day despite the efforts of special salesmen to encourage its use. The use of this coal has been forced upon Government instrumentalities, which have paid a price in excess of its value. Inquiries have
been made to see whether it would be possible to open up new shafts with a view to reducing the loss.

The Hon. Buckley Machin.—Were new headings considered as well as the sinking of new shafts?

Sir Arthur Warner.—Yes. The thickest seams of coal in the area are approximately 3 feet, while the thinnest seams dwindle down to only 3 inches. It would be possible to sink holes in those places where the depth of coal is 3 feet, but only a poor quality coal would be obtained. It has a low calorific value and no industries want coal of this type. A great deal of capital would have to be spent in order to continue the operations of the mine, at a loss.

The Hon. Buckley Machin.—Was the coal always of a poor quality, or has it deteriorated over the years?

Sir Arthur Warner.—Compared to wages, the coal has fallen in price. Oil has also fallen in price and that is one of the reasons why the value of coal has deteriorated. When the supply of coal was uncertain, industries were driven to use oil to ensure a constant fuel supply, and the oil companies found that it paid to import oil into the country because there was available a market for crude by-products of oil. Crude oil cannot be put in the river or used on the land, and, therefore, it must be sold. Increased sales of oil have brought down the price of coal. Naturally, a reduction in the price of coal helped to put a number of miners out of work.

The Hon. Archibald Todd (Melbourne West Province).—The Minister of Transport has given a plausible explanation to the House and he has depicted the Government as being a type of Father Christmas, deeply interested in the welfare of the miners and not wanting to do anything to harm them at all. Certainly, he supplied honorable members with some facts that I did not hear at the protest meeting at Wonthaggi which was attended by 1,000 persons, representing all sections of the community. For example, there was no suggestion about miners being retired at an early age. All they knew was that 100 miners were to be dismissed over a period of time. Surely, if a mine at Wonthaggi must be closed, it is the duty of the Government to set an example to private enterprise in the manner in which persons should be transferred from one class of employment to another. Had the Government been able to "line up" the jobs, it would have been justified in informing the 100 or so employees that it was proposed to terminate their services on a certain date, when they would be provided with work, and a home, in the Latrobe Valley, in the employ of either the Gas and Fuel Corporation or the State Electricity Commission. This would have been preferable to the policy that has been adopted by the Government. Even though the Government has solved part of the difficulty, there will be at least 50 men who will have to seek employment in some other locality. It is not easy to lift a tree out of the ground and to make it flourish elsewhere.

The next occasion when a situation of this type arises, the question should be discussed with the Miners' Federation. The history of mining is a long and bitter one. The seeds that produced the bitterness were sown by the coalmine owners many years ago, and they are reaping the reward to-day. It is the responsibility of the Government, if no alternative employment is offering, to see that the miners concerned are offered employment elsewhere.

The clause was agreed to, as was clause 2.

The Bill was reported to the House without amendment, and passed through its remaining stages.

ADJOURNMENT.

Sir Arthur Warner (Minister of Transport).—By leave, I move—

That the Council, at its rising, adjourn until Tuesday next.

The motion was agreed to.

The House adjourned at 11.12 p.m. until Tuesday, October 28.
LEGISLATIVE ASSEMBLY.

Tuesday, October 21, 1958.

The Speaker (Sir William McDonald) took the chair at 4.4 p.m., and read the prayer.

EDUCATION DEPARTMENT.

Metropolitan State Schools: Heating Systems: Dental Treatment.

Mr. MUTTON (Coburg) asked the Minister of Education—
1. How many State schools are situated within the metropolitan area?
2. How many of such schools have a central heating system?
3. How many dental vans are used by the Education Department, and in what area these vans operate?
4. How many school children received dental treatment by such means in each of the years 1955-56, 1956-57, and 1957-58?

Mr. BLOOMFIELD (Minister of Education).—The answers are—
1. As the expression "metropolitan area" is open to varying interpretations I have, for the purposes of this question, regarded it as the area covered by the fifteen metropolitan districts of the Department’s district inspectors of schools. 398 State schools are situated within this area.
2. 177 of these schools have central heating systems.
3. and 4. As the administration of dental inspection and treatment in schools is under the administration of the Minister of Health, I suggest that these two questions should be directed to that Minister.

STATE RIVERS AND WATER SUPPLY COMMISSION.

Water for Irrigation: Acreages Irrigated.

Mr. STIRLING (Swan Hill) asked the Minister of Water Supply—
1. What total amount of new water was allocated for irrigation during the twelve-monthly periods ended 1st September, 1957, and 1st September, 1958?
2. What total acreage was irrigated during each of the last four years?

Mr. MIBUS (Minister of Water Supply).—The answers are—
1. Additional allocations have been—
   For the twelve months period ending 1st September, 1957:—
   Water rights … 7,363 acre-feet.
   Diversion licences and permits … 56,830
   For the twelve months period ending 1st September, 1958:—
   Water rights … 12,498 acre-feet.
   Diversion licences and permits … 49,519

   In addition, very substantial quantities of additional water were made available under sales conditions in the irrigation districts, the total water delivered, including water rights and sales, in the last four years being:—
   1954-55, 1,070,433 acre-feet.
   1955-56, 744,391 acre-feet (a wet year).
   1956-57, 1,139,373 acre-feet.
   1957-58, 1,603,970 acre-feet (an all-time record).

2. Total acreages irrigated in Victoria in each of the last four years have been:—
   1954-55, 863,563 acres.
   1955-56, 634,334 acres.
   1956-57, 855,182 acres.
   1957-58, 1,001,800 acres (an all-time record).

FORESTS COMMISSION.

Roads: Construction, Location, Length, Purpose and Cost.

For Mr. CHRISTIE (Ivanhoe), Mr. Holden asked the Minister of Forests—
1. What roads the Forests Commission has started to construct since 1st of July, 1955?
2. What is the location and length of each road?
3. What is the purpose of each road?
4. What amount has been spent, directly and indirectly, on each road?
5. Whether each road has been finished to its originally planned destination; if not, why?

Mr. PORTER (Minister of Forests).—The answers are in the form of a lengthy return, and I seek leave of the House to have them incorporated in Hansard without my reading them.
The answers were as follows:

The answers to sub-question 1, 2, 3, 4, and part of 5 are shown in tabular form below. The answer to the other part of sub-question 5 is shown at the conclusion.

<table>
<thead>
<tr>
<th>Forest District</th>
<th>Location of Road</th>
<th>1. Length of Road (Miles)</th>
<th>2. Prime Purpose of Road</th>
<th>3. The Amount Spent Directly and Indirectly</th>
<th>4. Whether Finished</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>South-Western Division.</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Ballarat</td>
<td>Creswick-Long Gully</td>
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<td>General*</td>
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<tr>
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<td>1</td>
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<tr>
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<td>Telegraph-Langdon's Hill</td>
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<td>Jane court</td>
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<td>White Bog</td>
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<td>Kawarren</td>
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<td>Chinaman's</td>
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<td>Judge's</td>
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</table>

| Southern Division. | | | | | |
| Brigalong | Davey's Knob | 6 | Fire protection | 6,772 | Yes |
| Brigalong | George's creek | 3 | Fire protection | 3,491 | No |
| Erica | Jubilee | 1½ | Fire protection | 1,137 | Yes |
| Erica | Quarry | 1 | General | 1,094 | Yes |
| Erica | Mt. Erica | 2½ | Logging | 3,172 | No |
| Macallister | Barkly river | 5½ | Logging | 53,846 | No |
| Mirboo North | Darlimurla | 2 | Fire protection | 308 | Yes |
| Mirboo North | Allambie East | 2 | Fire protection | 573 | No |
| Yarram | Carrajong | 6 | Fire protection | 2,395 | Yes |
| Yarram | Boodyarn | 5 | Fire protection | 2,323 | Yes |
## Western Division.

<table>
<thead>
<tr>
<th>Forest District</th>
<th>Location of Road</th>
<th>Planned Length of Road (Miles)</th>
<th>Prime Purpose</th>
<th>The Amount Spent Directly and Indirectly</th>
<th>Whether Finished</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casterton</td>
<td>Various</td>
<td>25</td>
<td>Fire protection</td>
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<td>Belchers Island</td>
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<td>Murrumbidgee Bend</td>
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## Eastern Division.

<table>
<thead>
<tr>
<th>Forest District</th>
<th>Location of Road</th>
<th>Planned Length of Road (Miles)</th>
<th>Prime Purpose</th>
<th>The Amount Spent Directly and Indirectly</th>
<th>Whether Finished</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nowa Nowa</td>
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<td>Nunnett</td>
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<tr>
<td>Orboat</td>
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## Central Division.

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<tr>
<th>Forest District</th>
<th>Location of Road</th>
<th>Planned Length of Road (Miles)</th>
<th>Prime Purpose</th>
<th>The Amount Spent Directly and Indirectly</th>
<th>Whether Finished</th>
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</thead>
<tbody>
<tr>
<td>Broadford</td>
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## Northern Division.

<table>
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<th>Forest District</th>
<th>Location of Road</th>
<th>Planned Length of Road (Miles)</th>
<th>Prime Purpose</th>
<th>The Amount Spent Directly and Indirectly</th>
<th>Whether Finished</th>
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<tr>
<td>Bendigo</td>
<td>Eppalock</td>
<td>44</td>
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<td>New Bluff</td>
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## North-Eastern Division.

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<th>Prime Purpose</th>
<th>The Amount Spent Directly and Indirectly</th>
<th>Whether Finished</th>
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<td>Upper Buckland</td>
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Planted The Amount Spent
Forest District. Location of Road. Planned Length of Road (Miles). Prime Purpose of Road. The Amount Spent Directly and Indirectly. Whether Finished.

Aire Valley Plantation 9 roads of various lengths 13½ Logging £20,032 Yes
Bright Plantation 3 roads of various lengths 1½ Logging 512 Yes
Loch Valley Plantation 4 roads of various lengths 2½ Logging 2,680 Yes
Ovens Plantation 4 roads of various lengths 6½ Logging 15,105 Yes
Stanley Plantation 3 roads of various lengths 4 Logging 4,978 Yes
South Gippsland Planation 5 roads of various lengths 8½ Fire protection 4,215 Yes
Yarrowee Plantation 1 road 3 Fire protection 2,189 Yes
You Yangs Plantation 1 road 1 Fire protection 232 Yes

Notes.—Figures do not include short dead-end spur roads constructed exclusively for current logging.
*General purpose roads are defined as those which do not have a distinct primary purpose but serve equally for fire protection, timber extraction and administrative needs.

Sub-question 5 (second part): Roads shown above as being incomplete are unfinished for three main reasons.—
1. Construction in progress.
2. Delay due to adverse seasonal conditions.
3. Deferral of construction while awaiting provision of further funds.

RAILWAYS (STANDARDIZATION AGREEMENT) BILL.

Mr. PORTER (Minister of Forests) presented a message from His Excellency the Governor recommending that an appropriation be made from the Consolidated Revenue for the purposes of a Bill to authorize and ratify the execution by and on behalf of the State of Victoria of an agreement between the Commonwealth and the States of New South Wales and Victoria in relation to the standardization of certain railways, and for other purposes.

The House went into Committee to consider the message.

Mr. PORTER (Minister of Forests).—I move—

That it is expedient that an appropriation be made from the Consolidated Revenue for the purposes of a Bill to authorize and ratify the execution by and on behalf of the State of Victoria of an agreement between the Commonwealth and the States of New South Wales and Victoria in relation to the standardization of certain railways, and for other purposes.

Sir GEORGE KNOX (Scoresby).—I should like to be informed of the purpose of the measure. I am not sure that a bad practice is not being developed with regard to appropriation resolutions. I realize that it is easy for the necessary motion to be adopted in Committee without debate, but a member who desires to be furnished with information at this stage has a right to be supplied with it. I warn the House against continually taking short cuts in transacting its business from day to day, in spite of the fact that there may be a pleasant arrangement between the Government and the Opposition. Large sums of money may be involved in this measure, and I ask the Minister of Forests to give an outline of the question on which members are asked to vote.

Mr. PORTER (Minister of Forests).—The Government is merely following the normal forms of the House relating to the introduction of a financial measure which is preceded by a message from His Excellency the Governor.
Honorable members will have ample opportunity of learning the contents of the Bill during the second-reading stage.

Sir GEORGE KNOX.—I was hoping to obtain some information now, in accordance with my rights, although I do not seek details.

Mr. PORTER.—The Committee is being asked to agree that certain financial commitments shall be entered into for the purpose of a Bill to ratify an agreement between the Commonwealth and the States of Victoria and New South Wales to provide for the construction of a standard gauge railway line between Melbourne and Albury.

The motion was agreed to, and the resolution was reported to the House and adopted.

On the motion of Mr. PORTER (Minister of Forests), the Bill was brought in and read a first time.

WATER SUPPLY LOAN APPLICATION BILL.

Mr. MIBUS (Minister of Water Supply) presented a message from His Excellency the Governor recommending that an appropriation be made from the Consolidated Revenue for the purposes of a Bill to sanction the issue and application of loan money for works and other purposes relating to irrigation, water supply, drainage, sewerage, flood protection and river improvement, and for other purposes.

A resolution in accordance with the recommendation was passed in Committee and adopted by the House.

On the motion of Mr. MIBUS (Minister of Water Supply), the Bill was brought in and read a first time.

BREAD INDUSTRY BILL.

Mr. G. O. REID (Minister of Labour and Industry).—I move—

That this Bill be now read a second time.

This Bill is designed to fulfil the promise given by the Premier during the last election campaign that the Government would introduce a Bill aimed at improving the quality and supply of bread to the housewife.

During recent years, there has been much dissatisfaction with the bread industry, based on a widespread belief that the consumer of bread has not received a fair deal at the hands of the manufacturer. This dissatisfaction has found expression in the columns of the press.

Two public inquiries have been instituted in Victoria by Governments of different political complexions. A Labour Government in 1947 appointed a board of inquiry presided over by Mr. Gordon Webber, and in 1949 a Liberal Government appointed a Royal Commission constituted by His Honour Judge Stretton. In 1949, the same Government introduced, in another place, a Bill dealing with the subject of bread. However, during the Committee stage of that Bill, the Labour and Country parties voted together to adjourn the debate and the Bill was not proceeded with. In 1955, the Hon. J. W. Galbally, Minister of Labour and Industry in the Cain Labour Government, gave notice in another place of a Bread Bill during the last days of that Government, but the Government was defeated in this House and resigned before the measure was proceeded with. Last year, I introduced a Bread Industry Bill into this House. The Bill, with some amendments, was transmitted to another place. It was drastically altered there, and the Government would not proceed with the Bill in that form. The Government, however, announced that if it were returned to office after the general election, it would proceed with legislation embodying the principles which were rejected by combinations of the non-Government parties in another place.

It may be justly claimed that the electors of Victoria endorsed this attitude of the Government, and that there is strong public support for the introduction of this Bill. Moreover, it has been suggested by other parties, which do not necessarily agree with the form of the Government's Bill, that legislation of some sort relating to the bread industry is necessary. The Opposition realizes the need for legislation in regard to bread. According to
a report appearing in the *Sun News-Pictorial* of 7th May, 1958, the policy speech of the late Leader of the Opposition, the Hon. A. E. Shepherd, M.L.A., prior to the Assembly elections contained the following passages relating to bread:—

A Bread Bill will be introduced immediately to prescribe types and standards for bread and to improve its quality; to regulate the industry and to effectively safeguard the interests of the consumer by more adequately strengthening the Weights and Measures legislation, particularly where it applies to the bread industry.

Mr. N. C. Carter, president of the Bread Manufacturers of Victoria (Melbourne Association), in a statement reported in a leading South Gippsland newspaper, the Foster Mirror, of 24th April, 1958, although denying the necessity for a bread reform Bill, is reported as having said—

The sales of milk powder in the bread industry can be greatly increased and stabilized if Parliament will agree to amendments to the present Bakers and Millers Act ... No bread reform Bill is necessary.

But even Mr. Carter says—

Such amendments could adequately define minimum standards for all ingredients used in the manufacture of bread and could also lay down the minimum amount of ingredients to be used in all special breads ... It was no exaggeration to say that, if all Vienna bread baked in Victoria contained its correct quantity of milk powder, total consumption of that commodity would increase twofold.

The need for legislation on the subject of bread arises in part out of the inadequacy of existing legislation on the subject. It is appropriate, therefore, to refer to the existing legislation dealing with bread, which may be grouped as follows:—

(1) Legislation and regulations dealing with the physical aspects of bread.

(a) Regulations under the Health Act. These deal only with the manner of handling, covering, and carting of food, so as to prevent contamination, and with the personal cleanliness of persons engaged in making and selling food.

(b) Weights and measures legislation, which relates to the weight and shapes of various types of bread loaves and their description.

(c) The Bakers and Millers Act which is the only legislation concerned with standards and quality of bread and flour. This Act is, with some amendments, substantially the same as an enactment which was passed in 1836 and which was directed to conditions in the City of London. It is obsolete and inadequate. The Crown Solicitor has advised that, until it is repealed, no modern standards may be prescribed by regulation. Representations were made to me by the Victorian Dairy Farmers Association that the Government should promulgate a regulation prescribing a standard for the milk loaf. I have informed this association of the Crown Solicitor’s opinion. As I shall indicate later, the present Bill, as well as repealing the Bakers and Millers Act, prescribes, in one of its schedules, *inter alia*, a standard for the milk loaf.

(2) Legislation, regulations and determinations, dealing with economic and industrial aspects of bread manufacture and distribution.

These are contained in either—

(a) legislation, or

(b) determinations of the wages Boards dealing with the bread industry.

(a) The legislation is contained in Part VII., Division 2, of the Labour and Industry Act 1953, and comprises section 102, which prohibits the delivery of bread outside certain hours, section 103 which prohibits the baking of bread on a Sunday, section 104 which provides for the taking of certain holidays, section 105 which prevents any person baking or delivering bread outside hours fixed for employees, and section 106 which obliges the occupier of a bakery
to allow free access to inspectors. Regulations under this Act contain requirements concerning the construction and use of bakehouses.

(b) Determinations of wages Boards are:

(i) The Bread Trade Board determination which fixes the minimum conditions of employees in the baking section of the industry, and, amongst other things, prescribes by clause 17 the times during which bread may be made and baked by employees.

(ii) The Bread Carters’ Board determination which fixes the minimum conditions of employment for bread carting and, inter alia, fixes varying hours for different localities.

It is to be noted that wages Boards have been vested by Parliament with very great powers. They do not merely act in a semi-judicial fashion to determine differences between employers and employees; they, in fact, legislate by providing a common rule of labour conditions for all those who are engaged in a particular trade. Consumers, as such, are not represented on either of the above-mentioned Boards.

The present Bill is designed to achieve two main purposes—

1. As regards the manufacture of bread, to prescribe standards of quality.

2. As regards the sale and the distribution of bread, to ensure that the consumer obtains better service than he or she does at present.

Concerning the manufacture of bread, it is obvious from what I have said previously that the only legislation which purports to prescribe standards of quality is obsolete. As far back as 1939, the Food Standards Committee under the Health Act had in mind the provision of proper minimum standards which it in fact caused to be proclaimed, but it found its efforts baulked by the outmoded Bakers and Millers Act. Having cleared the way by the repeal of this Act, the Bill then proceeds to provide minimum standards of quality to which the ingredients of bread must measure up and to which the finished product, the daily loaf, must also conform. These standards are the result of the best advice available to the Government and are agreed to by the industry as proper standards. They are derived from a draft prepared by a sub-committee of the Food Standards Committee to which I have referred before. Mr. Jewell, the chief chemist of the Department of Agriculture, and Professor Trikojus, professor of bio-chemistry at the University of Melbourne, were members of the sub-committee. The standards set are practicable and attainable by any competent baker or Miller. To ensure that this would be so, the sub-committee kept in close contact with the Bread Research Institute, a body constituted by the Bread Manufacturers of Australia to help investigate and improve bread quality.

I shall now deal in detail with the clauses and the schedule which carry out the objective of prescribing standards of quality, and which are as follows:—Part I. of the Bill relates to bread standards. Clause 3 repeals the unrepealed portions of the Bakers and Millers Act 1928. Clause 4 provides that the ingredients sold or offered for sale or used or intended for use in bread making and all bread made from such ingredients for trade or sale shall be clean, pure, sound and wholesome. Under sub-clause (1) of clause 5, flour or meal for use in the making of such bread shall comply with the requirements of clause 4 as well as with the standards prescribed by part A of the schedule to the Bill. Sub-clause (2) provides that all such bread shall be so made as to comply with the requirements of clause 4 of the Bill and with the standards set out in Part B of the schedule.

Sub-clause (1) of clause 6 makes it an offence:—

(a) to sell, supply or offer for sale flour or meal or other ingredients for bread making which are not of the standards prescribed by the Bill.
(b) to make bread or have in possession for bread making any flour or meal or other ingredient which does not comply with the standards fixed; and
(c) to sell, offer or have for sale bread which does not comply with the appropriate standard set by the Bill.

Sub-clause (2) prohibits the representation of bread as containing certain added substances mentioned in Part C of the schedule, principally vitamins, unless these substances are present in the bread in the quantities prescribed by the schedule. The penalty for a breach of this provision is £200. Clause 7 authorizes the Governor in Council, upon the Minister's recommendation acting on advice from the Food Standards Committee, as indicated in clause 2, to make alterations to the provisions of the schedule so that it may be kept up to date and in accordance with current knowledge from time to time.

I shall now briefly outline the purpose of Part II. of the Bill, which provides for the constitution of a Bread Industry Committee. The bread industry is, as a matter of common knowledge, a closely integrated one in all its branches. This unity in the industry has been manifested in many ways, for example:

(a) In legislation concerning the conduct of the baking and delivering sections and culminating in section 105 of the Labour and Industry Act, about which I shall have more to say later, pausing now only to remark that the effect of the section is to apply to manufacturers of bread who do not employ labour a schedule of hours prescribed by wages Board for employees,

(b) In wages Boards, determinations which have so extended the field of prescription of working hours as to vitally affect not only employees but also the very conduct of proprietors' businesses and the type of service which can be rendered to people, particularly in country areas. It is not uncommon that the employers' and employees' representatives on the Bread Trade Board have voted together to secure a certain course of action. In such circumstances, the chairman is rendered powerless to cast any vote as a representative of the public interest. It is to be noted that the Bread Trade Board has, through the concerted action of the representatives of the Bread Manufacturers Associations and the relevant unions, banned the baking of bread and the delivery of bread on Saturdays in the metropolitan area. It has thus gone further than prescribe conditions which affect employers and employees.

