

## AYES.

Mr. Abbott  
Mr. Berry  
Mr. Boyle  
Mrs. Cardell-Oliver  
Mr. Hill  
Mr. Keenan  
Mr. Mann  
Mr. McLarty

Mr. Sampson  
Mr. Seward  
Mr. Shearn  
Mr. J. H. Smith  
Mr. Watts  
Mr. Willmott  
Mr. Doney

(Teller.)

## NOES.

Mr. Coverley  
Mr. Fox  
Mr. Hawke  
Mr. J. Hegney  
Mr. W. Hegney  
Mr. Holman  
Mr. Johnson  
Mr. Lambert

Mr. Millington  
Mr. Needham  
Mr. Nulsen  
Mr. Panton  
Mr. Rodoreda  
Mr. Withers  
Mr. Cross

(Teller.)

The CHAIRMAN: The voting being equal, I give my casting vote with the noes.

Amendment thus negatived.

Mr. WATTS: I move an amendment—

That in lines 4, 5 and 6 of subparagraph (vii) of paragraph (d) the following words be deleted:—"or that for any reason which the Chief Inspector deems sufficient the applicant ought not to be granted the license applied for."

While there might be room for conflict of opinion as to the desirability of conferring power upon the chief inspector to refuse to grant a license for premises, I submit no sufficient reason can be offered to the Committee why these words should remain in the Bill. It is the duty of the Committee to set out the grounds on which the chief inspector may be permitted to refuse the grant or transfer of a license; but it is unfair to empower him to refuse for any reason which he thinks fit. No guidance is offered to the chief inspector as to what those reasons should be, nor is any suggestion made to the Committee as to what they should be. I submit that the wording is wide enough to allow the Chief Inspector to refuse licenses for any reason, however trivial. I admit there is a right of appeal to a resident magistrate contained in the next few lines of the Bill which would no doubt enable an obvious injustice to be corrected; but why should we permit a provision of this kind to be included in the Bill after having provided definite grounds for the refusal to grant licenses? To ask applicants to go to a resident magistrate is not fair. Such a course must entail some expense and they should not be put to that expense simply because the Chief Inspector has found some reason which in his view is sufficient to induce him to reject the application, but of which Parliament has never thought. Fur-

thermore, one chief inspector might consider a certain reason sufficient whereas his successor a few years later might not hold the same view.

Progress reported.

House adjourned at 10.22 p.m.

## Legislative Council,

Tuesday, 19th November, 1940

	PAGE
Questions: State Shipping Service, m.v. "Koolama" .....	2005
Mining—1, Price of gold to prospectors; 2, de Bernaldes Companies, report .....	2008
Motion: Jetties Act, to disallow regulation .....	2008
Bills: Bush Fires Act Amendment, 3a. ....	2007
Sale of Land (Vendors' Obligations), report .....	2007
Registration of Firms Act Amendment, report .....	2007
Optometrists, report .....	2007
Fisheries Act Amendment, 2a. ....	2007
Financial Emergency Act Amendment, 2a., Com. report .....	2016
Mortgagees' Rights Restriction Act Continuance, 2a., Com. report .....	2017
Industries Assistance Acts Continuance, 2a., Com. report .....	2017
Margarine, 2a. ....	2019
Tramways Purchase Act Amendment, 2a., Com. report .....	2032

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

## QUESTION—STATE SHIPPING SERVICE.

M.V. "Koolama."

Hon. J. J. HOLMES asked the Chief Secretary: 1, Were all the engines and mechanical appliances supplied by the builders of the m.v. "Koolama" new or were some portions second hand? 2, Has any claim been made against the builders of the "Koolama" for approximately £8,000, principally for excessive lubricating oil consumed on preliminary voyages of that vessel; if not, why not?

The CHIEF SECRETARY replied: 1, All units supplied for m.v. "Koolama" were new. 2, This claim has been lodged through the Agent General in London.

**QUESTIONS (2)—MINING.***Price of Gold to Prospectors.*

Hon. C. F. BAXTER asked the Chief Secretary: 1, Is the statement made by Mr. A. E. Jensen, published in the September issue of the "West Australian Mining and Commercial Review" that the Mines Department has raised the amount for tailings from £4 4s. 11d. to £7 per oz., correct? 2, If so, on what basis has the price of £7 per oz. been arrived at? 3, Is the amount of £7 per oz. the total amount that prospectors will receive? 4, Has settlement been made with prospectors on the £7 basis? 5, If so, when was the increased price instituted?

The CHIEF SECRETARY replied: 1, The "first" payment for tailings which is made on assay value has been increased from £4 4s. 11d. to £7 per ounce. 2, As the "first" payment is an advance one and as the price of gold is variable, this was considered a safe figure by the Treasury authorities. 3, Upon treatment of the tailings and realisation of the gold resulting therefrom the prospector is paid the balance of the realisation value. 4, Yes. 5, 1/9/1940.

*de Bernales Companies, Report.*

Hon. J. CORNELL asked the Chief Secretary: 1, Would it be possible for the Agent General to procure a copy of the McClintock report upon the operations of the de Bernales mining and other companies? 2, If so, will the Government instruct the Agent General accordingly, and when the report is to hand, will it be made available for perusal by members of both Houses of Parliament and, when the House is in session, laid upon the Table of the House?

The CHIEF SECRETARY replied: 1, Endeavour is being made to secure a copy of this report. 2, Yes, if procurable and available.

**MOTION—JETTIES ACT.***To Disallow Regulation.*

Debate resumed from the 30th October on the following motion by Hon. G. W. Miles (North):—

That regulation No. 10 made under the Jetties Act, 1926, as published in the "Government Gazette" on the 6th September, 1940, and laid on the Table of the House on the 10th September, 1940, be and is hereby disallowed.

HON. G. W. MILES (North—in reply) [4.38]: I hope the House will agree to the motion. The Chief Secretary, in his remarks, put up a case for the department, but I had previously given figures showing that certain anomalies existed and required adjustment. The charge of 1s. a ton which he mentioned is an extra charge upon the people of the North that amounts to £800 to £1,000 a year. I suggested that, as against tabling this motion, it would have been better for the department to await the report of the Royal Commissioner on the pastoral industry before increasing the charges. The report has now been made available, and if the House disallows the regulation, its action will be in conformity with one of the recommendations of the Royal Commissioner. Amongst other things he recommends that railway freights and shipping freights to pastoralists be reduced by 25 per cent. until 1941; and I point out that these increased charges fall mainly on the pastoralists.

There are instances, notably Fremantle, where the harbour authorities have become in effect a taxing machine to secure a great deal of revenue that was never intended to be collected in this way. I know of a machine that was brought to the State for use in the clover industry. The wharfage and handling charges at Adelaide amounted to 18s., but to get the machine off the wharf at Fremantle cost over £6. Such charges have to be paid by the primary producers. Therefore I urge the Government to take into consideration the rates charged at Fremantle as well as on the North-West coast. The Minister told us that the quantity of explosives shipped to the North was only 5 tons a year. Owing to the high charges and the irregularity of the ships, those engaged in the mining industry have deemed it advisable to transport the explosives they require overland. The Minister mentioned the increase of 3s. 6d. in wharfage, but did not refer to the extra 6s. 6d. on handling charges. Although the total amount is small, these charges are too high. My colleague, Mr. Holmes, pointed out that as regards the former wharfage rates a surtax of 20 per cent. was paid by the people of the North during the last war, and that such payment was never intended. The surtax has been kept on too long. Further, it has been pointed out that shipping freights to Darwin are lower than those to

Wyndham and Derby. That is another direction in which the State could extend consideration to our people in the North, instead of going after the Territory trade at the expense of our taxpayers. Mr. E. H. H. Hall referred to the disabilities of the North, and suggested that our North should be handed over to the Commonwealth. That is something I have advocated for the last 25 years. I am aware that interjections are disorderly, and evidently "Hansard" did not hear precisely what I interjected. The report states that when Mr. Hall suggested handing over the North to the Commonwealth he asked, "What will happen to that portion of the State rich with possibilities then?" The report proceeds that I interjected, "It will be all right." What I did interject was, "You are quite right." The views expressed by Mr. Hall are precisely the views I have expressed for the last 25 years.

I trust the House will carry the motion, especially as the Royal Commissioner has recommended a rebate of freight on wool from the drought-stricken areas of the North of 25 per cent. for 1941. Therefore these regulations should be deleted, and the Government should introduce fresh regulations rectifying the anomalies in question.

Question put and passed.

#### **BILL—BUSH FIRES ACT AMENDMENT.**

Read a third time and returned to the Assembly with amendments.

#### **BILLS (3)—REPORTS.**

- 1, Sale of Land (Vendors' Obligations).
  - 2, Registration of Firms Act Amendment.
  - 3, Optometrists.
- Adopted.

#### **BILL—FISHERIES ACT AMENDMENT.**

##### *Second Reading.*

Debate resumed from the 14th November.

**HON. L. CRAIG** (South-West) [4.48]: I have read the Bill carefully, and it seems to me an earnest effort to clean up the fish-

ing industry. Many requests have been received, especially from people in the South-West, to have certain estuaries closed. I have made many inquiries of the fishermen engaged, and from the best information I can obtain there is no need to close the estuaries, but there is dire need for policing the existing Act. If it is possible for the inspectors to travel more freely, or if more inspectors can be appointed, I believe the Act, with the amendments in this Bill, will effect all that is necessary to put the industry on a much better basis than it is on to-day. I entirely agree with the increased penalties proposed. It is extremely difficult to obtain evidence that will convict people who fish with under-size nets, and therefore it becomes essential to make the penalties high enough to stop such breaches of the law as have occurred in the past. It is perfectly futile merely to catch a man with a net of under-size mesh, perhaps worth many pounds, with which he may have been engaged in fishing of this illegal kind for many months, when through good fortune the inspector at last catches him, if the offender when he comes before a magistrate is fined perhaps £1 and often less, and the net is returned to him. In those circumstances the inspector finds himself in an absolutely hopeless position. Indeed, it is a wonder that the inspectors can take as much interest in the work as they are showing. The Bill represents an attempt to strengthen the hands of the inspectors, so that when they do detect people breaking the law the penalties will be such as to deter them in future. I hope the Bill will pass as printed. Its provisions, in my opinion, represent a great improvement on anything now obtaining.

**Hon. J. M. Macfarlane:** What about the closing of the estuaries?

**Hon. L. CRAIG:** I do not regard that as necessary. I have discussed the matter with Mr. Fraser, the Chief Inspector of Fishermen, and with two or three prominent fishermen who fish in the estuaries and they all have informed me that the trouble is not so much the estuaries as it is the fishermen. A competent fisherman can catch fish almost at any time. The amateur, who goes with a line, hook and a piece of meat, throws it out and fails to catch fish, is the person who complains that fish are not available.

Hon. W. J. Mann: People who fish regularly complain.

Hon. L. CRAIG: Mr. Fraser informed me that complaints had been made about a particular place at Albany. It was said that the place had been fished right out, so he himself went down with a proper line, proper bait and proper hooks, and in a few hours caught all the fish he could possibly want.

Member: He was lucky.

Hon. L. CRAIG: No. Mr. Fraser said that any expert fisherman could catch fish in those waters if he knew the habits of the fish.

Hon. J. Nicholson: If he knew how to do it.

Hon. L. CRAIG: Not necessarily, but if he knew the habits of the fish, the time to fish and so on. I have also discussed this matter with an amateur fisherman who fishes three or four days a week, more as a hobby. He said he had no difficulty in catching all the fish he required in the Bunbury estuary.

Hon. A. Thomson: They say fishermen are—well you know!

Hon. L. CRAIG: I have no doubt that if the estuaries were closed more fish would be available for visitors; but if the estuaries are closed, that will take away the living from a large number of people. In New South Wales certain estuaries were closed and it is now proposed that they shall be reopened, because the results expected were not obtained. It was not that large numbers of fish were again established in the estuaries; the information I obtained was that the results which it had been hoped would be obtained by closing the estuaries were not realised. Would it be right now to close the estuaries—even if it were desirable—when so many foreign fishermen have been taken away from the fishing industry? Another question we have to consider is this: Should we take away the living of many families in order to furnish a more pleasant holiday for visitors for a few months of the year?

Members: Hear, hear!

Hon. L. CRAIG: In my opinion, estuaries should not be closed by Act of Parliament. They should be closed by regulation, so that they may be opened again without passing another Act of Parliament. However, I hope the Bill will pass with a few minor amendments. I myself have in mind one or two amendments which seek to

increase the penalties already provided in the Bill. Our laws should be obeyed. It is a regrettable fact that Australians, as a whole, do not respect the laws of the land. The Act itself is being flouted and those who flout it should pay severe penalties. I am a strong believer in enforcing strict observance of all laws. If that were done, we should have more discipline, which is what the country needs. I support the second reading.

**HON. H. TUCKEY** (South-West) [4.54]: This Bill may be considered in two parts. The first deals with trout acclimatisation; the second concerns our fishing industry. The Government is to be commended for the consideration and help it has extended to branches of the W.A. Fish and Game Society. The Bill, if passed, will do much to assist the members of that society, who are devoting much of their time and money in an effort to establish trout in many of our streams. I feel sure that the members of the society will do their utmost to assist the Chief Inspector of Fisheries. I have observed the progress that trout are making in some of our streams, and unquestionably the results are highly satisfactory. Further investigation is, however, necessary with regard to the enemy of the small fry and how best to deal with it. Much enthusiasm is exhibited by the Fish and Game Society in the South-West and I feel sure that this legislation will be the means of creating much sport for our people, sport which will keep them in the State during their holidays. The Bill will also be the means of building up a State asset.

