

who was associated with it. It is proposed by the Bill to increase the rate of tax to one shilling on those who are earning £800 a year or more. This idea of making the wealthy pay has two sides. A business that it might be proposed to exploit might be a business which would be making a satisfactory profit. But on the other hand there are risks in business, and the enterprises which are introduced to people as being attractive often have another side to them involving risk. Governments have a way of assessing and taxing enterprises, even though those enterprises might be the means of providing considerable employment.

The PRESIDENT: I think the hon. member might well address the Chair.

Hon. H. SEDDON: I will quote the remarks of a prominent financier in London to whom were submitted attractive proposals for investment. He said he had his wealth, which satisfied him. He had his responsibilities, but when he was able to provide employment, because of his organising ability—and do not forget that the financial rewards of this world are given to those men that have that rarest of all capacities, the ability to organise profitable employment—he was heavily taxed and so, instead of entering upon those new enterprises and venturing his capital, he proposed to live on his income, for that income would keep him in comfort for his remaining years. So we find that a valuable source of employment has been undeveloped. Again, I repeat that this policy of making the wealthy pay has two sides to it, and they very frequently react against the providing of employment. Let me conclude by pointing out that the progress that has been made during the last century has been progress achieved by individual effort. The individual who has organising skill, and who has organised a big enterprise, is the man that has contributed to the world's progress by providing employment for thousands. Unless we are prepared to encourage that individual and assist him with his development, unless we are prepared to encourage in our people the spirit of self-reliance and the spirit of self-respect, we shall never make real progress. To destroy these valuable qualities in men who do so much to develop the country is, of course, to hamper the country's advancement. I have asked certain questions concerning the financial proposals of this Government, questions the answers to which should have a great effect in influencing the

House with regard to this legislation, and I hope the Minister, when replying to the debate, will give the answers to those questions.

On motion by Hon. L. B. Bolton, debate adjourned.

*House adjourned at 10.20 p.m.*

## Legislative Assembly,

*Tuesday, 24th November, 1936.*

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

### BILL—LOAN, £3,212,000.

#### *Message.*

Message from the Governor received and read recommending appropriation for the purpose of the Bill.

#### *Second Reading.*

**THE PREMIER AND TREASURER** (Hon. J. C. Willecock—Geraldton) [4.33] in moving the second reading said: The purpose of the Bill is to authorise the raising of money to carry out our loan programme for the current year, as detailed in the Loan Estimates now before the House, and to provide for further advances to the Revenue Fund towards meeting the accumulated deficit. The amount asked for is £3,212,000, of which £2,412,000 is for Loan works, and £800,000 for deficit pur-

poses. Last year the Loan Act authorised £2,327,000 for works, and £300,000 for deficit. There was a surplus in the transactions of the Revenue Fund for 1935-36, but the £300,000 was used to clear portion of the deficit accumulated in previous years. After allowing for last year's surplus of £88,378, the accumulated deficits stood at £5,228,147 on the 30th June last, and in accordance with the authority given by previous Loan Acts, £4,673,000 has been temporarily advanced from the Loan Fund to the Revenue Fund. The authority now sought, namely, £800,000, will provide for the balance of the £5,228,147, and £244,853 towards the anticipated deficit for the current year. The deficit up to June last has been financed by the issue of short-dated Treasury bills. It means in effect that we have authority to fund practically all our accumulated deficit except the amount provided for under the Loan Act.

Hon. C. G. Latham: How did you fund that £5,000,000?

The PREMIER: We funded it out of the authorised Loan Act, which has provided authority to fund some of the deficit, and, as I say, £4,673,000 has been temporarily advanced from the Loan Fund to the Revenue Fund. Each year as we go on we have the Loan Bill to cover works, and the Loan Bill if necessary provides for funding portion of the deficit. This latest authority will be to refund the remaining portion of the outstanding deficit, and some portion of the anticipated deficit for this year. As I say, the deficit up to June last has been financed by the issue of short-dated Treasury Bills.

Hon. C. G. Latham: You have not redeemed those?

The PREMIER: No, but we have authority under the Act. We have taken authority for the past three or four years to enable us—

Hon. C. G. Latham: When you get the money?

The PREMIER: Yes, when we have raised it.

Hon. C. G. Latham: You have raised it during the last two years.

The PREMIER: Yes, we have raised it by means of short-dated Treasury bills, which have to be redeemed when opportunity offers. Fortunately for us as a State the opportunity has offered during the last two or three years. So there is no necessity

for any State Government, or for the Commonwealth Government—

Hon. C. G. Latham: But there is the Commonwealth Bank.

The PREMIER: Yes, but there is no anxiety on our part to fund any of those, because immediately we would have to pay 2 per cent. more, and perhaps 4 per cent. sinking fund; so instead of paying  $1\frac{3}{4}$  per cent. we would have to pay virtually 8 per cent. This funding process will probably be spread over a number of years, but when it is completed the additional charge to Revenue will be £300,000 per year. This Bill does not authorise the spending of the respective amounts set out against the items in the Schedule, but merely provides the necessary authority to raise the money. We will discuss the items on the Loan Estimates, and this Bill gives authority to raise the money when occasion occurs.

Hon. C. G. Latham: Do not you exceed the Estimates?

The PREMIER: No, I will tell the hon. member about that. Apart from what can be raised locally by means of counter sales to governmental and semi-governmental institution, and from the Commonwealth Savings Bank under the Savings Bank Transfer Act, it is the function of the Commonwealth to raise on the market the State Loan requirements in such amounts and on such terms as may be approved by the Loan Council. Although the bulk of our Loan money is raised by the Commonwealth it is necessary, so long as we continue borrowing money, to pass a Loan Act each year. The amounts set down for the various works are based on the estimated requirements to the 31st December, 1937, taking into consideration the unexpended balances of previous authorisations. That is the usual procedure, as it is necessary to have sufficient authority to enable works to be carried on until further Loan Act authority can be obtained. So while the hon. member thinks there is more money in this Bill than we propose to spend according to the Loan Estimates, by the time we have passed a Loan Act next year we shall have incurred the additional amount of expenditure, for which we require authority.

Hon. C. G. Latham: But that is usual, for you still require further supplies.

The PREMIER: As the hon. member knows, the Loan Act gives us authority to borrow more money when it can be raised,

therefore we take authority under the Bill to raise this money, if the Commonwealth Government can make arrangements with the Commonwealth Bank to do it. The Bill includes provision for the sum of £270,000 for the purchase of a new vessel for the State Shipping Service. The new vessel will replace the Kangaroo, which has served the purpose for which it was obtained and which will be disposed of when opportunity occurs. A modern vessel specially designed for coastal and overseas trade will provide better facilities for our North-West and Northern ports. It will also enable the State Shipping Service to institute a four-weekly service to Wyndham and Darwin, which will have a beneficial effect on the working of the Wyndham Meat Works and will benefit trade generally. Messrs. Harland and Wolff's tender of £266,000 has been accepted, and it is expected that the new vessel will be completed in about 14 months. So that there shall be no hitch in obtaining the necessary finance at the proper time, it is essential that we have the legal authority to raise the money. The proposed method of financing the purchase of this vessel is similar to that adopted in connection with the Kangaroo. The money is advanced by a life assurance company as progress payments are required by the shipbuilders. Commonwealth stock will be issued to the assurance company for the amounts so advanced, interest being at  $3\frac{1}{2}$  per cent. per annum.

Hon. C. G. Latham: In English currency?

The PREMIER: Yes. We are required to take out an endowment policy maturing in 10 years for the amount borrowed. On the maturity date the policy is cancelled and the Commonwealth stock returned to the National Debt Commissioners by the assurance company. The annual premiums are deemed to earn interest at  $3\frac{1}{2}$  per cent. This method of finance has been investigated by Mr. Bruce, the High Commissioner in London, and approved by him. Coming to the Loan position of last year, two loans were raised by the Commonwealth during the financial year. The first was placed on the market in November for £7,500,000. The issue price was £99 15s., the rate of interest was  $3\frac{3}{4}$  per cent., and the term was 14 years. Our share was £809,060, of which discount and expenses accounted for £8,341, leaving £800,719 available for loan works.

The second loan was floated in June last for £9,000,000. The issue price was £98 10s., the rate of interest was  $3\frac{3}{4}$  per cent. and the term was 15 years. Our share was £600,230, the proportion of discount and expenses being £13,844, leaving a sum of £586,386 available for works. Since November, 1934, when a loan was raised at 3 per cent. with an issue of £99 15s., the rate of interest on Commonwealth loans has gradually risen, and the terms for the next flotation, namely  $3\frac{3}{4}$  per cent. at £97 10s., are slightly higher than for the preceding loan, namely  $3\frac{3}{4}$  per cent. at £98 10s.

Mr. Marshall: What is the cause of that difference?

The PREMIER: The Commonwealth Bank advised that the money could not be raised unless the terms were made sufficiently attractive.

Hon. C. G. Latham: The money is going into other investments.

The PREMIER: The Commonwealth Bank advise that the money will not be available for investment in this direction unless the terms are made sufficiently attractive. Accordingly, they made the terms for this loan £1 better than they were for the previous loan. That means we only get £97 10s. for every £100 of indebtedness. Six months ago we got £98 10s. for every £100 of indebtedness, though at the same rate of interest, and so it has gone on. It seems that this particular loan will work out at £3 19s. 4d. per cent. The gross public debt at the 30th June last was £90,344,055. This includes short-term debts in London and Australia amounting to: London £2,998,914 and Australia £5,850,000, a total of £8,848,914. The position of our total flotations and redemptions is as follows:—

	Overseas. £	Australia. £	Total. £
Flotations ...	90,604,468	46,465,140	107,069,608
Redemptions ...	14,328,254	2,397,299	16,725,553
Balance in circulation ...	46,276,214	44,067,841	90,344,055

Sinking fund at the 30th June, 1936, amounted to £569,184, leaving a net debt of £89,774,871, an increase of £1,708,510 on the previous year. Really, our net indebtedness, taking the sinking fund and everything else into consideration, showed an increase over the previous year of £1,708,510. That is the historical part of what occurred last year, and concerning the money we raised. Now we come to the position of the loan programme of the various

Governments for this year. At the May meeting of the Loan Council it was estimated that a total sum of £21,700,000 would be required. Of this sum domestic raisings were estimated to provide £1,790,000, leaving a balance of £19,910,000 to be raised by public loans. At the November meeting of the Council, amendments were submitted by New South Wales, Queensland and Western Australia, with the result that the total requirements for the year were increased to £23,161,000, of which domestic raisings were estimated to provide £1,070,000, leaving a balance of £22,091,000 to be raised by public loan. Towards this amount of £22,091,000 a loan of £9,000,000 was floated in June last, but part of this loan had to be made available to complete the loan programmes for the year 1935-36. The balance of the £9,000,000 which was carried forward for this year was £7,258,000 leaving £14,833,000 still to be provided. We usually have two loans a year.

Hon. C. G. Latham: Two flotations.