Mr. STONEHAM.—Do you not believe in co-operation between employers and employees?

Mr. G. O. REID.—It has caused a substantial inconvenience to consumers of bread. That, I think, answers the interjection of the Leader of the Opposition. Very recently, the Board has, by the concerted action of the employers' and employees' representatives, extended the metropolitan district schedule of hours to certain country districts, with the result that certain country bakers now cannot lawfully bake on Saturdays. This has particularly affected districts in the inner Gippsland area. This trend has benefited large metropolitan manufacturers to the detriment of the small country proprietor. If this trend is not corrected it may extend to the district represented by the Leader of the Country party. The unity of the bread industry is also shown in—

(c) Zoning arrangements, which have seriously limited the availability and choice of types of bread for customers at their homes.

This integration and close working together of all branches of the industry is a good thing if it produces harmony.
and stability in the trade and does not seriously harm others. However, it is the Government's opinion that much of this harmony has been purchased at the cost of consumers whose interests have often been disregarded both in the quality of the goods which they receive and in the manner in which they are distributed. Therefore, it is proposed to establish a Bread Industry Committee to integrate the administration of all the laws governing the operation of this industry, and to give to the consumer, as well as to the industry, some voice in matters which affect them both very vitally. Accordingly, Part II. of the Bill contains the following provisions:

Sub-clause (1) of clause 8 provides for the appointment of a Bread Industry Committee by the Governor in Council. Under sub-clause (2) the committee shall consist of nine members, namely, a chairman having no financial interest in the industry and not employed therein, one representative of each of the Bread Manufacturers Associations, Melbourne and country, one representative of the operative bakers' union, one representative of the Bread Carters' Industrial Federation, two representatives of consumers living within 40 miles of Melbourne, and two representatives of consumers living beyond 40 miles from Melbourne. Sub-clause (3) authorizes the Governor in Council to appoint representatives of the above-mentioned organizations without nomination if such organizations fail to nominate representatives. Sub-clause (4) fixes the terms of office of the committee—not to exceed five years in the case of the chairman and three years for other members, and sub-clause (5) provides for filling of casual vacancies on the committee. Sub-clause (6) specifies five as the number of members to form a quorum. Sub-clause (7) provides that the chairman shall preside at committee meetings. If he is absent, the committee may appoint a chairman to preside. Sub-clause (8) provides that committee decisions shall be by majority vote. In cases of equality, the chairman shall have a casting vote. By sub-clause (9) the committee may, subject to the Act, regulate its own proceedings. Sub-clause (10) provides for the making of regulations to fix the remuneration and reimbursement of expenses of committee members.

Sir HERBERT HYLAND.—Who will find that money?

Mr. G. O. REID.—The actual fees will be a Government payment. Sub-clause (11) confers upon the committee and the chairman the powers of sections 14 to 16 of the Evidence Act 1928 relating to Boards appointed by the Governor in Council. These powers relate to the summoning of witnesses and evidence, and the taking of evidence on oath, and so on. Sub-clause (12) defines the committee's functions. Sub-clause (13) empowers the committee to authorize the chairman to act on its behalf in specified matters and to withdraw any such authority.

I shall now deal with the second broad objective of the Bill, namely, the attaining of better service for the consumer. The Bill seeks to achieve this result by stimulating competition and by curbing the monopolistic practices which have grown up in the bread industry. It therefore provides in Part III. for a procedure which will ensure for the consumer a choice of delivering bakers; in Part IV. for the assurance of reasonable supplies for bread manufacturers; in Part V. for the control of restrictive practices; and in clause 15 of Part VI. by repealing section 105 of the Labour and Industry Act which, as I have already indicated, unreasonably fetters competition.

Dealing now with these Parts in turn:

Part III. deals with a problem which has concerned many housewives over the last decade, namely, the virtual impossibility of obtaining a choice of bakers who are prepared to deliver bread. The block zoning system introduced in the war years for the purpose of effecting economies in man power and materials has remained as a part of the peace-time baking industry. Whilst it was originally brought about in time of war by regulations under the Commonwealth National Security Acts, it has been continued by means of zoning agreements.
amongst bakers themselves, whether voluntarily entered into or not. The Bill is designed to give the consumer a choice of bread by a system of compulsory deliveries within a radius of two miles from bakeries and distribution centres of bread manufacturers who at present have a delivery service. The provisions of this Part under the terms of the Bill apply only in the metropolitan district as defined by the Labour and Industry Act, with power for the Governor in Council to extend their operation only upon the recommendation of the Bread Industry Committee. Provision is made for a customer to require reasonable deliveries from a bread manufacturer or bread seller whose place of business is within two miles of the customer’s premises and who ordinarily delivers bread.

Provision is also made for a bread shop proprietor to procure supplies in the same way. It is to be noted that the obligation rests only on a bread manufacturer or seller who ordinarily delivers, so that it will not be possible to make an unreasonable demand on a manufacturer who does not in the course of his business normally make deliveries. The Bill recognizes various sets of circumstances which may provide a bread manufacturer with reasonable grounds for failing to deliver. One such defence is that there was at least one bakery or distribution centre of each of at least two bread manufacturers or bread sellers other than the defendant from which the customer’s premises were more accessible by the shortest practicable route. It is important to note also that the committee is granted authority to exempt, in appropriate cases, bread manufacturers or bread sellers from the obligation to comply with demands to deliver. It is realized that there may be exceptional cases of suppliers having to contend with special local difficulties and it is felt desirable that some discretion should be exercised in favour of such suppliers. The provisions of Part III. of the Bill in regard to sales and deliveries have their counterpart in legislation which has been in force for some time in New South Wales and which, I understand, is working satisfactorily.

Mr. G. O. Reid.

Sub-clause (1) of clause 9 of the Bill provides that every bread manufacturer who ordinarily delivers bread to customers, and every bread seller, must regularly sell and deliver to customers’ premises, which are within two miles of his bakery or distribution centre, supplies of bread, as required by the customers. To bring this provision into operation, the customer is required to notify the baker, either verbally or in writing, that he requires delivery made to him, and then notify the kinds and quantities of bread required from time to time, either by means agreed upon with the baker or prescribed by regulations. The manner of payment and of delivery are to be similarly arranged. By sub-clause (2) every bread manufacturer or bread seller who ordinarily sells bread at his bakery or distribution centre, must regularly sell at that place to a bread shop-proprietor his reasonable requirements upon agreed or prescribed terms similar to the preceding sub-clause.

Sub-clause (3) of clause 9 provides grounds of defence in certain cases where it is alleged that there has been a breach of the compulsory sale or delivery requirements of the Bill. They are that:

(a) Apart from the premises of the alleged offender there were at least two other bakers from whom deliveries of bread could be obtained whose premises were nearer to the customer’s premises by the shortest practicable route.

(b) The customer had refused to pay cash for his supplies when required to do so.

(c) Compliance with the requirement of sale or delivery would have involved the defendant in a breach of some relevant industrial award or determination.

(d) Sub-clause (1) of clause 9 of the Bill provides that every bread manufacturer who ordinarily delivers bread to customers, and every bread seller, must regularly sell and deliver to customers’ premises, which are within two miles of his bakery or distribution centre, supplies of bread, as required by the customers. To bring this provision into operation, the customer is required to notify the baker, either verbally or in writing, that he requires delivery made to him, and then notify the kinds and quantities of bread required from time to time, either by means agreed upon with the baker or prescribed by regulations. The manner of payment and of delivery are to be similarly arranged. By sub-clause (2) every bread manufacturer or bread seller who ordinarily sells bread at his bakery or distribution centre, must regularly sell at that place to a bread shop-proprietor his reasonable requirements upon agreed or prescribed terms similar to the preceding sub-clause.

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(b) The customer had refused to pay cash for his supplies when required to do so.

(c) Compliance with the requirement of sale or delivery would have involved the defendant in a breach of some relevant industrial award or determination.

(d) The baker had not sufficient bread available after providing for prior bona fide requirements of his business; or
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(ii) where delivery to a customer's premises was required he had not the means of delivery available.

Sub-clause (4) of clause 9 states that a customer's requirements under the section, if larger than usual, shall not be deemed unreasonable if—

(a) reasonable notice of the amount required was given to the baker;

(b) the defendant cannot prove that he used all available means and due diligence to meet the requirements.

Sub-clause (5) requires that the baker must inform the customer of the reasons for his failure or refusal to supply bread as required. Sub-clause (6) authorizes the committee to grant certificates of exemption from the compulsory sale and delivery provisions of the Bill and to revoke any such certificate. Sub-clause (7) provides that the holding of a certificate of exemption shall be a defence to any alleged failure to sell or deliver bread in respect of cases covered by the certificate. Sub-clause (8) limits the area of application of this Part to the metropolitan district under the Labour and Industry Act, or within any other district specified by the Governor in Council on the recommendation of the Bread Industry Committee.

Clause 10 prescribes a penalty of £100 for any breach of Part III. Proceedings for any penalty can be taken only at the instance of inspectors under the Acts and, of course, all the facts are examinable in court in the usual way.

I come now to Part IV of the Bill. The object of this Part is to ensure continuity of supply, to bakers and to persons wishing to commence commercial baking, of materials and equipment necessary for that trade. Owing to the close integration between the various sections of the industry, to which I referred earlier, it has been known, in times not long past, that such supplies have been refused or stopped in the case of people who conducted their businesses in a manner which did not meet with the whole-hearted approval of other sections of the industry. Although it is believed that these sanctions have not been used with such frequency in latter times, it is thought desirable to provide against any recurrence of such methods of policing the industry by the members thereof. If the failure to supply arises from genuine causes, such as refusal of the prospective purchaser to pay cash on delivery for the goods, or inability on the part of the supplier to meet requirements for reasons beyond his control, then, of course, no offence would arise against the provisions of this Part.

Sub-clause (1) of clause 11 provides that persons engaged in supplying materials or equipment for bread manufacture must, if required in writing by existing bread manufacturers or persons desiring to enter the baking trade, supply such goods from time to time as are required by the customer and upon the usual trade terms applying to such supply. Under sub-clause (2) there is a penalty of £200 for a breach of the previous sub-clause. Sub-clause (3) exonerates an alleged offender in respect of such breach if he shows:—

(a) that the prospective purchaser of supplies refused to pay cash on delivery for them; or

(b) that after using all due diligence and providing for bona fide contracts then in existence the supplier had not available sufficient quantities of supplies to meet the requirements of the customer.

I shall now deal with Part V. Anyone who has devoted any study to the bread industry knows that, in the course of its history, manufacturers, as well as allied interests, have entered into agreements which have established trade combinations designed to eliminate competition among the parties to these agreements. This fact was freely adverted to by His Honour Judge Stretton, who constituted a Royal Commission, appointed by the Government in 1949, to inquire into, and report upon, the effects of the organization and practices of the bread industry in Victoria. I believe that one current form of such
an arrangement may be found in a document, styled Code of Ethics, which, if my information is correct, is principally a set of prohibitions limiting the way in which bakers may trade.

This Part consists of two clauses, the first of which provides that any agreement or arrangement which would prevent a party to it from complying with any of the provisions of the Bill shall cease to be binding upon him from the date of the operation of the Act. This clause aims at agreements and arrangements which may be in existence at the present time, and whose details may be unknown to anyone other than the parties to them. The making of any such fresh agreement or arrangement, after the commencement of the Act, is, of course, prohibited.

The second clause of Part V. gives recognition of the fact that, amongst members of the industry, there may exist agreements which, whilst not in any way directly contravening other provisions of the legislation, do restrict the manner in which the parties to the agreement may conduct their businesses. In some cases, these restrictions may be perfectly legitimate and may have no ill effect upon the reasonable requirements of the consuming public. In other cases, the restrictions may bear directly upon the class of service which the public may expect from the industry. It has, therefore, been provided that, in the case of these restrictive agreements, approval may be given to them by the Bread Industry Committee to be set up under the Bill if their effect is not contrary to the public interest. In this case, the agreements remain effective, as if the Bill did not deal with them at all, provided they have been registered by the committee. In the case of those which, in the committee's opinion, are contrary to the public interest, registration by the committee may be refused and, in such an event, the agreements become void and cease to be binding upon the parties to them. The right of an appeal to the president of the Industrial Appeals Court is provided by clause 20 for any person who is dissatisfied with the refusal of the committee to register an agreement.

Mr. G. O. Reid.

Clause 12 provides that any agreement or arrangement between persons, or any rule or determination of an association, whether made before the Bill becomes law or afterwards, which would prevent persons bound thereby from complying with the provisions of this Bill shall, as from the date of the commencement of this Part of the Bill, or from the making of the agreement, and so on, whichever last happens, be illegal and of no effect. Any person who after the commencement of this Part enters into such an agreement or arrangement or adopts or gives effect to any such rule or determination shall be guilty of an offence and liable to a penalty of not more than £200.

Sub-clause (1) of clause 13 defines a "Restrictive Trade Agreement in the Bread Industry" as an agreement between persons, or a rule or determination of an association not rendered illegal by the last preceding clause, but which nevertheless places restrictions upon two or more parties in respect of the following matters:—

(a) The prices of bread or bread industry supplies.
(b) The terms or conditions of supply of bread or bread industry supplies.
(c) The quantities or descriptions of bread or bread industry supplies to be produced and sold and so on.
(d) The persons to, for or from whom or the localities in or from which bread or bread industry supplies are to be supplied, delivered or acquired.

The clause further provides that agreements, which confer preferences or impose disabilities according to whether parties comply with or fail to comply with conditions of such agreements, are to be treated as restrictive within the meaning of the sub-clause, although they may not in terms impose restrictions upon persons bound by them.

Sub-clause (2) of clause 13 provides that any restrictive trade agreement, as mentioned in the preceding sub-clause, if in existence at the time when this
Part comes into operation, shall cease to have any effect after a period of three months from the commencement of this Part and, if made on or after the time when this Part commences, shall have no effect, unless application for registration of the agreement is made to the committee within one month after the said commencement or of the making of the agreement, and unless the agreement is registered by the committee. Provision is made by paragraph (a) of the sub-clause to enable the committee to procure the necessary material to enable it to determine whether the agreement should be registered.

Sub-clause (3) states that the committee may refuse to register any agreement which in its opinion is contrary to the public interest. Any applicant to register is entitled to a reasonable opportunity to be heard personally or by his representative or to make a written submission in support of his application.

Sub-clause (4) of clause 13 provides that if the committee refuses to register any agreement it must within seven days of such refusal give notice, in writing, thereof to the applicant and set out the reasons for such refusal. By sub-clause (5) any person who adopts or gives effect to any restrictive trade agreement which has been invalidated by sub-clause (2) of this clause, shall be guilty of an offence and liable to a penalty of not more than £200.

In Part VI., the Bill provides, among other things, for the repeal of section 105 of the Labour and Industry Act, which section is in these terms—

Any person, not being an employee, who in any factory or in the course of trade or sale engages in the making, baking, or delivery of bread (except by retail over the counter) at any time when by virtue of this Act or any determination under this Act an employee may not be employed in the making, baking, or (as the case requires) delivery of bread shall be guilty of an offence and shall be liable for the first offence to a penalty of not more than Ten pounds, and for a second offence to a penalty of not less than Five nor more than Twenty-five pounds, and for a third or any subsequent offence to a penalty of not less than Fifty nor more than One hundred pounds.

This section has its origin in an Act passed in 1946 in regard to the making and baking of bread, and extended by another Act of 1947 to the delivery of bread. The effect of this legislation is that a man who is employing no labour in his business as a baker must observe the same hours of work as employees of other master bakers. This raises an important question of principle. Is it right that a man who is prepared to work at his business for himself at what times he pleases should be restricted to the hours of work prescribed for an employee?

The repeal of section 105 will not, as some may think, relax the general prohibition against Sunday baking because section 103 prohibits, apart from dough-making, the making or baking of bread before 11 p.m. on a Sunday. The Bill deals merely with the restriction of hours of work placed on a man working for himself by the application to him of hours fixed for employees by a wages Board determination. It does not relax the prohibitions against Sunday baking. It is the view of the Government that it is quite wrong in principle that the rulings of a Board set up primarily to regulate dealings between employers and employees should also regulate the economic life of a man who has no employees.

The repeal of section 105 is designed to permit the baker who is working for himself much more freedom in the conduct of his business. It seeks to encourage in the bread industry the element of competition which for too long has been lacking. It is hoped that thereby the consumer will benefit substantially. The other portions of Part VI. of the Bill are concerned with the authorization of inspectors, penalties for offences, and general machinery matters, including power to make rules and regulations. The prescribed standards for flours and meals used in bread production and for various kinds of bread to which I have referred earlier are to be found in the schedule to the Bill. As I have previously mentioned, these standards are believed, upon competent advice, to be reasonable, practical, and
designed to secure for the public a supply of well-produced, wholesome and nutritious bread.

Sir HERBERT HYLAND.—Will you make another check of the standard of Vienna bread?

Mr. G. O. REID.—I shall certainly inquire, on behalf of the Leader of the Country party, whether that standard is entirely up to date. Also included in the schedule, in Part C, are the prescribed limits of addition to be observed in those cases where certain classes of bread are offered to consumers as having special qualities of nutrition because of the addition of some vitamin or other enriching agent.

I shall now deal further with Part VI of the Bill. Sub-clause (1) of clause 14 provides that every inspector under the Labour and Industry Act, the Health Acts or the Weights and Measures Acts shall be an inspector for the purpose of this Bill, and authorizes the appointment of other persons by the Minister if such appointments should become necessary. Sub-clause (2) invests the inspectors mentioned in sub-clause (1) with the powers of inspectors under the Labour and Industry Act to enable them to carry out their duties. The repeal of section 105 of the Labour and Industry Act, which prohibits all work in the bread trade except during the hours when employed persons may work under their wages Board determinations, is effected by clause 15.

Clause 16 incorporates the provisions of section 191 of the Labour and Industry Act 1958, which requires that proceedings for offences against the Act can be commenced only by an inspector with the approval of the Minister. By clause 17 bread sellers and bread shop proprietors are exempted from liability for offences under the Act relating to the sale of bread if they prove to the Court—

(a) that they took all reasonable precautions to avoid the commission of an offence and did not suspect any breach was being committed;

(b) that they gave on demand by an inspector or the police full information as to the person who supplied the bread to them;

(c) that they otherwise acted innocently, and that at least two days before the hearing of any prosecution they gave notice of intention to raise this defence.

Clause 18 renders liable bodies corporate for offences against the Bill, and provides that the penalties under the Bill shall be enforced against such bodies as far as is legally possible. The clause also renders liable for breaches of the Bill, directors, managers or officers of bodies corporate who direct, authorize or permit contraventions of or failures to comply with the Bill. Provision for appeals against convictions or orders in respect of breaches of the law to be taken to the Industrial Appeals Court is made in clause 19. Sub-clause (1) of clause 20 provides for an appeal from any direction or determination of the Committee under the Bill to be taken to the president of the Industrial Appeals Court. The powers of the president upon the hearing of such an appeal are set out in sub-clause (2). Sub-clause (3) states that the Governor in Council may make and amend rules relating to the practice and procedure upon such appeals.

Provision is made in sub-clause (1) of clause 21 for the making of regulations in respect of all matters necessary or expedient for the carrying out of the provisions of the Bill. Sub-clause (2) provides for the publication of such regulations in the Government Gazette and for their being laid before both Houses of Parliament and distributed to each member of Parliament.

The schedule is divided into three Parts and is largely of a technical nature. Part A sets out the standards prescribed by the Bill for flours and meals to be used in the making of bread. The standards for various types of bread, including provisions as to ingredients and in some cases the characteristics of finished loaves, are contained in Part B. Part C defines the limits within
which the substances mentioned in sub-clause (2) of clause 6 of the Bill must be added to warrant any representation being made as to their presence in any class of bread.

Sir HERBERT HYLAND. — Will the Minister explain Part C of the Schedule?

Mr. G. O. REID. — A number of substances are mentioned, and both the Leader of the Country party and I are familiar with iron and calcium. The other three substances, namely, thiamine, riboflavin and niacin, which are less familiar, contain certain vitamin elements. The terms are familiar to both agricultural experts and those concerned in bread research. If the honorable member wants any further detailed technical explanation of the terms, I shall be pleased to obtain it for him.

Broadly speaking, the Bill is designed to ensure better service to the consuming public both in the manufacture of bread and in its supply and delivery. Therefore, I commend it to the House.

Mr. STONEHAM (Leader of the Opposition). — I move —

That the debate be now adjourned.

The matter dealt with in the Bill is of considerable importance to the community, and I point out that it has taken the Minister of Labour and Industry 40 minutes to explain it to the House. I suggest that the debate be adjourned for three weeks.

Mr. G. O. REID (Minister of Labour and Industry). — I consider that, in the circumstances, an adjournment of the debate until to-morrow fortnight should be sufficient. If the Leader of the Opposition should be prejudiced in regard to the preparation of material, I will be prepared to meet him, but at this stage I am not prepared to agree to an adjournment beyond to-morrow fortnight.