The second part of the Bill, dealing with matters concerning licensed fishermen, fines, etc., is somewhat disappointing. The industry has certainly been an asset to the State, but it has not been appreciated either by the Government or by the department, with the result that it has got into a rather bad way. There has been some activity of late, but unfortunately it has been accompanied by unnecessary groping in the dark. I am well aware that this is not the time when the Government may be expected to engage in heavy expenditure; but I feel I must refer to certain matters or say nothing at all. One matter that has often puzzled me is that whenever the Federal or the State Government desires to solve problems affecting this State, the first thing it does is to send to the Eastern States for an expert. We were

recently told that tunny could be trapped and canned at Albany, although it costs over 1s. per lb. to buy a piece of fish for breakfast. Busselton and other places were mentioned as suitable sites for canning works; quite a stir was caused in those districts, but it was not until inquiries were made of local people that those ideas were ruled out. If it is really desired to establish canning works, why were not investigations made further north, where we know more favourable conditions exist? When one recalls what has occurred since the days when our fishing grounds were literally a mass of fish, it is difficult to understand some of the things said and done to-day. I am satisfied that small mesh nets have done much harm. At best, we have four minimum size nets, namely,  $2\frac{1}{4}$  inch, 2 inch,  $1\frac{3}{4}$  inch and  $1\frac{1}{4}$  inch. The  $1\frac{1}{4}$  inch mesh, for garfish, may be used only during the winter months; but the other three may be used from the 1st January to the 31st December. It is strange to have three different minimum sizes in the mesh, when actually the minimum size that may be used all the year round is  $1\frac{3}{4}$  inch, which will catch undersized whiting. The  $2\frac{1}{4}$  inch mesh is intended for mullet and the 2 inch mesh for pilchard; but any one of these nets may be used at any time, and much destruction has in consequence been caused by the small mesh nets in the process of hauling, not so much to-day, as we have not the thousands of fish in our estuaries that we had years ago. In the old days, when the small mesh net was first introduced, the destruction was very great indeed. If a  $1\frac{3}{4}$  inch mesh net is put out to catch whiting and it is later discovered that small mullet or other fish have been netted, the fishermen do not handle the small fish one by one and throw them back into the water; they merely shake the net, thus causing the fish to fall back into the water. One can safely say that more than 50 per cent. of those fish are destroyed, because it is a well-known fact that when fish gills are slightly injured there is no chance of the fish recovering. In nearly every instance the fish go to the bottom. So that with the small mesh nets a tremendous lot of harm is done. I can remember the time when there were only four boats operating on those waters, and they carried only  $3\frac{1}{2}$  in. to 4 in. mesh nets. The fishermen carried on operations for years catching fish up to 3 lbs. in weight. To-day the fishing boats on the same waters

number over 40 and there are between 70 and 80 licensed fishermen in that locality depending on the industry. A net with a minimum sized mesh of  $1\frac{3}{4}$  in. is all that may be used now all the year round. A good many of our estuaries are very shallow, but some average a depth of 6 ft. or 7 ft., and it is now legal to set a net 500 yards and net in the one stream and then go on a few feet and run out a net for another 500 yards, with the result that it is possible to stretch nets from one side of the stream to the other. Set nets are those that are used as a rule, and the fish go into those nets blindly. Thus considerable damage is done to the locality as a fishing resort. In addition to many fish being destroyed by this means, others would be scared away. Many fish are known to be nervous and it does not take much to frighten them away. Generally with the nets that have been used there has been a good deal of destruction, and the difficulty now is to remedy matters. Whatever is done to revive the industry I have no doubt that we shall be hitting some people heavily. The Government, however, may feel that this is not an opportune time to do something drastic.

I have referred to Mandurah because that is the most important inland fishing centre in the State. I have already given figures showing the number of boats and men employed in the industry. Many of the men are married and have families and they live in the vicinity, and one can well understand that if the estuary should be closed there would immediately be a number of men thrown on the labour market. We should not be prepared to do that, and therefore, as one who knows something of the history of the industry, I consider it is well worth while taking action step by step in the hope of doing something to improve the situation.

Proposed new Section 4 provides for a fee of 5s. per hour being paid for a boat that may be commandeered by an inspector in the process of his work. I consider that 5s. is too small an amount to pay for the use of a motor launch. The clause means that any boat may be taken, and I do not consider it a fair thing to commandeer a launch and pay only 5s. an hour for its use.

Proposed new Section 8 requires a monthly statement to be furnished by fishermen of the different species of fish they

catch and the waters in which they are caught. That is an impossibility. Many fish are caught after nightfall and they are packed in boxes and sent to market before daylight. I know that a lot of fish are sent from the estuary by truck at three o'clock in the morning, and I fail to see how the fishermen could check up all their fish and weigh them. It seems to me that this provision is asking that something should be done that is unreasonable. Moreover, this would involve a considerable amount of work for an inspector. Fancy having to secure returns at that time of the night from 70 men! They could say that they caught the fish anywhere and the inspectors would have to rely on what they were told. I would suggest that at the end of the month the fishermen should be required to furnish returns accompanied by account sales for the particular month, and they could then show not only the variety of fish caught but also the quantity that was sold for them, as well as the price received. That would be a much simpler way to obtain the information that was desired. With regard to inspectors, I think that between Fremantle and Albany there are only two, and they have an impossible job to carry out. Both are practical men and already they have much more than they can do.

Proposed new Section 16 makes it an offence for a person to have fish in his possession unless he can satisfy a justice of the peace as to how he actually became possessed of it. That, in my opinion, is too drastic a provision. An inspector can say to a man, "You have a nice lot of fish and I require you to prove where you got it, otherwise I will prosecute you." That is placing too much power in the hands of an inspector. I know that inspectors already have power to take action, but in this instance the provision is too drastic and should either be modified or struck out. Proposed new Section 35B provides that any person found on closed waters shall be guilty of an offence. Quite a number of the fishermen have their homes near waters that may be closed; in fact, most of them are there and if proceedings are taken against them they must satisfy the court that they were lawfully on those waters, probably going from their homes, in which

case it would be all right. I understand, however, that a person must get a clean bill from the inspector, but it should be the duty of the inspector to provide that person with authority to proceed over closed waters to reach his home. Sometimes the fishermen have to collect tanning bark and on occasion use their boats over these waters, that is, when they are living further along the stream, and it does not seem right that by pursuing their occupation they should render themselves in this way liable to prosecution. Some latitude should be extended to them. Proposed new Section 37 gives an inspector power to seize engines, lines, nets, etc., but not any boats, whereas Section 37A gives power to seize "such boat, net, line, engine, etc." Those two sections are contradictory and will require attention in Committee.

Many years ago the Blackwood River was a wonderful place for fish of almost every description, but it became overrun with fishing boats and became fished out. This locality is 60 miles from Busselton and I do not think there was ever an inspector nearer to it than Bunbury. This inspector had no chance whatever of policing those waters. With motor transport it would be possible to reach offenders that distance away, but if the inspectors have to make the journey by rail, it can well be understood that the poachers could get away without any difficulty. It would take an inspector a day or a day and a half to reach the locality, and in that interval nets could be drawn up and removed well before he appeared on the scene. That is one locality where there has been lack of control. I have been over those waters and I know that at one time they were splendid fishing grounds, there being a good depth of water and abundant fish. Therefore it seems a pity that for absence of inspection the waters should be fished out. Lack of proper control has practically ruined not only the Blackwood but other good fishing grounds. It is no use saying that fishing in these places is good, and recommending people to go there for a day's sport or a good meal. All through the piece there has been a shortage of staff in the Fisheries Department. For this the present Government is not to be blamed any more than any other Government can be blamed. I do not know whether Governments lack knowledge of the indus-

try, or whether they have thought it was an easy way to save money by starving the department from the staff point of view. The fact remains that the department has never been properly looked after in that respect. Recently some closed waters were opened for a month. That was so in the case of the Serpentine Lake at the back of Mandurah. I understand the Bunbury estuary was also opened for a while. The member for Bunbury consulted some of the experts to find out why these closed waters were opened, and the experts said, I understand, that a little netting would improve the supply of fish and that the policy was a good one. That was a new suggestion to me, and, although I have had considerable experience, I do not agree with that point of view. If the waters were opened for the purpose of assisting the fishermen who are having a bad time, and also with a view to increasing the supply of fish for the market, I could understand the position, but I do not imagine that the throwing open of closed waters which have already been fished out, will improve the position. I have gone to the trouble of obtaining figures concerning the quantity of fish obtained from the lakes near Mandurah, for a month preceding the period when they were closed. For the month prior to that period 582 boxes of fish were sent from Mandurah, and during the month of the open period only 647 boxes were sent away. That meant that the extra quantity of fish sent away during the reopened period amounted only to 65 boxes, representing not more than a decent haul. Had the lakes been properly policed in years gone by, three or four times that quantity of fish would have been sent away when they were opened. As it was the closing made practically no difference. For that reason I am pleased they were thrown open. The position disclosed must have indicated to the Chief Inspector that he was very much at sea if he thought that the throwing open of the lakes would increase the market supply of fish, or would in any way benefit the fishermen. This bears out my contention that these places have been neglected in the past.

The netting of ocean beaches during the travelling season has also done a certain amount of damage. In the past great quantities of fish used to travel along the coast, quite close to the shore. To-day they do not hug the coast, and we see nothing like the quantity of fish that we used to see travel-

ling along the beaches years ago. The fish seem to keep off shore. As a rule we see very little of them until we go further north, say to Geraldton, and even further away than that. In the more northern coastal areas we find large quantities of mullet and other fish. It is strange that large fish should keep close in to the coast only when they are further north. They swim into every little creek or river but do not seem to do that further south. Years ago one fisherman, who is now conducting a store at Mandurah, brought in 300 mullet. When these were cleaned and packed they filled 900 1 lb. tins, so that they averaged 3 lbs. per fish. Some of them must have been well over 4 lbs. in weight. Not only is the absence of these fish in the rivers of the south noticeable to-day, but we do not find them any longer travelling along the shore, although we know they do travel. Our main sources of supply come from the south. Some time ago we were told that the Federal Government intended to investigate the fishing industry in the south by means of trawlers. Such an undertaking would provide valuable information as to the quantities of fish available, and I am still hopeful that the programme will be carried out. No doubt many of the fishing grounds south of this spot are teeming with big fish. If those sources of supply could be tapped by means of trawlers, it would be of great benefit to Western Australia.

There seems to be a growing demand for the closing of certain estuaries for investigation purposes. The fish and game societies are anxious that this should be done, so that they may ascertain whether the closing of the waters will improve the supply of fish in those parts. I should like to see the suggestion adopted, but of what use is it to close more waters when we cannot protect those already closed? We should wait until we experience better times and there is more opportunity to police the waters that are closed. As sure as the sun rises to-morrow, I maintain that if these waters were closed for a period, there would be no question about the quality and quantity of fish improving. Years ago the department closed portion of an estuary off the Murray River. This meant cutting off about one-quarter of the estuary. The department put in a row of poles along the boundary, and within a few years one could see many schools of fish inside the line of

poles. In the open parts of the estuary it was, however, difficult to get a decent haul. The fish seemed to know they were unmolested and they multiplied rapidly. Two inspectors were on duty at that time. When they are under protection there is no doubt that fish will multiply exceedingly in a very short time. I feel that that increase would occur in other parts if the waters were properly closed.

On previous occasions I have made remarks in this House concerning the fishing industry, and have advanced suggestions, but the Chief Secretary has not replied to any point I have advanced. Perhaps he thought it was not worth while doing so, or that anything I said on the matter was of little consequence. My whole object has been to assist the department and the Government. It is nice to feel that one's efforts are appreciated and taken some notice of, whether one is right or wrong. Some time ago I took the trouble to spend a fortnight at Shark Bay and had a good look round in the company of a man who knew the waters well. On that occasion, too, I made a suggestion that it was a wrong thing to send an inspector away from his district, but no notice was taken of the remark. I am not here to criticise the Government for I know the position in which it finds itself.

It is unfortunate that more use is not made of the knowledge that some people possess in this State. I said a while ago that we often send to the Eastern States for experts. That does not apply only to the fishing industry, for I have seen it occur in other branches of the Public Service. Federal officers have been appointed to fill positions vacated by State officers, and often the position has become worse than it was before. We should not under-estimate the abilities of our own people. In the Fisheries Department we have good men who have had long experience. They have had long service in the department and know every branch of the industry. When a chance of promotion occurs they should be given an opportunity to use knowledge they have acquired during the best part of their lives. It is better to employ practical men who have been through the mill, than to appoint someone who does not know local conditions, although in theory he may know

a good deal. Much valuable information could be collected. In Fremantle and other places are many old fishermen who have a great deal of knowledge concerning the industry and could give good and helpful advice. I am sorry the information that is available is not put to full use.

The Bill should provide for the better regulation of the sale of fish. Recently we were told that people had no reason to complain if they bought a pound of gummy shark instead of a pound of schnapper, and that the shark was quite good to eat. I cannot contradict them about gummy shark, but I hold that, if a person goes into a shop to buy a pound of schnapper, he should be supplied with a pound of schnapper. When a person goes into a butcher's shop for a pound of steak, the butcher must not supply him with a pound of horseflesh, although it might be easy for him to do so. There is an Act to prevent that being done. The same thing should apply to the sale of fish. It is easy to hoodwink people who do not know much about fish, and to sell them something that is not true to label. I should like to know what happens to the blue sharks that fetch up to 30s. a piece. Do they go to the fertiliser works or the fish shops?

Hon. E. H. H. Hall: You should give notice of that question.

Hon. H. TUCKEY: It is an important one. Apparently everything caught in the sea is looked upon as fish. On one occasion I saw skate sold as schnapper. That may be all right for some people who are not particular about what they eat, but the point is that a person who pays 1s. for a pound of schnapper should get the correct thing. The public have a right to be protected and to be sure that they are getting what they are paying for. One fisherman with whom I was discussing the fishing industry told me that blue shark was fetching up to 30s. a piece.

Hon. W. J. Mann: Do you know anything about silver flounder?

Hon. H. TUCKEY: I have learnt a lot about that since I met Mr. Lambert, who has a soft spot in his heart for silver flounder. I do not know whether the Chief Secretary wishes to take the Bill into Committee at this sitting. If so, I would like some of the clauses amended. For instance,



the penalty for having undersized fish in one's possession is altogether too drastic. I am aware that in the past magistrates have been subjected to criticism regarding their attitude towards the ills of the industry as reflected in the fines they have imposed. If an angler happens to be caught with a certain number of underweight fish, he can be prosecuted, and the Bill provides for a minimum fine of £5. That is too heavy an impost. For a first offence the penalty should be much less. Naturally, if an offender committed a second offence, I would not care what penalty was imposed upon him. I should say that a fine of £2 would be ample for a first offence, but I consider one of £5 would be outrageous. Then again, inspectors, some of whom I know, can be relied upon to act with discretion. Anglers need not worry about inspectors launching prosecutions merely because they are found with a few undersized fish in their possession. Inspectors would use discretion where prosecutions were concerned and I do not think they would take action unless they found that a person had been deliberately wasting fish by leaving them on the beach. While we might be able to trust the present inspectors, we do not know who may be appointed to such positions in the future, and the power sought to be vested in inspectors is too great. In the future one might be appointed who would say to an angler, "Although you have caught the fish with hook and line, you have so many that are underweight. I will prosecute you and that will cost you £5." As I say, I do not care what happens where second offences are committed, but I do not think there is any necessity for a very drastic penalty where first offences are in question. In dealing with such a matter we should be reasonable, and I do not think the fine indicated in the Bill comes within that category.

Earlier in my remarks I mentioned that in years gone by, fish had been found in our coastal waters close inshore. For instance, Safety Bay was one place where schnapper abounded and, in fact, supplies for the Fremantle market were practically all drawn from that spot. During the season the fishing boats would sail into the bay as regularly as clockwork in the early morning, secure their catches of schnapper, and return to Fremantle with the sea breeze. Thirty years ago the schnapper were exceedingly plentiful there, so much so that

a Scottish fish-curer established a plant at Long Point, near Safety Bay, for the canning of the fish. Concurrently the schnapper boats were able to catch all they required for the Fremantle market. I did not have anything to do with the industry at the time, but I know men who were engaged in the fishing industry then and am aware that large quantities were obtained at that time. To-day the fish are not there and no one would attempt to establish canning works under existing conditions.