The PREMIER: Yes. In the first half of the year we generally endeavour to get half of our requirements. This year we borrowed £9,000,000 of which only portion was spent to carry out the balance of our works last year. A sum of £7,258,000 was left of the £9,000,000 at the beginning of June, so that we still have to borrow £14,833,000. Towards that £14,833,000 odd we are floating the loan which is advertised in the Press to-day, namely, one of £7,500,000, leaving a balance of £7,333,000 to be raised in Australia to carry us on to the end of the financial year. It is proposed to float another loan in March or April, but the amount is not yet known. The amount will in fact not be known until the Loan Council meets and decides what amount it will be necessary to raise. In all probability sufficient money will be raised to carry us on until after June. In addition to the money required to complete this year's programme it is essential to have a carry-over at the end of June to take Governments on until the next loan is raised, usually in November. On this occasion it seems to me we will have to go on the market before November. Probably we will not raise £14,000,000 in March or April, and it will be necessary, instead of waiting until November, to get on the market three or four months ahead of the time when we usually go on the market. It was in recognition of these facts that the Loan Council decided, instead of waiting

until the usual time in May, to have its next meeting not later than February. It is anticipated there will be another meeting in May or June to deal with the position as it exists then. During the last two or three years the amount of money raised in Australia for governmental purposes has steadily decreased. The Commonwealth Bank could not or would not underwrite the full amount required by the Loan Council, and Governments have had no option but to take what was offered. There was no satisfactory method of raising money except that it be underwritten by financial institutions. The business has, however, been done by the Commonwealth Bank, and that institution advises that the loans already referred to represent the amount they are prepared to underwrite. Only £16,500,000 was raised last year. It seems to me that it will be very difficult for the market to provide our full requirements for this year. It is by no means certain we will get all the money necessary to see us through. As the Leader of the Opposition pointed out, more money is going into private industry and more is going into semi-governmental institutions. If we only got 16½ millions last time, we have not very much chance of raising £22,000,000 this year. The way in which the Loan Council, it seems to me, will overcome that situation is to push forward the meetings of the council and raise the next loan a little earlier, so as to make up the leeway and thus have sufficient money in excess next year, instead of waiting until the first week in December. Unfortunately our experience has been that loans which have been put on the market have not been fully subscribed. The £9,000,000 loan, for instance, was under subscribed to the extent of 1¾ million pounds. The fact is that we now want more loan money, and more loan moneys have been authorised by the Loan Council to the extent of nearly £6,000,000 compared with what was actually raised last year. That seems to indicate that we will have serious difficulty in raising the full amounts authorised by the Loan Council. The week's programme approved by the Loan Council for this State for the current year involved £2,317,000. It was anticipated that this sum would be provided as follows:—

	£
Loan repayments ..	100,000
Domestic raisings ..	500,000
Public loans ..	1,717,000
	<u>£2,317,000</u>

Domestic raisings consist almost entirely of moneys loaned to us by the Commonwealth Savings Bank. They represent our share of the excess of deposits over withdrawals, as provided in the agreement made with the bank when we transferred our savings bank in 1931. Last year the amount received from the Commonwealth Savings Bank was about £580,000 and it was considered that a somewhat similar amount would be received this year. Early in the financial year, however, we were informed by the Commonwealth Savings Bank that in all probability the total amount to be loaned to us would be in the vicinity of only £280,000. Instead of getting that money in that way we shall have to increase our public borrowings by means of loans to the extent of £220,000. That does not affect our total borrowings; it only means that instead of borrowing from the Commonwealth Savings Bank we have to borrow by public raisings. That makes our total borrowings a little more than they would otherwise be. At the recent meeting of the Loan Council we informed the council that our estimate of domestic requirements would have to be amended, and they gave us authority to borrow an extra £220,000. At the Loan Council meeting in June we anticipated being able to budget for a revenue surplus of approximately £6,000. This estimate was based on the assumption that the Commonwealth grant would be the same as was paid in the previous year, namely £800,000. The grant was reduced by £300,000, however, and this reduction had the effect of converting a surplus into a deficit of £294,000. There was no means of getting this money unless we improved our financial position to that extent, and so the shortage has to be added to the public borrowing for this State. The drought relief is estimated to involve £800,000. A fairly large proportion of that money will not be used this financial year. I believe that the drought relief will have to be carried on at least until this time next year. From June until December, when the harvest is garnered, we shall have to continue paying out drought relief. Out of the £800,000 we expect to spend on drought relief, £500,000 will be spent during the course of the present financial year, and nearly £300,000 during the next financial year. That means, with the £220,000, the deficit of £300,000, and the estimated expenditure from borrowings to deal with drought relief, we shall have to raise £1,000,000 extra for

this year. When the Minister for Mines attended the recent meeting of the Loan Council, he submitted the position regarding this State with respect to public borrowing. The Loan Council recognised the necessities of the position, and intimated that they would authorise the State to incur the extra amount of public borrowing, and then it will be for them to make arrangements with the Commonwealth Bank or the underwriters to enable us to raise that money. As Australia wants between £6,000,000 and £7,000,000 more than was actually raised last year, it seems to me a rather doubtful proposition as to whether we shall be able to obtain all that money. I am hopeful that we shall get most of it, or as much as we need. Of course, we want to get all of it, and we shall be extremely lucky if we do. I have been pressing continuously on the Federal Government that in order to overcome the difficulty, they should make a grant to Western Australia for the purpose of drought relief.

Mr. Warner: Most certainly they should do so.

The PREMIER: We say it has been a national calamity. We are not responsible for it, and we have to shoulder a big share of the burden. In fact, it is a tremendous burden for a State dependent, as we are, for such a large percentage of the national income on the production of our primary industries. We shall be down some 8,000,000 bushels in our wheat crop for this season, and that represents about £2,000,000. That is a tremendous diminution in our national income. That in itself is serious enough, but on top of that we have to provide relief amounting to £800,000 to farmers in necessitous circumstances. That makes a tremendous burden for the State to shoulder. As the Commonwealth and each of the States derive some benefit from the exportation of our wealth that can be sent overseas, and because the people of this State are suffering such difficulties on account of the drought, it is reasonable to expect the Commonwealth to come to our assistance. If they do so by means of a grant, it will make our chance of getting the remainder of our loan allocation ever so much better.

Hon. C. G. Latham: The Commonwealth could do it only by increasing the Disabilities Grant, and could not give it to the wheatgrowers unless they made it general.

The PREMIER: No.

The Minister for Mines: They did it for South Australia.

Hon. C. G. Latham: No, I think that was for all States, and it was for unemployment.

The PREMIER: While it was really for drought relief, because South Australia was suffering from the dire results of droughts, the Federal Government provided the money in a manner that amounted to camouflage.

Hon. C. G. Latham: Are you talking about 1930?

The PREMIER: I think that was in 1931.

Hon. C. G. Latham: In 1930 money was made available for unemployment relief, and it was really the States that provided it.

The PREMIER: Yes; the States did without some of the money that had been allocated to them, and the Commonwealth did likewise. That was because of the precarious position South Australia was in, due to the effect of the drought.

Hon. P. D. Ferguson: There is something in the nature of a drought this year in South Australia.

The PREMIER: But only in some portions.

The Minister for Mines: The position there is not nearly as bad as it was in previous years.

The PREMIER: It is obvious that our loan requirements will have to be increased by about £1,000,000, as I have indicated.

Hon. P. D. Ferguson: Will the £500,000 that you will have to raise for drought relief be sufficient?

The PREMIER: We have already got through the last four or five months with the money that was available. We have kept drought relief payments going until now, and we have not had to take any money out of loan funds for that purpose. It is recognised that it will require about £800,000 to provide the drought relief that is necessary, and that money will be required until this time next year, or perhaps a little later. I do not suppose the harvest next year will be garnered until just before Christmas, as usual, and we shall have to continue drought relief payments from the commencement of the next financial year until the following Christmas. It is estimated that £250,000 will have to be made available next year, and that money is not covered by these figures, which make up the £1,000,000 that will be necessary to enable us to carry on. The Loan Council, as I have indicated, have agreed to that, if the money can be raised.

If it cannot be raised, and there has to be a cutting down of the allocations, in these circumstances we shall receive a bigger percentage because our allocation has been increased by £1,000,000. The amount still to be raised on behalf of the State, therefore, is £1,118,000. Regarding the loan now being floated, the amount has been allocated to all the States. If the remainder of the money is not obtained, the allocations will have to be cut down. As I have pointed out, it is anticipated that drought relief to the extent of £240,000 will not be required this financial year, so that the amount still to be provided this year is £878,000. If the loan now being floated had been allocated on the basis of the original programmes, our share would have been £738,000 instead of £1,260,000.

Hon. C. G. Latham: We are getting an additional £260,000.

The PREMIER: No; £1,260,000 as against £738,000, or a difference of £522,000.

The Minister for Mines: That is, we are getting £522,000 extra.

The PREMIER: Yes, out of this loan. With all that, there is £800,000 to be raised before we can get our anticipated expenditure up to the end of the financial year. In order to get that £800,000, we will have a meeting of the Loan Council early in the year and endeavour to raise the money for the State. Whether we shall be able to do this is in the lap of the gods.

Hon. C. G. Latham: You will be able to get the first lot, because the loan is to be underwritten by the Commonwealth Bank.

The PREMIER: Yes, there is no doubt about that. That money will carry us on for a considerable period, but it will all depend on the amount of money that is raised during the later period. Our programme is about £6,000,000 more for the whole of Australia than it was last year, and I do not know that we can hope to raise that much extra. I understand the method proposed is to push the loans a little further ahead and raise one in March instead of in May, and another in August instead of in November or December of next year. Our difficulties, which must necessarily arise from a shortage of loan funds, have been further increased because of the serious financial position we are in, and that will oblige us to curtail expenditure in every possible way. We are endeavouring to do that, but

it does not seem we shall be able to do much in that direction because of the basic wage declaration of the Arbitration Court recently. Although it may not seem much to a man on a weekly wage that he should receive 1s. 9d. extra, it means additional expenditure for the State to the extent of about £100,000. That is annual expenditure and will not all be incurred during the present financial year. Nevertheless, we shall have to provide between £60,000 and £70,000 extra during the current financial year. That is an amount that was entirely unlooked for and unprovided for. This additional impost makes our chance of being able to curtail expenditure from either revenue or loan accounts much harder than it would have been had the basic wage declaration remained unchanged. I consider the position is rather serious. We will eventually surmount the difficulty because usually when the Loan Council meet they take action to overcome such difficulties to some extent. There is no doubt that expenditure will have to be cut down in this State and we shall have to accept our share in the cutting down process. We shall not receive the full amount that it was proposed to expend so that we shall certainly have to curtail expenditure from revenue or loan account. If we can secure a deficit of £200,000 instead of £300,000, that will make the position easier if the loan money we expected to raise has to be curtailed. Summing up the position, it would appear that if we receive our proportion of the loan provision, we shall have something like £878,000 to carry on with to the end of the financial year. To carry on till November or December, we shall have to raise another £800,000. In those circumstances, as I have indicated, we shall have to curtail expenditure as far as possible. We will not be able to raise that large amount of money straight away; that could hardly be expected. It is probable that instead of having to wait until June the Commonwealth will raise a loan in March, and instead of waiting till December, will float another loan in August. By that means money will be provided to enable us to carry over those periods. As the position is rather serious, consideration will have to be given to it by the Loan Council, and it may be that all the States will have to consider reverting to a policy of borrowing overseas. There are many advantages

to Australia arising from the policy of borrowing within the Commonwealth. The money remains in Australia, and is used by our people in various ways in promoting Australian industries. Consequently it has been the policy, the endeavour and the desire of all Governments to raise required loans within Australia. That would not have been possible 25 years ago. If it had been suggested then that we could provide our loan requirements by borrowing on the Australian money market, it would have been regarded as foolish, because money was then borrowed overseas. If we continue to borrow at the rate we have been, there can be no escape from the payment of a higher rate of interest.