Sir HERBERT HYLAND (Gippsland South). — We who represent country bakers will have to send them details of the proposed legislation so that they will know what it is all about. It will be difficult to obtain their reactions, particularly from the more distant parts of the State, by to-morrow fortnight. The Minister of Labour and Industry has made a very good explanation of the measure and, although I do not suppose we shall get it, I should like to see his speech printed for issue to honorable members in accordance with the number of copies they require. In the past, it was the practice to print such speeches and make copies available to honorable members. The average baker or man in the street would not be able to understand the Bill itself. I should like the debate to be adjourned for three weeks. If the Minister will not agree to that — the Government has the numbers to decide the period of adjournment — I would appreciate an assurance, such as he has given to the Leader of the Opposition, that if we are not ready to proceed by to-morrow fortnight the honorable gentleman will grant a further extension of time. In addition, I think it would be reasonable to provide an adjournment of a further week between the completion of the second-reading debate and the Committee stage of the Bill, to afford time for the preparation of any amendments that may be necessary. I am not foreshadowing any amendments because I am not handling the Bill on behalf of my party. If honorable members are prepared to meet each other in the discussion of the proposed legislation, something worth while will be achieved. On the other hand, it will not get us anywhere to say, “The debate will be adjourned until a fortnight from to-morrow. You can jump in the lake if you do not like that.”

Mr. G. O. REID (Minister of Labour and Industry) (By leave). — I appreciate the force of the remarks of the Leader of the Country party concerning the printing of my second-reading speech, and I shall endeavour to meet his wishes in that regard. In regard to the length of the adjournment, I think the proposition I have already advanced is a reasonable one, namely, that the debate on the Bill should be adjourned until to-morrow fortnight and if the Opposition or the Country party is prejudiced by the time of resumption of the debate, I will meet them in that regard.

The motion for the adjournment of the debate was agreed to, and the debate was adjourned until Wednesday, November 5.
HIRE-PURCHASE BILL.

The debate (adjourned from September 23) on the motion of Mr. Rylah (Attorney-General) for the second reading of this Bill was resumed.

Mr. LOVEGROVE (Fitzroy).—This Bill has been brought before the House for three reasons, the first of which is the emergence during the last three and a half years since the Bolte Government took office of a new and powerful class of usurers in the economic life of the community. The second reason is the resentment of a section of the public at the depredations of this new class of usurers, and the third is the continual attacks that have been made upon the Government by the Leader of the Labour party in another place. I believe three approaches to a consideration of the Bill should be made. First, the question of hire-purchase itself should be made the subject of some analysis, in view of the many controversial statements made not only in Parliament but also outside by the various interests involved. Secondly, some consideration should be given to the record of the Government in this matter prior to the introduction of the Bill. Thirdly, there is the Bill itself.

First, I desire to relate to the House the policy of the Labour party so that honorable members may follow our line of argument. The last annual conference of the Victorian Labour party declared, inter alia—

That interest rates on hire-purchase agreements are extortionate, harsh and unconscionable and calls on the Government to bring down legislation to control hire-purchase money-lenders so that the rates will not exceed a fair return having regard to the risk involved.

It further declared—

That the State Savings Bank be empowered to operate hire-purchase departments, and that the Commonwealth Bank reopen its hire-purchase department on a full and rigorous scale.

The Australian trade union movement, through the Australian Council of Trade Unions, made a declaration recently in somewhat similar terms. It included the following:—

We declare for—

(1) Interest on hire-purchase agreements to be not more than the current rate of Federal Government long-term bond interest.

(2) Interest charges shall be adjusted on the current balance instead of on a fixed forward rate at present determined at the time of purchase.

(3) Strict limitation on the power to repossess.

As in the case of the Victorian Labour party, the trade union movement advocated the use of the Commonwealth Bank’s hire-purchase department to be extended to cover all consumers who use hire-purchase, and action by all State Governments to use their sovereign powers to establish their own hire-purchase organizations on a non-profit making basis, selling direct to the public, thus eliminating the middle man.

I have read the two declarations because they serve as a broad indication of the thinking of the Opposition in terms of this Bill. I emphasize that our thinking flows along two main lines. For the moment, I disregard some minor amendments that will be proposed during the Committee stage. First, we consider that there is need for the fixing of a ceiling for what in the Bill and in the press of this State have been called interest rates, although I take this opportunity of stating my personal view that the term “interest” is a misnomer in the sense in which it is used with reference to hire-purchase. The thinking of the Opposition, secondly, takes the line of a proposal to amend the Bill for the purpose of placing a ceiling on the value of goods that can be sold without deposit. At an appropriate time, we propose to move an amendment that single agreements for goods on hire-purchase not exceeding a cash price of £100 be exempt from the 10 per cent deposit policy given effect to by the Government in the Bill.

Dealing with the first of the factors which, I contend, warrant the consideration of the House, I think honorable members should ask themselves, “Why hire-purchase?” The answer is simple, and it should be given due regard by the Government when it associates itself with statements made outside Parliament by people who claim that the employment market depends upon hire-purchase. Consumer credit is as old as the hills. Originally, the banks would lend money only for the
purchase of factories or raw materials. Subsequently, they granted retailers overdrafts which were used to give credit to certain customers, and it may be said that that was probably the beginning of consumer credit in America over a century and a half ago, in Britain since then, and in Australia during the generation to which I belong. But prior to the introduction of hire-purchase, two limitations were placed upon the extension of consumer credit, the first being the limitation of the asset in guarantee of the loan. Not many years ago, it was impossible for people to obtain loans other than by placing some sort of security with a pawnbroker or by the payment of extortionate rates of interest according to an assessment of the capacity of the borrower to repay.

The basic reason for the introduction of hire-purchase is that the modern capitalist system needs consumer credit because of the paradox within the system so aptly described by Marx, the late Lord Keynes, and others, who pointed out that the wealthier the community, the more blatant and flagrant became the inherent economic contradictions within the community. During and since the depression we have witnessed the contradiction of comparative poverty in the middle of potential plenty because of the inability of people to purchase the goods produced. Therefore, there is an element of truth in the contention of those associated with hire-purchase interests outside Parliament and of those inside Parliament connected with the introduction of this Bill, that in the modern economic system hire-purchase is a necessary outlet for the consumption of goods. However, that statement is a long way from an admission that hire-purchase in the modern economy is a necessary system of consumer credit. Exaggerated statements have been made in its support by those making money out of it and those who do not know any better.

For the purpose of examining the question of hire-purchase, I have endeavoured to construct what is admittedly a rough measuring rod. I do not pretend it will do more than reveal a broad trend, although I believe it is sufficiently correct to prove five propositions on which I propose to base the Opposition's policy on this measure. I submit them for consideration as a necessary analysis of hire-purchase in view of the bewildering mass of statistics being published by many interested parties.

Table 1—The Main Low-Income Group Market for Hire-Purchase Value—Retail Sales Australia in Commodity Groups—Quarterly Averages Year 1956-57.

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</thead>
<tbody>
<tr>
<td></td>
<td>(£ Million.)</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>£193.6M</td>
<td>£723.9M</td>
<td></td>
<td></td>
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</table>

The main low-income market for hire-purchase (household and personal goods) is found in the retail groups of hardware, electrical goods, furniture, and other goods. The combined quarterly average value for 1956-57 of these groups was £193,600,000 of a total quarterly average value all groups of £723,900,000 or approximately 30 per cent.

The higher income market for hire-purchase is found in the motor vehicle and parts group valued at £160,200,000 and the relationship of the two groups illustrated in Table 2.

In view of the provision contained in the Bill with regard to payment of a deposit of 10 per cent. of the purchase price, I emphasize that the main low-income market for household and personal goods is in the groups relating to hardware, electrical goods, furniture and other goods, and I direct attention to the sales of these categories compared with the total for Australia. In preparing my second table, I again had reference to the *Monthly Review of Business Statistics*. This table is as follows:

**Table 2.—Value Hire-Purchase Agreements in Household and Personal Goods compared to Value Retail Sales Australia in December, 1957.**

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Food and Drink.</strong></td>
<td><strong>Clothing, Drapery, Footwear.</strong></td>
</tr>
<tr>
<td>£284.8</td>
<td>£134.3</td>
</tr>
</tbody>
</table>

The above table shows that out of a total of retail sales for December, 1957, valued at £840,700,000 the cash value of hire-purchase agreements this month in household and personal goods was only £7,784,000.


In making an assessment of the main retail market for hire-purchase agreements for the low-income group, I have not included non-durable goods such as clothing, drapery and footwear which, in the December figures I have just quoted, total £134,300,000.

The reason for that is that, as honorable members are aware, there are two groups of finance systems in Australia and in Victoria handling hire-purchase, time-payment, credit systems, and so on. One group is the finance companies which are dealt with in the Bill and which, according to statistics published several months ago, had in the year now under consideration a total cash business in household and personal goods of approximately £52,000,000. In addition to that section, there is the business carried on by the big retail stores in Melbourne, many of which handle their own time-payment, hire-purchase, entry, lay-by or some other credit transactions. It was estimated that in addition to the £52,000,000 worth of business done by the finance companies throughout Australia, in the vicinity of another £50,000,000 worth of hire-purchase business was undertaken by the retail stores themselves. For the purpose of this argument, I have not included the clothing, drapery and footwear group in the household and personal goods category of purchases on hire-purchase.

The next proposition I submit is that the average value of goods per hire-purchase agreement in household and

*Mr. Lovegrove.*
personal goods is £108 cash price, of which £88 is financed, excluding hiring charges and insurance. In that regard, I refer to the following table:

**Table 3.—Low-Income Group (Household and Personal Goods) in Retail Sales, Hire-Purchase Operations of Finance Businesses Australia in May, 1958.**

<table>
<thead>
<tr>
<th>Class of Goods</th>
<th>Number of New Agreements Made</th>
<th>Value of Goods</th>
<th>Amount Financed (B)</th>
<th>Average Proportion of Hire-Purchase Sale Financed (B) Per cent.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Average Value Per Agreement</td>
<td>Total</td>
<td>Average Per Agreement</td>
</tr>
<tr>
<td>Motor Vehicles, Tractors, &amp;c.</td>
<td>32,101</td>
<td>23,856,000</td>
<td>743</td>
<td>14,599,000</td>
</tr>
<tr>
<td>Plant and Machinery</td>
<td>2,285</td>
<td>1,555,000</td>
<td>681</td>
<td>1,021,000</td>
</tr>
<tr>
<td>Household and personal goods</td>
<td>73,748</td>
<td>7,940,000</td>
<td>108</td>
<td>6,479,000</td>
</tr>
<tr>
<td><strong>Total all goods</strong></td>
<td><strong>108,134</strong></td>
<td><strong>33,351,000</strong></td>
<td><strong>308</strong></td>
<td><strong>22,099,000</strong></td>
</tr>
</tbody>
</table>


(B) Excludes Hiring and Insurance Charges.

I direct attention to this aspect because it emphasizes the Opposition's contention that in dealing with the question of deposits, particularly such as the minimum 10 per cent. deposit provided for in this Bill, the House could properly have regard to the precise nature and financial dimensions of the agreements entered into by the low-income group in the community. The table gives the figures for May, 1958, which are the last figures available. It will be noted in regard to household and personal goods, which is the type of business carried on in the market I have emphasized in the previous tables, that the number of new agreements made was 73,748, to a value of £7,940,000, the average value per agreement being only £108, and the total amount financed only £6,479,000.

Mr. RYLALH.—When you say "only" that is nearly six times the previous figure.

Mr. LOVEGROVE.—With respect, I direct the Attorney-General's attention to the fact that it is only about one-third of the figure for motor vehicles and tractors.

Mr. RYLALH.—That may be, but I made a statement with which you can either disagree or agree.

Mr. LOVEGROVE.—I do not disagree with the Attorney-General's statement. I shall welcome his criticism, because in this matter I am trying to ascertain facts. I think both the honorable gentleman and I are interested in obtaining as many facts as possible. I direct attention to the fact that the average value per hire-purchase agreement in the case of household and personal goods is only £88, but that the average proportion of hire-purchase sale financed has increased to 82 per cent.

I direct the attention of honorable members to the fact that the average proportion of hire-purchase sale financed per cent. does not include hiring and insurance charges. I suggest to the Attorney-General that because the use of the average in statistical computations is subject to certain disabilities and distortions its use is necessarily viewed with the greatest caution. I have used precisely the same argument in previous debates in regard to the landlord and tenant legislation. Having regard to further evidence that can be submitted by the Opposition in regard to the low-income group, I suggest to the Government that there is a case, separate and distinct from controversial political opinions, why the Government
should seriously consider the Opposition's proposal that goods to the value of £100 should be exempt from the provision that 10 per cent. of the cash price of the goods shall be the minimum deposit.

My next proposition is that although hire-purchase in Victoria has increased nearly 90 per cent. in three years, the Victorian work force has increased by less than 4 per cent. and that hire-purchase is no reliable barometer of employment. In view of the extravagant claims that have been made not only by hire-purchase companies but also by certain leaders of this Government in regard to the relationship between hire-purchase and employment, I invite attention to the following table—

<table>
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<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>1955</td>
<td>808,500</td>
<td>11 17 0</td>
<td>11 15 0</td>
<td>44,590,000</td>
</tr>
<tr>
<td>1956</td>
<td>821,700</td>
<td>12 16 0</td>
<td>12 5 0</td>
<td>56,025,000</td>
</tr>
<tr>
<td>1957</td>
<td>826,600</td>
<td>13 3 0</td>
<td>12 15 0</td>
<td>64,045,000</td>
</tr>
<tr>
<td>1958</td>
<td>836,300</td>
<td>13 3 0</td>
<td>13 0 0</td>
<td>83,038,000 (May*)</td>
</tr>
</tbody>
</table>

Per cent. Increase | Less than 4 per cent. | Approximately 11 per cent. | Nearly 90 per cent. |


I direct the Premier's attention to the fact that in the three years since his Government took office the work force has increased by less than 4 per cent., despite the fact that the population of Australia, according to figures supplied by the honorable gentleman, has been increasing at the rate of 60,000 or 70,000 a year, including 40 per cent. of the national migrant force which is coming to this State.

Mr. Bolte.—How many in actual numbers?

Mr. Lovegrove.—The answer is the difference between 808,000 and 836,000. Only 28,000 new jobs have been created in Victoria since the Bolte Government took office.

Mr. Bolte.—What sector are they in?

Mr. Lovegrove.—We will give the Premier that information later. During the term of office of the Bolte Government the work force has increased by less than 4 per cent., although population and immigration have increased astronomically. Moreover, the number of children leaving school each year and seeking employment has increased and the basic wage has increased by only 11 per cent. Nevertheless, the hire-purchase balances outstanding have increased by nearly 90 per cent.

The fifth proposition I wish to adduce is that hire-purchase in Victoria increased by 30 per cent. in the eleven months ending May, 1958, despite the fact that about sixteen months ago the Premier made a press statement assuring the public of this State that hire-purchase had practically levelled out.

Mr. Bolte.—I said that it had levelled out the general economy.
Mr. LOVEGROVE.—Later on, we will see exactly what the honorable gentleman said. I submit another table in support of this proposition—

**Table 5.—Growth of Hire-Purchase in Victoria, June, 1957, to May, 1958—Balances Outstanding (Including Charges and Insurance) States.**

<table>
<thead>
<tr>
<th></th>
<th>Victoria.</th>
<th>Australia.</th>
</tr>
</thead>
<tbody>
<tr>
<td>30th June, 1957</td>
<td>£64,045,000</td>
<td>£235,544,000</td>
</tr>
<tr>
<td>31st May, 1958</td>
<td>£83,538,000</td>
<td>£290,118,000</td>
</tr>
<tr>
<td>Increase in eleven months</td>
<td>£19,493,000</td>
<td>£54,574,000</td>
</tr>
</tbody>
</table>


I repeat that the evidence disclosed by that table is that if hire-purchase, or that type of consumer credit, is having any impact at all upon the economic life of the community in Victoria, it is certainly not—as the Premier has stated repeatedly—providing fresh employment, although I concede that it could, to a very limited degree, reduce the amount of unemployment. While hire-purchase business has, over the last three years of the régime of the Bolte Government, increased by 90 per cent. in Victoria, the number of people on the dole in this State, as I have said previously, has risen from 300 to 7,000. I invite honorable members on the Government side of the Chamber, when they rise to speak, to supply an explanation for that situation, if they can.

During my submission of the five foregoing tables in an attempt to analyse the retail market for the low income group in hire-purchase, I referred to that group of commodities known as "other goods." In explanation thereof, I now refer the House to an interrogatory issued by the Commonwealth Statistician in respect of the 1956-57 census of retail establishments. Under the heading of "Miscellaneous", the following are listed:—Newspapers, periodicals, books and stationery, chemists' goods (including toiletries, cosmetics and dispensary), sporting requisites and travel goods, jewellery, watches and clocks, silverware, &c., grain, feed, fertilizers, &c., and goods not otherwise specified. I have cited that definition so that there might be no doubt in the mind of any honorable member that the group to which I referred constitutes the main market for personal and household goods in the hire-purchase field that are being handled by big, powerful usurious interests. They have no relationship to the market for non-durable consumer goods in the form of clothing, footwear, drapery, and so forth, which are handled directly by most of the retail stores in Victoria.

The sitting was suspended at 5.48 p.m. until 7.20 p.m.

Mr. LOVEGROVE.—During the suspension of the sitting, the Premier asked me whether there were any ready figures available regarding the total finance in circulation by the hire-purchase finance companies. Although I have not acquainted myself of an indication as to the exact quantity circulated in rotation, there is some indication in Jobson’s Investment Digest of 12th June, 1958, and a report by the Commonwealth Statistician, which contain figures as to the total amount of capital used to finance the purchases involved. I quote:—

The value of goods sold on hire-purchase in 1956-57 totalled £291.5 million, against £276 million in the previous year and £249.3 million in 1954-55.

Finance companies in 1956-57 supplied 64 per cent., or £187.7 million of the face value of goods sold on hire purchase, an increase in financing of £12.9 million on 1955-56.

The statement is then made to which I referred earlier in relation to the volume
of purchases financed by retail stores, and it is claimed that the amount of £187,700,000, as supplied by the hire-purchase finance companies, is separate and apart from a sum of £50,000,000 a year on time payment and hire-purchase systems financed by the retail stores themselves. In the same year, namely 1956-57, Victorian hire-purchase sales totalled £77,800,000, of which £51,500,000 was financed. The amount owing on hire-purchase in Victoria rose by £8,000,000 to £64,100,000 in the year to 30th June, 1957.

Since that report was published by Jobson's, the Herald—on Saturday last—published a report which stated—

The value of Australian retail sales increased by £192 million in the last financial year. The value has risen to £3,088.7 million. Victorian sales have risen by £58 million or 7.1 per cent., against £76.4 million or 8.8 per cent. in New South Wales.

I mention that briefly to make the point I stressed earlier, that the total amount of money used by the low-income group in the purchase of personal and household goods under hire-purchase systems is extremely small compared with the total retail market in Australia, including Victoria. Some indication was given last year by means of a Gallup poll, as a result of which it was asserted that 41 per cent. of retail purchases were made on hire-purchase and that the preferences were in this order—homes, 23 per cent.; refrigerators, 23 per cent.; cars, 9 per cent.; washing machines, 5 per cent.; furniture, 4 per cent.; radios, 3 per cent.; sewing machines, 2 per cent.; vacuum cleaners, 2 per cent.; carpets, 2 per cent.; and television sets, 1 per cent.

Mr. Fraser.—Are those figures authentic?

Mr. Lovegrove.—They are asserted to be the result of a Gallup poll. We know, of course, that the Government of this State and the Menzies Government have on numerous occasions been very happy to accept the findings of Gallup polls. These have generally come out on the eve of an election and predicted a Liberal victory, the Gallup poll qualifying the results of the poll by saying that 8 per cent. of the people interviewed were undecided.

For the information of those who believe the Gallup poll to be an indication of a broad trend, I would point out that apart from those people who buy homes, refrigerators and cars, there are those in the relatively low-income group who purchase personal and household goods—the hire-purchase group the members of which, generally speaking, constitute the great majority of the purchasers of articles of a value of less than £100.

Mr. Meagher.—What is the highest percentage?

Mr. Lovegrove.—The highest is in home purchase, namely, 23 per cent.

Mr. Wiltshire.—That is not under normal hire-purchase rates.

Mr. Lovegrove.—It depends upon what is regarded as hire-purchase rates. If it is estimated that 23 per cent. of the persons buying homes do so by the orthodox procedure embracing building societies, co-operative organizations and the speculative building industry itself, it will be a reasonable assumption that those homes are not being bought at hire-purchase rates. But in fact that is not the situation to-day, and that is why those who conduct the Gallup poll have included homes in the commodities being purchased under hire-purchase schemes.

I make this point, that the commodity of shelter is affected by hire-purchase because of intense exploitation of the housing shortage, especially in the inner metropolitan suburbs where people have been paying fantastic prices such as £3,300 for houses that are worth £300 or £400. These purchases are being financed at 6 per cent. to 8 per cent. over a period of three or four years for part of the total purchase price, the buyers then being compelled to obtain a second mortgage under any circumstances of pressure or duress and forced to pay extortionate rates of interest from finance companies associated with hire-purchase in this State.

For the information of honorable members, and dealing now with that portion of consumer credit financed by the retail industry itself to the tune of some £50,000,000 a year, as disclosed by Jobson's Investment Digest, and as separate from purchases through hire-purchase companies, I quote from the Retail Merchandiser of September, 1958.
In its trade statistics for the retail industry in Victoria the percentage of consumer credit extended by the stores themselves is analysed. The percentage of total net sales for the month of July, 1958, is shown as follows: Cash and cash on delivery, 66.4 per cent.; the total credit sales include a small amount that cannot be dissected because there is at present no known system of tracking down the items.

Mr. Fraser.—What has this to do with hire-purchase?

Mr. Lovegrove.—I will inform the honorable gentleman as I proceed. The total credit sales of the retail stores are 33.6 per cent., and roughly one-third of their goods are sold on credit. Of that proportion, 21.4 per cent. are on entry account, 4.7 per cent. on lay-by, and only 7.2 per cent. of the consumer credit issued by the retail industry is in respect of time payment and hire-purchase. I offer that information again to emphasize the contention of the Opposition that the Government, in view of the statistics—which, I contend, prove the reality of the situation—should give serious consideration to the proposal to place a ceiling of £100 on any type of hire-purchase without deposit.