With regard to the suggested establishment of fish-canning works in the South-West, I do not want members to think I am speaking to the detriment of the industry itself, but I have already received a number of letters from people interested in it. They have sought information as to the varieties best suited for canning and have asked whether a ready market would be available for the product. I have replied to them that the first thing to be ascertained is whether they can secure regular supplies of the fish they require. Obviously they could not afford to pay present Perth prices for fish required for canning. It would be nonsense to talk of operating under such conditions. With the exception of one species, the fish available are not very suitable for canning. The exception is what is commonly known as "herring." The other varieties are not at all plentiful. Recently large numbers of herring have frequented the sea at Mandurah, and, with necessary supervision, much could be done with the fish there. The herring have been seen there in boatloads. One sees them playing around and turning over on their backs on the top of the water. The schools have been there for weeks. They are not of much use except for canning. When canned fresh, they are very nice indeed. They are even better when kippered. The fish becomes firm with smoking, and will stand any amount of knocking about in tins. On the other hand, when canned without being smoked, the fish is turned out soft and does not look well, although its taste is excellent. I do not think the fish are available in a sufficient quantity to warrant the erection of canning works, because the fish visit the waters only once a year. There may be some method of dealing with the problem, and I do not see why it should not be tackled. Obviously departmental supervision would be necessary because the fish are mostly

found in closed waters. They move into the estuary at Mandurah, later into the inlet, and possibly are now higher up in the Murray River. The fish stay there for months at a time. While we should certainly make use of them, the fact remains that they are to be found mostly in closed waters.

Hon. T. Moore: What happened at Safety Bay?

Hon. H. TUCKEY: That was so long ago that I cannot answer the question.

Hon. T. Moore: I was referring to the fish-canning plant.

Hon. H. TUCKEY: I think the site proved inconvenient. The man concerned had a plant at Mandurah and then went to Long Point. The transport difficulties were great owing to the absence of roads, and altogether the conditions were unsuitable. The result was that the man ceased operations. I know he continued there for some considerable time. However, I shall support the second reading of the Bill and will have something more to say when it is being dealt with in Committee.

HON. A. THOMSON (South-East) [5.37]: The Bill deals entirely with our coastal waters, and suggestions have been made that certain estuaries should be closed against net fishing. To my mind it would be improper for this House to decide such a question, because members do not possess the necessary expert knowledge. That matter should be left entirely in the hands of the officers of the Fisheries Department.

The Chief Secretary: There is nothing in the Bill about that.

Hon. A. THOMSON: I know, but suggestions have been made for the closing of some estuaries, and members have received communications on the point. One unfortunate phase is that our fishing industry is largely in the hands of foreigners, and that is a problem to be overcome.

Hon. H. Tuckey: Sixty out of the 70 operating at Mandurah are local people.

Hon. A. THOMSON: But that does not apply elsewhere.

Hon. H. Tuckey: No, it does not.

Hon. A. THOMSON: Mr. Tuckey has given members much information regarding the industry at Mandurah and certainly

Parliament should lend support to the Fisheries Department in its desire to foster the industry. The Bill deals only with our estuaries and rivers, and does not touch the greater problem that remains to be tackled. I was delighted to learn that the Council of Scientific and Industrial Research had decided to co-operate with the Fisheries Department of Western Australia with a view, no doubt, to investigating the possibilities of our deep-sea fishing grounds. I propose to relate to the House an experience that I had. In 1922 I had the pleasure of visiting the Old Country, and went to some of the Scottish fishing villages, one of which I left as a boy nine years of age. At that particular village it was most depressing to see the vast fleet of drifters lying idle and rusting away. In the course of conversation with some of the people there, I suggested they might find it worth while migrating to Australia. At that stage the Government in power was keenly interested in bringing migrants from the Old Country and the then Premier was in England at the time. After discussing the question with the Scottish fisherfolk it was decided that we would endeavour to establish a company the operations of which would have been of great advantage to Australia generally. We know the great value of the fishing industry, and its importance to Great Britain to-day. Practically all the trawlers and drifters have been placed in commission for mine-sweeping, and without their services Britain would be in a rather difficult position.

As a result of my inquiries in Scotland, I had hoped that when I returned to Western Australia the then Government might have been interested in the proposition. I interviewed the former Chief Inspector of Fisheries, Mr. Aldrich, for whose practical knowledge of the industry I had the greatest appreciation. He gave me every possible departmental assistance in his power. While I do not desire to cast any reflection upon the present occupant of the position, I regret that the services of a man like Mr. Aldrich, with his wide experience and practical knowledge, have been lost to the State, because I believe he could assist us very much to improve the conditions of the fishing industry. Prior to the time I speak of, the Federal Government

had tested certain deep-sea fishing grounds in the Great Australian Bight. A company had been established to engage in fishing operations. It was founded upon entirely wrong lines, with the inevitable result that the venture failed. I suggested to the then Government that fishermen from the Old Country, men born and bred in the industry, should be encouraged to migrate to Western Australia. Those of us who know the Old Country well are aware that there is a marked dividing line between the fishing section of the community and the rural section. The one is totally different from the other, and the outlook of each is entirely dissimilar. The success of the fishing industry in the Old Country lies in the fact that those engaged in it have been born and bred in the industry. Had any encouragement been received from the then Government I believe that a fishing group would have been established. I went to the then Premier and suggested that he should devote some of his energies to devising a scheme for bringing out fishermen and their wives and children and setting aside an area for them. I went further and endeavoured to raise a certain amount of capital, but there was an absolute lack of sympathy on the part of the Government. I absolve Mr. Aldrich from any responsibility because when I mentioned the matter to him he said, "This is something we have been wanting for a long time." The Minister (the late Mr. Scaddan), like Mr. Hawke, desired to establish secondary industries. Yet that was a sample of the encouragement received by people who sought to promote such industries.

There is an old jetty at Albany known as the coal jetty, which was formerly used by the Orient Company. All that is left of it to-day are a few rotting piles. I asked for the site to be made available at a peppercorn rental for the purpose I had in mind, and a reply was received that it could be rented for 30s. a week at the beginning and as the industry progressed the rent would have to be increased. That was in 1922. That particular jetty is still in the same position, has never been utilised and is not likely to be used. This matter is not altogether outside the scope of the Bill which, after all, deals with the fishing industry, and I hope the Minister will devote his attention to formulating a scheme enabling some of our own people to play a more

prominent part in this industry instead of leaving the fish to be caught by foreigners. Many of our young men are working on small boats acting as mine-sweepers and others have joined the Navy. A large proportion of them, as a result of their experience, can be expected to gain a liking for the life at sea. When the war is over their services will be dispensed with and we shall have to find openings for them. The fishing industry will provide a new avenue of employment. We have heard a good deal about the harvest of the land. Millions of pounds of new wealth have been won from the land and I am sure that, in collaboration, the Federal Government and our Fisheries Department could test the various fishing areas and evolve a scheme whereby men returning from the war would be able to gather a harvest from the ocean. However, the whole matter will have to be carefully organised and it will be necessary to bring from the Old Country a considerable number of men who have been born and bred in the industry. The whole scheme will have to be managed under co-operative conditions. The attempts made to establish industries in this country have been largely nullified by the conditions imposed by our courts. The only hope we have of making a success of the trawling industry is by bringing out experts. It is appalling to think that in spite of all the fish alleged to be round the coast of Western Australia the only smoked fish that can be purchased from some of the stores is fillet which has been caught and cured in South Africa—

Hon. F. R. Welsh: What about Shark Bay?

Hon. A. THOMSON: I have been there and I intend to refer to it.

Hon. E. H. H. Hall: The difficulty is to market the fish.

Hon. A. THOMSON: The whole industry must be properly organised. Many men have engaged in the industry in the past. They have been pushed out through lack of capital, ineffective organisation and the prices charged in the stores. As I was saying, the only fish to be bought is South African fillet or New Zealand blue cod at 1s. 8d. a lb., and a little smoked barracoota which comes from Victoria or New South Wales. There is ample scope for the department, working in close co-operation with the Council for Scientific and Industrial Research, to evolve a satisfactory scheme, and I commend to the Minister the desir-

ability of his devoting consideration to the establishment of an industry that will not only provide considerable employment, but will also furnish a large amount of food which people are ready and anxious to buy. When we went into the matter in 1922 we reached the conclusion that fish could be caught, cleaned, smoked and marketed at approximately 6d. per lb. provided the business was undertaken on a large scale. Mr. Welsh has referred to what is taking place at Shark Bay. I want to congratulate Mr. Spavin who has taken control of the industry there. Quite a lot of the whiting consumed in Western Australia and particularly in the metropolitan area, comes in very neatly packed boxes from Shark Bay. However, that gentleman is up against exactly the same conditions as are to be found in other industries. Our own Australian people will not tackle that sort of job, and the bulk of those engaged in catching the fish are half-castes. I do not wish to reflect on them in any way because they are doing a very useful work. I would very much like to see our own half-castes being employed in the same way.

I do not propose to traverse the whole measure. I agree with Mr. Tuckey's contention that the proposal in Clause 18 to commandeer a man's boat is too severe. I hope the Minister will consider evolving a scheme such as I have outlined to provide employment in the future for men engaged on mine sweepers around Australia to-day, on auxiliary cruisers and in the Navy. Work will have to be found for them when the war is over—which I pray God will be soon, though we have a big task ahead of us. Experts will also have to be brought from the Old Country. It is no use asking men to smoke fish when they have had no experience. Knowing the temperament of Western Australian women, I am afraid that not many of them will be willing to tackle the job of cleaning and gutting fish as the women in the Old Country do. Just as we have had to bring out experts in the woolle industry to teach others the job, so if we are to make a success of the fishing industry we shall require the services of trained people, plus careful planning from a financial point of view and proper organisation. It should be possible so to organise this industry that the trawlers, on their way in, could send a wireless message notifying

their approach and have trains ready to take the packed boxes into the country, as is done in England. There is a great demand for fish in the country areas and an almost unlimited demand for smoked fish.

I have pleasure in supporting the second reading of the Bill which I think represents an honest desire on the part of the department to improve the prospects of the fishing industry. Provision should be made for the closing of certain estuaries and a plan devised to provide employment in this industry for more of our own people instead of allowing the work to be done by foreigners. Any such scheme will have my strong support.

On motion by Hon. E. M. Heenan, debate adjourned.

## **BILL—FINANCIAL EMERGENCY ACT AMENDMENT.**

*Second Reading.*

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West) [6.0] in moving the second reading said: This is a Bill by which it is proposed to continue the operation of the Financial Emergency Act for a further period of 12 months to the 31st December, 1941. The Act which was originally passed in 1931, re-enacted in 1934, and amended in 1935, is due to expire on the 31st December next. Members are aware that the Act originally provided, on account of the extraordinary conditions prevailing at the time, for a general reduction of such items as salaries, retiring allowances, pensions and interest by 22½ per cent. However, the greater part of the Act has since been repealed, and the only portion now in operation is that dealing with mortgagors' interest. This section of the original Act has been renewed each year, and Parliament is once again being asked to consent to its continuance for a further 12 months.

The Act provides that there shall be a reduction by 22½ per cent. or to 5 per cent., whichever is the greater, of interest payable on all mortgages executed before the 31st December, 1931. The mortgagee has the right to appear before a commissioner appointed under the Act to make application that the original rate of interest provided in the mortgage shall apply. The commissioner has authority to declare what is a

reasonable rate, taking into account the circumstances of the case and also the financial and economic conditions prevailing in the State at the time. Members will agree that recent conditions arising out of the war and the drought necessitate a continuance of the Act for a further period. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

*In Committee.*

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

**BILL—MORTGAGEES' RIGHTS RESTRICTION ACT CONTINUANCE.**

*Second Reading.*

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West) [6.4] in moving the second reading said: This is another continuance Bill by which it is proposed to continue for a further period of 12 months—to the 31st December, 1941—an Act which has been operating since 1931. Under the Act, mortgages and agreements for sale in existence when the Act came into operation are dealt with. A mortgagee is unable to enforce his security unless he has first obtained leave of a Judge of the Supreme Court, and where an agreement has been made in connection with a sale of land, the court must be approached by the purchaser, the onus being placed on him to do so; otherwise the vendor of the land may exercise his rights after the expiration of one month from the service of a notice to the purchaser of intention to take such action.

The Act sets out the principles to be taken into consideration by the court in dealing with an application. These are contained in Section 8. The provisions of the Act are necessary to-day, as has been the case from 1931, since which time it has been the duty of the Government to bring down a continuance measure annually. Conditions to-day render imperative the introduction of this Bill, and I trust that Parliament will approve so that the Act may operate for another 12 months. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

*In Committee.*

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

**BILL—INDUSTRIES ASSISTANCE ACT CONTINUANCE.**

*Second Reading.*

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West) [6.8] in moving the second reading said: This is another Bill that the Government considers essential, one to continue the operations of an Act that has been in existence since 1915.

Hon. J. Cornell: A quarter of a century.

**THE CHIEF SECRETARY:** Yes, a much longer period than the other two measures with which we have just dealt. The Act was introduced to meet the adverse conditions existing in the farming industry at the time. Doubtless some members will recall the very serious drought of the year 1914. Various Governments since 1915 have realised the necessity for bringing down a continuance Bill each year, and conditions at present are probably worse than before. Consequently I have no doubt that the House will approve of the continuance of this legislation. The Act is due to expire on the 31st March, 1941, and the object of the Bill is to continue its operation until the 31st March, 1942.

It is necessary that the Bill be passed in order to protect advances already made and to continue the charge against farm proceeds in order to protect further advances. In 1934, the Act was almost discontinued, but because of the drought of 1935-36 and, I am sorry to say, the drought conditions which have since been experienced in our farming areas, further assistance has had to be given, the result being the continuance of operations under the Act and the opening up of fresh accounts. Much has been said from time to time about the opening up of fresh accounts, but I think most members agree that the adoption of this course has been necessary. Figures I will quote will give members an appreciation of

what advances have been made from the season 1935-36 to the season 1939-40—

Year.	No. of Settlers.	Amount Advanced.		Amount Repaid.	
		£	s. d.	£	s. d.
1935-36	1,200*	57,407	0 0	3,723	14 11
1936-37	1,408	157,014	6 6	24,314	19 7
1937-38	1,025	134,853	8 5	89,404	17 2
1938-39	968	113,141	11 4	21,093	18 8
1939-40	919	112,010	13 5	148,973	6 5

\* Approximate.