Hon. P. D. Ferguson: In those earlier days there was some inducement, at that stage of our development, to invest money in industry rather than in Government loans.

The PREMIER: That may be so, but in those days we did not enjoy the financial resources we have at present. Had anyone said 15 or 20 years ago that there was no necessity to borrow on the London market or elsewhere overseas, and that Australia could finance her own requirements, he would have been told he was suggesting something that was entirely impossible.

Mr. North: Almost like a miracle.

The PREMIER: It has happened that arrangements have been made satisfactorily. Unless we are prepared for this device of raising money in Australia at a much higher interest rate, we shall have to go overseas. If anybody is entitled to borrow on the London market, Australia is, because we have always met our obligations. Money is available on the London market at  $2\frac{3}{4}$  per cent. Even with exchange added, it would be less than 4 per cent. which we are paying for this loan and we would get extra money. We would have extra capital in Western Australia to assist us to carry on. If we cannot borrow the money in Australia next year to the extent we desire, it is probable that serious consideration will be given to the question whether we should again approach the London market and raise our money overseas. Nobody wants to do that if it is possible to raise money in Australia, but I notice many members of the Loan Council are actively canvassing as to whether it will be necessary to raise money on the London market. If so, we will have considerably more capital with which to develop the country, but on a £10,000,000 loan £400,000

would have to be paid in interest each year, and if the money were borrowed in Australia, that £400,000 would remain in the Commonwealth to assist us to carry on industry here. We would have to find interest year after year to provide for an overseas loan.

Mr. Seward: And exchange in addition.

The PREMIER: I have allowed for exchange. I do not want to paint a doleful picture, but I want to impress upon the House the fact that the position is not easy. We must curtail our anticipated borrowings, but to what extent nobody can say. The Loan Council is a very responsible body and they do not make up their minds with regard to a programme without some possibility of carrying out what they set out to do. In the circumstances, it would be extremely unwise for us to expend money which could be saved in any direction whether from revenue or Loan Council funds. I move—

That the Bill be now read a second time.

On motion by Hon. C. G. Latham, debate adjourned.

#### **BILL—CITY OF PERTH ENDOWMENT LANDS ACT AMENDMENT.**

Returned from the Council without amendment.

#### **BILL—MINES REGULATION ACT AMENDMENT.**

*Second Reading.*

**THE MINISTER FOR MINES** (Hon. S. W. Munsie—Hannans) [5.20] in moving the second reading said: This is an exceptionally small Bill of only one clause, but, nevertheless, an important one. The Bill purports to amend Section 41 of the Mines Regulation Act.

Hon. C. G. Latham: In other words, to override the decision of the Arbitration Court.

The MINISTER FOR MINES: If the hon. member desires to say that, I have no objection to his doing so.

Hon. C. G. Latham: It is true.

The MINISTER FOR MINES: To an extent, yes, but I want to go further and say that not one or two, or three, or half-a-dozen, or a dozen men, but I believe at least 99 per cent. of the men working underground in Western Australia are desirous of having this amendment.

Mr. Seward: That doesn't make it right.

The MINISTER FOR MINES: It may not. I am not going to say it makes it right or wrong, but I say that when 90 per cent. of any people desire it, I would be lacking in my duty if I did not propose to give them some relief.

Member: What does the court say about it?

The MINISTER FOR MINES: The court has not yet definitely decided one way or the other. There was a case taken that was not on all fours with this proposal, namely, the Ivanhoe dispute. That had very little, if any, bearing on this Bill. At the hearing that was held evidence was given that had nothing to do with the bank-to-bank system. I am one of those who do not believe that we as a Parliament should do anything to harass in any way the mining industry, because I realise the benefit the mining industry has been to Western Australia during the bad period, but I am convinced that, with the exception of one mine in Western Australia, this is not going to affect the mines to any great extent at all. The one mine I have in mind is the Sons of Gwalia, which has an underlay shaft which prevents men changing quickly. For a period they did work double skips and changed the men in half the time, and that could be done again and done safely, so that even in that mine it would not make very much difference. The Perseverance mine without any request from the men, or any legislation whatever, voluntarily put the bank-to-bank system into operation 2½ years ago. The system is being operated to-day in the Perseverance, the North Kalgurli, Hannans North, Paringa, the New North Boulder, Gold Mines of Australia, and the Lake View South mines, while Norseman, Wiluna, and South Kalgurli are almost bank-to-bank.

Mr. Marshall: Nearly every mine in the State is.

The MINISTER FOR MINES: Almost every small mine in the back country works bank-to-bank. I am not going to argue that there are not irritation tactics adopted at times by the men, but irritation tactics are practised by the management as well, and it was because of these irritation tactics that the last trouble took place. I have had approximately 13 years' experience of working underground. Even in those times no man other than a pipe-fitter, the man who controlled the laying of the roads, or a timber man, was asked to do any-



thing after the whistle blew, on any shift on any mine, until he went to work underground. On 90 per cent. of the mines they are not asked to do so to-day. But now one mine comes along with a new idea. I do not know for what reason but it seems that certain individuals are picked out and almost invariably the person chosen is the steward of the union on the mine. Immediately the whistle blows this man is told to carry timber to the shaft. If those are not irritation tactics I do not know what are. It has never been the custom to do that. For the 13 years I worked underground in this country no men other than timber men, plate-layers or pipe-fitters—were asked to do any work on the surface until they had been below. It is adopting irritation tactics to ask men to do so to-day. In those bad old days—for they were not good old days—firing was permitted indiscriminately, anywhere, at any time, during the working of the shift, and it was only as a result of considerable agitation that control was obtained over firing and to the credit of the big mines in Kalgoorlie and Wiluna it is to be said that the management themselves have taken the strongest hand in prohibiting indiscriminate firing. I have always advocated that firing should be controlled and, as a matter of fact, it is controlled to a very large extent on all mines to-day. Indeed, the Mines Regulations Act was amended to provide that firing should be done only at certain hours of the day. The latest amendment of Regulation 48 reads as follows:—

The manager shall cause the times of working shifts and of blasting operations in every section of the mine to be so arranged that workmen shall not be exposed to fumes and dust from blasting subject as hereinafter provided. Blasting shall be allowed only at noon, 4 p.m., 8 p.m., and midnight, except for removing obstructions in ore passes or box holes, or for the purpose of making the hanging safe or for blasting misfired holes in development faces, and then only with the permission in each case of the manager or underground manager.

From that will be seen the extent to which firing has been controlled. The reason I stress that is this: Every man with the face bored out, starts to fire and is supposed to complete firing by a quarter to four, a quarter to six or a quarter to 12—whichever shift he may happen to be working. If he is on night shift it has to be completed by a quarter to eight in the morning. He does not do any more work immediately the firing has ceased. After

the firing has been completed there is an average period of 20 minutes in which no work takes place, and the men have to wait until the whistle blows in order to be raised to the surface. Fumes, smoke and dust are prevalent after the firing and it is unhealthy for the men to breathe these in. They come out on to the plat which is to some extent though not wholly free of fumes. In the bigger mines considerable time is required to raise all men to the surface and there seems no reason why the raising of the men to the surface should not commence immediately after the firing. Why should men who have completed their work and fired be kept underground waiting on the plat to be raised to the surface? It is absolutely ridiculous in the extreme. Why keep the men there for 20 minutes before they are hauled out of the dust and fumes? There is neither sense nor reason for it. The only mine that would be disadvantaged to any extent would be the Sons of Gwalia, because of its having an underlay shaft, and thus the speed at which men can be pulled to the surface is limited as compared with the speed in a vertical shaft. I cannot see that the proposal would be at all detrimental to the industry, but I can see that much benefit would result to the miners from a health point of view. Let me give another instance. I could give dozens of small reasons, but I think the amendment can be discussed on its merits. I spoke of the main shaft being the downcast where the conditions were not so bad from the point of view of the miners, because they were not in the fumes and dust, but the intake air, after travelling 1,000 to 2,000 feet underground, is fairly cold. Men who have been working in hot ends go straight to the shaft, and thus run great risks to their health. Their flannels have become absolutely saturated with sweat, which is unavoidable, and they stand in the cold air at the shaft. At the lower levels of the Sons of Gwalia Mine where the temperature is high, the miners work without so much covering as a flannel. That is wrong. In the interests of their own health they should be controlled in that direction, because I believe many of them contract pneumonia and other complaints through becoming chilled by a blast of cold air. If every man were compelled to wear a singlet while working in those parts, I feel sure that a good deal of sickness would be prevented. The Bill is a small one, affecting

only one section of the Act, though it provides for the bank-to-bank principle. There is nothing new in the bank-to-bank principle.

Mr. Marshall: Miners on the Murchison have had it for years.

The MINISTER FOR MINES: It has been worked throughout the Murchison for about seven years.

Mr. Marshall: Fully seven years.

Mr. Wilson: And in the coal mines of Collie for 34 years.

The MINISTER FOR MINES: I was about to mention that. The system has been in operation in other parts of the world for many years, though I admit it has not been adopted everywhere. The bank-to-bank system would be no detriment to the industry, but would be of considerable advantage to the men, and in some instances to the mining companies.

Mr. Marshall: Its adoption would lead to greater efficiency.

The MINISTER FOR MINES: A man might be working in a reputedly safe place, but places in mines that are definitely safe are few and far between. Accidents happen in what are considered to be the safest of places. When men are working in ground that is baulky or drummy, irrespective of whether it is solid, it is to the advantage of a miner going off shift to be able to meet his mate and explain the condition at the working face when he left it. At the conference with the Chamber of Mines this request was preferred by the men as a more effective means of preventing accidents than all the other regulations in the Act. There is a good deal in the men's contention, and the request might, with advantage, be granted. I move—

That the Bill be now read a second time.

On motion by Hon. N. Keenan, debate adjourned.

## **BILL—INDUSTRIES ASSISTANCE ACT CONTINUANCE.**

### *Second Reading.*

Debate resumed from the 18th November.

HON. C. G. LATHAM (York) [5.37]: During all the years that I have been a member of the House a Bill of this kind has been introduced annually. At one stage we hoped that such a measure had been introduced for the last time, and that in future there would be no further need for it.

The Minister for Lands: You urged that it should be discontinued.