The next question, which I can answer only in part, is: What is the cost of hire-purchase business? If other members have some more recent information on this subject than I have, I shall be pleased to learn of it. An analysis based on one of the public utilities in New South Wales selling durable consumer goods was prepared by Mr. Neil Runcie, lecturer in economics at the New South Wales University of Technology. This was published in Voice of May, 1956, and gives this interesting dissection—

The following cost analysis of a typical two-year contract has been provided by a public utility undertaking:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost as percentage of hire-purchase debt.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Interest</td>
<td>5.025</td>
</tr>
<tr>
<td>2. Ninety-day sales</td>
<td>0.492</td>
</tr>
<tr>
<td>3. Clerical costs</td>
<td>1.692</td>
</tr>
<tr>
<td>4. Overhead</td>
<td>0.832</td>
</tr>
<tr>
<td>5. Printing, stationery</td>
<td>0.931</td>
</tr>
<tr>
<td>6. Bad debts</td>
<td>0.250</td>
</tr>
<tr>
<td>Total costs</td>
<td>9.512</td>
</tr>
<tr>
<td>Charge—10 per cent. (5 per cent. flat)</td>
<td></td>
</tr>
</tbody>
</table>

Despite the fact that it is an assessment of a New South Wales organization for May, 1956, the figures can be used as a measuring rod by which to compare the rates being charged by private hire-purchase concerns to-day.

Mr. Suggett.—What utility was it?

Mr. Lovegrove.—The report does not say. If members are dissatisfied with the evidence I have produced as to the costs of hire-purchase, I am sure they will be satisfied with the following evidence concerning charges. These facts were published by a hire-purchase conference and they also appeared in the Melbourne Herald of Saturday, 18th October, 1958, as follows:

Here are the rates charged by these companies, compared with those charged by the industrial finance department of the Commonwealth Bank (the bank figures are shown in parenthesis)—

Motor vehicles: New, 6-7 per cent. (4½-5); used, 8-9 (6). Tractors and farm equipment: New, 6-7 (4½-5½); used, 8-9 (5½-6). Household and electrical goods, 9-10 (not handled). Industrial machinery: New, 7 (6); used, not handled (7).

These charges are usually quoted as “flat” percentage a year on the initial amount unpaid after allowing for deposit plus insurance, which the company pays in cash.

As I understand it, the rates charged represent a flat yearly rate of interest. Mr. J. M. Jacoby, the chairman and manager of Custom Credit Corporation Limited, states—

Hire-purchase charges in Australia range from 6 per cent. flat per annum to 10 per cent. flat per annum. That means that the real minimum charge is 20 per cent. The highest rate is charged to the poorest people in the community who purchase household goods by means of the hire-purchase system. Mr. Jacoby believes himself to be a public benefactor when he says, “The rate for a motor vehicle costing £1,000 is 6 per cent. flat per annum and the rate for a suite of furniture costing £100 is 10 per cent. flat per annum.”

Why should a person wanting to buy furniture to the value of only £100 have to pay an interest rate of 20 per cent.? Having charged 20 per cent. on £100 worth of furniture, these companies at present can sell for no deposit and take
the risk. They are now to continue the charge of 20 per cent. as the effective rate of interest on £100 worth of furniture, and, in addition, will receive the added security of a deposit of 10 per cent., as a result of the beneficence of this Government.

If I were not imbued with the highest regard for the propriety and outlook of Government supporters, and if I did not have the greatest confidence in their integrity, I would say that the 10 per cent. deposit provided for in this Bill is an additional safeguard for people at present charging a 20 per cent. effective rate of interest on £100 worth of furniture, and that such a proposition portrays, perhaps unconsciously, inordinate consideration for people in the community who are already too well off. Mr. Jacoby apparently is much better informed on this subject than some Government supporters, as he sets out to explain the reason for the 20 per cent. in this way—

If every repayment by a purchaser to a hire-purchase company were made promptly on the due date and reinvested in a new transaction by the company on the same date, the gross average rate earned on investments would be 14 per cent. simple interest per annum. This, of course, never happens. The rate is much lower. Finance companies pay about 7 per cent. for loan moneys in addition to brokerage and underwriting and the margin for gross profit between borrowing and lending is not great.

If that were the whole story, there might be some evidence of beneficence on the part of the person who issued this pamphlet, but that is not so. These companies have smashed the loan markets. They have destroyed the capacity of the community to obtain roads, sewerage, hospitals and other amenities. The Commonwealth Government deliberately organized the collapse of the loan market from two to three years ago, and some of these companies were paying 10 per cent. on unsecured notes. What are these companies and what service do they render to the community? They do not produce anything. I advise Government supporters to take notice of this statement: "There is no loan of money in a hire-purchase transaction. The rate is truly a charge for services rendered." I believe that to be a fact, and I take Mr. Jacoby's statement to be literally correct.

Mr. SUGGETT.—You spoke of a 20 per cent. interest rate previously.

Mr. LOVEGROVE.—I have used the terms used by the Government in its Bill, and I have no doubt that those terms were discussed in the party caucus of the honorable member for Moorabbin. The charges for hire-purchase have been established by statements of the companies. In regard to the methods used, there is something in the arguments that a number of companies in Victoria do not descend to some of the methods used during the past three years, and particularly during the last eighteen months. However, it is impossible for those who have accepted the responsibility for this kind of enterprise to divorce themselves from all the abuses that have occurred under the guise of hire-purchase in Victoria in the past two years. A number of examples could be given, but I shall mention only one. Other honorable members could cite many other cases. I refer to a widow with three children living in my electorate in a condemned house of two rooms. Her total income is £6 13s. 6d. a week. Attracted by one of these jumbled word contests which are taken as display advertising by the newspapers of this State, she sent in an entry. The advertisement challenged the public to put a number of jumbled letters together and ascertain the name of a popular footballer.

Mr. RAFFERTY.—You ought to get her to join your party.

Mr. LOVEGROVE.—This woman and others in a similar position would not get any sympathy from the honorable member for Ormond, judging from his interjection. What concern has he for the consumers who are affected by this Bill? In his second-reading speech, the Attorney-General stated that the object of the measure was to protect consumers. The woman to whom I refer received a visit from a salesman who told her that she had not won a television set, but would receive a consolation prize. That took the form of
a £25 reduction off the price of a television set. Despite the fact that she was a widow with 3 children and in receipt of a weekly income of only £6 13s. 6d., she was signed up to buy a television set valued at £263 on terms of 35s. a week. Her income was stated in her application form. When we heard of the case, Mr. Galbally and myself visited the woman and told her what her position was. The firm which sold her the television set did not visit the house to reclaim it, but the hire-purchase company did. When the woman objected to strangers entering her residence, they obtained the assistance of police to repossess the set.

Sir GEORGE KNOX.—You should expose those cases; they are a disgrace.

Mr. LOVEGROVE.—I am not mentioning this particular case for any political reason.

Sir GEORGE KNOX.—I am sure you are not.

Mr. LOVEGROVE.—I make the point that those who sup with the devil need a long spoon. It is morally impossible for the great wealthy combines that have entered into the business of usury in this State during the past three years to divorce themselves from the abuses that are taking place throughout the community to-day. It is all very well for the Attorney-General to say that the measure deals with abuses by a small number of operators on the fringe of the hire-purchase field. In the last analysis, responsibility rests on those who are defending usury in the community to-day, and attempting to make it not only respectable but fashionable.

Men such as Mr. Jacoby attempt to tell us that if it were not for the operation of the hire-purchase companies numbers of people would be looking for jobs. Many others adopt the method of getting other people to break the law so that goods will be sold. I have referred to this aspect repeatedly in the House and do so again for the information of the Minister of Labour and Industry and other members of the Government. The Herald, newspaper of 17th October last, published an advertisement stating that Major 8 Proprietary Limited had refrigerators available at £117 10s. on easy terms of 12s. 6d. weekly. Readers were asked to ring immediately or see their Major 8 retailer in. Abbotsford, Bentleigh, Camberwell, Clayton, Preston, Coburg, Croydon, Hampton, Moonee Ponds, or Windsor, who was open until 8 p.m. that night for inspections.

That is in complete breach of the industrial laws of the State, and such statements are made with the knowledge and connivance of this Government. Perhaps I could say also that they are made with the unofficial blessing of the Government. Reputable trading interests in Victoria, who refuse to stoop to these methods and receive no protection from the Government, compete within the ordinary trading hours provided by law.

Another similar advertisement appeared in the Herald of Wednesday 15th October, 1958, relating to Lonsdale General Electric—a most reputable firm trading in Melbourne, Camberwell, Footscray, Brunswick, Richmond, and Hampton. The advertisement announced that that firm remains open till 10 p.m. for free inspections. Again, that is a breach of the industrial laws of the State, and in defiance, I suggest, of the ethics of fair trading observed by reputable firms throughout the community.

Here is another advertisement which would be dear to the heart of the Premier and sweet in the nostrils of the members of the Government as it relates to an American concern. The Herald advertisement of Friday, 17th October, contains, among other things, the following announcement:

White Front of Los Angeles, famous American low-cost trader, opens in Melbourne.

White Front stores are situated at Collingwood, Malvern, and Richmond, and are open for the reader's convenience till 9 p.m. on Friday and 5.30 p.m. on Saturday.

The Minister of Labour and Industry stated in the House recently that his Department could not prosecute these people unless he got information. Then, we have our old friend Peter Kaye, of
unsecured notes fame. It is advertised that this firm operates in Bentleigh, Dandenong, Hampton, Preston, Box Hill, Eltham, Ivanhoe, Port Melbourne, Camberwell, Essendon, Mordialloc, Ringwood, the City, Footscray, Mount Waverley, Williamstown, Clayton, Geelong, and Prahran. Its advertisement in the Herald of Friday, 17th October, announces that all stores operated by that organization are open until 9 p.m. that day and until 5.30 p.m. on Saturday. The goods advertised are, of course, sold on hire-purchase terms. All the firms to which I have referred are, presumably, fringe operators referred to by the Attorney-General, and have no active connexion with the big companies that constitute this so-called hire-purchase conference, which appears to have given Government supporters a lot of information. All, apparently, are able to sell under these methods in defiance of the laws of the State and, seemingly, because of the ignorance of this Government. I refuse to believe that.

I concede that there are legitimate trading concerns carrying on business in this field, and that their services are being availed of by the community. I would be less than fair not to refer to the Myer Emporium, which advertises the Myer easy credit terms. In its advertisements, that firm states that a low interest rate of only 6½ per cent. is charged after the deposit is paid. That means that the effective interest rate is 12 per cent. as against the 20 per cent. referred to by Mr. Jacoby and so eloquently defended by Government supporters. Apparently, all commercial concerns in the State do not agree with the views of the Government on hire-purchase.

I will not quote in detail advertisements of furniture retailers, but shall refer to them in passing to show the terms under which legitimate concerns are selling furniture. I notice in one advertisement that a suite of furniture priced at 69 guineas is sold on a deposit of £7 5s. and 16s. 6d. per week. In another case, the price is 129 guineas, the deposit £13 10s. and the instalments 30s. a week. A Lawn Patrol rotary mower is priced at 39 guineas on terms of 82s. deposit and 8s. a week. A Sunbeam Mixmaster can be purchased on a deposit of 57s. and payments of 6s. a week.

I do not want it to be thought that the Opposition has any quarrel with the legitimate trading community. That group has played the game against most unfair competition. That has been the position in the area which I have the honour to represent. In their operations, the legitimate concerns have had no protection from the Government, which has the audacity to bring in a Bill and to justify it by asserting that the Government has to deal with only a small number of fringe operators. Of course the 64 dollar question is, “Who runs hire-purchase?” J. B. Were and Sons, in one of their usual authoritative and most valuable publications—a pamphlet entitled Hire Purchase... an Equity Investment published in August 1958—deal with nineteen better known Australian hire-purchase companies. The pamphlet also refers to hire-purchase links with banks and insurance companies. I mention some of the links. The Australia and New Zealand Bank has 14 per cent. of the shareholding in Industrial Acceptance Corporation. The Bank of Adelaide holds 40 per cent. of the shareholdings of the Finance Corporation of Australia; the Bank of New South Wales holds 40 per cent. of the shareholdings of the Australian Guarantee Corporation; the Commercial Bank of Australia holds 40 per cent. of the shareholdings of the Commercial and General Acceptance Company; the Commercial Banking Company of Sydney holds 40 per cent. of the shareholdings of General Credits Limited; the English, Scottish and Australian Bank holds 100 per cent. of the shareholdings of Esanda Limited; Lombard Banking holds 60 per cent. of the shareholdings of Lombard (Aust.); and the National Bank of Australasia holds 40 per cent. of the shareholdings of the Custom Credit Corporation.

Mr. Rafferty.—What does all this disprove?
Mr. LOVEGROVE.—If the honorable member for Ormond listens, he will learn. If he does not like what I am saying, he can leave the Chamber. It means that astronomical fortunes are being made to-day by people who, by their control of the money market, are able to do these things. To illustrate my point, I shall refer briefly to the operations of several companies, although I shall not mention the names of the organizations concerned. Hire-purchase company No. 1 did £66,000,000 worth of business last year, and paid a 15 per cent. dividend, which required less than half of the 1957 net profit. One of the associated banks paid £4,000,000 for 40 per cent. of this company's shares. Hire-purchase company No. 2 paid a 15 per cent. dividend. Another associated bank holds 40 per cent. of this company's shares. The dividends of hire-purchase company No. 3 increased from 10 per cent. to 15 per cent. in two years. Since hire-purchase company No. 4 was listed in 1955, its profit has risen from £7,500 to £136,000. A third associated bank has a 45 per cent. holding. Hire-purchase company No. 5 is one of Australia's largest hire-purchase houses. Its 1957 turnover was £66,000,000, and less than half of this year's profit—£2,200,000—was needed to pay the year's dividend of 16½ per cent. I place that information before the House to show that, in the view of Opposition members, the rewards being reaped by hire-purchase companies in Victoria today are out of all proportion to the services they render to the community. In fact, they reap rewards which those people in society who produce goods would be very glad to receive in any circumstances.

However, in view of the objections taken by some honorable members to what I have said, I shall now turn to the record of this Government—a most remarkable record. During the last eighteen months, the Government has turned a complete somersault and reversed its attitude to hire-purchase. In the Herald of 16th March, 1957, under the heading, "Leave Hire-purchase Alone," there appeared this interesting article—

"The higher living standards of most working people depended on the hire-purchase system and Governments should not interfere with it," the Premier, Mr. Bolte, said to-day. "People who monkey with hire-purchase could endanger the whole standard of living," he said.

"Any attempt to curb hire-purchase would have tremendous repercussions. It would be reflected right through industry and trade, and would be a serious threat to employment."

I suggest, in all seriousness, that not one Government member in this Chamber to-night would be prepared to defend that statement made by the Premier eighteen months ago. Furthermore, in view of the statistical evidence that has been furnished to-night, not one Government member would be able to defend the economic proposition put forward by the Premier. His economic theories, from whatever source he derived them, are utterly fallacious, and his predictions as to the attitude of this Government eighteen months ago, have proved to be equally fallacious.

In the Age of the 12th July, last year, the following article appeared:—

HIRE-PURCHASE DEALS NOT HARMFUL.

Premier says work given to thousands.
Hire-purchase transactions were not damaging to the economy of this country, the Premier (Mr. Bolte) said last night.

There was nothing to fear in a report that the outstanding balances on retail hire purchases had reached a peak of £232,000,000. . . .

He believed hire-purchase business had now reached its peak and would level off. Of course, it did not level off. The figures I gave earlier demonstrate that, since the Premier made that prediction, hire-purchase in Victoria increased by 30 per cent.

Mr. J. D. MACDONALD.—All the experts were wrong with that one.

Mr. LOVEGROVE.—Opposition members have never made any pretence of having expert knowledge. It is honorable members opposite—the business representatives of the community—and, in particular, their political leaders, who
should have the expert knowledge. In the Herald of 11th July, there appeared this statement by the Premier—

The standard of living would also be drastically lowered. He would oppose any attempt to interfere with hire-purchase transactions. Hire-purchase had become an important part of the national economy.

It may be an important part of the national economy, but it is only a small fraction of the retail market to-day, as I proved earlier.

In an editorial article in the Age of 15th July, 1957, it was stated—

It is difficult to share the belief of the Premier (Mr. Bolte) that there is nothing to fear in the new peak of £232,000,000 reached by outstanding balances on retail hire-purchase transactions. The facts do not support his opinion that the extent of this business is not damaging to the economy.

The article goes on to deal with matters that have been raised for some years past by Opposition members in another place. Despite the Premier's recent statements, it is interesting to note that in the Herald of 26th March, 1958, under the heading, "Leave Hire-Purchase Alone", the Premier is reported to have stated that any interference with the hire-purchase system could lead to big-scale unemployment. What utter rubbish! In the three years that the Bolte Government has been in office, the work force has increased by less than 4 per cent., and hire-purchase, on which the Premier places such reliance, has increased by 90 per cent.

Mr. J. D. MACDONALD.—The living standards are about the same.

Mr. LOVEGROVE.—Government members will have the opportunity of participating in the debate at a later stage, and I shall then welcome their criticism.

Mr. J. D. MACDONALD.—You will keep going all night.

Mr. LOVEGROVE.—Whether Government members like it or not, I propose to complete my case. If any of them do not care to stay, they may leave the Chamber as they usually do. Seeing that Government members are heartily sick of the theme I have been pursuing, and having regard to the fact that they are completely fatigued and mentally exhausted by a repetition of what their Government said it would not do within the last twelve months, I shall now refer to another aspect of hire-purchase. By the 30th July of this year, a remarkable change had come over the Government.

Mr. RAPPERTY.—We had eight more members then.

Mr. LOVEGROVE.—Of course, the Government had eight additional members, but it was forced by the attacks of the Labour party on the hustings in the State elections, by my political colleagues in another place, by the press and the public, and by its own supporters, to change its tune. On 30th July of this year, the Government appeared in its new role. Gone were the fears of mass unemployment and gone were the expletives that were used to attack anybody who cast a doubt on hire-purchase, for there appeared in the Age this statement—

Government will stop hire-purchase exploitation. Legislation to protect the public against exploitation in the hire-purchase field is planned by the State Government.

At this stage, the Premier had dropped out of the picture and the Attorney-General took over the role as spokesman for the Government.

Announcing this last night, the Acting Premier (Mr. Rylah) said proposals had been outlined before State Cabinet on Monday. The Government was examining the need for legislation to safeguard the public against the activities of some hire-purchase companies seeking money at high rates of interest.

This was not referring to the Custom Credit Corporation, which is one of the respectable backers of the Government. Probably, it related to the same class of business concern as that which sells agricultural machinery to Country party members at astronomical rates of interest. The Attorney-General voiced a completely different view from that previously advanced by the Premier.

The article continued—

Mr. Rylah said the hire-purchase form of company finance was a new development and its implications could be far-reaching.

"It competes very strongly against investments in Government and semi-governmental securities," he continued.
“In some cases rates of interest appear to be so high that for companies to make a profit on money from the investment market they may be forced to indulge in exploitation of the public to get a return on their funds.”

This was a most peculiar statement to make, particularly in view of the statements repeatedly made by the Premier to the effect that there would be no interference with hire-purchase. The situation improved progressively and the next incident of note was that the hire-purchase companies formed an association. In the Age of 19th September, under the heading “Hire-Purchase Companies Form Association” there appeared this statement—

The seven hire-purchase companies affiliated with the trading banks yesterday formed themselves into an association to be known as the Australian Hire-Purchase Conference.

In other words, the Government is not now attacking those who took exception to hire-purchase, but those who did not take exception to it. Certainly there has been a marked change on the part of the Government. According to press statements, the Government hopes that the Hire-Purchase Bill will end rackets, and the Attorney-General stated that there would be no mercy for profiteers. Statements of this type, for which the Government condemned Opposition members twelve months ago, are being used by Government supporters to-day. I shall conclude my observations concerning the Government by referring to the remarkable confession made by the Attorney-General in his second-reading speech. The honorable gentleman said—

Unfortunately, this measure has been prepared against a background of public controversy and political opportunism.

The Opposition agrees wholeheartedly that never in the history of the political dealings of a Government with an influential money power in the community has there been more political opportunism shown than in the conduct of this Government with respect to hire-purchase over the past six months.

I submit my next point as an argument without political controversy, if it is possible to do so in this debate. The contention that economically the best way to sell goods is by the use of consumer credit of this description at the present rates of interest, in my view, completely by-passes the dimensions of the gross profit margin throughout Australia. I shall cite some figures for the information of honorable members on the Government side of the House and for the record, because they throw an interesting light on the situation in which consumers in the community are placed to-day. We will consider the retail mark-ups, which are separate from the argument about hire-purchase financiers, on a variety of goods that are purchased by the low-income group under hire-purchase arrangements. In each instance I shall quote the cost ex manufacturer and the retail price respectively: Electric iron, Hecla, £2 2s. 6d., £4 3s.; electric kettle £3 7s. 9d., £6 12s. 9d.; electric jug £1 11s. 6d.; retail price £3 3s. 6d.

Mr. J. D. MacDonald.—Will you add the sales tax?

Mr. Lovegrove.—The sales tax has already been added in the calculation of cost ex manufacturer. To continue—Sunbeam Mixmaster, cost ex manufacturer £15 3s. 11d.; retail price £28 10s.; radiator, single-bar, £2 0s. 3d., £3 15s. 6d.; Tecnico vacuum cleaner £20 13s., £43 1s.—what shocking extortion—television set £179, £215 19s.—plus another £70 or £100 to pay the finance company. Yet the Government makes no attempt to limit the rates of interest! Further items are: Radiogram £74, £125; radio £17, £35; electric razor £7 10s., £16; refrigerator £70, plus 8½ per cent. sales tax, say, £6, totalling £76 ex manufacturer, retail price £120. Without regard whatever to the politics in this Bill or to the conflicting philosophies of the Government and of the Opposition, I seriously suggest to Government supporters that the gross profit margin in this country is too high. If manufacturers want to sell goods and get more people to buy them, the easy and quick way to do so is to cut down the gross profit margin. I am not suggesting that it should be cut down unfairly. To-day many manufacturers are experiencing great difficulties. Anyone who notes the astronomical profits being made not only
by retailers but also by hire-purchase companies is entitled to be critical of an economic situation which can have only one disastrous result.