Members will note that 1939-40 was the only year in which the amount repaid exceeded the amount advanced in the same year. The reason is that the State experienced what might be termed the best season since 1923-24, the average wheat yield having been 13.9 bushels, and consequently settlers were in a position to repay some of the advances made in previous bad seasons. However, with the advent of drought conditions such as have been described in some quarters as the worst in the State's history, some merchants and stock firms have refused to make certain advances which it was understood they would make under arrangements completed earlier in the year. The breaking down of these arrangements, combined with the general shrinkage of credits, both on account of superphosphate and general merchandise, has resulted in the Government's being required to find finance to maintain the farming industry. Members will be interested to learn the quantities of superphosphate for which advances under the Act have been made in the last few years—

Year.	Tons.		
1936-37	..	..	2,320
1937-38	..	..	3,170
1938-39	..	..	3,864
1939-40	..	..	6,413

As the Bank supplies superphosphate only when merchants refuse to do so, the figures reveal a shrinkage in the credit available to farmers over the last few years. What I have quoted and the fact that drought conditions still prevail should be ample evidence of the necessity for the continued operation of the Act, and I trust, therefore, that the House will approve of an extension to the 31st March, 1942. I move—

That the Bill be now read a second time.

*Sitting suspended from 6.15 to 7.30 p.m.*

**HON. J. CORNELL** (South) [7.31]: The Act that we are asked to continue is probably a classic manifestation of the old saying that if one puts up with anything long enough, one cannot do without it. The Industries Assistance Act was passed in 1915 for the sole purpose, as Mr. Drew, having had charge of the Bill of that year, will confirm, of reinstating settlers who had been struck by the 1914 drought, and for no other purpose. We thought then that the measure would continue hardly beyond a few years; but since then, consistently, year after year this Chamber has been asked to re-enact the statute. I can draw on my memory to recall impassioned speeches made here by Mr. Nicholson, Mr. Holmes and other hon. members for the winding up of the Industries Assistance Board; but here we are to-day, 25 years later, asked to continue the statute to perform the purpose that it was intended to serve a quarter of a century ago—namely, to tide Western Australian agriculture over the great drought of 1914. It is safe to say that no piece of legislation on the statute book of this country has been stretched in such numerous and various directions as the Industries Assistance Act. If my memory serves me rightly, it was the second item of legislation introduced to benefit the man on the land. Down the years, without the Industries Assistance Act the Agricultural Bank could not have functioned. It is safe to assert that hundreds of settlers were kept on their holdings over that long series of years, or maintained in and out of different holdings, by the activities of the Agricultural Bank in the direction in which the present Commissioners of the bank administer the Industries Assistance Act. I feel sure that the House will pass the Bill, as post mortems really get us nowhere. I venture this further remark, that we cannot possibly measure the indirect gain which the Industries Assistance Act has been to Western Australia by preventing absolute and direct loss. I think I may say that in the province which you, Mr. President, Mr. Williams and I represent, almost every man who went on the land has had some help from the Industries Assistance Board. That help was required, and was given. The position to-day is that despite this assistance settlement in the province, except in the Karlgarin and Newdegate districts, has dwindled to what hardly matters. There is one district in which the Industries

Assistance Act has been extended, is being extended, and will be extended; and that is in an endeavour to establish the Esperance settlement. The battle has been stern, and I doubt very much whether we are as far forward now as we were 10 years ago. The drift has set in.

Recently in the Esperance district I encountered a peculiar incident. The incident was most singular. The powers that be who are entrusted with the administration of the Agricultural Bank Act and the Industries Assistance Act, and Board, are the instruments responsible for the administration of marginal areas relief in Western Australia. It may seem like romance, but the fact remains that the only settler in the Esperance district who so far, after having been there so very many years, has managed to get along without assistance from either the Agricultural Bank or the Industries Assistance Board, has been turned down in respect of rehabilitation of marginal areas. It seems ironical to say that all settlers who recently received assistance from the Agricultural Bank and the Industries Assistance Board have been given consideration in the distribution of the Commonwealth marginal areas grant, whereas the one settler who helped himself with his own money has been refused this aid. This shows that the Agricultural Bank Commissioners in administering the marginal areas fund have used that money to improve State securities. Unquestionably that attitude has been adopted in the wheat belt. I appeal to the Minister that he make inquiry to ascertain why this one solitary settler—true, one swallow does not make a summer—who has existed in the Esperance district from the beginning to this day, and who never has received assistance from either the Agricultural Bank or the Industries Assistance Board, is to receive no help from the marginal areas fund. He is to receive no assistance whatever. If he had been a State client, undoubtedly he would be receiving assistance now. I hope that the Minister will cause the necessary inquiries to be made, and that justice will be done to that individual.

**HON. G. B. WOOD** (East) [7.41]: This Bill is highly desirable. There had been hopes that the original measure would have served merely to carry settlers over the drought of 1914; but unfortunately during the good times following that drought the

farmers did not get themselves out of their difficulties, and then there ensued a series of low price years. And now we have another drought. The previous speaker seemed to think that the present Bill had been introduced for this drought. In point of fact that cannot be so, because very little of the Commonwealth money has yet been disbursed for this drought. While on this subject let me express the hope that the Minister will distribute the drought relief funds provided by the Federal Government without bringing additional farmers under the Industries Assistance Act. I trust the Government will introduce special legislation to disburse the Commonwealth money. Some day there may be a period to the Act which the Bill proposes to continue. If every time Western Australia has a drought the Act is extended, it will operate eternally. I hope the present drought debts will be cleared up in a year or two. I may be out of order in making that plea on this continuance Bill, which however I have pleasure in supporting.

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West—in reply) [7.42]: I have no knowledge of the particular case mentioned by Mr. Cornell. If the hon. member will supply me with details, I shall cause inquiries to be made. As regards the suggestion made by Mr. Wood, I have no knowledge of what the intention of the Minister for Lands may be in that regard; but I can assure Mr. Wood that whatever the Government decides to do will be what is considered to be in the best interests of all concerned. The suggestion made by the hon. member will be transmitted to the right quarter.

Question put and passed.

Bill read a second time.

*In Committee.*

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

## **BILL—MARGARINE.**

*Second Reading.*

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West) [7.45] in moving the second reading said: This Bill is expressly de-

signed to protect an industry which is of the utmost importance to this and all the other States of the Commonwealth. Its main purpose is to limit the total quantity of table margarine that may be manufactured within the State without interfering in the manufacture and sale of cooking margarine. No doubt hon. members are aware that considerable thought and attention have been given during the last few years to means whereby the sale of margarine may be controlled so as not to compete unfairly with dairy produce, the production of which is assuming an important proportion of the agricultural industry of the State. The necessity for some protection was recognised even as far back as the year 1887 by the passing of the Butterine Act, which will be repealed by a provision of this Bill.

Hon. W. J. Mann: Was that an Act of the British Parliament?

The CHIEF SECRETARY: No. No action was ever taken under that Act. There are no fewer than four Acts which at the present time relate to margarine. This Bill proposes to repeal those Acts, and so margarine will be dealt with in one measure. Amendments have also been made from time to time to the Dairy Industry Act expressly for the purpose of controlling the sale of margarine. This Bill provides for certain necessary amendments to that Act.

The Agricultural Council, representative bodies in all States and the Department of Commerce, have all endeavoured to put forth some concrete proposal for the protection of the dairying industry. The question of a suitable means of control has been discussed on many occasions—more particularly since 1935 at meetings of Ministers of Agriculture at the Agricultural Council—without any unanimity being reached until last year, when it was suggested that the manufacture of margarine should be permitted in Australia under a quota system whereby the quantity of margarine manufactured for sale for consumption in Australia should not exceed the present amount of Australian consumption. Prior to agreement being reached, interstate difficulties had to be surmounted; and the stand taken by Victoria, that no quota system would be permitted, has in the past prevented uniform action.

In regard to the views of that State, however, which may be interpreted as being those of the whole of the dairying industry of Australia, it is now very interesting to note the opinion in March of this year of Mr. Angus McKenzie, the President of the Victorian Dairymen's Association. For the benefit of hon. members, and so that they may be seized of the position, I propose to quote from that opinion, which indicates clearly the reason for the change in the attitude of the Victorian dairymen to legislation of this kind. The opinion is very lengthy, but nevertheless I deem it advisable to quote freely from it so that hon. members will have a full appreciation of the change in the attitude of the Victorian dairymen to this important matter. The opinion says:—

The question of margarine competition is the most vital matter facing our industry at the present time. It is, in fact, so vital that your executive consider it necessary to place the whole facts of the position before you by direct contact without delay. Consequently, we have arranged a series of combined district council meetings throughout the State, so that district council members will be fully advised, and in turn will be able to discuss the position with their respective branches.

Our official attitude over the years that have passed has been that, providing margarine did not masquerade as butter, we did not fear its competition. This attitude has been reflected in legislation which we have secured for our protection during recent years; notably the amending Dairy Produce Act which prohibits the inclusion of butter in margarine and later an amending Health (Margarine) Act which requires margarine to be of a prescribed colour and prohibits the sale of margarine not of that colour.

In view of the limitation of protection in this regard, owing to Section 92 of the Federal Constitution, no action by any one State can fully safeguard the position, as is disclosed by the fact that in spite of our colour restriction in Victoria, margarine manufactured in New South Wales not conforming to Victorian legislative requirements is finding its way into Victorian households in large quantities.

With this aspect in view many attempts have been made to secure uniform State legislation that would prevent margarine being manufactured or sold excepting in conformity with legislation prescribing a colour that would protect butter from unfair competition. Uniformity in this regard has proved to be impossible of accomplishment, it being definitely stated that one State at least will not introduce colour legislation for margarine.

The position, combined with the more recent developments in Great Britain, has led to the industry leaders, who have been handling this



matter, giving more direct and serious consideration to the suggestion of restriction of the manufacture of margarine in Australia as a solution of our difficulties and a possible means of protecting our butter market.

The United Kingdom position is the cause of the gravest concern at the moment. It is now generally known that the British Government, owing to the shortage of fats available for consumption at the outbreak of war, which are so greatly needed in cold climates, restricted the consumption of butter to 4 oz. per person per week, restricting also the consumption of margarine at that period.

The fixing of an allowance for butter reduced consumption in Great Britain from approximately 9,000 tons per week to 5,000 tons, which was alarming enough in itself, but the position became much worse later when the Government, being assured that sufficient raw materials were available for the manufacture of margarine for a lengthy period, decided in order to increase the volume of fat available, to remove the restriction on the consumption of margarine, but in so doing, stipulated that such margarine should be improved by the inclusion of vitamins "A" and "D" in margarine for table use.

Margarine including vitamins said to be equal in nutrition value to butter is now being retailed at from 5d. to 8d. per lb.; every opportunity is being taken to advertise its food value by asserting its equality with butter—even the House of Commons being used in this way by being asked questions in this regard which are invariably answered in the affirmative.

The result of this combination of circumstances is that margarine sales have increased to the detriment of sales of butter, which do not equal the 4 oz. per person allowance fixed by the Ministry of Food, the gross sales of butter having fallen to below 3,750 tons per week, at least 25 per cent. of the population not taking their allowance at all—others taking less than the maximum fixed, resulting in a drop of more than 5,000 tons per week in butter consumption.

Even a very cursory review of the position discloses the fact, which is almost appalling from the butter producers' point of view, that at the conclusion of the war, the United Kingdom market for butter will have almost vanished, and nothing short of ruinously low values could contribute to an increase in butter consumption to anything within reasonable limits of pre-war levels.

I have read sufficient of Mr. McKenzie's opinion to indicate the seriousness of the position as far as the British market is concerned. We must bear in mind that Australia in normal times depends to a large extent upon that market for the success of this industry. Another paragraph of Mr. McKenzie's opinion says—

I am definitely of the opinion that legislation fixing the maximum production of margarine in each State and providing sufficiently

heavy penalties to effect its enforcement can be secured, but to obtain such legislation the industry must be unanimously supporting its introduction. In this State the Government is awaiting a decision by us revealing our attitude on this matter. The responsibility is ours.

That is speaking from the point of view of the dairying industry in Victoria, and I have already pointed out that that opinion is also the opinion throughout the Commonwealth. I have already said that the Australian Agricultural Council has dealt with this matter on many occasions and the result of the agreements reached by the council is that all States with the exception of Western Australia have now passed legislation limiting the production of table margarine. The Bill now before the House is similar to those passed by the other States. In the event of the Bill receiving the approval of Parliament, the production of table margarine in all the States will be limited to a total of 73 tons per week, the proportion to this State being 7 tons. The passing of the Bill is being awaited by all other States so that they can go ahead with the proclaiming of their own measures and immediately take action to put them into effect. In order that the quota system may be established throughout the Commonwealth, it is necessary that all States should effect legislation of a similar nature, and it is to the credit of South Australia that that State was the first to pass an Act in this connection.

Hon. J. Nicholson: You referred to the Western Australian quota just now. In what way was that fixed?

The CHIEF SECRETARY: I understand it was fixed on the consumption figures of each of the States; I shall have a few more words to say about that. As I have indicated, it is necessary that Western Australia should follow so that that may be no difficulty in the way of putting the whole scheme into operation. Members will remember the James case and will realise the legal difficulties which have to be surmounted in regard to the regulation of interstate trade. It is really those difficulties which have created some delay in connection with bringing about of uniform legislation in all the States. In this regard, therefore, it must be understood that to enable the effective protection of one of the most important industries in this State and the Commonwealth by the establishment of a quota sys-

tem, it will be necessary for this State to fall into line with all others by passing similar legislation to that of all the other States. The Bill is divided into five parts, as follows:—Preliminary, administration, licensing of margarine manufacturers, regulation of manufacture and sale of margarine, and miscellaneous (dealing with offences under the Act and penalties therefor, financial provision for administration and regulations). In the first place, the Butterine Act of 1887 is repealed. This provided that it was an offence to sell any substance manufactured from animal or vegetable fats as a substitute for butter and also when such substances were sold they should be legibly branded for identification. No record is available of this Act ever being invoked. It has also been deemed advisable to amend and delete certain portions of the Dairy Industry Act referring to margarine, and to embody relevant provisions in this Bill.

As the object of the Bill is to control the manufacture of "table" margarine, it would be necessary to distinguish between these two types—namely, "cooking" and "table" margarine. For this purpose table margarine is defined as all margarines which do not conform to the definition of cooking margarine. Such margarines are manufactured almost wholly from imported oils principally of vegetable origin, although whale oil may be used whilst the supply continues. These margarines resemble butter in texture and colour and can be distinguished by the proportion of vegetable oils which they contain. In all other respects there is great similarity, so much so that it is almost impossible for a person to distinguish between margarine and butter, except of course, by analysis. The process has been improved to such an extent in recent years that even experts have found it extremely difficult without resorting to analysis as to whether the product is really margarine or not.

By the Bill inspectors are given the powers of an inspector under the Factories and Shops Act and the Inspection of Machinery Act, which it is most desirable to have so that the policing of premises may be made in connection with hygiene, sanitation, working conditions, etc. The Bill provides also that margarine shall not be manufactured except under license. The license is a permit to manufacture and im-

plies that the premises used as a factory have been approved. The conditions under which the license is held are endorsed on it, and contravention of any of these conditions gives the Minister power to refuse an application for re-registration. Applications for a renewal of a license shall not be refused by the Minister unless the applicant has been convicted of an offence under the Act during the previous year or has contravened any of the conditions attached to the license. The Bill provides that a license may be granted either for the manufacture of table margarine or for the manufacture of cooking margarine but such margarine shall not be manufactured on the same premises. The reason for this provision is that in the case of cooking margarine it is not proposed to limit the quantity, and if table margarine were manufactured on the same premises there would be considerable difficulty in policing the quantity of each margarine being made. "Cooking" margarine is defined as margarine containing not less than 90 per cent. of fat and not directly competing with butter for table purposes as are other margarines used for domestic purposes. Certain margarines may be sold only under conditions and in such quantities for trade purposes; for instance, to a biscuit and cake manufacturer.