HON. C. G. LATHAM: I wish I were in a position to adopt that attitude to-day, but for a different reason from that which I advanced on the previous occasion. This year I regret that the Act has to be continued, but I see no alternative to retaining it on the statute-book. During recent years the continuance of the Act has been regarded as necessary to permit of the collection of outstanding advances made to farmers and to other people engaged in industry, but now it is required in order to permit of security being taken for advances to be made to farmers who find themselves in difficult circumstances owing to drought and the ravages of insect pests. I regret that we have not much information on the measure. True, we received some enlightenment to-day from the speech of the Premier on the Loan Bill, although he gave little definite information. Still, he told us that the Loan Council had made available to this State £520,000 in addition to the amount of ordinary loan requirements, some of which will be used for funding deficits or making good deficiencies from month to month, and £260,000 for assistance to farmers. I should like the Minister to tell us whether he proposes to use the money for the benefit of Agricultural Bank clients only, or for farmers whose properties are unencumbered. I doubt whether it will be possible to make advances under the Act to any farmer whose security is held as a first mortgage by another party. That point will need consideration. May I ask, too, whether the Government propose to replenish the Treasury out of this money by payments of land rents and Agricultural Bank interest? When the original legislation was before Parliament in 1914, the primary object was to provide additional revenue for the Government. The farmers' land rents and Agricultural Bank interest were paid, and farmers found themselves forced to come under the Act because of their indebtedness to the Government. The first claim against the fund this year should be to make advances to enable farmers to carry on. I hope we shall be able to control the fund to that extent; certainly the money should not be used for any other purpose. To use this money to pay land rents to the Treasury would be very unfair. Such a course of action would immediately load up the people who are unable to pay their land rents—unable, not unwilling to pay—with an in-

terest rate of not less than 5 per cent. I do not know whether the Government propose to fix the rate at 5 per cent., but I fully expect that that will be the rate. I trust that the lot of the farmer will not be made more difficult by paying his land rent out of this fund and charging him interest on it. No advance should be made to any farmer unless he applies for it. That has not been the practice in the past. As I have pointed out, it has been possible to bring people under the Act without any request from them. Simply because they had some indebtedness to the Government, they were automatically brought under the Act. Therefore I say that no farmer should be brought under the Act unless he makes application. If he does apply, we shall know that he requires assistance.

The Minister for Lands: You need not worry about that.

Hon. C. G. LATHAM: I am glad to have the Minister's assurance. Even so it will be bad enough for the farmers. Some might be able to carry on without this assistance if the Government indebtedness is held over. The curse of this legislation will be the administration of the Agricultural Bank, and particularly of Section 51 of the Agricultural Bank Act, because the Industries Assistance Board and the Bank are wrapped up together. We have entrusted the administration of the Industries Assistance Act to the Agricultural Bank Commissioners, and their administration of the one Act will apply to the other Act. There is no doubt that the provisions of this Act will be so strict as to bring farmers under Section 51 of the Agricultural Bank Act. The first claim against any funds available under the Act is to provide seed wheat and chaff. The Premier remarked that he thought roughly three-fifths of the money would be required between now and next June. I believe that the greater amount will be required almost immediately for procuring seed wheat and chaff and providing water supplies. Farmers will need duplicate parts; fertiliser to put in next year's crop will be a charge before next June; and some will require new machinery and power. In saying that I am speaking of horse power, not tractor power, though some men who have tractors might need assistance to procure fuel. There is no alternative to passing this Bill. All I ask is that the money to be made available under the Act be used to give the

farmer an opportunity to recover his position. Commodity prices are reasonably right at present, and I hope the Government will be generous in their advances to the farmers and remove not only the debt but the perpetual worry of debt under which the farmers labour. They do not know when they will have to walk off their holdings, leaving their life's work and savings behind them, due to no fault of their own. The farmers are no more responsible for the drought difficulties and grasshopper and other pests than is the Premier responsible for the shortage of funds and the financial difficulties in which the Government find themselves. As the Loan Council have agreed to make additional sums available for the relief of Western Australian farmers, I hope the Minister will be generous in his advances. In spite of the Minister's utterances on recent occasions, I remain satisfied that those sums of £6 per month for a married man and wife and children and £4 for a single man are insufficient, bearing in mind all the other claims besides those for food and clothing. I support the second reading, but I trust that what I have said will have some weight with the Minister. I am determined that in the first place this money shall be used to assist the farmer, and not to assist the Government.

MR. BOYLE (Avon) [5.46]: I find myself in a position of having to support a Bill the necessity for which it had been hoped would disappear. Unfortunately, owing to the drought conditions, the Government have no option but to continue the Industries Assistance Act. Advances made under that Act now amount to £1,880,000. I am not looking at the position pessimistically when I say that it is extremely doubtful whether any proportion of that sum will ever be recovered by the Government of the State. Indeed, I am practically certain that it will ultimately go into the great discard, because the farmers will never be able to pay it. I appeal to the Minister for revision of the rates paid in sustenance to farmers. Six pounds for a married man and £4 for a single man are amounts admittedly inadequate. Why should there not be reversion to the 1914 scale of 9s. per day, which gave the farmer about £3 per week, this being in conformity with his expenses today? I have said previously

that at a meeting of storekeepers held in the Nungarin district, the average married farmer's store account was estimated at £9 per month; and this provided for no luxuries. It must be borne in mind that the country storekeeper's prices would be up to 15 per cent. above corresponding city prices, because in the first place the transactions have to carry railway freights and are all ledger entries, no cash being paid. Two months' credit has to be given before one month's accounts are collected. The storekeepers of the district inform me that they are probably from £9 to £12 behind before the farmer's £6 comes in. In that respect the position is becoming difficult. This year is entirely different from last year, wherein certain sums were made available to the Government as a gift from the Commonwealth for drought relief. This year drought relief will have to come out of loan funds, and consequently the State Government may be pardoned for exercising a somewhat different control, under the Industries Assistance Board. I hope, however, that in the circumstances they will temper justice with mercy, and that the farmers who are now facing a third year of drought conditions will have their lot made as light as possible.

**MR. WARNER** (Mt. Marshall) [5.50]: I am sorry that the Act has to be continued once more. The recent drought and the grasshopper pest have made it necessary for farmers again to look for sustenance so that they may remain on their holdings. I urge the Minister that even though the assistance has to be granted out of State funds through the Industries Assistance Board, he will increase the amount beyond £6 and £4 for married and single men respectively. It will be readily understood that assistance is necessary to enable the farmer to remain on his holding, even though he receives a free grant from the Federal Government. There is no comfort for his family, and he has no opportunity to do outside work to help him. Neither has he any opportunity to obtain a loan from the Agricultural Bank for additional clearing. Nevertheless, the farmers desire to hold on to their assets. Many of them in my district believe that if they can hang on for another year or two, things will be all right. Of one thing I am quite sure—that if the rates of £6 and £4 per month are continued, it will break their

hearts. Possibly many of the farmers do not wish to come under the scheme. I trust that those who are prepared to carry on apart from it, even if drawing relief from the State or from the Commonwealth, will not be put under the scheme unless they make application to that effect. If the Minister has no present intention of increasing the amounts of £6 and £4, I hope he will take into consideration the granting of a little additional per unit, in the same way as it is granted to the sustenance worker. A man with five or six children is in a far more serious position than the man with only one child, or none at all. I trust the Minister will consider the advisableness of granting for each extra child a sum of 7s. per unit. Most of the farmers hoped for a good season last year, so that the Industries Assistance Act might go off the statute-book. I am optimistic enough to believe that next season will enable that legislation to be terminated.

**MR. WATTS** (Katanning) [5.53]: The only thing that in all the circumstances of the year the Government could do was to extend the life of the Industries Assistance Act. It is apparent that there are many farmers who, much as we must regret it, will need Government assistance to enable them, we hope, to continue in production. So far as I know, the existing Act is the only measure on the statute-book which will enable the Government to distribute the relief in as satisfactory a manner as possible. While we are aware that those areas known as the northern districts and the north-eastern wheat belt are in the most difficult circumstances—undoubtedly it is there that the greatest amount of relief will have to be furnished—there are not lacking other portions of the agricultural areas where some assistance under this legislation will be warranted during the coming year. Thus the Bill will prove of advantage, not only to the areas to which I have just referred, but also to other and not less important areas of the State. I feel it desirable that I should make reference to one of those small areas which I have in mind, having regard to certain observations made by the Minister for Lands in the course of a recent debate. During the discussion, according to notes I have here, the Minister said—

Farmers in the district of the member for Katanning are not in straitened circumstances. They have never had a bad season, and the last

two seasons are the best they have had for 20 years.

I do not know whether the Minister is aware of the area over which the Katanning electorate extends. I can only presume that he is; and I wish to point out that some of the assistance under the Bill, when it becomes law, will probably be required in a portion of the Katanning electorate of which the Minister apparently has no knowledge. The information I am now about to give the House has been acquired from the Kent Road Board, Nyabing, and not from any disorganised institution, or from a meeting of settlers which may or may not have the Minister's credence. The secretary of the Kent Road Board, a district extending from 40 to 75 miles east of Katanning, under date of 10th November writes me as follows:—

A deputation consisting of farmers representing the Kent district was received by my board on the 29-10-36, and advised the board of the following:—(a) That although many wheatgrowing districts were affected by the drought one month ago on account of the later season in this district it is only recently that the continued lack of rain has seriously affected the crops. (b) It is their considered opinion that at the time of the meeting a loss of 50 per cent. would be experienced by the farmers, and that if no rain fell within one fortnight of the meeting a bigger loss would result. (c) That 50 per cent. of the farmers in the district would be in need of assistance to enable them to continue for the next 12 months. (d) That the lack of a water catchment at Nyabing would cause great loss of livestock during the coming summer.

That letter I forwarded to the General Manager of the Agricultural Bank, who presumably has more information than some people have, because his reply, under date of the 11th November, was—

I have your letter of yesterday's date enclosing copy of a letter to you from the Kent Road Board, Nyabing. I realise that drought relief may be required by some of the settlers in the Nyabing area, and you can rest assured that applications to the district office from deserving cases will have prompt attention. My Katanning manager has been instructed accordingly.

I have taken this opportunity of correcting the Minister's observations on the occasion I referred to, because I consider it proper that I should do so. I was in no sense parochial in any observations I made, and I do not propose to be parochial now; but the fact remains that there are other areas than those in the north-east wheat belt and the northern districts where, although I am prepared to admit that generally speaking the circum-

stances are not so bad as in the other areas, assistance under this legislation will unfortunately be required. It is essential, therefore, that those areas should be brought under the Minister's notice, so that there may be no misunderstanding about the matter. I have much pleasure in supporting the second reading of the Bill.