The Opposition is conscious of the fact that there are provisions in the Bill which will fill a long-needed gap in the service of consumers. Some of them will be of great benefit in protecting sections of consumers from certain abuses. All that is admitted, but it is regrettable that such a measure should have been brought before the House only after three similar Bills had been introduced by the Labour party in another place. The Government has been compelled to introduce the Bill. The Opposition is conscious of whatever merits reside in the measure, but contends, first, that there should be a ceiling placed on interest rates and, secondly, that provision should be made by the Government of the day to fix lower interest rates for different classifications of goods in a similar manner to the provision in the New South Wales Act. In addition, the Opposition believes the ceiling penalty of £200 should be applied automatically for breaches of a maximum interest rate to be fixed in the Bill. Without any political consideration at all, we say that the Government should seriously consider the proposal that goods to the value of £100 should be exempted from the stipulation of a minimum deposit of 10 per cent. That would not prevent a trader from asking for a deposit of 10 per cent., 20 per cent., or higher, but would leave those who trade with the lower-income group free to trade without the minimum if they so desire, and the low-income group free likewise. We believe that alteration is justifiable in terms of the need for service by the low-income group in the community.

The Bill was introduced with the assertion that it deals only with a section of fringe operators in the industry and not the big hire-purchase companies which, like Caesar's wife, are above suspicion and who, according to their own advertisements, are not only above suspicion but also regard with horror the activities of some of their lesser competitors. In my view, the people who talk in that way—the big companies, which are run by the banks and insurance companies—must take their share of responsibility for the abuses which have flowed from their operations. We are seeing within Australia and this State to-day the emergence of a new and rising class of usurers, people who in some instances may be as pure as they claim themselves to be, and as this Government claims they are, but who are undoubtedly powerful. Some of them are predatory; some are conscienceless; others are unscrupulous; most of them are ruthless; and in common they all are parasitical on production. They produce nothing. They do not produce 1 lb. of butter, 1 bale of wool, 1 ton of wheat or one single manufactured article in the community. They contribute nothing to the production of goods necessary for the conduct of our economy. All they do is buy and sell money.

Mr. Garrisson.—Where would you get without credit?

Mr. Lovegrove.—Where did the Commonwealth Government get credit from last year when it issued Treasury notes? I suggest that the honorable member for Hawthorn should ask "Bob" Menzies! Whether the Government regards the Opposition's attitude towards what we believe to be usury as a valid criticism or not, it must agree with us on this point. It is a bad thing in any community for a particular group to obtain too much power, no matter whether it is the Liberal party, the Labour party, the employers, the trade unionists, or any other group. This new group of money changers is making the business of buying and selling money both respectable and fashionable. It is becoming one of the power pressure groups in the community to-day.

Mr. J. D. MacDonald.—Public companies?

Mr. Lovegrove.—I am not discussing public companies. I have the greatest admiration for the entrepreneur or the public company that does something tangible for the economy of the
country. Firms such as General Motors-Holden's Limited produce goods and provide employment, and we respect the contribution that they make towards our economy. It is true that we attack them on other grounds, including that of excessive profit making. However, we are not going to pay the same respect to people who produce nothing and employ practically nobody, but who make exorbitant profits out of buying and selling money in a way which, I suggest, is repugnant to the morality of any decent community.

Sir HERBERT HYLAND (Gippsland South).—Whether one believes all that the Deputy Leader of the Opposition, the honorable member for Fitzroy, has stated, one must certainly agree that he has gone into the subject-matter of this Bill very thoroughly. He has produced facts and figures and given the House the full benefit of his researches—so much so, that he has practically cut the ground from under the feet of other members who intended to speak along somewhat similar lines. Facts that the honorable member submitted are certainly worthy of earnest consideration.

The Bill is not brilliant—no one would ever say it was. I was a member of the Government in office in 1936 when a Bill dealing with hire-purchase was passed. In my opinion, most of the provisions of the measure now under discussion have been copied from that legislation. In the light of experience over 22 years, it is proposed that the law shall be tightened up. It has been found that certain legislative action should be taken because the hire-purchase interests are becoming more cunning than they were previously. Although members of the Country party believe in the principle of hire-purchase, we consider that the Bill should have gone further than it does. In view of some of the clauses that have been included in this Bill, we believe that during the next few years, and in practically every session, Parliament will be called upon to debate amendments to the legislation to be placed on the statute-book as a result of the passing of this measure.

I am sure that the people will be pleased with this Bill up to a point, but the majority will ask why Parliament has not legislated to limit the interest rates charged by hire-purchase companies. The Country party believes that provision along those lines should have been included in the Bill, and if the Opposition moves amendments setting out maximum interest charges, members of my party are prepared to look at them. However, I want to make it quite clear that we are not giving any guarantee, written or implied, that we shall swallow holus bolus anything put forward either by the Government or by the Opposition.

Mr. CLAREY.—The Government does not intend to bring forward anything along those lines.

Sir HERBERT HYLAND.—I think it will. The honorable member for Melbourne is always a pessimist of the first water. I believe the Government will put forward something that will completely flatten the Opposition. Hire-purchase has been in operation in this State for many years—some have said that it has existed for half a century, and some that it has been in force much longer.

Mr. CAMPBELL TURNBULL.—It has operated since 1895.

Sir HERBERT HYLAND.—Whatever the year, hire-purchase has been of material assistance to many people throughout the country. It has enabled them to purchase certain amenities that otherwise would have been beyond their reach. Doubtless, in some instances, they have paid an excessively high price. We cannot close our eyes to the fact that hire-purchase promotes employment. Many people purchase refrigerators, television sets, washing machines and electrical goods on time payment. Television antennae can be seen on houses not only in Toorak, East St. Kilda and Malvern, but also in the poorer class suburbs, and I say “Good luck to the people for getting television sets.” Hire-purchase has helped in the purchase of goods such as these. With other members, the Country party feels that the law needs tightening
up so that hire-purchase companies will not be able to overcharge clients, repossess articles without proper reason, and cause other trouble.

As the Deputy Leader of the Opposition stated, there are seven major companies in the hire-purchase field and they are backed by seven different banks. The banks have different interests in those companies, up to 100 per cent. in the case of Esanda; the others have much smaller interests. I consider that those companies would treat their clients fairly; they would not dare to be associated with anything that could be described as a racket. However, dozens of companies on the fringe are causing all the trouble which has been the subject of complaints. The interest rates that some companies have offered investors have been fantastic. When this boom started, I purchased a few hundred shares in a leading hire-purchase company, but when I received my early dividends I thought there was something wrong and sold my shares. I did so because I did not want to be associated with a concern that might be accused of robbing the public. I did not bother to investigate the matter closely, but simply said, "I am out." That company to-day pays a dividend of 16½ per cent., and others are paying 10 per cent. and 15 per cent.

Mr. DOUBE.—Is that one of the "respectable" companies?

Sir HERBERT HYLAND.—Yes, it is one of the seven decent hire-purchase organizations backed by the banks. I agree with the Deputy Leader of the Opposition that women should be protected from snide salesmen who endeavour to talk them into signing hire-purchase agreements. However, when they find that they have been "caught," to whom can they turn?

Mr. FENNESSY.—The local member of Parliament.

Sir HERBERT HYLAND.—I thank the honorable member for Brunswick East; undoubtedly, the local member will be brought into it. When the room­rent racket was exposed, the Govern­ment appointed Mr. Condon to make investigations, and he certainly stopped a few rackets, although I do not know that he was successful in as many cases as I would like. If the Government is sincere in dealing with hire-purchase, it should appoint someone to deal with complaints made by members of the public. If Mr. Condon is not available, someone else could be appointed for this purpose.

When certain land was acquired by the Housing Commission in the Somerton and Broadmeadows districts, a committee to hear complaints was appointed within the Premier's Department. In some instances, people who owned blocks were paid only £5, and they were disgusted with the action taken. However, an appeal tribunal was set up in that case. I should like the Government to provide in this Bill for the establishment of an authority to which people with grievances relating to hire-purchase agreements can appeal, thus saving them from the necessity of consulting the legal fraternity.

This Bill will definitely be passed, although I do not know in what form, and I am convinced that a body which thoroughly understands the legislation and can give advice should be established. If not, as the honorable member for Brunswick East stated, the local member of Parliament concerned will be called upon to advise signatories to hire-purchase agreements. Members of Parliament can advise along certain lines, but many members have not time to make a complete study of each problem.

The Bill touches only the fringe of this matter. It is an attempt to tighten up the provisions of Act No. 4428 of 1936. I hope the Government will keep the subject constantly under review and, in the interests of the people who use the hire-purchase system, will propose amendments to the legislation as required. I am not a bit concerned with the retailer, the manufacturer, or the hire-purchase companies; I am concerned only with the purchasers. They should be protected right up to the hilt, if possible, without spoiling the whole hire-purchase set-up. I should hate to think that any action was taken in this House to jeopardize the system in this
State, because of its usefulness to those people who require it. Wealthy people do not need it; they can write out cheques for items such as television sets. Those who resort to hire-purchase are usually in the lower wage group, and they are entitled to every possible consideration.

The Deputy Leader of the Opposition referred to some of the dividends being paid by hire-purchase companies. I have information showing that these companies pay annual dividends of 10 per cent., 12½ per cent., 15 per cent., and 16½ per cent. on ordinary shares. There must be some profit somewhere. An article in the Observer of 4th October, 1958, is headed "In Defence of H.P." and states, inter alia—

There is a tendency to criticize the level of hire-purchase charges as though they were purely interest charges, overlooking the fact that expensive services have to be provided year after year in the opening and administration of hire-purchase accounts. Every trade has a "mark-up" which it knows it must get in order to show a profit. Hire-purchase charges are the "mark-up" necessary for the profitable conduct of the industry. To look only at the profit in relation to capital is to take a narrow and inadequate view. To get a proper perspective one must look at the return on total funds employed. In the case of the major companies, this does not average much more than 3 per cent.

It might be asked why this legislation has not been tightened up since 1936, particularly in view of the recommendations made in 1941 by a Board of Inquiry into hire-purchase and cash order systems under the National Security (Inquiries) Regulations. Practically speaking, no action has been taken by either the Commonwealth or the States since that period. One section of the report states—

The evidence discloses that transactions in hire-purchase in Australia involve a very considerable turnover and affect a very large number of people. There seems to be nothing inherently wrong with the system in peace time, except where terms of repayment have been extended beyond three years. Provided articles bought are useful, contribute to a better standard of living, and do not deprive the householder of essential commodities, the system may be regarded as a useful one in the general economic structure.

In another paragraph, under the heading "Finance Charges," are set out the flat rates and the deposits, which are very different from the deposit stipulated in this legislation. On motor vehicles, both new and used, and on tractors, shovels, scrapers and the like, the deposit was 33½ per cent. On wireless sets, gramophones, pianos, furniture, domestic appliances and retail sales and office equipment, the deposits were as low as 10 per cent. Seventeen years ago the Board of Inquiry made this observation—

A reduction in the volume of hire-purchase will lead to a reduction in Government income from sales tax, income tax, and customs duties, but it is impossible to assess what the reduction might be.

The finance charges as set out in paragraph 77 are not unreasonable and there appears to be sufficient free competition among the finance companies to act as a brake on excessive charges. There was some evidence of occasional higher charges. Further down, it states—

To meet this it could be laid down that the added charges expressed as a true rate of interest per annum on the unpaid balance shall not exceed rates as may be specified. Suggested rates for this purpose would be:

Furniture and Wireless
Sets . . . 20 per cent.
Motor Vehicles—Used 16 per cent.
Other Goods, Wares and Merchandise . . 15 per cent.

I think the Government has acted reasonably in fixing the minimum deposit at 10 per cent.

Mr. Rafferty.—Who were the members of that committee?

Sir Herbert Hyland.—The Board of Inquiry consisted of Harold William Chancellor (Chairman), Joseph Benedict Chifley, George Stanley Colman and Marshal James McMahon. The definition of "hire-purchase agreement" has been liberalized in this Bill and is as follows:

"Hire-purchase agreement" includes a letting of goods with an option to purchase and an agreement for the purchase of goods by instalments (whether such agreement describes such instalments as rent or hire or otherwise) but does not include any agreement whereby the property in the goods comprised therein passes at the time of the agreement.

There will no doubt be many attempts to defeat the purpose of this legislation. A certain firm in Bourke-street
advertises over the radio that a person can obtain £50 credit immediately with no deposit. This Bill does not affect such a transaction because the person concerned takes the goods with him. There will also be the "wise guy" who will be compelled to ask for a deposit of £10 on an article costing £100. He will say to a prospective client, "You find the £10 now and I will not charge you any weekly payments for the next ten weeks." In this way, this provision will be "got round."

I have more statistics here, but most of them have been covered by the honorable member for Fitzroy. The Country party believes in hire-purchase. Although this Bill could have been much stronger, at least it is an attempt, and to that extent the Country party accepts it. In our view it is not necessary to stipulate any interest rate, which would jeopardize the legislation, prevent people from obtaining amenities and throw thousands of men out of work. If there were no hire-purchase, refrigerators and other articles would not be sold in the present numbers.

Mr. FLOYD.—Manufacturers would take less profit.

Sir HERBERT HYLAND.—No one could say that the hire-purchase business has not boosted the sale of refrigerators, television sets, washing machines, and so on. I know people who have purchased such items on hire-purchase but who would not have been able to obtain them if they had been compelled to pay cash or if there had been any severe restrictions. At the Committee stage the Country party will do its best to knock the Bill into shape, although there is not much hope of accomplishing that because the Government has the numbers. The Ministers on the front bench can laugh, but when my party moves amendments and they are accepted, we expect the Government of the day to abide by them. Likewise, when there is an agreement between the Government of the day and the Country party, or the Labour party, we expect the Government to abide by that agreement, but that has not always been the case.

On occasions, a fresh Bill has been introduced to override the previous agreement, although at the time of the agreement the particular member of the party was thanked for helping the Government along. The agreement has been pushed aside and the Government has said it was only a scrap of paper. As I said, the Country party, with the help of the Government and of the Opposition will help to make this a worth-while Bill, whereas at present it touches only the fringe of the matter.

Mr. J. D. MacDONALD (Burwood).—I listened with considerable interest to the remarks of the honorable member for Fitzroy. This Bill is not only a most important measure but is very complicated and will have far-reaching effects in the community. I have a lot of respect for the honorable member, not because he lives in any particular area or has had any particular experiences, but because he is a man of common sense. However, he made many statements to-night which surprised me. Of course, he has to oppose the Bill, because that is part of the democratic system and the role of the Opposition. He was critical of the growth of the hire-purchase system. He said that in his lifetime he had grown up on the instalment system. We have all had experience at some time in our lives of purchasing something beyond our immediate means. When the honorable member was a young man—not so long ago—the development of our industrialization was in its infancy. In my own schooldays, motor cars, radio sets, television, washing machines and refrigerators were almost unknown, and the hire-purchase system was financed through what were called cash orders, which applied mainly to wearing apparel in the retail field. However, as the State has progressed, industrialization has produced a number of commodities which have to be financed because of their increasing values. This has been of benefit to the community—particularly to the housewife—and has assisted in production and in the development of the land. As the Leader of the Country party said, a great contribution has been made by the system
of finance which we refer to as the hire-purchase system in enabling farmers to purchase equipment which otherwise would be beyond their resources. I prefer to describe the system as the "poor man's overdraft." As development has taken place in the agricultural, industrial and domestic fields and as facilities have been provided for the community, so the standards of living have increased correspondingly. Under the hire-purchase system the housewife, particularly, is enabled to purchase articles which make her lot easier. In a certain street in Richmond there are far more television antennae on houses than there are in any street in my electorate. I am not complaining, because I think it is a good thing that those in the lower income group are able to purchase such articles. At the same time, Parliament should see that the interests of such people are protected.

In this morning's mail I received a pamphlet from the Victorian Chamber of Manufactures, which makes the following observations on this measure:—

The main provisions of the legislation are—

(1) A minimum deposit of 10 per cent. of the cash price of the goods.

(2) A hirer may pay off the outstanding balance of the contract at any time, which will entitle him to a proportionate rebate of terms charges.

(3) A hirer can return the goods at any time, but the finance company must be reimbursed for any loss suffered by reason of such return. Thus, "minimum hiring time" clauses in agreements will no longer be valid.

That is very important.

(4) A hirer must be supplied with a copy of the agreement, which must show "in plain and direct language" his rights if the goods are repossessed.

(5) A hirer may choose the insurance company through which the goods are insured, but the finance company can state the cover required.

That is fairly reasonable.

(6) The agreement must be in writing and show in tabular form and separately the cash price, deposit, insurance charged, interest charges, and maintenance charges.

(7) A hirer may assign his rights or interest under a hire-purchase agreement subject to the consent of the finance company being given, and this consent cannot be "unreasonably withheld."

I claim that the Bill does not fundamentally interfere with the hire-purchase transactions that take place nowadays. The honorable member for Fitzroy read from newspapers several advertisements which contained gimmicks such as the offer of goods without deposit. I challenge him to call on some of those establishments, without revealing his identity, and see whether he can get goods on a no-deposit basis. I predict that he has a shock awaiting him. All sorts of tricks are used by advertisers. There is the case of a widow of whom the honorable member for Fitzroy spoke, who was in receipt of only £6 12s. 3d. a week, yet she was signed up by one firm for goods of a value in excess of £200. If ever that case comes before the courts it will be difficult to prove that everything was in order concerning the transaction. I have before me a contract made with a well-known firm in respect of which the interest is about double the rate it ought to be. Further, it is interesting to note that the hire-purchase agreement is not signed. That is another trick that is frequently resorted to and which will swiftly be hit on the head under this Bill.

The basic aim of the measure is to provide conditions that will protect the average person who resorts to hire-purchase terms. Generally speaking, those people are of normal intelligence but, after all, we must legislate to protect those who cannot protect themselves for the reason that they do not understand the ramifications of hire-purchase business. If one were to read the conditions on the back of a hire-purchase agreement or those on the reverse side of a steamer ticket or an airways ticket, one would probably be shocked. The Leader of the Country party said that he thought there should be a committee of reference. I suggest that the Attorney-General would be only too pleased to investigate any irregularity that might be brought to his notice in an effort to stop snide practices. The honorable member for Fitzroy went to some pains to cite the interest rates charged by the Commonwealth Bank. I agree that the rates charged by that institution are a little
One member stated that there are seven main firms associated with hire-purchase transactions, but I think there are actually eight. Seven are offering to the public an interest rate of about 7 per cent. per annum and one of 8 per cent. When the eighth company has consolidated its position, I believe it will join with the other seven. Actually, some companies are protégés of the banks, and they cannot finance their operations through the banks. There is only one large hire-purchase organization in Australia with a bank overdraft of about £16,000,000, but that must be reduced. Because of the central bank's policy, the hire-purchase operators must seek money from the general public. Curiously enough, a hire-purchase company is the only one that is forced to disclose its gross profits.

When we consider the case of a new motor car at an interest rate of 6 per cent., the computation of the simple rate is 1.8 times. The honorable member for Fitzroy has claimed that it is double, but that is not so. When all factors are considered, the profit per transaction is remarkably small. The hire-purchase companies make their money out of turnover and reinvestment of capital. It is interesting to note, that of all the hire-purchase contracts made in respect of cars, trucks, machinery and personal household goods, only about 3 per cent. become the subject of repossession or extension of some type. The honorable member for Fitzroy mentioned the increase in interest rate from 6 per cent. to 10 per cent., but he did not explain that the rate of 10 per cent. applies basically to second-hand vehicles and to certain types of furniture. Indeed, it is most necessary to make an appreciation of where the security lies. Hire-purchase organizations are not in business to lend money to anyone without recognizing the risks involved, and so the rating is related to the article obtained. The Leader of the Country party quoted from a certain report in regard to interest rates. I am happy to say that the rates assessed by that committee in 1941 were considered to be reasonable.

Mr. Lovegrove.—Why is the Myer Emporium Limited charging a rate of 12 per cent. while Custom Credit Corporation Limited is charging 20 per cent.?

Mr. J. D. Macdonald.—I do not think the honorable member for Fitzroy has made the position clear. It is possible for a small operator to charge an exorbitant figure, but, generally speaking, the rates stipulated for the articles listed in the schedule are adhered to. Keen competition has been responsible for bringing interest rates down—not increasing them. That is one of the matters that the New South Wales legislation has brought to light. By fixing a ceiling rate, there has been a tendency to come up to the ceiling rather than to reduce the rate. The honorable member for Fitzroy can prove the accuracy of what I say by contacting his counterparts in New South Wales.

Mr. Lovegrove.—The New South Wales Act is not good legislation.

Mr. J. D. Macdonald.—I think the Government in that State made an honest attempt, but it has since discovered that hire-purchase business has many ramifications that were not previously appreciated. In this State we have spent quite a long time trying to cover every aspect, but that is a difficult matter, particularly when legislation has to be prepared on that basis. Unfortunately, we cannot legislate to control human reflexes. There comes a time when a person makes a decision and does not want to be told by a bank manager or anyone else what to do. That is one reason why some persons become involved in enormous interest charges. I am reminded of the fellow who said that, after towing a caravan with a Holden motor car, he was unable to open the back doors of his car. I have no doubt that General Motors-Holden’s Limited would have given

Mr. J. D. Macdonald.
almost anything to obtain possession of that vehicle, but it could never be located. So it is with the hire-purchase companies. There are several irregularities, no doubt, but it is difficult to run them all down. So, the basic rates which the companies charge are based on the security value of the article to be sold on hire-purchase finance. If a person takes delivery of a television set, he might put upon it a glass of beer or a cup of hot tea and thus damage the lacquer finish. In three months’ time the set may be returned and the hire-purchase organization must try to dispose of it at the best price possible. It is then not a question of establishing value. Naturally, the organization concerned loses on the transaction. The Government is legislating to control those people who carry out repossessions so as to improve the ethical standards in that particular field.