The Bill provides that such margarines may be sold in quantities of not less than 14 lbs. It must be understood that this provision applies only to margarine containing fats in a quantity of between 75 per cent. and 90 per cent. by weight of the total quantity of fat and oil contained in such margarine. Domestic requirements in 1 lb. and ½ lb. quantities will still be available to householders so long as the component parts of the margarine are as specified in the Bill. Provision is made in the Bill for the manufacture of table margarine for export beyond Australia. In this regard it is necessary to obtain a permit before such margarine may be manufactured in excess of the quota, and the quantities of this can be policed through the returns which are required setting out the quantities of various fats which have been purchased and utilised in the manufacture of table margarine. This provision is consistent with the Acts of other States.

There is no intention to restrict the manufacture where there is a market for it outside Australia and there is, at the present time, as I have indicated, a very large market outside Australia. By the means that have been suggested, the quantities manufactured can be policed through the returns which are required and which set out the quantities of the various fats purchased and utilised in the manufacture of table margarine.

Hon. J. Nicholson: Can you indicate where the outside markets are?

The CHIEF SECRETARY: In the Near East, I believe.

Hon. J. M. Macfarlane: In centres where we have to look for markets for butter.

The CHIEF SECRETARY: It is understood that during the last two months no less than 64,000 cases of table margarine have been exported from Australia to the Near East.

Hon. A. Thomson: What was the average price obtained?

The CHIEF SECRETARY: I cannot give that information offhand. The Bill further provides that it is an offence to add butterfat to oils or fats for the manufacture of margarine. This power already exists under the Dairy Industry Act. A proviso has been added, however, which will permit of the use of skim milk as this is sometimes used as an emulsifying agent. The provisions in regard to the sale of table margarine in cube form in 1 lb. or  $\frac{1}{2}$  lb. packets and bearing the words "table margarine" are similar to the existing requirements. At present, such margarine must be branded with the word "margarine." It is now proposed that such branding shall be the words "table margarine." This is not objected to in any way by the manufacturers and it more accurately defines the product. Provision is also made that cooking margarine other than that for export beyond Australia shall be branded with the words "cooking margarine for cooking purposes," and also with the name and address of the manufacturers. Certain provisions are made in the Bill in regard to the sale of margarine in shops, etc., whereby it is required that a sign must be conspicuously displayed indicating that margarine may be purchased. Where margarine is supplied for consumption in hotels, cafes, etc., the

vessel containing such margarine must indicate what it is by having marked thereon the word "margarine."

Hon. T. Moore: Is that not already in the Act?

The CHIEF SECRETARY: Yes, the Dairy Industry Act. There is more than one Act dealing with margarine and we intend to bring all, relating to the manufacture of the product and sale of margarine, within one measure. A further provision in the Bill relates to the maximum quantity of table margarine which may be manufactured in the State and the maximum quantity which may be manufactured by individual licensees. As I have already stated the quantity of table margarine to be manufactured in Australia was agreed upon by the Agricultural Council at 73 tons per week, Western Australia's proportion of this being seven tons per week or 364 tons per annum.

The quantities agreed upon by the various States are as follows:—

			Tons.
New South Wales	..	..	24
Victoria	..	..	23
Queensland	..	..	9
Western Australia	..	..	7
South Australia	..	..	6
Tasmania	..	..	4
Total	..	..	73

Hon. J. M. Macfarlane: Why is the quota for South Australia less than that for this State?

The CHIEF SECRETARY: I understand the quota is based on the consumption of margarine in the various States at the time the agreement was made. Members will observe that the quota for manufacture which has been allotted for Western Australia is seven tons per week, the greater proportion of which, however, has been imported previously from Sydney. It seems desirable, therefore, that any margarine which is consumed in Western Australia should be manufactured locally, although at present approximately only 2 to 2½ tons per week is being produced in this State. There is no intention of restricting our export overseas, but the object of the Bill is to limit the production of table margarine for consumption in this State.

Hon. J. Nicholson: Will not the export of margarine tend to destroy our market overseas for butter?

The CHIEF SECRETARY: It may do so if manufacturers are prepared to go ahead with the export trade. We cannot prevent them from exporting outside Australia. The hon. member knows the many difficulties there are in providing restrictions to that extent. The dairying industry has had many difficulties to surmount before it has been possible to provide a method whereby all the States combined in an effort to protect it. That is the reason for the Bill before the House. This principle has been accepted by the margarine manufacturers and recently, without prejudice, by the dairying industry.

It may be said that many people do not view the competition of margarine from the same angle as that which has been referred to by leaders in the dairying industry. I believe that from time to time there has been a good deal of discussion as to the food value of margarine compared with butter. It cannot be contended that margarine is not a wholesome food, for all the evidence proves it is. Although attempts have been made to disparage margarine and its consumption there is no doubt that great improvements have been effected in recent years in the product itself, so much so that it has become a real danger to the butter industry. As the quality improves the competition will become keener, unless restrictive legislation of this kind is passed. The competition of margarine, therefore, must be regarded from the economic aspect entirely, and the question decided whether an established industry employing many thousands of Australians should be permitted to be ruined by the competition of an article which may be manufactured from substances produced outside Australia under less costly conditions and by the employment of considerably less labour. I understand that very few employees are necessary for the production of margarine. The number of employees required for the production of butter is infinitely greater. Several tons of margarine may be produced every week by one or two hands, but in the manufacture of an equal tonnage of butter, a far larger number of persons would have to be engaged. No words of mine will be necessary to convince members on that point.

Hon. T. Moore: Is margarine imported from outside Australia?

The CHIEF SECRETARY: Not that I know of, but it is imported from the other States. The arguments I have submitted and the statements I have made induced members of the Australian Agricultural Council unanimously to agree to the introduction of legislation in each State limiting the manufacture of margarine to approximately 73 tons per week throughout the Commonwealth. The quota of seven tons for this State is, I understand, based on the local consumption of margarine. If the Bill becomes law, whilst a large quantity of margarine may be manufactured locally, no more than seven tons per week of table margarine can go into consumption. Any excess above that quantity must be produced for export only.

I have given a brief resume of the Bill. I feel sure the subject is of such importance that members will recognise that the time has arrived when we cannot afford any longer to delay in this matter if we desire to protect the dairying industry. Several members have a closer knowledge of the industry than I have, and no doubt all have read the Bill. I have been supplied with a fair amount of information, and should members desire to know more about the clauses of the Bill when in Committee, I shall be in a position to give them the requisite information. The measure provides that an announcement shall be made in the "Government Gazette" not later than the end of November on the quota agreed upon. If the Bill can be dealt with expeditiously, arrangements can be made for that announcement to appear in the "Government Gazette" at the due time. If we delay beyond the end of the month an amendment will have to be moved providing for the making of the announcement at a later date. I do not expect members will delay the measure beyond the requisite time. I move—

That the Bill be now read a second time.

HON. C. F. BAXTER (East) [8.25]: This is not the first time the Department of Agriculture has attempted to control the manufacture of margarine. Members may recall the action taken some years ago, action that unfortunately failed. The Chief Secretary said that the value of margarine as a food cannot too much be discounted. I am inclined to agree with him. It is well

known that the manufacture of margarine has been brought to such a pitch that there is now not a great difference between the value of butter as a food and the first grade of margarine. That is the unfortunate feature of the commodity in question so far as the dairying industry is concerned. Then there is the other aspect of price. The cheapness of margarine is not reflected so much in the retail price as in the cost of manufacture. The product mainly used in the manufacture of this substance is only waste, and comes chiefly from the sources from which glycerine is made. The manufacturers of glycerine can really afford to value the waste product in question at as low a figure as a penny per lb. That will give members an idea of the danger to the dairying industry as well as to the State in general. Some portions of the Bill I do not greatly appreciate. The first thing to which I would refer is the ever-increasing tendency to throw the entire control of everything into ministerial hands and cause everything to become a ministerial responsibility. The Dairy Products Marketing Board is a very useful tribunal, one that is carrying out its duties in a highly efficient manner. All members appreciate the good work that has been done. Why should that body not control a measure of this kind? Surely it is in a better position to do so than would be the Minister, who would naturally make use of the officers of the department. As an ex-Minister for Agriculture, I know that the officers of the department already have a heavy load to carry, and have carried it for many years in the discharge of their duties. Every man must work to his maximum. These officers have performed wonderful service to the State under conditions that should never have been allowed. I refer to the accommodation.

Hon. A. Thomson: It is shocking.

Hon. C. F. BAXTER: It can hardly be called accommodation. How they carry out such wonderful work under those conditions, I do not know. This measure will heap upon their shoulders still greater responsibilities. That should not be permitted. The matter is one more particularly for the Dairy Products Marketing Board, to deal with, especially when it is a question of issuing licenses. Neither the Minister nor his officers should be taken into the maze

of dealing with licenses, which is both troublesome and obnoxious. That should not be one of the duties of the Minister. He should not have to decide whether licenses should be issued to certain people. All kinds of troubles must arise in connection with a matter of that kind, and they should be dealt with by the board to which I have referred. All this has been brought about by what has occurred in connection with the margarine business within the Commonwealth. The Chief Secretary said that Western Australia's quota would be seven tons per week. That is based on the local consumption. He has rightly stated that up to now that quantity has not been manufactured in this State. That would naturally make people think that there were difficulties regarding manufacture and that there was no inducement for an increased output. As a matter of fact, the market provided all the inducement that could be required. As the Chief Secretary rightly said, margarine is cheaply and easily manufactured and is most profitable. The trouble has been to procure the necessary raw materials for the manufacture of margarine. That is where the Australian combine proceeded seriously to work and hampered the efforts of anyone who attempted to produce margarine in Western Australia. Several have attempted to do so, the latest being Kaselys. Very soon that firm found itself up against a brick wall. Lever Bros. were supplying them with raw materials, but wrote to Kaselys saying that, under an agreement that had been arrived at, no further supplies would be forthcoming—and Kaselys was cut off from the necessary raw materials. The local firm had to import the required supplies from England and only then when the Meadow Lea Co. of New South Wales found that it was being defeated, did that concern enter into an agreement whereby Kaselys was able to manufacture a small quantity of margarine. I do not think there would have been any agreement between the States had not the combine been induced to see the advantage to be gained from the control of the manufacture of margarine throughout the Commonwealth. The Victorian Government attempted to exercise control over it, and went so far as to seize a quantity of margarine that was displayed in shops and destroyed it. The Meadow Lea Co. was not satisfied to be defeated and therefore

adopted the system practised by Rawleighs, who send out travellers with samples that they display from door to door. Accordingly, the combine sent out travellers from door to door and supplied the people with their requirements. Naturally the Victorian Government wished to control margarine in order to protect the dairying industry. The task was too great to be controlled by the State Agricultural Department. Eventually the Meadow Lea Co. paid the expenses of representatives of Kaselys who were invited to proceed to the Eastern States to discuss the position. With the advent of the war, Kaselys recognised the difficulties ahead, and arrived at an agreement under which the firm was permitted to manufacture a small quantity in Western Australia, while the Meadow Lea Co. was to have the cream of the position.

Hon. L. Craig: You mean the cream of the margarine trade.

Hon. C. F. BAXTER: Yes. We want our local people to have the benefit of the local trade. While seven tons per week is allowed for Western Australia, the local firm that could manufacture all that is required within the State is only permitted to turn out  $2\frac{1}{2}$  tons of the seven tons allotted to Western Australia. That means that the Meadow Lea Co., which is in the combine and represents one of the worst concerns we have had to compete with, is to get the benefit of  $4\frac{1}{2}$  tons.

Hon. J. M. Macfarlane: The Meadow Lea Co. has had that quota for years.

Hon. C. F. BAXTER: That does not say that the company should have that benefit.

Hon. J. M. Macfarlane: Our Minister allowed that a couple of years ago.

Hon. C. F. BAXTER: How could the Minister grant that quota? He has no legislative authority empowering him to do so.

Hon. J. M. Macfarlane: The quota was granted all the same.

Hon. C. F. BAXTER: How could the Minister for Agriculture grant such a quota? Why should the Meadow Lea Co. have  $4\frac{1}{2}$  tons and the local company only  $2\frac{1}{2}$  tons.

Hon. J. Cornell: Why not ban margarine altogether from this State?

Hon. C. F. BAXTER: The wish may be father to the thought. I would support that course if it were adopted, but I am afraid there would be a reaction.

Hon. W. J. Mann: There was no reaction in Canada.

Hon. C. F. BAXTER: Well, let someone try it; I will support any such move. I am certainly not toadying to anyone.

Hon. J. J. Holmes: If you ban the manufacture of margarine, how could we continue our wonderful export trade in biscuits?

Hon. C. F. BAXTER: When he replies to the debate, the Minister can tell the House what will happen to the biscuit trade, seeing that 90 per cent. of the margarine must comprise edible fats.

Hon. L. Craig: Not for the manufacture of biscuits.

Hon. C. F. BAXTER: I am speaking about cooking margarine.

Hon. L. Craig: You read the Bill!

Hon. C. F. BAXTER: The definition of cooking margarine sets out that it must contain 90 per cent. of edible fat.

Hon. L. Craig: Read further on.

Hon. C. F. BAXTER: There is nothing else on the point.

Hon. L. Craig: You will find in Clause 26 a reference to 75 to 90 per cent.

Hon. C. F. BAXTER: I have been dealing with the definition of cooking margarine. I agree that 75 per cent. would be nearer the mark. I object strongly to the Meadow Lea Co. having the privilege of supplying  $4\frac{1}{2}$  tons in Western Australia out of the 7 tons allotted to the State. To pacify the local manufacturer, the company has intimated that it can sell one of its  $4\frac{1}{2}$  tons per week. Only since it recognised that its trade was threatened by the local concern did the Meadow Lea Co. establish a small plant for the manufacture of margarine in Western Australia. However, the Meadow Lea Co. has secured the lion's share of the local output, while the local firm, which is operating with local capital, is allowed to manufacture only  $2\frac{1}{2}$  tons. Certainly the allocation should be on a fifty-fifty basis. If the arrangement has been that Kaselys shall have  $2\frac{1}{2}$  tons as against the Meadow Lea Co.'s  $4\frac{1}{2}$  tons, surely that arrangement can be altered. Reason should prevail and our local firm should receive fair treatment.

Hon. L. Craig: Where would it procure its raw materials?