**HON. P. D. FERGUSON** (Irwin-Moore)

[5.59]: The Industries Assistance Act has reached its majority this year. Introduced in 1915 as a result of the disastrous drought which was experienced in the agricultural areas of Western Australia during 1914, that measure was necessarily placed on the statute-book in the interests of those engaged in wheatgrowing, mainly, in those days. It is a thousand pities that 21 years later we find necessity for re-enactment of the legislation—necessity greater, probably, than has occurred during the intervening years. This has not been due entirely to drought conditions either. It was largely owing to the depressed commodity prices. Although many of our farming districts produced reasonable crops, the farmers were unable to make their operations profitable, because of the fact that the prices they received, mainly for their wheat and to a limited extent for other products as well, were entirely unprofitable. As a result of the drought we have experienced in certain districts this year, there have been many meetings of farmers and business men held in various parts of the country. These meetings have been held with a view to placing definitely before the Government and before Parliament and the country the actual condition of affairs existing in those districts where the meetings were held. At no meeting that I have attended, and at which other members were privileged to attend, have any extravagant demands been put up. In nearly every case—and this might be in contradistinction to meetings held in days gone by—the farming community realised that they had a genuine case to put before the people of the country, and there was no need to exaggerate the position. Thus their requests for assistance are genuine indeed. One of the requests is that there should be a slight increase in payments that has been made to individuals, over and above £6 per month for married people and £4 per month for single men. The need for increasing that amount is greater this year because of the added difficulty brought about by the lack

of rain. In many instances, the farmer has been unable to produce those commodities which are so essential for him and his family's sustenance. The Minister for Lands is rather keen on farmers, more keen than most people, but he will realise that those who in the past were more favourably situated and were able to grow considerable quantities of vegetables and other necessary commodities have this year been unable to do so on account of the drought conditions. The Minister for Lands, I know, appreciates the fact that the difficulties this year are greater than they were in other seasons, particularly in those seasons during which we were blessed with bountiful rains which, while they permitted of greater production, farmers got less for their product. When the Industries Assistance Act was first placed on the statute-book the Government of the day realised their duty to the farmers by paying them 9s. per day, so that they might provide sustenance for themselves and their families. If anyone suggested that that amount should be paid to-day, he would be accused of making an extravagant demand; but there is a vast difference between 9s. per day and £6 per month for married people and £4 per month for single people. Nine shillings per day would nearly approximate £11 per month. So there is an obligation on the part of the Government to these genuine cases to increase the amount that farmers are now receiving so that they might be placed in a slightly happier position. I should like a definite assurance that something will be done in that direction this year, when there are many more families genuinely entitled to governmental help. The difficulty with regard to water supplies is going to be ever so much greater this year than it has been in the past. There are many districts that had been accustomed to a reasonably heavy rainfall and which this year are in a serious plight due to the fact that the precipitation has been so light. In many districts accustomed to an average rainfall of 10 or 12 inches, the dams are nearly empty, and farmers will be put to considerable expense in having to provide water. I endorse the remarks of the Leader of the Opposition regarding the use of the money to be received by the Government. I should like the Government to tell the farming community that it is not their intention to use any of this money for the payment of Agricultural Bank and Lands Department rents.

In 1915, when this legislation was first placed on the statute-book, the farmer clients of the Bank, whether they wished it or not, had their overdue interest paid, and the overdue land rents paid out of the money supposed to have been advanced from the funds of the Industries Assistance Board for the carrying on of farming operations. I hope the Minister will say that that position will not recur in this year of grace 1936.

**THE MINISTER FOR LANDS** (Hon. M. F. Troy—Mt. Magnet—in reply) [6.9]: I have not much to say in reply except that the measure is being continued because of the urgent necessity for such legislation. Last year's operations are evidence of that. The number of additional settlers on the books last year was 700, and owing to the poor season it was necessary to grant relief to 1,066 settlers. Only eight repaid advances during the year 1935-36.

Hon. P. D. Ferguson: The whole of the advances?

The MINISTER FOR LANDS: Advances, not land rents.

Hon. C. G. Latham: Can you tell us how much capital was repaid?

The MINISTER FOR LANDS: I cannot. I never expected that any capital would be repaid in the circumstances, but eight managed to pay the advances made.

Hon. C. G. Latham: Those eight may have been taken over by the Associated Banks.

The MINISTER FOR LANDS: There is evidence that the majority of settlers on the Industries Assistance Board are not paying their lands rents. In these days we do not expect lands rents to be paid when the settler is unable to pay.

Hon. C. G. Latham: If those settlers are on the Associated Banks, those banks would pay the rents to protect their own security.

The MINISTER FOR LANDS: I know there are those who cannot pay. The Bill is being re-enacted because of the conditions which exist, and the Leader of the Opposition may rest assured that there will be no compulsion imposed on settlers to come under the board, because I am desirous that none shall draw on the funds unless forced to do so.

Hon. C. G. Latham: What I do not want you to do is to pay land rents.

The MINISTER FOR LANDS: I do not pay land rents.

Hon. C. G. Latham: You did in past years.

The MINISTER FOR LANDS: Of course the hon. member knows better than that. The present Government never paid land rents.

Hon. C. G. Latham: Yes, they did.

The MINISTER FOR LANDS: The Collier Government put a stop to it, and it is not done now.

Hon. C. G. Latham: Don't put that up. For over six years you did so.

The MINISTER FOR LANDS: The Collier Government put an end to it, and it is not now done. I am anxious that farmers shall not come on the fund, and that they will be able to get their finance elsewhere. If that happens, we shall be able to get through, and then we may be in a position to be more generous. The member for Avon said nothing to which I could take exception. He said the storekeepers stated that settlers' accounts would amount to £9 a month. That would not be extravagant. Settlers will be entitled to assistance, that is, if the money is successfully raised. The sum of £260,000 has already been secured, but we are told that farmers in this State require £800,000. Past experience shows us that we will not get the whole of the money. I assure members that I should like to assist in every way possible, but if the money is not raised, sustenance cannot be increased. I know that there are farmers who have neither stock nor water supplies, and people in such a position are entitled to as much assistance as the finances will permit.

Mr. Boyle: That is the idea.

The MINISTER FOR LANDS: Farmers who have a few sheep and pigs will be entitled to less. I agree that there are quite a few farmers who can provide for themselves, although, as the member for Irwin-Moore has pointed out, it will not be possible to provide vegetables this year. I have a great deal of sympathy with the farmers, and particularly those with families who are in the drier areas and are suffering from a shortage of water.

Hon. P. D. Ferguson: But they cannot live on £6 a month, especially if they have no sheep.

The MINISTER FOR LANDS: I do not suggest that they can, but amelioration depends upon the money available.

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

The MINISTER FOR LANDS: If the Leader of the Opposition thinks that the

farmers can get on without applying for assistance, so much the better. And if they can pay rents, so much the better. So far as the Bank is concerned, it must deal with its clients in its own way; that is a matter entirely for its jurisdiction. Back in 1914, of course, the English loan market was able to provide abundant funds. But even in those days the Industries Assistance Board did not have to carry as many settlers as there are to-day, because the industry had not advanced to the stage it has to-day, and indeed there were not half so many settlers in those days. Members can assist by asking the Federal Government to take an interest and lend a hand in this matter, for it is as much the Federal Government's responsibility as it is ours. Yet the State Government, although they get nothing in return, have to pay out all the time and render all necessary assistance. I must qualify that by saying that except in regard to special grants by way of bonuses given by the Federal Government in past years. But those advantages were given to all farmers in Australia. The Federal Government get something from the settlers, something in the way of tax on all commodities, even spare parts.

Hon. C. G. Latham: Not on spare parts; they are excluded.

The MINISTER FOR LANDS: Yet I had to pay 9s. on a few pounds' worth of machinery oils. If that is not a tax, what is a tax? I do not wish to criticise the Federal Government, but I say it is for them to give a hand here. I will admit there is a natural inclination in members opposite to protect their own party in the Federal Parliament.

Hon. C. G. Latham: And a natural tendency for you to impose on the Federal Government if you can.

The MINISTER FOR LANDS: Members opposite are asking for help, so it is only reasonable that they should ask their own people in the Federal Parliament. I should like to see the farmer getting more than he does get, especially in areas where not much stock is carried. I can say that I have the heart to give the farmers all that the State can afford to give them, and I can assure members that that will be done as far as it can be done.

Question put and passed.

Bill read a second time.

*In Committee.*

Mr. Sleeman in the Chair; the Minister for Lands in charge of the Bill.

Clause 1—agreed to.

Clause 2:

**HON. C. G. LATHAM:** This is the clause that continues the operation of the Act. I want to make myself perfectly clear to the Minister, because I find sometimes he misunderstands members on this side. When I said I hoped that farmers would not be forced to buy assistance under the Act, I meant that I hoped the Minister would not pay land rent from those funds, as was done in 1914. So long as we have that clear understanding, there will not be any need for me further to discuss the Bill; but I am not going to have people in the country thinking that I wanted to prevent them from obtaining benefits under this measure. In 1914 many farmers were able to carry on, but the Government desired to get revenue and so they used Loan Funds for the purpose of increasing revenue for the year. That is what I wish to make perfectly clear to the Minister. He must not get into his head the idea that I wanted to prevent people from getting benefits under this Act. As for the Federal Government and their part, I propose to deal with them under the Loan Bill or on the Loan Estimates.

Clause put and passed.

Title—agreed to.

Bill reported without amendment, and the report adopted.

## **BILL—GUILDFORD CEMETERIES.**

### *Second Reading.*

Debate resumed from the 18th November.

**HON. C. G. LATHAM** (York) [7.38]: I do not offer any objection to the Bill. It proposes to vest the Guildford cemetery in a cemetery board. However, I make this suggestion to the Minister, that there are throughout the metropolitan area several cemeteries and I believe they would be far better under one management. So I suggest that the Minister should give consideration to the idea that the Karrakatta Cemetery Board should control all the cemeteries in the metropolitan area. Usually, the various religious bodies want to keep control of the smaller cemeteries until they fall into disrepair, when they come along and ask the

Government to take them over and transfer them to Class A reserves. The management displayed by the Karrakatta Cemetery Board would justify their taking over all cemeteries in the metropolitan area. As the Bill merely provides for the establishment of a cemetery board, I have no objection to it.

**MR. SAMPSON** (Swan) [7.40]: The small area known as the Guildford cemetery is at present in a state of neglect. That cemetery was used by Guildford and the districts adjacent thereto, including Maida Vale, Gooseberry Hill, Kalamunda and the towns south of Guildford as far as Karra-gullen. If the Bill be passed, the burial ground will become a public cemetery under the Cemeteries Act. The need of approval on the lines indicated is recognised by the various religious organisations. Recently at the instigation of the member for Guildford-Midland (Hon. W. D. Johnson), I attended a meeting, where I recognised the real need for the measure. I feel sure it will be agreed to, after which no doubt the cemetery will be properly cared for.

**HON. W. D. JOHNSON** (Guildford-Midland) [7.41]: I express my appreciation of the introduction of the Bill and of the way in which the Minister approached the question. As pointed out by the member for Swan, I was requested to call a meeting by a number of people who were concerned about the dilapidated state into which the cemetery has been allowed to drift, and who felt that something should be done. On investigating the matter I discovered that the cemetery was controlled by various religious denominations, each being responsible for a certain portion of the area. But there was no co-ordination by which there could be joint efforts for the purpose of extending the cemetery and attending to necessary repairs and maintenance. The whole position had become chaotic, and when a call was made to the various authorities, including the church authorities, they responded. After the matter had been discussed, they agreed to hand over to a central body the whole of the leases they had of various portions of the burial ground so that a proper central authority might be established the more adequately to administer the affairs of that ground. We had some trouble about it and I secured the assistance of the parliamentary members for Swan (Mr. Sampson) and for Middle Swan (Mr.