I have mentioned the matter of no-deposit transactions. This aspect relates even to the Gas and Fuel Corporation, which is a State-owned enterprise. On checking in that regard, I find that the Corporation requires a minimum deposit of 6 per cent., but, wherever possible, an effort is made to obtain a higher deposit in the interests of the purchasers themselves. If a larger sum is paid as a deposit, the interest charge will naturally be lower.

Mr. Fennessy.—The Gas and Fuel Corporation has taken a number of old stoves in part payment.

Mr. J. D. Macdonald.—That is so. I think an allowance of £5 per stove is made. Actually, the second-hand articles are of no intrinsic value other than as scrap. However, the Gas and Fuel Corporation has not resorted to any of those “give-away” gimmicks which have been foisted upon the public by certain other enterprises. Some of the practices mentioned by the honorable member for Brunswick East should be outlawed, but there are all sorts of difficulties in the way. When some advertisers are approached with the object of taking advantage of their offer of no deposit, a request is usually made for references and then the prospective customer is told that the firm concerned is sorry but it cannot proceed with the deal. One radio firm, whose name I shall not mention for fear of giving it a free advertisement, advertises a radiogram for a price of 70 guineas, but I assure the House that any salesman who actually sells it gets the sack. It has the appearance of a nice set, but it contains only four valves. Practices such as that ought to be stamped out. I claim that the measure will go a considerable distance towards eliminating some of the practices that now obtain in regard to trade-ins, but there may still be some loopholes to be closed. The Government can review those aspects at a later stage.

As to those companies that were criticized by the honorable member for Fitzroy, I think it only fair to say that the major organizations engaged in this field are public companies. When they are accused of being “sharpies,” “harpies,” and so on, with respect to the profits they make, consideration must be given to the part they play, particularly in the developments that are taking place in industry. It is interesting to note that the basic reception of the Bill has been good. I contend that hire-purchase has practically grown up with our system and that it plays a very important part in our industrial development and in the improvement of our standard of living. Even the small investor has had an opportunity to participate in the successes of these companies. I said that the Companies Bill was another step forward because, in the future, fly-by-night shows would be required to produce proper prospectuses. I regret that possibly a number of people have contributed their small sums—perhaps, from £50 to £100—to certain companies whose future is a little in doubt. I mention this because it is important to try to sift out these people so that the industry itself can proceed unhampered by the effect of this legislation. The important factor is that of interest rates. I was greatly surprised to hear a member in another place making the statement—
The DEPUTY SPEAKER (Mr. Christie).—Order! I direct the attention of the honorable member to the fact that he may not allude to a debate in another place in the same session on the same subject.

Mr. J. D. MacDONALD (Burwood).—I shall not refer to it as such, because I can make the quotation possibly in another way.

Mr. LOVEGROVE (Fitzroy).—Making a personal explanation, I do not know whether you, Mr. Deputy Speaker, were in the Chamber when I spoke, but I was permitted to make a reference which I think is possibly about to be mentioned by the honorable member for Burwood. Perhaps, in fairness to the honorable member, he might be in order in replying to what I said.

The DEPUTY SPEAKER.—I direct attention to Standing Order No. 91 which states—

No Member shall allude to any debate in the other House of Parliament, or to any measure pending therein.

Mr. J. D. MacDONALD (Burwood).—I thank you, Mr. Deputy Speaker, and I thank the Deputy Leader of the Opposition also for his intervention on my behalf. I shall confine my remarks to the question of interest rates and to the consideration of why we think the situation respecting control of interest rates should be left as it is. I might mention in this connexion that the legislation of another State also avoided this same matter.

The only claims that are made in favour of the reduction of interest rates are isolated instances in which individual companies or persons in various countries have made efforts to cut their rates. As an example, there was the case of Mr. Joseph Collier in the United Kingdom dramatically cutting his interest rate as a retail draper from 5 per cent. to 3½ per cent. This matter has been mentioned in connexion with the policy of the Midland Bank, in England, which took steps to provide that loans at the rate of 5 per cent. should be made on new personal loan business.

Much of the criticism of the honorable member for Fitzroy dealt principally with the retail side of business not normally subject to hire-purchase contracts, basically because the value of these contracts is small. The 5 per cent. rate adopted by the English banks on new personal loans is really comparable with hire-purchase charges. In the Financial Review of the 4th September last, this statement appeared—

The Midland Banks personal loan scheme, which has been adopted by many other banks, allows customers to obtain loans ranging from £50 to £500—with a top limit of £1,000 in some cases—at 5 per cent. per annum to finance purchases of cars, furniture, household goods, house repairs and small business projects.

The effective interest on these loans over a twelve months period is 9.2 per cent. rising to 9.6 per cent. over two years.

Information on the current hire-purchase rates in Britain is also contained in the same publication, as follows:—

Hire-purchase rates in Britain vary widely. On new cars they range from 7½ per cent. to 9½ per cent. nominal (nominal interest payments should be multiplied by between one and one-half and two times to give effective rates on a normal annual basis).

On used cars the rates range from 8 per cent. to 12½ per cent. nominal, with higher rates for older vehicles. On refrigerators, radios, and television sets rates range from 5 to 15 per cent. nominal; on furniture from 5 to 7½ per cent. nominal; on bicycles from 5 to 25 per cent. nominal.

On credit sales, with a nine months' limit, interest on radio and television sets ranges from 12 to 17 per cent. nominal; on furniture it is 7½ per cent. nominal, with some stores making no charge; on bicycles 2½ per cent. nominal.

Those statements are supported by the following extract taken from Hire Purchase in a Free Society, by Ralph Harris and Arthur Seldon, published in 1957:—

<table>
<thead>
<tr>
<th>Items</th>
<th>12 mths.</th>
<th>18 mths.</th>
<th>24 mths.</th>
</tr>
</thead>
<tbody>
<tr>
<td>New cars</td>
<td>8½%</td>
<td>13%</td>
<td>17%</td>
</tr>
<tr>
<td>Used cars</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
</tr>
<tr>
<td>New domestic</td>
<td>11½%</td>
<td>16½%</td>
<td>21½%</td>
</tr>
</tbody>
</table>

The London Economist of 13th September, 1958, states that as a result of the bank competition, the usual hire-purchase charges are as follows:—

<table>
<thead>
<tr>
<th>Items</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New cars</td>
<td>7½%</td>
<td>flat</td>
</tr>
<tr>
<td>Used cars—up to 5 years</td>
<td>8½%</td>
<td>flat</td>
</tr>
<tr>
<td>Used cars—over 5 years</td>
<td>10%</td>
<td>flat</td>
</tr>
<tr>
<td>Other goods</td>
<td></td>
<td>10% flat</td>
</tr>
</tbody>
</table>

The Hire-Purchase [ASSEMBLY.] Bill.
The following are rates quoted by some of the biggest hire-purchase organizations in the United States of America:

- Commercial Investment Trust, New York.
  - New cars: 7% flat
  - Used cars up to 3 yrs. old up to 10% flat
  - Used cars 3–4 years old up to 11% flat

- Commercial Investment Trust, Chicago.
  - New cars: 6%–7%
  - Used cars: 6%–15%

- Commercial Credit Corporation.
  - No new car rate available.
  - Used cars up to 2 years: 9% flat
  - Over 2 years: 12% flat

These figures are supported by the publication, *Consumer Instalment Credit*, issued by the Board of Governors of the Federal Reserve Bank System of the United States of America published in 1957. It is stated, under Part I., volume 1, at page 53:

The most common figure (for new cars) was an add-on rate of 6 per cent. (flat), though 6½ per cent. was also widely used. On the same page the publication states:

A fairly typical range of add-on rates in 1956 was 6 per cent. on new cars, 8½ per cent. on late model used cars, and 12 per cent. on older used cars. However, in individual cases rates may be much higher. An instalment rate chart, undated but believed to be of recent date, issued by the American National Bank and Trust Company of Chicago, shows that the rates vary from 6 per cent. flat to 9 per cent flat. However, the chart does not state whether it applies to all goods or only to motor vehicles. The only information that I have been able to obtain as to Canadian rates is that the current charges for new cars vary from 8 per cent. flat to 9 per cent. flat, and for used cars up to 16 per cent.

It should be noted that, whilst the United States rates are comparable with Australian rates, American companies are able to borrow their funds at about 4 per cent., which is about half the cost incurred by leading companies in this country. Support for this statement is to be found in the *Financial Review* of the 25th September, 1958, at page 8. In Australia rates are, as honorable members know, in the following ranges:—New cars, 6 per cent. to 7 per cent. flat; used cars, 8 per cent. to 9 per cent. flat; other goods, 9 per cent. to 10½ per cent. flat. I admit that higher rates are applicable in respect of some small items. That is because the administrative costs in connexion with the transactions are excessively high. Such rates are not common and cannot be avoided. To fix a maximum rate of 10 per cent. flat in respect of an article worth only £20 would have the effect of denying hire-purchase facilities in connexion with the item, or increasing the cash price of the item so that the losses on hire-purchase could be covered. This has, in effect, happened in New South Wales in relation to bicycle transactions. Some companies have stopped financing bicycles; others have increased the price of bicycles by £2 so that they can do hire-purchase business at the fixed rate. The only effect of the fixation is to make the cash customer pay more for his goods.

When rates are fixed by dealers, that is not done with the idea of reducing their sales. I have in mind a Melbourne firm that has been engaged in the bicycle business for a long time. These people are proud of their reputation, and customers have come back time after time over the years to purchase bicycles from them. If customers were not given a fair deal, it is obvious that they would not patronise these manufacturers in the way they have. Finance is made available through the company itself because the larger hire-purchase companies do not handle the business of selling bicycles in this way.

The appendix to the review by the Institute of Public Affairs, April–June, volume 12, refers to the charges on hire-purchase contracts, and shows that in the United States of America the most common rate on new cars is 6–6½ per cent., on late model cars 8½ per cent., and on older models 12 per cent. In the United Kingdom, the charge is 7 per cent. on cars and 12 per cent. for household goods. In Australia, the cost charge is 6–7 per cent. on new motor vehicles, 8–9 per cent. on used vehicles, and 6–7 per cent. on tractors and farm machinery. The business transacted by these companies in competition has meant that the rates charged in Victoria have been reduced. If we were to consider fixing an interest rate, why should
we stop at hire-purchase agreements? What could be more unfair than to select only one type of industry? In my opinion, it would be tantamount to a form of price control. I do not think this community—particularly since the present Government has been in office—is keen to revert to any system of price control.

I direct attention to the following extract from the publication, Hire-Purchase in a Free Society:

One of the most impressive compliments ever paid to hire-purchase came from a recent report by the Church of Scotland’s Committee on Church and Nation which declared: “Hire-purchase is often condemned as veiled money-lending, but it should be recognized that in many cases it is generally beneficial to society. Homes and holidays, motor cars and washing machines have been brought within the reach of almost all.” Not only was hire-purchase seen as superior to spending money gambling, but it involved regular payments which could at best encourage a definite planning of domestic economy.

The fact that hire-purchase facilities were available during the immediate post-war years meant that people in the lower-income groups were able to secure merchandise on a rising market. If they had been forced to save for a large deposit or to pay cash for the goods, the increase in prices would have placed the goods beyond their means. In my opinion, there is nothing detrimental in a person wanting to buy a refrigerator, a television set, or any other household article by means of hire-purchase. It is a similar type of transaction to a small company negotiating an overdraft with a bank. Hire-purchase is really a poor man’s overdraft and is something to which I contend he is entitled. In England, personal loans from banks have not been readily available over the last five to ten years as was the case in Australia. It is obvious that the system of hire-purchase is an important one in our community, and I assure the Deputy Leader of the Opposition that it is related to production. It is not true to say that if the hire-purchase system was discontinued production would not be affected. The outstanding fact in Victoria is that we have the means of production. We can produce more of everything, but it is a different matter to sell the goods. The margin indicated by the Deputy Leader of the Opposition in relation to some items may appear to be excessive on the surface.

Mr. Lovegrove.—Wage levels are too low, and that is why you cannot sell your goods.

Mr. J. D. MacDONALD.—That may be so, but the question of selling our merchandise is most important. As the honorable member said, some industries are suffering from over-production, and I do not think increased wages will completely answer the question. The system of hire-purchase allows the community at large to purchase goods at reasonable rates, and hirers will have the added protection given by the Bill. Although employment has not risen in proportion to the increase in population in the State—

Mr. Lovegrove.—Or in proportion to the increase in hire-purchase business.

Mr. J. D. MacDONALD.—Hire-purchase has "kicked along" because a hire-purchase contract is really an assessment of the individual—the capacity of the individual to pay. Companies that do not undertake such an assessment make bad deals and find that the goods come back on to their shelves. It is a credit to workers and people in the low-income groups in this State that they can obtain so much credit, and that their rating by finance companies is so high. The companies pay the retailers and become the owners of the goods, but if we were to interfere with the system there would be unemployment.

Mr. Lovegrove.—Television sales have gone up but clothing sales have come down.

Mr. J. D. MacDONALD.—Sales of television sets are slowing down. In America, hire-purchase companies will not issue a hire-purchase agreement on a television set for more than two years, except in exceptional cases. The fact that people have been able to buy television sets is to their credit. The honorable member may rest assured that in the planning of the Bill questionable aspects have been taken into consideration. Now, customers will be
able to obtain a copy of the contract and will ascertain their rights. Those are most important aspects.

Mr. Lovegrove.—What is the reason for the 10 per cent. deposit?

Mr. J. D. Macdonald.—Very little merchandise is sold for less than 10 per cent. deposit in one form or another. It is all very well to say that sales are made on no deposit, but I challenge any member of the Opposition to try to see how far he can go in the way of obtaining goods under that system. The low deposit existing today varies from 8-10 per cent. We are trying to eradicate some of the rackets through the trade-in business, and I think our efforts will be successful. The provision will have no effect on genuine persons using the hire-purchase system. The Deputy Leader of the Opposition mentioned the case of a lady signing a contract while her income was only £6 12s. 3d. a week. I think she was very foolish. Such persons will be protected under the Bill. The various forms of selling that are adopted make it hard for people to resist the temptation of buying goods when they have to pay a deposit.

I admit that some contracts are “crook” but, in the main, people are happy with the hire-purchase system as they can obtain goods at reasonable prices. A deposit of 10 per cent. will not stop a genuine buyer but will place a brake upon others who may be tempted to purchase something which will later become a liability. Human nature being as it is, it is hard for some persons to resist purchasing goods, but a sincere person desiring a particular item should have an equity in it. People may think they will get something for nothing under the type of advertising adopted by certain firms, but that is not so. As the Deputy Leader of the Opposition mentioned, there are margins with retail selling, and when firms say they will give away something, they cannot give away what they have not got. Somewhere along the way, a person has to suffer, and the proposed deposit will indicate the exact responsibility of the customer. He will be able to estimate his financial obligations under the contract. Under the new form, the commitment of the purchaser will be shown with the various items such as interest, insurance, and so on. I have pleasure in supporting the Bill, the provisions of which will not only benefit those who take advantage of the hire-purchase system in Victoria but will also be a pattern for similar measures in the other Australian States.

Mr. Campbell Turnbull (Brisbane).—Naturally, members of the Opposition were disappointed with what I might call the low-grade Bill brought forward on such an important subject as hire-purchase. My party thinks it is most desirable that a system of hire-purchase should prevail in the State provided that the goods, the subject of the hiring agreement, are purchased on reasonable conditions and at reasonable charges, whether those charges are called interest rates or anything else.

Before analysing the demerits of the Bill and of the Government’s approach to hire-purchase, I should like to answer some of the statements made by the honorable member for Burwood. I consider that most of what he said was unrelated to the Bill, and I will not refer to any statement of his that was completely irrelevant. Nevertheless, there are a number of points on which I propose to comment briefly. The hire-purchase system has been described by many people in many different ways. The honorable member for Burwood called it the “poor man’s overdraft.” At least, I am glad to notice that he did mention that section of the community. Other people might call hire-purchase a system of deferred credit. Reverting to the honorable member for Burwood’s description, we know that the main thing connected with an overdraft is the rate of interest charged, and the average rate to-day is approximately 6 per cent. The honorable member made no mention of such a rate when referring to the poor man’s overdraft. On the contrary, most of the time he spoke of an interest rate of about 10 per cent. His interests are with those of the owner; the man who demands excessive hire-purchase charges. In no way did the honorable member for Burwood answer the indictment of the Opposition that
under the present hire-purchase system, unreasonable conditions are included in agreements, and that unreasonable, indeed un-Christian and unconscionable rates of interest are being paid by many of the people he represents in this House.

He mentioned a particular advertisement wherein some of his friends displayed goods that were allegedly for sale without the payment of a deposit. He openly admitted that the traders he was defending to-night were guilty of deceit, because when the unfortunate prospective purchaser arrived and asked for delivery of goods without the payment of a deposit, he was told that in fact no such articles were available. Did the honorable member for Burwood make any proposal to amend this Bill in a way that would force retailers who utilize the hire-purchase system to discontinue practising deceit on what he calls the poor men of the community? If he had any real interest in these poor people, he would, I should think, have made some suggestion which would prevent the deception he innocently enough told us about.

He stated also that hire-purchase agreements were a shock to purchasers. They are a shock to any person who attempts to read them! I do not know how the poor people we—not the honorable member for Burwood—represent would be able to understand the terms of such agreements. They are drawn in a most legalistic fashion, no doubt by lawyers who are highly paid for the purpose. If the honorable member for Burwood had any conscience in this matter, and was really interested in removing the onerous terms imposed on hirers, he would bring forward an amendment to the Bill stating that no hiring agreement could be entered into unless it was in accordance with the form prescribed by legislation.

Mr. J. D. MACDONALD.—Why do you not read the Bill?

Mr. CAMPBELL TURNBULL.—I have read it, and it contains nothing relating to the terms of hiring agreements. There are a few odd passages which relate to the relationship between the owner and the hirer, if that is what the honorable member is alluding to. The honorable member for Burwood had something to say about the Commonwealth Bank rates. I do not know whether he was urging that the rates charged by that institution were to his liking and should be adopted so far as hire-purchase generally is concerned. However, I remind him that the Commonwealth Bank rates vary between approximately 4 1/2 per cent. and 7 per cent. If he is prepared to move an amendment to the Bill specifying that the rates of interest charged by the Commonwealth Bank shall apply to general hire-purchase transactions, I will support it.

He also made some comment on the proposed ceiling of interest rates which was forecast by Opposition speakers. He said that if such an amendment were carried, the maximum rate would in fact become the minimum rate. He overlooked the fact that the amendment foreshadowed by the Opposition will propose that the Governor in Council shall fix rates according to the type of goods sold. For the purchase of tractors, it is probable that the rate specified will be 6 per cent. or 7 per cent. There is no fear that if the Opposition's proposed amendment is carried the prediction of the honorable member for Burwood will be correct.

He complained also that people with whom he was in communication were able to produce goods but found great difficulty in disposing of them. The reason for that state of affairs is obvious. We are all aware that this Government introduced a new rent level, with the result that the standards of living in the community have depreciated. That makes it difficult for his friends to sell their goods. The price of butter has risen and gas and electricity charges and rail and tram fares have been increased. That is an added reason why goods are hard to dispose of. I suggest that if the Government wants to increase sales of goods, it should relate the basic wage to the cost of living and bring in rent and price control.

The Opposition is entirely in agreement with the hire-purchase system as it enables people who in the old days
were unable to secure credit to enjoy that privilege. However, we object to the unreasonable conditions and the un-Christian and exorbitant rates of interest charged. Probably one of the great reasons why the deferred credit system has become popular is the swing to home ownership in Australia, the advantages of transport by private motor car, and the publicity given to the attractiveness of various items of household equipment. If a man owns a house and feels he is able to secure credit and keep up with his payments, it is only natural that he should want to provide reasonable amenities in it. Moreover, many small primary producers lack capital to enable them to equip their properties better, and so they are purchasing tractors, ploughs, and so on under hire-purchase terms. Of course, going back to the dear, grand days when Ben Chifley ruled Australia, there was full employment.

Mr. SCOTT.—What did he say about hire-purchase?

Mr. CAMPBELL TURNBULL.—I am unaware whether the honorable member for Ballaarat South knew Ben Chifley. I point out that in those days full employment prevailed and the workers earned much higher incomes. Unfortunately, the happy days of full employment and high incomes have disappeared. There has been a reduction in the standard of living so far as the average citizen is concerned, and the rush to buy goods by hire-purchase is illustrative of the working man’s attempt to maintain the standard of living he enjoyed before the advent of the Bolte Government in this State. Living standards of the workers have been reduced as a result of the iniquitous transport fares now charged and the abolition of workmen’s weekly tickets, which matters have often been referred to in this House.

Mr. HOLLAND.—That is a very logical conclusion.

Mr. CAMPBELL TURNBULL.—Undoubtedly it is. Before the last elections, the subject of hire-purchase was a live issue, and the Labour party advocated openly that there should be some regulation of the iniquitous interest rates charged. Had the election campaign been fought fairly, the Liberal party would have attempted to answer that advocacy. However, the members of that party were quite happy about the way in which hire-purchase contracts were drawn up, because they knew that their friends in the Democratic Labour party would follow wherever they asked them to go. That party was not interested in the unconscionable rates of interest charged by people whom the Liberal party represents, so Government supporters were undisturbed on the question of hire-purchase. However, something has happened since their return to office, and they have changed their attitude. I do not know whether this was brought about by the impact of the press, or because the big companies were feeling the effects of competition. The real intention of the Government in introducing this measure was to protect the hire-purchase lending companies. If it would consider constructively the amendments suggested by Opposition members, those people whom the honorable member for Burwood termed “the poor people” would be assisted. In its present state, containing no provision relating to interest charges, the Bill is like a ship without a rudder, which brings destruction not only to itself, but also to all those in it. If the Government is not prepared to accept the amendments advanced by the Labour party, it should at least take some notice of the Leader of the Country party and make it possible for some unfortunate hirer to approach a court and have an agreement “opened up” if the court considers that the interest being charged, either directly or indirectly, is excessive.