Hon. C. F. BAXTER: From Lever Bros., although I admit that concern has stood solidly behind the Meadow Lea Co. We as

a Parliament, and the Government as the Government of Western Australia should not allow the present conditions to continue. The first thing the Government should do is to see that the trade of Western Australia is largely in the hands of local manufacturers. The Bill is important from the dairying industry standpoint, and I congratulate the officers of the Agricultural Department upon the pertinacity displayed in pursuing this objective. I hope their efforts will be rewarded by the passing of the Bill in a form that will be easily administered and that we shall thus secure control over the output of a commodity that bids fair to do great injury to the dairying industry, which is playing such an important part in the development of the State.

**HON. L. CRAIG** (South-West) [8.41]: I shall support the second reading of the Bill. My political existence partly depends on the support I accord legislation of this description. I can imagine what my constituents would say if I were to oppose it. Before dealing with the subject matter of the Bill, I desire to congratulate whoever was responsible for its drafting. It is the most easily read measure I have perused. Even I can understand its provisions without having to ask anyone what they mean.

**Hon. W. J. Mann**: The Bill has been largely copied from the Victorian legislation.

**Hon. L. CRAIG**: That may be so, but it is most readable and easily understood.

**Hon. J. Cornell**: You have not yet heard the legal fraternity on it.

**Hon. L. CRAIG**: That is so, but I think that even the lawyers in this House will agree with me in my remarks.

**Hon. J. Cornell**: That may be correct for once.

**Hon. L. CRAIG**: I wish those who are responsible for the drafting of our legislation would take a lesson from the Bill under discussion. If that were done, we laymen would be able to arrive at a better interpretation of Bills than is usually possible. The reason for the introduction of the Bill is obvious. Danger menaces the dairying industry, which is one of the most important in Australia.

**Hon. A. Thomson**: Certainly it is most important to Western Australia.

**Hon. L. CRAIG**: Yes, particularly is it of importance in this State where the industry is in its developmental stages. The Bill is designed essentially to protect the dairying industry. Travelling to the city by train yesterday morning after a hot week end in the country—my allusion, Mr. President, is to the weather—I was more pleased with the pastoral prospects I observed than with anything else I have seen for years past. Along the whole line almost from Bunbury to Perth it was a hive of industry. There were trainloads of potatoes and at many sidings were people loading trucks with potatoes. In many of the fields were mowing machines engaged in cutting hay. Around Harvey and Wokalup irrigation work was in hand. As I passed this busy scene, I said to myself, "Woe to anybody who would interfere with this industry! What a tragedy it would be if any commodity should destroy our wonderful dairying industry!" I know of no section of the community happier, healthier, better off or more contented than the people along the south-western line engaged in dairying in a small way. Wherever I looked the stock was fat and people were busy.

**Hon. E. H. H. Hall**: They are getting a decent price for butterfat.

**Hon. L. CRAIG**: Never mind the price. Several members interjected.

**The PRESIDENT**: Order! I desire the hon. member to proceed with his discussion of the Bill.

**Hon. L. CRAIG**: I was getting myself into the right frame of mind to explain the importance of the dairying industry. My idea was purely to get my conscience in the right mood to withstand the reading of some of the clauses of this Bill. I am afraid some of the clauses are likely to trick the conscience, provided one has a conscience. The Bill certainly seeks to break down many established principles. I am not sure whether future generations will not say that the first step towards the breaking-down of democracy was the introduction of the Margarine Bill. It represents almost an entry upon national-social legislation under which extreme powers are given to one person and are gladly given by the community. This Bill proposes to give unlimited power to the Minister for Agriculture. Actually the Bill opens with an apology. It says—

This Act shall be construed subject to the Commonwealth of Australia Constitution Act, and so as not to exceed the legislative power

of the State, to the intent that, if any provision hereof would, apart from this section, be construed as being in excess of that power, it shall nevertheless be a valid enactment to the extent to which it is not in excess of that power.

That is an example of very pretty phraseology. Boiled down, it means that this measure is legal so far as it is not illegal.

Hon. C. F. Baxter: What have you to say about the drafting now?

Hon. L. CRAIG: Even I can understand that. The point I wish to make is that the dairy farmers of this State should not be encouraged to live in a fool's paradise. They should not be permitted to assume that, unless their industry is threatened, they have a right to legislation of this sort. The dairy farmers of this State should be informed of the danger threatening their industry and of the difficulties that have to be overcome to secure the passing of legislation of this kind in all the States. Let them know the danger threatening their industry by this commodity, margarine, which is certainly an excellent commodity. They should be told that unless the dairying industry can produce a first-class commodity—butter of really choice quality—there is a grave danger of its being seriously interfered with, if not collapsing, through the competition of a commodity that might greatly reduce the price of butter. We had the statement of the Minister of what has happened in England, where the consumption of butter has declined by 5,000 tons a week. The consumption has really fallen below the wartime restriction rate, not because people could not get butter, but because they were satisfied to buy margarine, which was cheaper and, to all intents and purposes, almost as good. Our dairy farmers should be told that if a good commodity is threatening their industry, they must look to their laurels and produce a choice commodity. I have surmounted the preliminary part of the Bill, which might mean nothing, and have pointed out the danger that threatens the dairying industry. I have been told that this is a gentlemen's agreement, but the difficulty is to define a gentleman, and so the agreement might break down.

Hon. J. Cornell: What about the members representing the South-West part of the State?

Hon. L. CRAIG: They do not come into it; I think this is an agreement between the manufacturers of margarine, who may at any time, if they are not gentlemen, break down the agreement. Clause 6 contains a series of definitions. Apparently there are two kinds of margarine—one, cooking margarine, and the other table margarine.

Hon. T. Moore: There are three kinds.

Hon. L. CRAIG: Evidently there are two main kinds. One, cooking, must contain at least 90 per cent. of animal fats. The manufacture of this margarine is an Australian industry. I have been told by a member of the Meat Board that because margarine is manufactured in the Eastern States and scarcely at all in Western Australia, lambs have a higher value there because the fat is used in the manufacture of margarine. Therefore it is evident that if we interfere with one industry, we shall probably interfere in some respect with another important industry. However, cooking margarine must contain 90 per cent. of animal fat. Other margarine is defined as any solid or semi-solid substance capable of being used as a substitute for butter, whether for cooking or eating purposes or both, and manufactured wholly or mainly from one or more fats or oils or a combination of one or more fats and oils, but it does not include dripping or lard.

Now I come to Part II. of the Bill dealing with administration. This measure is to be administered by the Minister for Agriculture. An important person is the Minister for Agriculture. He is to be given unlimited powers to say almost that one shall die and another shall live without any appeal from his decision. When it comes to the matter of penalties, the Fisheries Bill we were discussing this afternoon is a chicken compared to this measure. On that Bill members spoke about a £5 fine, but this measure provides for penalties of £50 and £100. Somebody does something regarding margarine and finds himself liable to a penalty of £100. Clause 8 provides that every inspector under the Dairy Industry Act shall, by virtue of his office as such inspector, be an inspector under this measure. This means that every dairy industry inspector will automatically be an inspector under this legislation. I assume that the dairy farmers pay for the inspectors under the Dairy Industry Act. According



to Clause 37, any moneys required to defray the cost of administering this measure shall be paid out of money appropriated by Parliament for the purpose, notwithstanding the earlier provision that inspectors under the Dairy Industry Act and paid by the industry will be inspectors under this law. That seems to be rather ambiguous. I point out that the Minister for Agriculture may, off his own bat, appoint as many inspectors under this measure as he thinks fit. He will have a free hand.

Hon. J. M. Macfarlane: And could not do so under the Dairy Industry Act.

Hon. L. CRAIG: I am not sure of that, but I think he could. Clause 38 provides that the Governor may make regulations. This is one of the few instances where the Governor comes into it. The Governor may appoint an analyst or declare anyone not to be an analyst.

Hon. J. Cornell: That sounds contradictory.

Hon. L. CRAIG: A man might be disliked and be declared not to be an analyst. Inspectors will be appointed, who might be anybody, and the most extensive powers are to be given them. According to Clause 9, an ordinary inspector may enter any factory and say, "I do not like the machine you are using; throw it out." There would be no appeal, and the man who did not discard such a machine or clean up his apparatus as required by the inspector would be subject to a penalty of £50.

Hon. E. H. H. Hall: No ordinary inspector would do a thing like that.

Hon. L. CRAIG: But an inspector appointed under this measure might be incompetent and might act in that way. I repeat that extraordinary powers are proposed to be conferred under the Bill. Apparently there is no trust in the margarine industry; a man will not be trusted to do anything. For instance, one may not have a factory manufacturing table margarine anywhere near a factory manufacturing cooking margarine, presumably because some of the animal fat might get amongst the vegetable fat. Nor may a margarine factory be established within a hundred yards of a dairy factory lest some of the milk might get in there. I cannot see how that provision could be policed even if such factories were

a hundred yards apart. I am not opposed to the Bill, but I feel bound to point out some of the anomalies or dangers.

Hon. J. J. Holmes: Even you can understand them.

Hon. L. CRAIG: Quite so. I have marked all the penalties set out in the Bill and I find £50, £50, £100, £100, and so forth. Why, if a man committed a breach of all the provisions, he would need to be a millionaire to pay all the fines.

Hon. C. F. Baxter: You are not thinking of manufacturing margarine, are you?

Hon. L. CRAIG: Clause 14 sets out that no person shall manufacture margarine unless he holds a license, or use any premises other than those specified in his license, or act in contravention of any term or condition of a license held by him.

Hon. A. Thomson: That applies to the dairying industry.

Hon. L. CRAIG: It means that the Minister may impose any conditions he likes. I admit that under the Health Act the Minister is empowered to do all sorts of things.

Hon. A. Thomson: The powers are practically the same.

Hon. L. CRAIG: The Minister will be empowered to say that one shall do so and so.

Hon. J. Cornell: The law says that hotels shall not be open on Sunday but they are.

Hon. C. B. Williams: Where?

Hon. A. Thomson: The law says there shall be no starting-price betting, but there is.

Hon. L. CRAIG: Anyone who commits a breach of the provision relating to the premises used for manufacturing margarine will be liable to a penalty of £100. There is no Fisheries Bill penalty of £5 there.

The PRESIDENT: Order! I think the details of the Bill might well be left until the Committee stage is reached.

Hon. L. CRAIG: I am not discussing the details of the Bill, but am pointing out peculiarities and anomalies and indicating the extraordinary difficulty that will attend the administration of the measure. My object has been to contrast various clauses and not deal with them individually. Clause 22 stipulates the conditions in the event of the death of the holder of a license. These provisions suggest to me that monopolies for the manufacture of mar-

garine have already been agreed upon. If the holder of a license dies, his representative shall carry on as if the holder were alive. That is all right; there is nothing wrong with that. Further, he shall be entitled to renew the license and transfer it, and all rights in respect thereof, to any other person—and not subject to the consent of the Minister. This means that the people who hold licenses shall have almost inalienable rights. A license may, with the consent of the Minister, be transferred; and the Minister shall not capriciously withhold his consent to the transfer. I have looked up the meaning of "capricious." It means "full of or subject to or characterised by caprice." I can imagine someone ringing up the secretary to the Minister and asking, "Is the Minister capricious this morning?" "Capricious" further means "guided by whim or fancy rather than by judgment," "whimsical." So if the Minister is in whimsical mood and one wants to transfer a license, one has to be very careful then. Can one imagine any Minister ever admitting that he was in a capricious mood when he refused to permit the transfer of a license?

Hon. C. F. Baxter: You are tearing the Bill to pieces.

Hon. L. CRAIG: Another extraordinary power conferred upon the Minister is that the Minister of his own authority can decide how much margarine shall be manufactured in Western Australia. I am not objecting to the Bill, but am supporting it. Still, many things included in it would have caused us to hold up our hands in horror were they embodied in an industrial Bill. This is almost a German measure in that respect.

Hon. J. Nicholson: And these are arguments which you advance in favour of the Bill!

Hon. L. CRAIG: No. I say that here the end justifies the means. The dairy industry is so dreadfully important that we will agree to such things on that account. I am not apologising for the Bill. I am prepared to go among the dairying people and say, "Your industry is so important that we will agree to such things for the sake of preserving it." However, one need not shut one's eyes and blindly say, "Aye." The Minister, again, may fix the maximum quantity of table margarine to be manufactured during the currency of a license—yet another extraordinary power. He may fix

maximum quantities over the whole license, or over a week or a month. I have heard that the explanation is that the measure is so hard to police. Special permission may be given by the Minister to manufacture another kind of margarine containing between 75 and 90 per cent. of animal fat, to be used by biscuit manufacturers. I understand that such margarine is consistent in point of quality. However, it is to be made only in fixed quantities—lumps of 14 lbs. Further it is to be sold only to specified persons. Is not that an extraordinary power?

Hon. J. Cornell: That is an aristocratic clause.

Hon. L. CRAIG: That particular kind of margarine shall be sold only to specified persons and only in lumps of 14 lbs. I guess that biscuit manufacturers will be satisfied.

Hon. J. M. Macfarlane: That is the practice now.

Hon. L. CRAIG: It shall not be made in lumps of 13 lbs. or 15 lbs., but only in lumps of 14 lbs. No person shall manufacture or sell, or have in his possession for sale, any margarine containing any butter fat. Margarine shall not be made first-grade by putting butter into it. I understand there is always a certain percentage of butter in skim milk.

Hon. A. Thomson: Is not that provision just?

Hon. L. CRAIG: I quite agree with it, but the power is extraordinary nevertheless.

The Honorary Minister: Such margarine could be sold as butter.

Hon. L. CRAIG: The public is to be protected against butter being put into margarine? Now the Honorary Minister is trying to be capricious. Yet another extraordinary power is that a person wanting to make margarine for export beyond Australia must get permission. The Minister may give that permission. I would not think it necessary to get permission in order to make a first-class commodity for export overseas. However, I am all for that provision. It does not refer to quality, or so I infer. I would go along to the Minister and say, "Mr. Minister, if you are not in a capricious mood, I would like to make some margarine for export to Victoria."

The Honorary Minister: It would be confiscated when it got there.

The PRESIDENT: Order! All these references had better take place in Committee. The hon. member is provoking a discussion which should take place in Committee on the particular clauses.

Hon. J. J. Holmes: Will the hon. member tell us why he is supporting the Bill?

Hon. L. CRAIG: I stated that at the beginning—because of the extreme necessity for protecting a highly important industry, an industry which I hope in this State will never go back. It holds out the biggest prospect of a large industry in a portion of the State with an assured rainfall and a temperate climate. But that does not mean that I should shut my eyes and say, "I approve of the principles of the Bill." The principles are forced upon us, and I do not see how that can be avoided. In this Bill we are going to agree to things which we would not have agreed to five or six years ago.