Hegney), both of whom assisted the re-organisation and helped generally. There was unanimity amongst those members, and amongst also the various denominations, and so we made representations to the Minister with the idea of getting the plan considered. It was suggested that the board should be provided for in the Bill, but the Minister wisely pointed out that if this were embodied in the statute it would create difficulties for the future. He agreed that a board as suggested by the conference should be established as a provisional board, until such time as those concerned had got over the preliminary difficulties. He thought that when wise counsels had prevailed the number of members on the board could be reduced, and it could then be made a smaller and more effective board, thus ensuring administration somewhat along the lines of the Karrakatta Cemetery Board. It was suggested that the Karrakatta Board should be made the central authority to control all the cemeteries in the metropolitan area. I do not know that I would greatly object to that board taking over these particular cemeteries. It would possibly be to the advantage of the cemeteries throughout the metropolitan area if some central authority were established, and if by that means the surplus revenue from one quarter went to help towards improvements in another quarter. I do not know, however, that the time is yet ripe to go into a matter of that kind. On the other hand it is a step in the right direction to organise the board as suggested in the Bill, for that would enable us to meet as a legal body and confer with the Karrakatta Cemetery Board. When I was going into this question I consulted with the secretary of the Karrakatta Cemetery Board. That gentleman was most helpful. Not only did he submit suggestions as to the constitution of this particular board and how we should approach the matter, but he submitted other details which were most valuable in the discussion that ensued. The effort has been quite a successful one, and the Minister has capped it by giving us a good practical measure that will enable us to administer this cemetery on better lines. We shall now be able to effect improvements, and there will be a better understanding all round. To my mind the cemetery will be more generally used as the result of the improvements and repairs that will be effected. I thank the Minister for bringing down the Bill.

**MR. HEGNEY** (Middle Swan) [7.48]: I endorse the remarks of the member for Guildford-Midland (Hon. W. D. Johnson). I have no doubt that when the Bill becomes law the cemetery in question will be kept in better order than has been the case in the past. This cemetery is on the main highway. It is a very old place. I feel sure that when the board is set up the cemetery will be much better administered, and will be conducted in the interests of all. I support the measure.

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—DAIRY INDUSTRY ACT AMENDMENT.**

*Second Reading.*

Debate resumed from the 18th November.

**MR. THORN** (Toodyay) [7.50]: The Minister dealt extensively with the dairy industry and demonstrated clearly its growth. This makes it all the more necessary that regulations should be brought forward further to control the industry. The industry lends itself to control, especially in respect to the methods adopted for the packing of the perishable articles concerned. The Minister stated that there would be a prescribed scale for the payment of cream according to grade. We can all approve of that. That is something which should be encouraged. If we encourage a high standard of production by paying the full value for the product, we are going to have articles of a higher grade. This is most essential seeing that in most of our primary industries we are approaching the export stage. The better the article the better price will the producer get on exporting it. Another matter mentioned by the Minister was the necessity for butter and cheese manufacturers to be qualified. We can approve of that. It would be a source of satisfaction to the producer as well as to the manufacturer if they knew that qualified men were handling these products. The public would be more confident of getting a high class

article if its production were in capable hands. When the parent Act was passed we were manufacturing only butter. It is now necessary to include the manufacture of cheese and condensed milk. Let us hope that great progress will be made in the manufacture of these two articles. It is to be regretted that we are somewhat overstocked with cheese. That is unfortunate, because we have only just begun to manufacture that commodity. Because of the large imports from the Eastern States we find our factories overstocked from the outset of our entry into this particular phase of the industry. Some of our factories have had to close down the cheese-manufacturing sections. That is to be deplored, and is one of the disabilities we are suffering under Federation. The Minister also said it would be necessary to have an annual review of the registration of factories. That is a good point. I have had experience in designing factories, submitting plans to the Commonwealth Government, and dealing with them in a general manner. I have always found that when factories have had to apply for registration annually the inspector in charge does not have the trouble he would otherwise experience in getting the proprietors to make the necessary alterations in air space, ventilation, and proper lighting. If factories have to apply for registration annually that will strengthen the hands of the inspector in control of the industry. One of the functions of the inspector is to examine the equipment, and where necessary see that it is put in order. That is a very reasonable amendment, for the employees must be protected. If an inspector notices that any danger exists, even in the stacking of the goods manufactured or in the operation of the machinery, it is his duty to see that the defect is remedied for the safety and well-being of those engaged in the establishment. I have no knowledge of the instruments used in testing cream, but I do know about the instruments used in the testing of the grape juices. I know how the instruments are manipulated and how necessary it is to have control over them. If the producer knows that his cream is being properly tested, and that he is getting its true value, he will derive a great deal of satisfaction from that fact.

The Minister for Agriculture: Tested by experts.

Mr. THORN: It would seem to be necessary that the cream tester should undergo an examination and be properly qualified for the work. The Minister said it would be necessary to have margarine coloured so as to make it distinguishable from butter. We can all approve of that amendment. If the margarine is highly coloured the purchaser will know what he is getting. If there is any move on the part of a retailer to pass over margarine in lieu of butter the deception will soon become apparent. Other members on this side of the House may think it necessary to amend clauses of the Bill, but I do not agree with that view. The Bill contains amendments to the Act that are very necessary. It should be the objective of every producer to improve the quality of his products. Whenever legislation is brought forward to bring that about, even if it slightly inconveniences the producer or the manufacturer, both should be prepared to accept it and regard it as a means of raising the standard of the products concerned. This is essentially a producing State. We are looking overseas for our markets, and our object should be in every direction to assist each other and to co-operate with a view to producing a good high-standard article. I support the Bill.

MR. NEEDHAM (Perth) [8.0]: I support the second reading of the Bill and desire to make one or two observations regarding the administration of the board. I do not think it is beyond improvement. There are some phases of the administration that are not altogether satisfactory. I understand the Agricultural Department have control—

The Minister for Agriculture: We are dealing with the Dairy Industries Bill. You are discussing the Bill that is to come on later.

Mr. NEEDHAM: I shall resume my remarks at a later stage.

MR. McLARTY (Murray-Wellington) [8.1]: All members will agree with the Minister for Agriculture as to the importance of the dairy industry. While the Minister has stressed the growth of the industry generally, I feel, as most members do, that it is still in its infancy and requires all the encouragement we can give it. I am particularly interested in the industry because, in common with other members re-

presenting South-West constituencies, I realise that the future of that part of the State is intimately bound up with the industry. The Minister pointed out that 16 butter factories are operating in the State and he told us that the capital invested in those factories amounted to £135,000. That is a large sum of money, but when we realise that, on the producers' side, £2,000,000 has been invested, it indicates what the producers have at stake. I do not want to make comparisons because I realise that each section is necessary to the industry, and it is also essential that good feeling shall exist throughout it. This legislation will help to bring about that good feeling. Regarding the provision for the annual registration of factories, I agree with that move, but I had hoped that provision would be made in the Bill for the licensing of factories. In the Bill there is nothing to prevent other factories being started to-morrow. For instance, although it is highly improbable, another factory could be started at Katanning to-morrow, yet already there are two such factories operating there although there is not sufficient trade to keep one going. With 16 factories operating in the State, the aggregate output is not much more than one factory in New Zealand is producing. When we consider the overhead expenses in connection with the industry in which 16 factories are operating and have in mind all the necessary outlay, including that involved in the provision of transport, it is obvious that the facilities available are out of all proportion to the necessities. There is the duplication of plant. If a factory is to turn out choice butter, it must have the necessary supply of cream. The Minister will readily agree that that is so. Because of the desire to get cream and because of the number of factories operating, the Minister also knows that there has not been accurate grading. Dairy farmers have had their cream graded as choice in many cases, whereas it is often only first-grade and in some instances second-grade. That has not been in the interests of the industry, and certainly not in the interests of the dairy farmer. I must admit that the Superintendent of Dairying has done his part to get over the difficulty, which has been very real. It is only natural that a dairy farmer will sell his cream to the factory that will give him the highest price irrespective of whether he gets correct grading or not. There is not the least doubt that the home market is our

best market, and if we are to retain it, good quality butter must be turned out.

Hon. P. D. Ferguson: It is even more necessary for the outside market.

Mr. McLARTY: Yes.

Mr. Warner: But you want the best for the local market too.

Mr. McLARTY: I agree that the butter makers and cheese makers should be qualified. All our graders are already qualified. Cream sent to factories is received and graded by the factory graders, and I support the proposal to enforce close grading according to quality. I realise the difficulty of enforcing that. It is not practicable for the department to have an inspector on every floor, particularly when there are so many of them. Perhaps the Minister will tell us when replying how he proposes to enforce accurate grading and what penalties will be imposed if grading is not carried out properly. Again, will the Minister insist that choice quality cream or first quality cream shall be churned according to grade? We know that some of the factories have been getting different grades of cream, but all grades have been churned in the one churn. I fail to see how there can be any great improvement in butter until the grades are churned according to quality. The excuse in the past—probably it was a good excuse too—has been that there was insufficient choice cream available to churn it separately and so turn out choice butter. I have heard it said that one factory in this State gave choice for every grade, but did not manufacture one lb. of choice butter. That is not in the interests of the industry.

Hon. W. D. Johnson: And when that was reported to the department they did nothing.

Mr. McLARTY: I do not altogether blame the department for that. As I said before, the industry is in its infancy and the department have not been able, in all probability, to do what States like New South Wales and Queensland have been able to do. The department have not set out to embarrass the manufacturer or the producer. However, I am looking to the future. I hope that, with the advantage of the amending Bill, there will be an improvement in the quality of butter, and I certainly believe there will be. I understand there are certain factories that do not store any choice butter at all. I asked the Minister if the administrative board will insist that each factory shall store

a certain quantity of choice butter. As to margarine, I know that the dairymen throughout the State have been advocating for a long time that some distinctive colouring be used so that it shall not be a competitor with butter. Often people do not know whether they have been supplied with butter or margarine.

Mr. Withers: It would be all right if the butter were of a better quality, for people would very soon know the difference.

Mr. McLARTY: There are quite a number of people who cannot tell the difference between margarine and butter, particularly when the commodity is bought for cooking purposes. The next Bill we shall deal with is the more interesting from my point of view and from that of those engaged in dairying generally. I thought there would be some mention of transport in the Bill but probably we shall discuss that matter when the next measure is before us. It is time we attended to the transport difficulty in this State. It is no uncommon sight in the South-West to see on the different roads a number of cream lorries only half loaded with cream. In such circumstances the cost of transport is excessive. One can safely say that in the lean period of production during the summer months one lorry could quite capably do all the work that four lorries do at that time. That adds to the overhead costs for which the producers have to pay. I support the second reading of the Bill and I am sure that the amendments it contains will be of benefit to the dairy industry generally.

HON. W. D. JOHNSON (Guildford-Midland) [8.12]: The value of a Bill of this description depends absolutely on the administration. It is no good saying that we have a good Act if it is not well administered. My experience here has taught me to realise that Parliament can handle a subject that is not generally understood, better than one of which every member has some knowledge. I said the other night that when we tackled gambling and drink, we all knew something about those subjects with the result that we tried to frame measures that were nothing like those that were originally introduced. That was because all members could contribute, and the contributions from the multitude so amended the Bills as to render them hardly recognisable by the Ministers who introduced them originally. That did not apply to the Dairy Industry Act,

which was passed in 1922 when very little dairying was carried on. The work then was practically confined to the pioneering operations carried out by a company at Bunbury. That work proved to be a very great factor in the development of dairying in the South-West.