Some attempt was made by the honorable member for Burwood to justify the existing interest rates charged by hire-purchase companies. In the June edition of The Bankers Magazine of Australia there appeared this interesting statement—

It is argued that the cost of hire-purchase finance is excessively high. Because of these burdensome financial costs, the real incomes of consumers are reduced unduly.
Opposition members agree with that contention.

We can derive this approximate picture of the effective annual charges for this finance.

Large-finance businesses:
- New cars, plant and machinery: 12.5%
- Second-hand cars: 15-17.5%
- Household goods: 15-19%

Medium-sized businesses:
- An extra: 1-2%
- Small businesses: 20-30%

These rates do seem high, especially in comparison with bank overdraft rates.

In other words, the bankers themselves feel that the rates being charged are most unconscionable. They almost adopt the suggestion of the honorable member for Burwood that interest charges should be somewhere near the ordinary bank overdraft rates. Opposition members agree with that contention.

To-day, in Australia, there is an amount of approximately £300,000,000 outstanding to hire-purchase companies, and that sum does not cover the whole field of moneys loaned in respect of hire-purchase because, in addition, approximately 20 per cent. of the hire-purchase business is conducted by retail companies. The hire-purchase companies attract from the lending world moneys which, in turn, are loaned out to hirers. This practice gravely interferes with the money flow in Australia. Governments and private enterprise are experiencing grave difficulty in securing moneys with which to carry on public works and necessary works for the advancement of the community. The time may come when it will be necessary to determine how much of the money shall go to hire-purchase and how much to public authorities, and the only method of doing that is to bring hire-purchase rates into line with bank overdraft rates.

In the newspapers there was published recently a statement, made by a profound professor, that if we can afford to spend £300,000,000 on hire-purchase we should be able to get a few more pounds for housing. However, the Government is not interested in housing. If the Government were to regulate the flow of money, bigger and better things would be done for what the honorable member for Burwood described as "the poor man."

Mr. Clarey.—I direct attention to the state of the House.

A quorum was formed.

Mr. Campbell Turnbull.—This Bill, in its present form, is a discredit to any Government, whatever name it may have. Many additional provisions could be incorporated in it. The honorable member for Burwood suggested that the terms of hiring agreements were unreasonably difficult for any person to understand. Possibly, agreements in more simple form could be drawn up by legal people.

Mr. J. D. Macdonald.—That is the main purpose of the Second Schedule to the Bill.

Mr. Campbell Turnbull.—It would be possible to go even further and prescribe the form of agreement that must be used. Clause 4 deals with the form and contents of hire-purchase agreements. This provides, amongst other things, that the amount of the deposit must be included in the agreement and that other charges must be specified. Many of the hire-purchase agreements at present in use contain this information and, also, they include details of monthly instalments, and so on, which give to the hirer a clear picture of his financial obligations. I have in my possession an agreement entered into by a person 76 years of age, and the particulars contained therein are very interesting. The agreement concerned the purchase of a television set, the price of which was £223 9s. The deposit paid was £4 9s., maintenance and insurance costs amounted to £15, and added charges totalled £88, making the total amount payable £326. In other words, the agreement advanced the initial cost of £223 to £326. This reveals how necessary it is that there should be a clear and distinct agreement between parties, not only so far as the terms of the contract are concerned, but also so far as the liability of the hirer is concerned.

The Bill does not deal with the relationship between an infant hirer and the owner of the goods. All honorable members know that young lads frequently purchase motor cars or motor cycles under hire-purchase contracts.
do not know whether these contracts are enforceable—this depends largely upon whether they are necessary to the infant, having regard to his station in life—but no doubt the hirers “drag in” the infant’s grandmother and make her a party to the agreement and, if there is any default, she is sued. The Government could well consider setting out in the Act the true position so far as infants are concerned.

Mr. Fraser.—Would you table the document from which you have been quoting?

Mr. Campbell Turnbull.—I would be prepared to table it if I felt the Government was interested in the matter. I propose now to refer to the question of minimum deposits payable under hire-purchase agreements. Many decent working people in the community may see an article which they desire to use in their homes. They may not have the requisite deposit, although they may be prepared to set aside each week the amount necessary to purchase the article. The minimum charge provision contained in the Bill is far from satisfactory. Most of the people I have mentioned will not be able to go on and make the purchase which they desire.

Another important matter not covered in the Bill is the controversial question of the workmen’s lien. A provision dealing with that aspect should be incorporated in the measure. A difference exists between the Australian and English authorities on this point, which is particularly important in respect of motor cars. Under a hiring agreement in respect of a motor car, there is an obligation on the part of the hirer to maintain the article in a proper state of repair. That means that from time to time he must take the vehicle to a garage to have it repaired. Most hiring agreements prohibit the hirer from creating a lien over the goods for purposes of repair. The English authorities say that, notwithstanding the agreement between the owner and the hirer, the hirer can, as it were, create a lien over the article repaired, unless the person carrying out the repairs has notice of the agreement. However, the Australian authorities take the opposite view. They say that if the hirer is prohibited by contract from creating a workmen’s lien, no lien is created. I know that before carrying out repairs many garages inquire whether the vehicle is under hire-purchase, but of course familiarity breeds contempt and at times they do not ask. It seems unreasonable that, if £100 worth of repairs are carried out on a vehicle and the owner for some reason repossesses the goods, he should have the value of that work.

Mr. Rylah.—Is not your proposal relevant to an amendment of the Goods Act?

Mr. Campbell Turnbull.—When we are proposing to enact legislation dealing with hire-purchase agreements, we should, as far as possible, endeavour to codify the law in respect of such agreements. The layman will believe that in the Bill resides all of the law applicable to hire-purchase.

Mr. Rylah.—Would not that uncodify the law in the Goods Act?

Mr. Campbell Turnbull.—I am suggesting that, as far as the workmen’s lien is concerned, and because of the divergence of opinion between the English and Australian courts, it would not be unreasonable to include in the Bill a provision dealing with workmen’s liens. People should not benefit, in such circumstances, by another man’s toll.

Mr. J. D. MacDonald.—Should not the hirer disclose that the article is the subject of hire-purchase when the matter crops up?

Mr. Campbell Turnbull.—I agree. Probably the hirer has no desire to defraud anyone, but his economic situation may change suddenly. I think my suggestion is a reasonable one. The Opposition hopes it will be able to induce the Government to accept the amendments that have been foreshadowed, especially in respect of interest charges. That would put a rudder on the ship which is at present without any method of steering whatever. The vessel will wreck not only the Government but also the unfortunate people who obtain goods under hire-purchase.

Mr. Brose (Rodney).—This is a Bill to control hire-purchase. I take it
that the Government has introduced it in the belief that there is a necessity for such control. Hire-purchase business has grown considerably. Finance and financial matters are part of our daily life. I can remember reading of a period in history—the 1880's—when a situation not unlike the present obtained. Times were prosperous and it was easy to buy land, buildings, and goods. Then a catastrophe occurred, and many people who thought they owned something found that they were in debt and they suffered considerable hardships. Things became so difficult that it was hard to obtain even essentials. The banking system, which is not unrelated to hire-purchase, is used to assist in the conduct of business. I can recall the time when the Government of the day allowed something new to occur in our financial system. In addition to the State Savings Bank and the Commonwealth Savings Bank, suddenly power was given to the private banks to establish their own savings bank departments. Not long after that the same banking institutions set up great hire-purchase organizations, which are also banking institutions. There is a difference in that banking is controlled to some extent.

I believe the Bill possesses a good deal of merit and that it was introduced by the Government because of the increasing importance of hire-purchase. The only thing that is lacking in the Bill is some means of controlling interest rates, of which hirers generally have little knowledge. The Attorney-General gave some figures in this connexion. In the case of new cars, the rate charged by reputable companies is roughly 6 per cent., while 8 per cent. and 9 per cent. are charged on other goods. The figures are somewhat similar to those determined by a Board of Inquiry into hire-purchase and cash-order systems set up by the Government of the day in 1944. I have noted that the State of New South Wales, which should bear some relationship legislatively to this State, has controlled interest rates, somewhat along the lines of the figures mentioned by the Attorney-General. I think the rate applicable to new cars in New South Wales is 7 per cent. maximum, which includes all charges, whereas the figures given by the Attorney-General represented a flat rate. No doubt the fixation of charges would give individuals a better sense of responsibility in regard to contracts. In any case I hope the Government will take the extra step I have mentioned.

I believe hire-purchase is of some value to the community. Of course, people cannot justify obtaining on hire-purchase goods that they cannot really afford to buy. To-day, the situation is different from what it was many years ago, and many people like to buy articles on terms. However, hire-purchase could become a menace if it were not controlled, and I give the Government full marks for tackling the problem. Probably another aspect that the Government considered is the enormous amount of finance involved in hire-purchase. This could have a detrimental effect on governmental and semi-governmental borrowing. Both the State and the Commonwealth Governments must give serious consideration to the matter. Many advertisements offering attractive rates of interest on money loaned for hire-purchase purposes appear in the press. Hire-purchase also plays a great part in production and distribution of primary produce. Farm machinery is very costly and many primary producers have to buy important machines on terms. To-day it is almost impossible to obtain an overdraft on good security to buy such articles. I do not know whether that has anything to do with the hire-purchase activities of banks. I understand that if one wishes to obtain an advance on one's ordinary bank account, one is referred to the savings bank department of the bank, which will provide the money at attractive rates. That is somewhat of a racket.

I agree with the proposal in the Bill that deposits shall be paid on goods purchased under hire-purchase agreements. I have heard on the radio on Sundays one particular firm advertising that if one rings them on the telephone at any time a television set will be delivered without payment of a deposit. That is not a good thing for the community. The Board of Inquiry that I mentioned made a recommendation that
minimum deposits should be fixed. For motor vehicles and tractors, a deposit of 33\% per cent. was recommended, with which I agree. They are vehicles which could easily be destroyed. If a man could not raise 33\% per cent. of the price as a deposit on such valuable equipment, he should not take on such a proposition.

The next category is refrigerators, domestic appliances, retail sales, office equipment, wireless and gramophones, furniture, and bicycles, for which the minimum deposit recommended is 20 per cent., which is not unreasonable. The deposit suggested for pianos is, for some reason, 10 per cent. That scale is not unlike others I have seen suggested in recent times for minimum deposits. This provision in the Bill is a very good one. A person who desires to purchase an article but cannot raise 10 per cent. of the cash price should think twice before buying. The Bill also contains safeguards against abuses, and I support these provisions. The four persons who constituted the Board of Inquiry into hire-purchase and cash order systems stated in their report—

16. The evidence discloses that transactions in hire-purchase in Australia involve a very considerable turnover and affect a very large number of people. There seems to be nothing inherently wrong with the system in peace time, except where terms of repayment have been extended beyond three years. Provided articles bought are useful, contribute to a better standard of living, and do not deprive the householder of essential commodities, the system may be regarded as a useful one in the general economic structure.

17. Evidence was tendered to show that, during the depression of 1930-33, while finance companies did make some losses, the payment of instalments was generally fairly well maintained, and it was represented that this system of credit in depression times is of value to the community.

18. At the present time it does contain some elements of danger, in that, during a period of comparative prosperity, an extension of hire-purchase is liable to expand sales and keep manufacturers’ output at a high level. If a depression period ensued, the buyers would find difficulty in repaying their instalments, the purchase of goods would decrease, and there would be resultant unemployment, and considerable difficulty. Further, the continuance of a high turnover in war time is of some concern if goods which may be classed as more or less luxury articles are being manufactured and sold, when the nation needs raw materials and skilled labour for war purposes, and the money for financing war.

I believe that at present too much money is being spent on luxuries when funds are needed for more important things in the community, such as schools and hospitals. I commend the Bill. I think the introduction of a measure of this type is somewhat overdue. In my opinion, the Government has not gone far enough, in that it has not provided for a ceiling for interest charged to people who are more or less compelled to use the hire-purchase system.

Mr. LOXTON (Prahran).—The Deputy Leader of the Opposition questioned the ethics of the banking institutions in entering the field of hire-purchase. It is my opinion that this venture was prompted by a number of motives, and probably the most important was that the path was pioneered by the Commonwealth Bank. Last year, through its industrial finance department, that bank lent some £13,000,000. It is not in this business for love, and its annual report indicates that it made a net profit of £405,029 in this section. That is a reasonable return when one considers that it had access to very cheap money, borrowed from the Commonwealth Savings Bank. I have no quarrel with the Opposition or with the Commonwealth Savings Bank on that score. However, if it is fitting for the Commonwealth Savings Bank and the Commonwealth Trading Bank to be in this business, it might be suggested that the State Savings Bank of Victoria could examine this question and perhaps even set up its own hire-purchase section.

The pressure of trading bank business dictated that a public trading bank should have a close affiliation with a finance company in order to offset the drift of its customers to a bank that had such a connexion. I refer to the Commonwealth Trading Bank, and its industrial finance department. It has been stated many times in this House that banks have lent for hire-purchase business money that should have been directed to long-term housing loans. I
shall state the position. No bank to­day would lend money to any hire­purchase company, and no bank would think of using any of its depositors' funds for any hire-purchase business.

Mr. CLAREY.—Are you suggesting that no hire-purchase companies work on overdrafts from a bank?

Mr. LOXTON.—No banks are allowed to lend money to hire-purchase companies to-day.

Mr. CLAREY.—I direct attention to the recently published balance-sheet of Gippsland Acceptance Limited, of which I am a shareholder.

Mr. LOXTON.—All companies and banks must of necessity use shareholders' funds and/or funds specifically raised from the investing public for a fixed period of time to commence their hire-purchase business. Current accounts in banks are withdrawable on demand, which is an important point. It necessarily follows that overdrafts are repayable on demand. No bank to-day can lend—I emphasize this point—any of its current account deposits for long­term housing loans, for the simple reason that those amounts are withdrawable on demand. What the banks do lend for long-term housing loans is part of their capital reserves and part of their fixed deposit moneys.

I should like to refer briefly to the Commonwealth Bureau of Census and Statistics Monthly Bulletin, No. 156, of August, 1958, to give a clear picture of what the banks have done and are doing for the nation. In the last week or two, the honorable member for Brunswick West was asked, in the course of a debate, a question regarding a bank's liquidity. In order that a bank may function properly, it must keep in liquid form of one kind or another at least 35 per cent of its deposits or 7s. of every £1 deposited with it. The total deposits in the major trading banks at August, 1958, amounted to £1,539,000,000, of which the banks had advanced some £960,000,000, representing 62.4 per cent. of all the deposits, current account and fixed.

Let us see what happens to the 35 per cent. previously referred to. Of that amount, the central bank, in August of this year, controlled 17.2 per cent., leaving a balance of about 18 per cent. Some eighteen months ago, this House debated the question of private trading bank savings departments, and the charter under which they operated was mentioned. The public trading banks also operate and are controlled by a charter. Of the 35 per cent. I have mentioned, 17.2 per cent. was controlled in August by the central bank. The trading banks had in Commonwealth and State Government securities—very worth-while ventures, I hasten to mention—an amount equivalent to 14.2 per cent. Added to the 17.2 per cent. held by the central bank, we have a balance in cash funds—money in the till—of 4.3 per cent. of depositors' funds. That does not give a bank much scope with which to work.

I turn to another part of this comprehensive document to see where all the £960,000,000 has gone. Our country brethren have by far the lion's share of all advances—£231,000,000 or 24 per cent. of the total. Manufacturing interests accounted for £184,000,000 or 19 per cent. The sum of £202,000,000 or 21 per cent., was advanced to commerce. In building and construction, there was an amount of £25,000,000 or 2.6 per cent. I pass now to the one that hurts the Opposition—I refer to home building for individuals. In this sphere, a sum of £90,000,000 or 9.2 per cent. was advanced, and the figure for co-operative housing was £26,000,000 or 2.8 per cent. If any member wishes to argue that the banks have not done a good job and must be criticized for entering the field of hire-purchase, he will get an argument from me.

Mr. CLAREY.—Why did they go into it?

Mr. LOXTON.—If the honorable member for Melbourne had listened to my argument, he would understand. I stated that one bank had to meet com­petition from another bank that had a connexion with a hire-purchase concern—I refer to the Commonwealth Trading
Bank, whose industrial finance department made a profit of £405,000. There has been criticism of Esanda, a subsidiary of the English, Scottish and Australian Bank. Not 1d. of depositors' funds was used in the floating of Esanda Limited.

Mr. FENNESSY.—They use it as a guarantee.

Mr. LOXTON.—I knew the honorable member for Brunswick East would come in. Esanda Limited and the English, Scottish and Australian Bank is a public trading concern. Let us find out how Esanda Limited was floated. English, Scottish and Australia Bank shares were listed on the Melbourne Stock Exchange; they were £5 sterling shares fully paid to £3. An extra £2,000,000 sterling was raised by increasing the paid-up capital to £5 sterling, and that amount floated Esanda Limited. Since that time Esanda Limited has secured debenture borrowings amounting to £5,200,000, unsecured borrowings in the form of unsecured notes amounting to £3,000,000, making in all an investment of some £10,000,000 upon which last year it made a gross profit of £906,000. I do not need the Opposition to tell me what that percentage is.

Mr. FLOYD.—Make your own speech; it is a pleasure to hear you.

Mr. LOXTON.—On £10,000,000, it made a gross profit of £906,000.

Mr. HOLLAND.—The Commonwealth Bank made a profit of £400,000.

Mr. LOXTON.—One is gross and one is net. After making allowance for interest on debenture stock and unsecured notes, which amounted to £377,000, it paid the English, Scottish and Australia Bank a management fee of £185,000. Esanda Limited is not a remote office in Collins-street from which it conducts its hire-purchase business; it is scattered throughout every major town in this State and throughout the Commonwealth. After provision for income tax, which amounted to £127,000, there was a net profit of £219,080. The first and final dividend of 7½ per cent. was paid on the 30th June, 1958.

It has been suggested that unreasonable rates of interest are offered. In regard to applications for debenture stock, Esanda Limited quoted the following interest rates:—

- 6½ per cent. per annum . . . 10 years.
- 6 per cent. per annum . . . 5 years.
- 5½ per cent. per annum . . . 4 years.
- 5¼ per cent. per annum . . . 3 years.

I do not believe these rates of interest to be greatly disproportionate to the Commonwealth bond rate. Throughout the whole of this debate I have not heard one good thing said about a hire-purchase company.

Sir THOMAS MALTBY.—There is a shareholder on the Opposition side. What about his company?

Mr. LOXTON.—Perhaps he has to stay in line.

Mr. HOLLAND.—We were being honest; we could not think of anything good to say.

Mr. LOXTON.—What happens when a person goes along to Esanda Limited? I had the pleasure yesterday of being in my father's shop—I hasten to assure honorable members that I have no interest in it—when a satisfied person left the premises after signing a contract for the purchase of a television set. The cash price was £225 15s., the deposit amounted to £40 15s., leaving a balance of £185. This contract is for 36 months, for which time the charges are £50 16s., and the amount outstanding is £235 16s.

Mr. FENNESSY.—Do you consider that reasonable?

Mr. LOXTON.—I will prove that those charges are reasonable. They amount to £50 16s. for a period of 36 months, which is the equivalent of £1 8s. 2d. a month.

Mr. FENNESSY.—What is the effective rate of interest?

Mr. LOXTON.—I have my own impression of what the Opposition so loosely terms interest charges. I shall explain them later. This particular person pays in interest the sum of 7s. a week and is happy to be able to obtain a television set for which she could not have saved; otherwise, I am certain...
she would not have signed the contract. No mention has been made of the rebate question. The Opposition often complains that it has no opportunity to make investigations. Its members have had every opportunity to find out all about the rebate system if they had so desired.

Mr. FLOYD.—You tell us about it.

Mr. LOXTON.—I shall. Esanda Limited operates a rebate system which, for a twelve-month period, is worked under this formula: The figures 1 to 12 added total 78. If a person, during the first month of the twelve-month contract, decides that she wants to pay off this article, the only charge made is 11/78ths of the initial hiring charge.

Mr. FENNESSY.—That is provided in the new Bill.

Mr. LOXTON.—This was done long ago, which indicates that all hire-purchase companies are not snide companies.

Mr. FENNESSY.—That is only one company.

Mr. LOXTON.—So it goes on. For a period of 24 months the basis is 300, and for 36 months the figure is 666. If the lady I have mentioned decided that she wanted to pay off this television set during this month, all she would be charged in hiring charges would be 35/666ths of £50 16s.—roughly £2 16s. That is rather different from what we have been told previously to the effect that no rebates were offered.

The matter of insurance has not been mentioned. Esanda Limited provides free accident and illness benefits. What is necessary to qualify for these benefits? First, a notice concerning the insurance will be posted to the hirer. Therefore, it cannot be said that the hirer is not told or that he does not know what action to take. The benefits are as follows:

Death Due to Accident: All further liability of the hirer is cancelled and Esanda Limited rights are renounced.

Disablement Due to Accident: Instalments up to a maximum of £60 per week are paid during the period of total disablement.

Disablement Due to Illness: Instalments up to a maximum of £60 per week are paid during the period of total disablement provided that period is not less than seven days. Illness occurring during the first 28 days of the agreement is excluded.

That time factor is virtually the same as the Hospital Benefits Association provides, but this is offered at no cost to the hirer. It can be seen, therefore, that hirers have protection of some kind and it is not all one way.

As to what the Opposition loosely calls interest rates, the name of the late Mr. Chiftey, a worthy man, has been quoted to-night in regard to the Board of Inquiry into hire-purchase in 1941. It has not been mentioned that the bond rate was 3 per cent. in those days. We all know what it is to-day. I do not subscribe to the view that the charges are an interest charge because I believe that hire-purchase companies deal in goods. It is a gross profit charge and nothing else. They buy those goods from the retailer for spot cash and, in turn, sell them to people who purchase them on the instalment basis. The retailer buys his goods from the manufacturers, but when selling them for cash to the public he adds a profit which includes wages, salaries, interest on borrowed money, other overheads that are natural in business, rent—which we have been told is much higher these days—plus a margin of profit for himself on which he pays income tax. The hire-purchase company acts in the same way. It buys goods for spot cash from the retailer, and in turn has the same overheads, wages, salaries, interest on borrowed funds, plus a margin of profit on which it also pays income tax. I am convinced that competition is the correct way in which to transact business, and it is true to say that competition has forced these charges down.