HON. SIR HAL COLEBATCH (Metropolitan) [9.12]: I do not intend to go into the details of the Bill, but there are a few observations I should like to make. I understand that the relative food values of margarine and butter are still subject to dispute, but my own feeling is that a community raised on butter will be healthier than a community raised on margarine; and I believe that is in accordance with the most authoritative opinion, although I know it is still subject to controversy. I shall support the Bill, but will it achieve its purpose? Its intention is to afford a measure of protection to a highly valuable industry against undue competition by a cheaper competitor. We have to remember that nothing that we can do will in any way limit the consumption of margarine in other countries of the world. Therefore the passing of the Bill will not, to my mind, solve the problem or go anywhere near to solving it. During the depression, when prices of commodities went down very low, the consumption of butter in England practically doubled and the consumption of margarine there decreased in like proportion. What was the reason? That butter was cheap. Many big and small dealers in the Old Country have told me that there was a distinct point, "Up to this price, butter." Let butter go above that price to the

extent of 1d. or 2d. a lb., and a large section of the consumers switched off to margarine.

Hon. A. Thomson: What was the price?

Hon. Sir HAL COLEBATCH: I do not remember exactly. It would vary a little. Prices generally went up and down. But that is really the point: cheap butter will beat margarine; dear butter cannot compete against margarine. After the war is over, that condition of affairs will continue, and the future of this great butter industry in Australia will not depend to any large extent—in fact, I will go so far as to say it will not depend at all—on the measure by which we restrict the manufacture and consumption of margarine in Australia, but will depend entirely on the size of our market in the outside world; and the size of that market will depend entirely on the prices at which the butter can be made and sold. That will be the future. I do not think the Australian consuming public, the city public, grumbles much at having to pay a higher price for butter than would otherwise be the case, in order that it can be sold more cheaply in outside markets. One does not hear people grumbling much about that. They all know that they pay more for butter than would be necessary if a uniform price were obtained all round. They know the butter has been sold in other countries for less than the cost of production and that consequently there must be a saddling of the local consumption price. Whilst people do not complain a great deal about that, there is to my mind an element of unreason in it. I do not believe that it can in the long run prosper any community to be selling its products overseas at less than they cost to produce. Those engaged in the particular industry may profit from the local consumers; but so far as Australia is concerned, we shall never grow richer or more prosperous by selling our products in other parts of the world for less than they cost to produce. For that reason, I say this Bill only touches the fringe of the real problem; and if the butter industry is to continue to prosper and expand, it can only be by bringing down the cost of production and taking advantage of all those natural qualities that we have in Australia and that should enable us to produce more cheaply perhaps than can people in any other country. If we do that, then we can compete in markets anywhere. If

we do not, if we allow this and other primary industries to be saddled with all sorts of extraneous burdens cast upon them by legislation, either State or Commonwealth, then I am quite sure that Bills of this kind are not going to save the great butter industry of Australia from collapse.

On motion by Hon. H. L. Roche, debate adjourned.

## **BILL—TRAMWAYS PURCHASE ACT AMENDMENT.**

### *Second Reading.*

Debate resumed from the 13th November.

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West—in reply) [9.18]: I am sure members were interested the other evening when Sir Hal Colebatch and Mr. Cornell made a contribution to the discussion on this Bill. Most of us realise that more than usual interest was displayed in the remarks of those hon. members because of the fact that some 28 years ago they both took an active part in the debate on the first Bill introduced into this Chamber dealing with the question of the purchase of the tramways. One can well imagine that both those hon. members felt a certain amount of pleasure in recalling what took place at that time. If either of those hon. members was quite as accurate as "Hansard" would seem to indicate, one could excuse them for having perhaps gone a little astray from the actual facts of the case. It is interesting to note that to-day five members of this Chamber were members of it in 1912 and that each of them took a fairly active part in the discussion that year. The remarks made by Sir Hal Colebatch prompted me to look up the discussion of 1912, because I had an idea that when I introduced a similar Bill last session I gained the impression from a perusal of that debate that certain facts did not coincide with the statement made by Sir Hal Colebatch. I find my impression was correct. While that is of no importance at the moment, it is desirable that I should give an outline of what actually took place and draw attention to one mistake that was made, a mistake I consider to be most important. Mr. Drew was in charge of the Bill on that occasion and advanced, on behalf of the Government, as strong a case as it was possible to put forward for a Bill

of the kind. When introducing the Bill, he remarked that the agreements and the provisional orders, all of which were mentioned in the Bill, would baffle the ingenuity of experts to boil them down into a convenient form, because they occupied, he said, 450 pages of closely printed and typewritten matter. Accepting that statement as correct, one can quite well understand how difficult it would be for an ordinary member to try, in the limited time at his disposal, to grasp everything contained in those agreements and provisional orders. It is no wonder that Mr. Drew stressed the fact that there would have been legal complications, and serious legal complications, in the way of the City of Perth obtaining at that time control of the tramways. Those difficulties arose from the fact that other municipalities were then involved, all of which had separate agreements with the tramway company. I do not desire to quote at great length what was said by those members, but I think I should give one or two quotations. Mr. Drew said—

All the local authorities support nationalisation with one exception, and that is the Perth City Council, and those who did agree to support it, did so before they discovered what price the Government were prepared to pay. That I think clearly shows that the municipalities directly desire that the system should be nationalised. I have been asked to make it plain that unless the Government can purchase without being burdened with the obligations which surround reversionary rights, they will not purchase at all. The statement is not made by way of a threat, but with the object of defending the position.

That indicates clearly, as I said when introducing the Bill, that the Government of the day was not prepared to purchase the tramways from the tramway company if the Government were to be bound in the way some members of this House intimated the Government should be bound. As members are aware, there was a determined effort made to defeat the Bill. Sir Hal Colebatch moved that it be "read this day six months." A long debate ensued on that motion, during the course of which many statements were made that to me, at the present time, looking at the matter in retrospect, as was suggested by Mr. Cornell, seems remarkable. Sir Hal Colebatch himself said—

I will go further and say that I cannot see how anyone can consistently support the confiscation of the reversionary rights without also

taking the view that the 3 per cent. is merely a dole to which the metropolitan municipalities are no more entitled than other bodies in different parts of the State.

Hon. J. Cornell: That is the whole argument.

The CHIEF SECRETARY: I wonder how Sir Hal Colebatch can reconcile that statement with the argument he put up on this occasion.

Hon. L. Craig: It was fresh in his memory then, too.

The CHIEF SECRETARY: I have no doubt the hon. member was sincere in his argument that municipalisation is far better than is nationalisation. I cannot find fault with the hon. member for holding that view. I believe in municipalisation myself; but members will recall that on this occasion, when referring to the retention of the payment of the 3 per cent. to the city council, Sir Hal Colebatch contended that it was a right.

Hon. J. Nicholson: Had you been in the House in 1912 you would have supported the rejection of the Bill.

The CHIEF SECRETARY: No. The hon. member contended that the Government was confiscating something to which the City Council was entitled in perpetuity. As in 1912, although he was opposing the Bill, he was prepared to admit that the Perth City Council was no more entitled to the 3 per cent. than were the other municipalities throughout the State.

Hon. J. J. Holmes: That was 28 years ago. He has lived and learnt.

The CHIEF SECRETARY: As I say, I thought it advisable to draw attention to one or two matters which occurred at that time. To show that the atmosphere then was somewhat different from what we have been told by one or two members during the discussion on this Bill, it is just as well to quote what other members said. The Hon. A. Sanderson, whom many members will recall very well, said—

Personally, if I had my way in the matter, and were not representing a large province with conflicting and complex interests, as well as trying, to a certain extent, to look after the interests of the State as a whole, I would be strongly in favour of leaving the position as it is to-day, with the property in the hands of a private company; but I recognise that the champions of private enterprise will perhaps do most for that cause at the present juncture by

saying very little about it. I am pledged to support this, because the municipalities in the suburban district have asked me to support it.

That is just another indication, Mr. President, that the people who live in what is now known as the greater metropolitan area were absolutely in favour of the Government's proposals. Mr. Cornell said—

... I have taken a considerable amount of interest in the matter, and though members in another place representing adult suffrage in the metropolitan area have fought for certain alterations in the Bill, it has come forth from that House with a mandate, and so far as the principle of nationalisation is concerned, it had almost the unanimous support of that Chamber and of the representatives of Perth and the surrounding districts. As a consequence, I think members, when the issue comes, should give some consideration to the thoughts of members of the Legislative Assembly.

Hon. D. G. Gawler: That is the support of one party.

Hon. J. Cornell: The principle of nationalisation has the support of both parties.

As a result of my light reading over the week-end I find that that is quite correct. Almost every member in another place, no matter to what party he belonged, supported the nationalisation of the Perth Tramways. The debate was most interesting and some of the speeches were delightful. I have no doubt that at that particular time the debate was of such a character that the members of this Chamber at any rate certainly had a good deal to interest them while one or two of the more prominent members were speaking. Our President does not often have an opportunity to make an address in this House, but I think that perhaps he excelled himself on that occasion. He opposed Sir Hal Colebatch just as strongly as Sir Hal opposed the Bill. This is what he said—

... I sympathise with what was said by Mr. Cornell regarding the general tone of Mr. Colebatch's speech as well as the tone of the speeches in this debate and in other debates in this House, and in regard to the attitude of opposition or bias towards the present Government. I can only regret that my friend Mr. Colebatch seems to be suffering from the prevailing malady in certain classes of this community, a malady that I might characterise as "labourphobia." There are certain men who are to be met in Western Australia, men in the professional and commercial classes, and the mere fact that a Labour Government propose a certain reform is quite sufficient to ensure its condemnation from them. ...

That Sir John Kirwan should have made remarks of that kind is sufficient indication that there was a good deal of interest taken

in the subject. I am wondering whether there has been much alteration in the attitude of some sections of the community to-day. Sometimes it appears to me that the same conditions prevail; that no matter what measure is introduced, the very fact that it is introduced by a Labour Government is sufficient to provoke one or two members of this House at any rate into strong opposition.

Hon. T. Moore: To look for the nigger in the wood pile.

The CHIEF SECRETARY: I think the niggers in the wood pile have been discovered and discarded long since. Sir John Kirwan also remarked on that occasion—

To hear the speeches made in this House one would imagine that the country generally was in a state of indignation at the proposal of the Government. I have not heard any outcry in Perth or any other part of this State concerning the proposal of the Government. What do we find when we examine the actual facts? That the Perth papers, so far as I know, are unanimously in favour of this proposal, and surely that should be taken into account as an expression of public opinion. Not only that, but we find that all the local governing bodies, with the exception of the Perth City Council, are asking the Government to carry out this proposal. When hon. members come here and repeat that a great wrong is being done, surely if the Government were doing wrong and embarking on an enterprise attendant with risk, we should hear of public meetings being held.

There again we have further proof that at that particular time the general atmosphere of the whole metropolitan area was in favour of the proposal, but this House, as we know, was not prepared to let the Government purchase these trams without that qualification, which was a recommendation of the select committee appointed by the Chamber, namely that 3 per cent. of the revenue from the trams should be paid to the Perth City Council until the year 1939 and thereafter until Parliament otherwise decided.

Hon. J. J. Holmes: You are not the first Minister who has picked out the titbits from "Hansard" to suit a purpose.

The CHIEF SECRETARY: I am not picking out the titbits to suit a purpose: I am picking out what I think will be an indication to members of this House of what the actual position was at that time. We were told by Sir Hal Colebatch that he led the fight against the measure on that occasion and that the division on the motion for the second reading of the Bill was very close. As a matter of fact, the second read-

ing was agreed to by 17 votes to seven, so that was not very close. When it came to a question of determining what suggestions should be made to another place in regard to amending the Bill, with one exception—when, I think, there was a majority of three—the divisions were very definite. I do not think any were what might be termed close. Mr. Drew, in his reply to the debate on that occasion, had something to say with regard to statements made in the course of the debate and more particularly in regard to what was said by Sir Hal Colebatch. Mr. Drew said—

One could have expected that when the hon. member submitted an amendment which means the rejection of the measure he would support the action he had adopted in some substantial way. We could have expected that he would supply the House with some incontrovertible facts and sound arguments in justification of the course he had decided to adopt. But what do we find? A gaudy display of rhetoric, but nothing that is calculated to influence an unbiased mind. His speech was charged with political venom and teeming with the promptings of political partisanship, and all through the hon. member made an endeavour to appeal to party prejudices. The essence of his diatribe was that he was opposed to nationalisation because a Labour Government are in power in Western Australia.

Hon. J. Cornell: "Them were the days."

The CHIEF SECRETARY: That is the thought that went through my mind. There must have been a good deal of interest in this Chamber at that time.

Hon. J. Cornell: It was worth while being here then.

The CHIEF SECRETARY: While the atmosphere might have been electrical, because they were dealing with the subject of electricity—

Hon. J. Nicholson: It had not been developed then.

Hon. G. Fraser: It had been generated, though.

The CHIEF SECRETARY: The debate indicates that notwithstanding the strong opposition that was levelled against the Bill, this House did agree that until 1939 it was only fair that 3 per cent. should be paid.

Hon. J. J. Holmes: That is not disputed.

The CHIEF SECRETARY: The House said, "We will let a future Parliament decide whether there shall be a continuance of the payment of that amount or not." But to my way of thinking that was only a compromise. The Government was pre-

pared to compromise because it felt sure that the House would not agree to the original proposal, and it was ready to accept the compromise rather than drop the measure altogether.

Hon. H. Tuckey: None of the tramway property is rateable, I take it?

The CHIEF SECRETARY: That is so.

Hon. J. Cornell: No other Government property is rateable.

Hon. J. Nicholson: So long as the company had it, it was rateable.

The CHIEF SECRETARY: All that took place 28 years ago, and I was prompted to refer to it only because I was interested in the remarks made by Sir Hal Colebatch. I could not quite believe one or two of the things he said, so I went to the trouble of looking the matter up because it is just as well we should have an accurate view of the position at that time. When dealing with the question of the electricity supply for the City of Perth, Sir Hal endeavoured to make a strong point of the fact that an agreement was entered into between the Perth City Council and the Government which was signed and, in his own words, sealed by the Executive Council, and that the Government of the day, in the absence of the Premier overseas, repudiated that agreement. I thought it was strange that the Government of the day should enter into an agreement and have it confirmed by Executive Council and should then repudiate it.

Hon. J. Nicholson: The hon. member did not say that; he indicated it was a preliminary agreement.

The CHIEF SECRETARY: No, the hon. member repeated his statement three times. This is what he said—

A condition of that sale was that electrical current should be supplied to the council by the Government at 0.75d. per unit, not for fifty years but in perpetuity.

Hon. J. Cornell: The City Council did not ask for much!

Hon. Sir. Hal Colebatch: And that agreement, arrived at in conference between the municipal and State authorities, was signed by the Premier of the day and sealed by Executive Council. The Premier left the State on a visit to England and the Continent and, during his absence, the detailed agreement was submitted to the City Council for signature. The detailed agreement provided for the sale of current to the City Council at 0.75d. per unit

for 21 years. The mayor and councillors waited on the Government but the Government refused to make any alteration, in spite of the fact that it was repudiating the signature of the Premier and the seal of the Executive Council. . . . I should like them (hon. members) to understand that the City Council parted with what has proved to be a very valuable concern, and that the fifty years period represents something less than the conditions on which the City Council agreed to sell, conditions which were signed by the Premier of the day and sealed by the Executive Council.