Mr. McLarty: And still is.

HON. W. D. JOHNSON: The Government contribution toward that end has been small indeed. There is nothing for which the Agricultural Department can claim great credit. The main work regarding the organised production of butter has been done by the farmers themselves through organisations created by themselves. Time has rolled on and others have come into the industry. It was then that the Government fell down on their job and neglected to administer the Act so that each would work on an equal basis. The trouble has been that the co-operative companies that originally did the major work in regard to the establishment of this industry have received little or no consideration from the Department of Agriculture. Private dairies, on the other hand, seem to receive a maximum amount of consideration, comparatively speaking, with the result that, as the member for Murray-Wellington pointed out, a certain quantity of cream of second grade is allowed to be graded as first grade, although the factory doing the grading on that basis cannot produce first-grade butter. For some considerable time protests have been lodged in regard to the system of inspection. It seemed to me that those who were struggling to raise the standard of butter produced were not receiving anything more than criticism for their work, whereas those who were contributing little in regard to the improvement of the product were constantly being assisted to the extent that inspection in their case was not as rigid as where the butter of quality was being produced. The inspectors seemed to be in the wrong place, and that went on for some time. I have no objection to this Bill, but I say that the original Act and this amendment are of no value unless there are more inspectors. The member for Murray-Wellington said that we have 16 factories and he rightly declared that there were about ten too many. They are only imposing overheads on the producers. We have a lot of pettifogging factories that will never make a success of the job, and they are struggling in districts where cream could be transported to another district where the

standard of butter could be improved by quick transport, and the establishment of more up-to-date dairy factories and their equipment with more modern plant. We have the spectacle of duplication in small districts. We are producing in a very small way, comparatively speaking, and with our small production we have the spectacle of two factories operating in one town and covering one district. That is something the Agricultural Department has neglected. They should have discouraged it, and if they had not the power to do so, they should have come to this House and got it, so that, as the member for Murray-Wellington wisely pointed out, we could organise the industry in order that the overheads should not become a burden upon producers. The overhead expenses to-day are beyond the capacity of this industry to carry. I pointed out the other night when speaking on another measure the reason why our hotels are of a comparatively high standard, why one is able to get better accommodation in country hotels in this State than in any other part of Australia. The reason is that Parliament very wisely at one stage decided to reduce the number of hotels. The competition was too keen, the overhead expenses were too great, and generally the whole of that activity was on a poor business basis. The competition was so keen that no one individual proprietor could give the service required, or provide the best liquors. It was cause for very grave complaint; so much so that Parliament took action and from the time the number of hotels was limited and the business put on a basis proportionate to the needs of the community, the hotels immediately started to improve. The standard was higher. We organised that activity on a commonsense basis. We want the same here. We have not got this industry organised on a commonsense basis. It is higgledy-piggledy, and the administration of a good Act has allowed it to drift into that condition because of the limited number of inspectors provided to police the Act. The Agricultural Department have been neglectful in that regard over the years, and even to-day there is room for complaint in regard to the inspection of those factories created under this Act. I do not know that I can say more. I am like the member for Murray-Wellington; I am more interested with the next item. You will smile, Sir, when I mention that it is a marketing proposition, and you will never expect a mar-

keting proposition to go through without the member for Guildford-Midland having a say. When we come to that measure I will deal again with a matter I have raised; that fair consideration has not been extended to those playing the major part in butter production in Western Australia. The major part, the Minister knows, is done by the co-operative organisations. There is no reason to be doubtful in regard to that. The co-operative principles are sound, and the dairying industry has profited as a result of that very strong and wise organisation. The administration of it, I know the Minister will appreciate, is on sound lines, and dairy farmers are careful to note that in the election of the directors to control the manufacture of butter particular care is exercised to see that not only representative men of the industry are elected but that the type of man elected is one who has due consideration for the welfare of his fellows, and who will study mutual help.

MR. SPEAKER: I understand the hon. member is going to tell us this on the debate on the next Bill.

HON. W. D. JOHNSON: I shall repeat it. I am within my rights in pointing out in regard to this Bill that the dairying industry has been built up by a very strong and enthusiastic organisation, and during the debate on the next Bill I shall be in the happy position of being able, right within the Standing Orders, of again criticising the Government for not giving representation to that part of the organised producers who have done so much to produce a quantity of butter in this State and raise the quality of butter over the years. I do not especially desire to criticise the present Minister. Of course I have a grievance because he has failed to give representation to those who produced the butter. That is not fair, equitable or just. The Minister seems, like others, to be afraid of giving representation to co-operative organisations. I do not know why it is so.

MR. SPEAKER: I do not want to interrupt the hon. member, but we will have to hear that again.

HON. W. D. JOHNSON: You will, Sir. But in regard to this, the dairying industry is the co-operative movement. I am in order. It is the co-operative movement that has made the industry and created its strength to-day. It is the co-operative movement that has produced the large quantity of butter to-day and that pro-

duces 80 per cent. of quality butter to-day; therefore I have every right to stand up proudly and tell the world exactly the part that co-operation is contributing towards the establishment, maintenance and building up of this industry which is of such great value to the South-West of this country.

Hon. P. D. Ferguson: Didn't the dairy farmers have something to do with it?

Hon. W. D. JOHNSON: The hon. member knows perfectly well that it is not the individual who can build up anything. It is the co-operation of all dairy farmers that makes this possible, and it is a real credit to them, the way they have organised and pulled together, and the loyalty and consideration they have shown for their fellow dairy-farmers, and their desire to be mutually helpful to one another in building up this industry. I support the second reading of the Bill, but to me the Bill is of no value unless the Act is well administered. It is no good amending the Act when the industry itself is not being policed up to the standard it might be.

Mr. McLarty: It will have a much better chance of being properly policed than has been the case in the past.

Hon. W. D. JOHNSON: I am glad the hon. member is optimistic, and I am prepared to accept his assurance, and the Minister's assurance, in that regard. All I want is improvement. I am disappointed in regard to the past administration and, like the member for Murray-Wellington, am hopeful that the future will give us a brighter and a more reasonable administration in the sense that all will get an equal opportunity, and that those who produce the major portion of the product and quality butter to send overseas, and butter than can be stored with confidence will be patronised to the extent of seeing that they get representation in proportion to the work they are doing. I support the amending Bill. It is an improvement of the Act, I suppose, but if the Minister had put in that there should be at least 20 inspectors in the dairying industry, the result would be wonderful. The quality of cream is there if it is properly organised. Quality butter can be produced as a result of the quality of cream.

Mr. McLarty: There has been a great improvement.

Hon. W. D. JOHNSON: I admit that, but I am not prepared to give the credit

to the Agricultural Department. They have not contributed to the extent they should have done. The Department have not been very active and have not fully appreciated what this industry means to a very great portion of our State—the most valuable portion if properly developed. The Department should spend more money in administering the industry than is being spent at the present time. I support the second reading with the prayer that as a result of getting an amending Bill some more money will be forthcoming from the Treasury and that a few more inspectors will be put on with instructions to concentrate on those factories that are grading second grade cream on a first grade basis and producing a commodity which is entering into unfair competition with the product manufactured by those seeking to maintain a higher standard.

**MR. DOUST** (Nelson) [8.44]: I have very few remarks to make upon the Bill. I intend to support the second reading. I should like to draw the attention of the Minister to the fact that evidently the registration of all factories is cancelled as from the 31st December. I am wondering when the present measure will receive the Governor's assent. Will it be before the 31st December and will the factories be given the necessary opportunity to register before the expiration of the provision under the old Act? It will hardly be possible for them to register under the amending provision until this measure is proclaimed, and what will happen during the interregnum? I hope the Minister will consider that point. The repeal of Section 5 of the Act—

Mr. SPEAKER: The hon. member is not in order in dealing with sections on the second reading. He may deal with general principles only.

Mr. DOUST: I merely wished to show to what I was referring.

Mr. SPEAKER: The hon. member may do that in Committee.

Mr. DOUST: The various factories have to forward particulars to the Department of Agriculture each month and at the expiration of the year, within two months, they have to supply certain particulars to each of the suppliers. The term of two months is hardly sufficient. The factory staffs have quite a lot of work to do in sending out the monthly cheques and com-

piling the information required. They have to arrange for the annual audit and there is much for them to do at the end of the financial year. We would be wise to increase the period to three months in which to supply particulars to individual suppliers. The factories could not usefully supply the information before the audit took place because some inaccuracy might creep in. It is after the audit that the information has to be supplied. One part of the Bill deals with the appointment of inspectors. These men, in addition to being inspectors under the Dairy Industry Act, must hold qualifications under the Inspection of Machinery Act. The Annual Estimates show that inspectors under the Inspection of Machinery Act receive salaries averaging about £500 a year, whereas inspectors under the Dairy Industry Act receive salaries in the vicinity of £300. Yet those on the lower salaries have to undertake similar duties to inspectors under the Inspection of Machinery Act. Competent inspectors and graders are necessary, and it is neither right nor reasonable that dairy inspectors should be required to have a thorough knowledge of machinery and do duty under the Factories and Shops Act. Surely it would be better for them to specialise in the dairy industry and gain a thorough knowledge of its requirements, and let inspectors under the Inspection of Machinery Act carry out the other duties. We should not ask dairy inspectors to be Jacks-of-all-trades. The Minister should be prepared to relieve them of other duties and let them concentrate on the dairy industry.

Mr. Lambert: The machinery they would have to inspect would be only about the size of a sewing machine.

Mr. DOUST: Apart from the points I have mentioned, I have pleasure in supporting the second reading. I congratulate the Minister on having brought down the Bill. I know he has the interests of the industry at heart and is doing everything in his power to assist it.