Mr. HOLLAND.—You have had a good look at their profit rate.

Mr. LOXTON.—I have quoted Esanda Limited, and there is nothing in what I have quoted to which the Opposition could object. People who wish to buy goods on hire-purchase should put themselves to the four-way test, which is this: First, they should ask themselves, “Am I buying quality goods?” All
Mr. FENNESSY.—Apply that principle and you would put every business out of action.

Mr. LOXTON.—I am thankful that my remarks have raised in the Opposition some thought for private enterprise. For argument's sake, let us consider what these "unscrupulous" banks are demanding from their customers as deposits. They are: On new motor cars, 25 per cent.; on refrigerators, 10 per cent.; on washing machines, 10 per cent.; on electric and gas stoves, 10 per cent.; and, on television receivers, 15 per cent. I believe this legislation will go a long way towards assisting those persons who, the Opposition say, are always on the wrong side of the fence. I do not want to appear a snob, but recently I had occasion to address some State school pupils in the electorate of Coburg on the subject of cricket, which is dear to my heart. At one stage, I asked the lads whether there were television sets in any of their homes, and I was given the Heil Hitler sign by 90 per cent. of the pupils present. I might say that I was particularly pleased to learn that they enjoyed that particular amenity.

The honorable member for Fitzroy, in his closing remarks, touched upon a subject about which I think he knows very little. He mentioned a Hecla electric iron, which retails at £4 3s., and he proceeded to state that the retailer made a munificent profit of £2. I took the opportunity of checking up on the honorable member's figures and discovered that the cost price of the iron concerned is £2 18s. lid., plus 8½ per cent. sales tax, making a total of £3 3s. 1d. If the honorable member for Fitzroy considers that electrical retailers become rich on the margins of profit they earn, he should remain out of that line of business. The retail price of an automatic iron is £5 2s. 6d., and the cost price is £3 12s. 8d., plus 8½ per cent. sales tax, making a total of £3 18s. 8d. I assure the honorable member for Fitzroy that the prices I have cited are genuine and are applicable to all retail electrical houses. I implore the people of this State once again to apply the four-way test to themselves. I commend the Bill to the House.

Mr. CLAREY (Melbourne).—In view of the lateness of the hour and the fact that the whole of the ground was covered so admirably by the honorable members for Fitzroy and Brunswick West, it is not my intention at this stage to labour the point. I do feel that it is necessary, however, to make one or two observations in response to the remarks of the honorable member for Prahran. First, we do not often hear from him in this Chamber, and, secondly, I was surprised to find that the honorable member for Hawthorn, who wanted to have something to say and would have given the House something to listen to, was obliged by instructions from a higher source to remain seated while the honorable member for Prahran rose in defence of the private banks of this State.

Mr. RYLAH (Attorney-General).—On a point of order, Mr. Speaker, I do not know where the honorable member for Melbourne obtains his information, but I submit that his statement is entirely out of order. No direction was given to any member on the Government side of the House, and for the honorable member to impute to the honorable member for Prahran some direction that he should speak on behalf of an organization outside Parliament is, I believe, improper.

Mr. SUTTON (Albert Park).—I submit, Mr. Speaker, that there is no point of order.

Sir THOMAS MALTBY.—Let the Speaker decide that.
Mr. SUTTON.—He will undoubtedly do so, but I hope, by leave, Sir, to be enabled to make an observation against the point of order. If the Attorney-General wishes to correct an allegation by the honorable member for Melbourne, he should rise in his place later and do so.

Mr. RYLAH.—I cannot do so, because I have already spoken.

Mr. SUTTON.—Some other member of the Government can do it for him.

The SPEAKER (Sir William McDonald).—Order! I call upon the honorable member for Albert Park to address the Chair.

Mr. SUTTON.—I submit, Mr. Speaker, that if the Attorney-General wishes to make a correction he can do so later.

Mr. RYLAH.—You know I cannot do so, because I am in charge of the measure and have already spoken to it.

Mr. SUTTON.—I repeat that, if the honorable gentleman desires to make a correction, it can be made on his behalf by another spokesman of his party. There are several senior members of Cabinet in the Chamber at the moment. No point of order is involved. Members on the Government side of the House have an obsession of rising to their feet in an attempt to stifle and stultify discussion by members on this, the Opposition, side of the Chamber.

The SPEAKER. Order! The honorable member for Melbourne should not impute improper motives.

Mr. CLAREY (Melbourne).—I did not impute any dishonourable motives. I saw the Attorney-General speak to the honorable member for Hawthorn, and I should be very much surprised if that honorable member addresses the House to-night. I am entitled to draw inferences from actions. So far as the honorable member for Prahran is concerned, there can be little doubt that his speech was made in defence of the private banks.

Mr. FENNESSY.—Of Esanda.

Mr. CLAREY.—I shall not say what I intended to say, because certain inferences might be drawn from my remarks. However, the honorable member for Prahran definitely spoke in defence of the policy of the banks in intruding into the hire-purchase field. If he was not briefed by the banks, then I should like to know whence he obtained his information. I shall make one or two observations for the benefit of the honorable member for Prahran who, incidentally, seems to have left the Chamber. First, the honorable member, stated that the Government’s action in bringing forward a measure of this sort was entirely unnecessary. Esanda, apparently, was a public philanthropic institution which did not need any control at all; it treated its customers better than did the Commonwealth Bank. He said, “After all, let us have free competition.” Should he not, therefore, have opposed the Government's action in endeavouring to regulate hire-purchase companies? If free competition was to achieve what the Attorney-General desired, or what the honorable member for Prahran desired—if competition would keep down the interest rates and would guarantee reasonable services to customers—there was no necessity whatever for this Bill. However, let us consider what an impartial individual had to say on this particular subject. In the Herald of 30th August, 1958, John Eddy, under the heading of “Hire Purchase Battle will Get Keener Here, Too,” says—

All the main Australian banks now have at least a minority interest in hire-purchase concerns but there is no sign so far of cut-throat competition between these. Analysis shows some room for lower charges by hire-purchase companies. Their dividends confirm it.

The Country party has admitted the necessity for some kind of ceiling rates on interest charges. After all, that is accepted in every other direction. The Commonwealth Government, which is Liberal in character, through the Commonwealth Bank, is controlling interest rates of the private banks. Therefore, it is the policy of the Government itself to exercise some control where that is felt to be necessary. We have other controls. There is a ceiling rate on the interest that may be charged by money-lenders. I should be happy to see that ceiling rate drastically reduced, but the principle has been
accepted, and therefore why should we run away from it as regards hire-purchase companies? However, let us say that this measure would never have been brought forward had it not been for the virile Labour party in another place. Earlier this evening the honorable member for Hawthorn interjected to the effect that his Government was the first and the only one to tackle the problem in this State. As early as April, 1956, in another place——

The SPEAKER (Sir William McDonald).—Order! The honorable member must not allude to a debate in another place.

Mr. CLAREY.—I was about to speak of something that happened two years ago. As long ago as April, 1956, there was introduced by the Leader of the Labour party in another place——

The SPEAKER.—Order! If the honorable member transgresses further, I shall be compelled to take appropriate action.

Mr. CLAREY.—The debate to which I was alluding took place two years ago. Am I not permitted to allude to any debate in the other place?

The SPEAKER.—That point has already been made clear.

Mr. CLAREY.—The Government would not have introduced this measure had it not been for the pressure of public opinion outside Parliament and for the action of the press itself and the opinions that were revealed by Gallup polls. The Herald, on 6th March, 1957, published a report under the heading, “Leave Hire-Purchase Alone—Premier.” It stated——

The high living standards of most working people depended on the hire-purchase system and Governments should not interfere with it, the Premier, Mr. Bolte, said to-day.

“People who monkey about with hire-purchase could endanger the whole standard of living,” he said.

The honorable gentleman said something similar a day later but yet, early this year, he said, “Oh, yes, now we have got it. There are abuses—we admit that—but we will correct them.” He went on to say that the Government had the answer to the problems of hire-purchase. The Attorney-General was reported by the Sun News-Pictorial on 30th July last as follows:——

Mr. Rylah said yesterday that the Government was examining the need for legislation to protect the public against the activities of some hire-purchase companies which were seeking money at high interest rates.

This form of company finance, he said, was a new development, and its implications could be far-reaching.

Mr. Rylah said: “Not only does it compete very strongly against investment in semi-Government and Government securities, but, in some cases, the rate of interest appears to be so high that the companies to make a profit on money they obtained on the investment market, may be forced to indulge in exploitation of the public to get a return on their funds.”

I ask the Attorney-General what he has done about that. This is another of the matters that the honorable gentleman intended to look into. He is always going to do something, but nothing is ever done. With reference to the defence of the banks by the honorable member for Prahran, and a suggestion that they were not in any way diverting their money from legitimate channels into hire-purchase companies, let us consider what John Eddy stated in the Herald of the 1st March, 1958——

Significantly, there’s been a drop of almost 20 per cent. from the trading banks’ £105,000,000 that was invested in housing loans in June, 1955.

That deals with the incursion of the banks into the hire-purchase field. Let me quote also from Mr. Arnold’s report to the Government dated December, 1956, which was suppressed and did not receive any publicity until the Leader of our party in another place brought it forward. This unbiased, dispassionate observer said——

It is perhaps unfortunate that several banks have recently chosen to enter the hire-purchase field, directly by purchase of share capital, at a time when it has become necessary to reduce overdraft advances for various reasons.

The total share capital invested by banks in hire-purchase companies for the whole of Australia totalled only £3,000,000 odd at 31st December, 1955.
We do not know how much is invested to-day. From the fairly up-to-date booklet which honorable members have received from J. B. Were and Son, one finds on page 5 that the dividends alone received by the banks in this State were well over £1,000,000 for one year out of hire-purchase investments. The booklet states—

"Every one of the major trading banks now has a share in the hire-purchase field. These range from the Australia and New Zealand Bank’s ordinary shareholding in Industrial Acceptance Holdings Limited to the English, Scottish and Australia Bank’s 100 per cent. ownership of Esanda Limited."

The honorable member for Prahran, Mr. GARRISSON, continued to the effect that the banks do not lend their money to hire-purchase companies. Gippsland Acceptance Company is only a small hire-purchase company. If anyone wants to know how I obtained a few shares, it was because early in its life I took out portion of my audit fee in the form of shares. After being elected to Parliament, I resigned as auditor.

"The honorable member for Prahran has informed the House that the banks were forced into the hire-purchase field by competition from the Commonwealth Bank. That bank lends only on producer goods. If the banks had wanted to assist in that direction, there was nothing to prevent them from expanding their loans to primary producers on producer goods only, but there is a far greater profit to be made in the hire-purchase sphere, and their funds are definitely diverted there because of the higher rates of interest payable. I do not wish to weary the House with further details concerning rates of interest. Everyone is aware that the hundreds of millions of pounds being drawn into hire-purchase have seriously affected the loan market in this State. Therefore, it is rather pathetic to read a statement made by the Premier on the 9th October. The newspaper report states—"

The Premier (Mr. Bolte) said last night that his recent criticism of the Commonwealth “special loans” was not designed to influence the public against investing in the loans.

The honorable gentleman has an unfortunate habit of making a statement in the press and then having to qualify it a day or two later. The report continues—

"He had criticized the bonds on the grounds of their possible effect on savings bank deposits. All the money raised from the bonds will go into productive works, but, on the one hand, the Premier is criticizing the method of raising such funds, while on the other, he has become discreetly silent on the hundreds of millions of pounds being diverted into hire-purchase companies."

Mr. GARRISSON.—Does your party believe in public borrowing?

Mr. CLAREY.—Certainly it does. During the last war, all the war finance, running into about £200,000,000,000, was raised by the Commonwealth Bank in this country. The Labour Government of the day did not have to go to England to obtain £15,000,000 at an interest rate far in excess of what it was prepared to offer on the local loan market.

Sir THOMAS MALTBY.—It did not borrow on the Yarra “bank” either!

Mr. CLAREY.—At least one has an intelligent audience on the Yarra bank. Last night the Premier spoke in support of the latest Commonwealth loan. The honorable gentleman had criticized it, then qualified his criticism, and then spoke in favour of it. Originally, he had said the Commonwealth Government was encouraging people to put their money into the loan instead of into the State Savings Bank, but he should remember that there is not only one savings bank. The present Government has made it possible for all private banks to have savings bank departments. Therefore, I hope the Government will accept the suggestion of the honorable member for Prahran. Let there be competition. At the beginning of his speech, the honorable member said that he saw no reason why the State Savings Bank should not set up its own hire-purchase department. The Opposition is prepared to support the Government in any move in that direction. But we know that when in this House we endeavoured to move an amendment to
enable the State Savings Bank to compete with the other banks, the Government would not agree to its indulging in any trading activities whatever.

Mr. SUGGETT (Moorabbin).—Despite the vociferous interjections by members of the Opposition, they seem to be somewhat reluctant to speak on this occasion. Of course, the oratorical Bradman of the Opposition, the Deputy Leader, batted for quite a long while. It was not altogether a chanceless innings, and it appears that the Opposition has quite a long tail. Whether we like it or not, I believe hire-purchase is an integral and important part of our national economy. It is a medium whereby people can obtain commodities which once were considered luxuries but which in modern times are accepted as necessities. Despite the observations of the Deputy Leader of the Opposition, it has resulted in a stimulation of demand and has kept thousands of Australians in good employment. I think it is sheer nonsense to assert that that is not so. Obviously people are buying television sets, washing machines and refrigerators which otherwise they could not afford to buy. Hire-purchase has opened up entirely new avenues for industrial expansion. Many people buying these commodities find it impossible to save, irrespective of their income. It is interesting to note that in the United Kingdom from 70 to 80 per cent. of the people, and in Australia about 80 per cent., die without leaving an estate sufficient to render a probate return necessary.

Under the hire-purchase system, the hirer usually becomes the owner of the goods eventually. This is in contrast to the policy of the Postmaster-General's Department. For years I have been hiring a telephone but it does not appear that I shall ever become the owner. Unfortunately, owing to the political machinations of that publicity seeker, the Leader of the Labour party in another place, hire-purchase has become a political football. It is obvious that if these so-called evils exist—and hire-purchase is not new—there was ample opportunity during the régime of the last Labour Government for it to introduce remedial legislation, but no such action was taken. The Labour party waited until the eve of an election to publicize this question in an endeavour to make political capital.

Let us look at the impact of hire-purchase on the economy. It is true that there has been a meteoric rise of hire-purchase business in the post-war years. In 1945, the figure was in the vicinity of £6,000,000, and at present it is approximately £350,000,000. I am referring now to national figures. About two-thirds of this money is owed on new and used motor vehicles and the balance is for household and personal goods. A small proportion—I understand it is 3 to 4 per cent.—is for plant and machinery. This steep growth can, I think, be largely attributed to a high and sustained level of employment, greater social service benefits, and higher real incomes. There has also been a physical expansion of demand, caused largely by the rapid growth of population which has been aided by the large-scale migration policy. Of course, owing to the fact that there is a Liberal Government in power in Victoria, the home-building programme has been accelerated and members on this side of the House always encourage home ownership. A person who owns his own home has an incentive to purchase commodities which are considered necessities to-day.

The question can be asked, "Is hire-purchase becoming top-heavy?" The estimated hire-purchase debt at June, 1958, was £345,000,000, and total annual repayments amounted to £200,000,000. They may appear to be formidable figures, but let us look at the income tax collections for the year 1957-58. Personal income tax amounted to £435,000,000, sales tax to £137,800,000, and excise duties to £232,600,000. The total taxation collected was £1,157,100,000. The personal disposable income—in other words, the take-home pay—for that year was £4,046,000,000. Thus, the total hire-purchase debt is in the proportion of 8.5 per cent., and the annual repayments of £200,000,000 represent 4.9 per cent. So, although the rate of growth has been rapid, it
appears that it is still a safe figure, and there is room for expansion, especially when we consider the figures for the United States of America, where, in 1955, hire-purchase payments absorbed nearly 13 per cent. of the national income.

It is suggested that the charges are too high, but I believe that free competition—this subject has been adequately covered by my colleague, the honorable member for Prahran—is taking care of this aspect. It must be remembered that hire-purchase companies have to pay considerably higher rates of interest for their money than do the banks. Administrative costs on small hire-purchase debts are higher, and the risk of loss through default is greater. Moreover, there is no collateral security; the only security is a commodity which has a depreciating value.

The 1941 Board of Inquiry into hire-purchase and cash order systems, of which the late J. B. Chifley was a member, had this in mind, I think, when, in speaking of the finance charges, it reported that they were not unreasonable and that there appeared to be sufficient free competition amongst the finance companies to act as a brake on excessive charges. The honorable member for Prahran mentioned that the Commonwealth loan rate was considerably lower at that time. I remind honorable members that the bank interest rate also was considerably lower then. History has proved the prognosis correct, because, despite the higher Commonwealth loan rate and interest overdraft rate, many of these charges have been reduced. I believe that any statutory limitation of prices and charges could result only in large-scale unemployment.

Under the Bill, it is obligatory for the charges to be clearly set out, and there is no excuse for anyone of reasonable intelligence not knowing to what figure he is committed. The hirer must, under the terms of the measure, be given a copy of the First Schedule which is expressed in very clear and concise language. It is like a breath of spring to see a Bill uncluttered by legal jargon, and drafted in such a manner that anybody reading it can readily understand it. It is a great pity that more measures have not been framed in this fashion.

Mr. Bloomfield.—Be careful what you are saying!

Mr. Suggett.—I realize that if this principle were always applied by my colleague, the Minister of Education, and other of our legal friends might be put out of work. However, it is helpful for the lay person to be able to read a document and clearly understand its implications. Under clause 5, the hirer is able, at any time, to ascertain exactly where he stands. The rights of the hirer are adequately protected against any foreseeable circumstance or eventuality, and he has the right to terminate the agreement at any time. A hirer can pay off the debt or return the article. If he does that, there is provision for the granting of a rebate. I am glad to learn that provision will be made for the payment of a minimum deposit. In these days of high pressure salesmanship it may be necessary at times to protect a potential purchaser against his own natural exuberance. If a person really wants an article the payment of 10 per cent. of the cost as a deposit will be no real deterrent. It is also good to see that sellers will be required to display the percentage of the total cost the deposit represents. It has become common practice, particularly in the motor car trade, to show only the amount of deposit required. Clause 24 of the Bill provides that a hirer may make a choice of an insurer, which I believe is a sound proposal.

There has been considerable discussion on bank participation in hire-purchase companies. The honorable member for Melbourne seems to take umbrage at the fact that the hire-purchase companies in which there is bank interest should have justification for their actions aired in the House. I shall not quote all the figures available, as the honorable member for Fitzroy quoted them correctly in the House earlier. The total amount of ordinary capital owned by banks in hire-purchase companies is £12,037,000, and indirectly, by way of overdraft, the banks have an interest amounting to £10,000,000. That is
a reducing figure as in 1955 the Central Bank directed that no further overdraft accommodation should be given to hire-purchase companies. The total financial interest by the banks at June, 1958, represented approximately 7½ per cent. of total hire-purchase funds outstanding. Consequently, more than 90 per cent. of all hire-purchase business is financed from sources other than through the free enterprise banks. The honorable member for Rodney suggested that if a person approached a bank for overdraft accommodation, he would find it unavailable, but would be directed to the bank’s hire-purchase company where accommodation could be obtained.

I point out that not one penny of depositors’ funds is used for investment in the hire-purchase field, the bank’s interest being obtained from shareholders’ funds. Surely shareholders of banks have the right to invest their funds in any way they please. Unfortunately, I have not the precise figures with me to quote, but I can inform honorable members that since the banks have taken an interest in hire-purchase financing there has been an increase, not a decrease, in the total funds lent on overdraft terms. A suggestion has been made that the Commonwealth Trading Bank provides funds for hire-purchase transactions at more favourable rates than other companies. That is true, but I point out that the Commonwealth Bank pays no income tax or turnover tax and obtains funds at an undisclosed rate of interest from the Commonwealth Savings Bank.

It can be truly said that hire-purchase is a small man’s overdraft, and it is a means of obtaining goods like refrigerators, washing machines, and other amenities which otherwise could not be obtained by them. It is also a means of matching current use and current income. Undoubtedly it creates employment, industrial expansion, leads to greater efficiency in the work force and greater industrial peace. I believe that if a person has commitments he is less likely to desire to stop work for trivial reasons. I notice that the Deputy Leader of the Opposition smiles at that statement.

Mr. LOVEGROVE.—I am not disagreeing with it.

Mr. SUGGETT.—He knows that the workers do not have much say on whether they should go on strike or not; that decision is made by higher authority in the Trades Hall. Nevertheless, I do believe there is more incentive for continued work if a person has these commitments. I believe that, nationally, the amount of money involved in hire-purchase transactions is not top heavy and is well within the ability of the community to bear. I also believe that the charges imposed are not excessive. This is a sound piece of legislation, and it could well become an historic document in the annals of this House. Hire-purchase transactions in this State in the main are carried on in a just and equitable manner. We are led to believe that there are certain snide or rapacious small companies which are not playing the game. This legislation is designed to curb the activities of such companies. I know that if further remedial action is necessary this Government will not hesitate to take it.

The motion was agreed to.

The Bill was read a second time.

Mr. LOVEGROVE (Fitzroy) (By leave).—I move—

That it be an instruction to the Committee that they have power to consider a new clause and a new schedule relating to rates of interest which may be charged under hire-purchase agreements.

Mr. FENNESSY (Brunswick East).—I second the motion.

Mr. RYLAH (Attorney-General).—It is not the Government’s intention to take advantage of the forms of the House to prevent this matter being debated to-night or to prevent this clause being discussed in Committee. The Government would prefer that there be a full debate on the proposed clause relating to interest charges in the Committee stage.

The motion was agreed to.

The House went into Committee for the consideration of this Bill. Clause 1 was agreed to.

Progress was reported.