Hon. J. Cornell: He said it all right.

The CHIEF SECRETARY: He referred to it three times. I thought that was rather strange, if it was correct, so I caused inquiries to be made. I find there is no trace of any Executive Council minute at that time, and certainly there is no record of any minute from 1st November, 1912, to the 30th June, 1913, that covering the period mentioned by the hon. member. The Premier at the time left the State in January, 1913, and returned late in April or early in May of that year. I am advised that there was no necessity for any such agreement to be dealt with by Executive Council. So much for the hon. member's statement. I have here an extract from the "West Australian" of the 25th November, 1913. It is a statement made by the then Mayor of Perth, Mr. J. H. Prowse, and is his annual review of municipal affairs. The mayor said—

Possibly the most important act of the council during the past 12 months has been the completion of an agreement with the State Government for the supply of electricity to the council for the next 50 years. This agreement carries with it the abolition of the council's three electric stations as the large central power station now being erected by the Government will generate the whole of the electricity required by the Government and the council. This is undoubtedly a step in the right direction, as apparently experts agree that the day of small power stations is finished and economy can best be achieved by the centralisation of generating plants.

The mayor also set out the conditions that appear in the agreement, No. 5 of which reads—

The agreement to confirm the perpetual trading rights of the council within a radius of five miles from the General Post Office.

That is the only part of the agreement where the term "perpetual" is mentioned, and that deals with the trading rights of the council.

Hon. J. M. Macfarlane: That has to do with electricity and supply; not with the 3 per cents.

The CHIEF SECRETARY: Yes. I am referring to what the hon. member said when he was speaking on the Bill, and when he was referring, as I was, to the association of electricity supply with the Perth tramways. The mayor went on to say—

Unfortunately before the agreement could be put into legal form the Premier left the State for London.

The hon. member told us that the agreement was put into legal form, signed and sealed by Executive Council.

This fact has been responsible for considerable delay in completing the agreement between the parties. However, I am glad to say that after protracted negotiations both during the absence of the Premier and subsequent to his return, the agreement was signed by the Premier and the mayor on behalf of the Government and the council, respectively, on October 16th. It contained some modifications to the agreement arrived at in December last, namely, the term has been limited to 50 years and it is further provided that if the council does not supply the local authorities within the five-mile radius with current at a price to be mutually agreed upon, or in default fixed by arbitration, the Government may then supply such local authorities but not otherwise. It must also be noticed that the agreement is subject to confirmation by Parliament, and I hope no undue delay will be allowed to occur in passing it through the House. It is desirable, both for the Government and the council, that they should avail themselves of the economy which, I understand, can be effected by amalgamation.

Hon. J. Nicholson: That shows that an agreement had been arrived at earlier in December.

Hon. J. Cornell: Not at all.

The CHIEF SECRETARY: Nothing of the kind. It shows that negotiations had been going on for a period, but that nothing had been completed when the Premier left, other than an outline of the proposed agreement.

Hon. J. Nicholson: It speaks of modifications having been arrived at.

The CHIEF SECRETARY: It shows conclusively that the agreement referred to by the hon. member was not, as he put it, sealed by Executive Council.

Hon. J. Cornell: It also demonstrates that Parliament had to approve of the agreement, not Executive Council.

The CHIEF SECRETARY: Of course it does.

Hon. J. Nicholson: These details of over 20 years ago are neither here nor there.

The CHIEF SECRETARY: If that is so, I am prepared to leave the matter where it is. When we have statements of that kind, and they are not strictly in accordance with facts, the attention of the House should be drawn to them.

I wish to refer to another matter raised by Sir Hal Colebatch in the course of his remarks. In his argument to support municipalisation against nationalisation, he referred to the one outstanding example being the Fremantle Tramways and Electric Lighting Board. He spoke of the wonderful work done by that board since it first had charge of that system in Fremantle. I am not going to object to his eulogies of the board, nor to his references to what has been accomplished. No doubt the board has done wonderful work. That undertaking is in a better financial position than are most similar undertakings in other parts of the world. It is undoubtedly entitled to credit for having placed itself in that position. It will be remembered that the comparison drawn between the Fremantle system and the Perth Tramways was very much to the detriment of the latter. I should like to disabuse the minds of some members who may be inclined to accept the remarks of Sir Hal Colebatch at their face value without any qualification. During the debate on the Bill the late Mr. R. J. Lynn, my predecessor for the West Province, who was also a member of the board, remarked that it was an understood thing that so long as the tramways and the electricity supply were worked conjointly they would be successful, but that it was not possible to make a success of the trams as a separate system. That is borne out not only by the experience of Fremantle but the experience of Perth. I wish to make a comparison to show that the position is not quite so bad as was indicated by Sir Hal Colebatch. It is true the Fremantle concern last year handed to the Fremantle Council the sum of £7,830, but I would point out that that undertaking includes also the electric lighting as well as the tramways. The published accounts of the Fremantle concern do not show the respective proportions of the expenditure, but a rough analysis indicates that the surplus is not obtained from the revenue of the tramways, but from the electric lighting section. At no stage in the history of the



board has the tramway section shown a profit, and yet the hon. member quoted its position and compared it with that of the Perth tramways.

	£		
The total revenue for the year ended 31st August, 1940, was .....	135,608		
The working expenses totalled .....	114,084		
The balance representing net revenue was .....	£21,524		
The traffic revenue (including trams, buses and advertising) was .....	46,934		
The working expenses relating to the trams are shown under several headings and certain items can only be quoted approximately.			
	£	£	£
General expenses were .....		28,750	
General repairs are shown as .....	22,045		
but include items not connected with the trams, which should be excluded, viz.:			
Electric lines .....	8,288		
Transformers .....	328		
Street lighting .....	1,181		
Meters .....	984		
Motor vehicles (estimated) .....	268		
	11,049		
		11,506	
Electric current (estimated) .....		6,000	
General expenses (estimated) .....		3,654	
		50,000	
Tramways—Deficit .....		£3,066	

The figures, which have had to be estimated, may be slightly at variance with those which would be calculated if the exact proportions were known. Any minor corrections would not alter the general position. The profit lies in the electric lighting section. To enable a proper comparison to be made with the Government concerns, it is necessary to combine the Government Tramways and the Government Electricity Supply. The Annual Report of the Commissioner of Railways shows the financial results for the year ended June 30th, 1940. The figures are:—

	£
Tramways (deficiency) ..	15,077
Electricity supply (surplus) ..	38,082
Net surplus .. ..	£23,005

The deficit of £15,000 shown for the Government Tramways was after the inclusion in working expenses of a debit for £21,000 for replacement purposes (equivalent to provision for depreciation) and after meeting interest charges totalling £44,500. The net revenue for the year before making the depreciation provision was over £50,000. The surplus for the year in the case of the Government Electricity Supply was over £38,000, after special provision had been made for £10,000 written off preliminary expenses on construction and after meeting a debit of £75,000 for interest. The figures I have quoted put quite a different com-

plexion on the comparison to which reference was made, and are not by any means unfavourable to the Government concerns. The best indicator to show the results of operations is the percentage which working expenses bear to earnings.

Hon. L. B. Bolton: Could not the Perth City Council have done the same?

The CHIEF SECRETARY: Yes, if it had the opportunity, but it never could have the opportunity. At Fremantle last year (although the concern gave the largest surplus realised from the commencement of the operations in 1903) working expenses absorbed 84.07 per cent. of the revenue. That percentage relates to the Tramways and Electric Lighting. The results of the Government operations last year were:—

Tramways, including £21,000 for depreciation .. ..	90.83%
Electricity supply, including £10,000 for preliminary expenses .. ..	73.32%
Weighted average .. ..	80.41%

If the comparison is made after excluding the amounts of £21,000 and £10,000, which are not ordinary working expenses debits, the percentages would be:—

Government Tramways .. ..	83.43%
Government Electricity Supply .. ..	70.98%
Weighted average .. ..	76.17%
Compared with the Fremantle figure of .. ..	84.07%

Those percentages represent the portion of each £100 of the revenue for 1939-40 which was absorbed in working costs and are definitely in favour of the Government concerns. I have shown conclusively that the Government Tramways and Electricity Supply will bear comparison with Fremantle or anywhere else.

I have no more to say except to remind the House that since the agreement was entered into originally conditions have changed considerably. The number of units of electricity sold in 1913 totalled 3,665,000, whereas the number sold in 1939 aggregated 68,430,794. That accounted for the City Council being able to make such a tremendous profit out of the sale of electric current in the metropolitan area. The council not only made a profit amounting to £84,000 last year, but received on account of the three per cent. payment a sum of £169,355.

In addition, the Government in supplying current at .75d. from the inception has made a loss of £453,511. Then again the council has derived the benefit from the increased development that has taken place in the metropolitan area and the increased land values resulting from the operations of the tramway system. Therefore I claim that the time arrived when the payment of the three per cent. on the gross revenue of the tramways should cease. The City Council has received that payment since 1913 and has been paid all it was entitled to. In view of the fact that 28 years ago Parliament decided that the council should receive those payments until 1939, the Government has honoured its obligations to the full. In view further of the fact that the obligation thereafter was to continue only as Parliament should decide, I cannot see that the Government can be charged with doing anything unfair in asking that at this juncture the payments shall cease. I hope the House will agree to the Government's proposals on this occasion.

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

Ayes	15
Noes	10
Majority for	5

## AYES.

Hon. J. Cornell	Hon. W. H. Kitchin
Hon. L. Craig	Hon. W. J. Mann
Hon. J. M. Drew	Hon. T. Moore
Hon. G. Fraser	Hon. H. L. Roche
Hon. E. H. Gray	Hon. A. Thomson
Hon. E. H. H. Hall	Hon. C. B. Williams
Hon. W. R. Hall	Hon. G. B. Wood
Hon. F. M. Heenan	(Teller.)

## NOES.

Hon. Sir Hal Colebatch	Hon. H. S. W. Parker
Hon. V. Hamersley	Hon. H. Seddon
Hon. J. J. Holmes	Hon. H. Tuckey
Hon. J. M. Macfarlane	Hon. F. R. Welsh
Hon. J. Nicholson	Hon. L. B. Bolton
	(Teller.)

## PAIR.

Aye.	No.
Hon. G. W. Miles	Hon. J. A. Dimmitt

Question thus passed.

Bill read a second time.

*In Committee.*

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 1—agreed to.

Clause 2—Obligations of the Treasurer under paragraph (a) of Subsection (1) of Section 8 terminated:

Hon. Sir HAL COLEBATCH: The Bill has been introduced as a war-time measure. The Chief Secretary suggested that in a time of war national interests should prevail over local interests. I shall not argue the point, and will accept the vote of the House. I move an amendment—

That in lines 6 and 7 the words "terminated and the said paragraph (a) shall no longer operate or have effect" be struck out and the words "suspended for the period of the war and for six months thereafter" inserted in lieu.

The CHIEF SECRETARY: There is no doubt that the hon. member is a real die-hard! I must correct him when he says I introduced the Bill as a war measure. I did not say it was anything of the sort.

Hon. Sir Hal Colebatch: You opened your speech by saying that at this period national interests must take precedence over local interests.

The CHIEF SECRETARY: No.

Hon. J. Nicholson: Yes.

The CHIEF SECRETARY: I did not.

Hon. J. J. Holmes: I know figures can lie, but I did not think politicians could.

The CHIEF SECRETARY: What I said was that members would be prepared to look upon this matter from the State point of view and would have in mind that while the interests of local authorities were important, they could not prevail as against those of the State whose interests were not bound by certain limits. At a later stage I may have referred to the fact that the war was affecting the financial position and that the Treasurer had agreed with the Commonwealth Government to use every endeavour to balance the budget. I may have made a statement to that effect, but I certainly did not introduce the Bill as a war measure, nor was that so last session.

Hon. L. B. Bolton: The war had hardly started then.

The CHIEF SECRETARY: The Government does not claim that the Bill represents a war measure, but merely one of equity and justice. I shall not go over the whole ground again, but I hope the Committee will not accept the amendment.

Hon. L. B. BOLTON: I feel justified in supporting the amendment. While I will not go so far as to suggest the Bill has been introduced as a war measure, I am of opinion that that consideration has affected the minds of members and has induced some who opposed the legislation last session to support it this time because of the effect on the State finances. I believe that is the reason some members have reversed their vote.

Hon. G. B. Wood: Who are they?

Hon. L. B. BOLTON: In my opinion Mr. Wood is one. During the war—

The CHAIRMAN: The Bill does not mention the war period.

Hon. L. B. BOLTON: I support the amendment, and trust it will be passed.

Hon. G. B. WOOD: As my name has been mentioned, let me say that the fact of there being a war did not influence me in voting for the Bill. I see no logic at all in the amendment.

The CHAIRMAN: In my opinion the amendment infringes two of our standing orders. One standing order provides that any proposed amendment shall be in conformity with the subject matter of the Bill. The subject matter of the Bill is to terminate these payments without qualification, whereas the amendment would give that provision only temporary effect. Thus there is a definite clash. Standing Order 175 provides that the precise duration of any Bill, the provisions of which are intended to be temporary, shall be inserted in a distinct clause at the end of the Bill. If that was done, the new clause would conflict with Clause 2. I would welcome discussion on the point.

Hon. Sir HAL COLEBATCH: I do not quarrel with your ruling, Mr. Chairman, but it is a common practice to insert in Bills a provision "for the duration of the period of the war and for six months thereafter."

The CHAIRMAN: That has been done this session in conformity with Standing Order 175.

Hon. Sir HAL COLEBATCH: Then I shall be quite in order in moving a new clause at the end of the Bill?

Hon. L. B. BOLTON: Did not you rule, Mr. Chairman, that such a new clause would conflict with Clause 2?

The CHAIRMAN: We will jump that hurdle when we get to it. The question is that Clause 2 stand as printed.

Hon. J. NICHOLSON: I suggest that after the words "principal Act," we insert the words "subject as hereinafter provided," which would prepare the way for the new clause to meet the ruling given under Standing Order 175.

The CHAIRMAN: I have given no ruling.

Hon. Sir HAL COLEBATCH: I do not approve of the suggestion. The new clause at the end of the Bill would terminate the whole measure.

Hon. J. Nicholson: I think it would give greater expression to it.

Clause put and passed.

Clause 3—agreed to.

New clause:

Hon. Sir HAL COLEBATCH: I move—

That the following be inserted in stand as Clause 3:—"This Act shall have effect for the period of the war and for six months thereafter and no longer."

Hon. J. Nicholson: Should not you say "for the period of the present war between Great Britain and Germany"?

Hon. Sir HAL COLEBATCH: No.

The CHAIRMAN: I ask members to read Clause 2 and compare it with the proposed new clause and extricate themselves from the position if they can.

New clause put and negatived.

Title—agreed to.

Bill reported without amendment and the report adopted.

*House adjourned at 10.26 p.m.*