**HON. P. D. FERGUSON** (Irwin-Moore) [8.35]: It is inconceivable that there should be any real objection to the Bill. The fact that no amendment has been made to the Act seems to indicate that it has proved fairly satisfactory and has met the requirements of the dairy industry fairly well since it was placed on the statute-book in 1922. That the industry has progressed to such an

extent as was pointed out by the Minister when moving the second reading is pleasing indeed. There are no fewer than 16 butter factories on which something like £135,000 has been expended in buildings and equipment. That shows the extent to which the industry has expanded. The Bill provides for the inclusion of cheese. Away back in 1922, when the original legislation was introduced, there was no such thing as cheese-manufacturing in this State. The same remark, of course, applies to condensed milk. Now we find it necessary in our present stage of development to bring those products within the provisions of the measure. The Act provides for the registration of dairy produce factories with the Department of Agriculture, and any person who uses premises as a dairy produce factory without being registered is liable to a heavy fine, about £100, I believe. That is as it should be. Registration in the past continued until cancelled by the Minister. In future we are to have an annual registration. There can be no objection to that; in fact, it is a very desirable alteration. Conceivably an important breach of the regulations governing the control and organisation of factories might be committed, and the Minister or his officers might deem it necessary to deregister a particular factory. If this were due to a breach of important regulations arising from neglect of duties devolving on factories called upon to manufacture the products of our dairy farmers, it is essential that power be given the Minister to bring about deregistration. The decision of the Minister would not be final, as the owner would have the right of appeal to a board consisting of three members, one appointed by the Governor, one by the Commissioner of Public Health, and one by the factory owner. Thus, the factories could count on receiving a fair deal from the appeal board, and their rights would not be interfered with in any shape or form. Inspectors are to be empowered to ensure that premises, utensils and equipment generally are put in reasonable order and maintained in reasonable order. If a factory owner disregards the order of an inspector, he is liable to a fine not only of £50, but to an additional penalty of £2 per day for every day he allows the offence to continue. That is a necessary and wise provision. The Bill stipulates that milk and cream shall be paid for according to quality. If we are going to encourage dairy farmers to produce high-grade products,

those products must be paid for according to quality. If this State is going to build up any considerable export trade in dairy products, those products must be of the highest quality. We in this State might be satisfied to consume products of inferior grade, but if we are going to compete with other countries in the overseas markets, countries that have had many more years in which to organise their industries, it is essential that in this as in all other export industries we should ship away only the highest grade quality. Unless the factories pay for that quality product, there will be no inducement for the dairy farmer to embark upon its production. Under the Bill no employee of a factory may test or grade milk or cream supplied to a factory, or make butter or cheese, unless he passes the necessary examination and possesses the qualifications and holds the necessary certificate of competency. That also is a desirable provision. I do not think it will impose any hardship on those engaged in such occupations at present, but in view of the possibility of others entering the industry who might not possess the requisite qualifications, we shall be wise to incorporate that provision in the Act. The efforts of dairy farmers to produce high-quality products will be nullified if the employees in the factories, either in testing or grading, are incompetent in any way. There should be the greatest co-operation between the producers and the factories, and this can only be brought about by efficiency, not only in grading the product but in manufacturing it. Factory managers have been compelled in the past, and they are to be compelled under this amendment, to supply their customers, within two months of the end of their trading year, with a return showing the quantity and value of all milk and cream supplied, and the charge for manufacture levied by the factory. A copy also has to be sent to the Department of Agriculture. I agree that the period of two months, in some instances, might be short, and I suggest that the Minister increase it to at least three months. The provisions governing margarine are essential. Margarine has been palmed off on to unsuspecting customers as butter, and the best way to avoid that is to have a distinctive colouration of margarine. Many farmers consider that the consumption of margarine should not be permitted in a dairy-producing country like Western Australia, but as margarine

is regarded as a reasonably wholesome article of diet, I cannot see how any legislation can be provided to prevent its consumption. Still, in the interests of those engaged in an industry upon which the State has spent so much money to foster and develop, margarine should not be permitted to compete with butter in the manner that has been permitted in the past. If a person wishes to buy margarine, he should be able to buy it, but it should not be palmed off on him as butter. This provision is the more necessary in view of the fact that a great many of the constituent parts of the margarine product are imported, whereas the whole of the constituent parts of butter represents the product of Western Australia. I have no real objection to any clause of the Bill, but I shall move one or two small amendments in Committee. Otherwise I give the second reading my whole-hearted support.

**MR. HILL** (Albany) [8.46]: I have much pleasure in supporting the second reading, because I consider the Bill a genuine attempt on the part of the Minister for Agriculture and his department to improve the condition of the dairying industry. The Minister and other members have said so much that little remains for me to add. However, I wish to quote a few figures proving the importance of the dairying industry. That industry has produced £15,566,000. Out of that amount £6,798,000 has gone to what we fruitgrowers call, without offence, the parasites. That has left only £8,768,000 for the producers themselves.

The Minister for Agriculture: Who are the parasites?

**MR. HILL**: I use the word without offence.

The Minister for Agriculture: Who are they?

**MR. HILL**: Those who depend on the industry for quite a large proportion of their income. However, as I have said, I use the word without offence. We are all more or less parasites, depending on others for our living. It is essential that close supervision should be applied to butter factories, partly to ensure that the producer gets a fair deal, and partly to establish a feeling of confidence in the factories themselves. An instance has come under my notice of farmers sending their cream



from Mt. Barker to Fremantle, a distance of over 300 miles, whereas at a distance of less than 40 miles away there is a factory in Albany. On making inquiries I learnt that the cream was sent to Fremantle because there the producers got a higher grade. Either the grader at Albany seems to be not giving the farmers a fair deal, or the grader at Fremantle has been granting, in order to obtain the trade, a higher grade than should have been granted. Again, it is not an economical proposition to send cream from Denmark to Katanning. At Busselton a week ago I learnt from a railway official that cream was being forwarded from Boyanup to Capel and from Capel to Boyanup. If there were a higher degree of confidence between the producer and the factory, we could do with fewer factories, and overhead expenses would be lessened. We must also bear in mind the export trade, in which we have to compete with the world. To compete successfully we must keep up our standard of quality and at the same time keep down our costs. As those appear to be the main objects of the measure, I give the second reading my support.

#### THE MINISTER FOR AGRICULTURE

(Hon. F. J. S. Wise—Gascoyne—in reply) [8.49]: I do not wish to indulge in any tedious repetition by further mentioning matters that were dealt with on the introduction of the Bill. I should, however, like to address myself for a minute or two to the remarks made by the member for Guildford-Midland (Hon. W. D. Johnson). Whilst I have a great appreciation of the objects of the co-operative movement, which the hon. gentleman has studied and practised, I feel that he must not be restricted in his views and endeavour to place blame where blame is not attachable. The hon. gentleman must be fair in his argument as to the activities of the Agricultural Department in furthering the interests of the dairying industry. He said the department could do with another score of inspectors. I am reminded of a political candidate who once opposed the member for Kimberley (Mr. Coverley). That candidate was asked at a meeting whether he believed in State steamers. His reply was, "The gentleman asks do I believe in State steamers. I believe in State steamers so much that, if I am elected, every river and creek in the North-West will be swarm-

ing with them." That would not assist the efficiency of the State Shipping Service. To have butter factories swarming with inspectors would have little effect beyond increasing the Annual Vote for the Agricultural Department, because the efficiency of the inspectors and the officer in charge of the department I think the hon. gentleman himself would not venture to criticise. They are a most efficient band of officers, and the services they have rendered in developing the industry are of the utmost value to the State. Elimination of factories in various towns and districts is common to the development of the dairying industry in every part of the world.

Hon. W. D. Johnson: That is why it should be changed.

The MINISTER FOR AGRICULTURE: It is a question of the survival of the efficient, if I may put it that way. In all countries, those who are efficient survive. I know the hon. gentleman does not believe in competition; but competition produces at least the survival of the efficient, to the great benefit of industry.

Hon. W. D. Johnson: That has been exploded long ago.

The MINISTER FOR AGRICULTURE: To the hon. gentleman's satisfaction it is exploded. The object of the Bill is simply to render more efficient the control of the industry, in the interests of the whole State.

Question put and passed.

Bill read a second time.

#### *In Committee.*

Mr. Sleeman in the Chair; the Minister for Agriculture in charge of the Bill.

Clauses 1 to 7—agreed to.

Clause 8—Amendment of Section 11 of the principal Act:

Hon. P. D. FERGUSON: I move an amendment—

That in paragraph (a), line 2, the words "in line one of" be struck out, and "wherever it appears in" inserted in lieu.

I want the words "milk or" to appear wherever the word "cream" appears in the principal Act. It appears in various parts of the section. There seems to have been an oversight in the drafting of this clause.

The MINISTER FOR AGRICULTURE: The hon. member would be right in this amendment if he inserted the words "milk or" in lines 1 and 2; but to make the amend-

ment general would be to defeat the object of this amending Bill. The hon. gentleman knows that butter is the basis of the dairying industry, and that the value of butter and the payment for it form a basis for the payment for all other dairy products. When butter, which has a world value and a local value, is paid for at a given price, that price fixes the market prices of other dairy products. Therefore, if butterfat is paid for at 1s. per lb. and someone desires to manufacture condensed milk or cheese, there must be some attraction given by that manufacturer to secure supplies of raw material. Thus the cheese manufacturer would pay 1s. 2d. or 1s. 3d. on the butterfat basis. The same thing applies to the manufacturer of condensed milk. If the amendment is made to apply generally, the whole basis of payment for butter and other dairy commodities will be removed. That can hardly be the hon. gentleman's intention. His amendment will be quite suitable in line 1 of the paragraph as well as in line 2.

Amendment put and negatived.

Clause put and passed.

Clause 9—Amendment of Section 12 of the principal Act:

Hon. P. D. FERGUSON: I move an amendment—

That after paragraph (a) there be inserted a paragraph as follows:—"By striking out the word 'butter' in line 5 of the subsection, and substituting the words 'dairy produce.'"

The MINISTER FOR AGRICULTURE: The same remarks apply to this amendment as to the previous one. If we open the clause to include dairy produce instead of butter, we destroy the basis of the dairying industry. If butter manufacturing is policed, the manufacture of all other forms of dairy produce is automatically policed. Anything that applies to butter in the section would apply to the manufacture of other dairy products, subject to the reservation I have mentioned.

Amendment put and negatived.

Clause put and passed.

Clauses 9, 10—agreed to.

Clause 11—Amendment of Section 14 of the principal Act:

Mr. NEEDHAM: This clause provides for a certificate of qualification for a butter or cheese maker. It is a very wise precaution but it postulates that such certi-

ficates are in existence in the other States. I should like to know if that is so and where they are in existence.

The MINISTER FOR AGRICULTURE: The certificates are in existence in all the States. It is necessary to have a certificate before anyone can test milk or cream, or even to grade cream.

Mr. Patrick: I know one firm in South Australia which employs none but University graduates.

The MINISTER FOR AGRICULTURE: All States set a simple but a very necessary examination.

Mr. Needham: Under whose control are these examinations held?

The MINISTER FOR AGRICULTURE: The Department of Agriculture.

Clause put and passed.

Clause 12—Amendment of Section 15 of the principal Act.

Mr. DOUST: I move an amendment—

That in line 2 of Subclause 2 the word "two" be struck out and "three" inserted in lieu.

This clause provides that the manager of every dairy produce factory shall forward to suppliers of milk or cream within two months after the 31st December an account in the prescribed form, etc. I wish to increase the period to three months. This will enable factories to give more time to the finalisation of their accounts for the year.

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

Clause 13, 14—agreed to.

Clause 15—amendment of Section 19 of the principal Act:

Mr. NEEDHAM: This clause deals with the question of colouring of margarine. I consider that in view of the regulation published in the "Government Gazette" of the 29th March, 1934, there is sufficient protection. The regulation reads—

Margarine shall be mixed with not less than one part potato starch or Queensland arrowroot per 1,000 parts of margarine or, alternatively, not less than five parts per centum by weight of Sesame oil. The Sesame oil added shall give the chemical reaction as laid down under the regulations made under the Health Act, 1911-33.

The Minister is perhaps aware that there is another feature that the question of margarine is still a subject for the courts to decide. I understand that courts have been

asked to settle this matter and I think it is still before the courts of Victoria. There are people who prefer to purchase margarine rather than pay for unpalatable butter, and I do not know whether the clause will help. I do not advocate the use of margarine instead of butter, but I would say that good margarine was much better than bad butter.

**THE MINISTER FOR AGRICULTURE:** There is no desire that margarine should not compete with butter. It is desired that it should, but as margarine and not as butter. The regulation the hon. member quoted is something that was brought into being in an endeavour to control the sale of margarine and make it attractive; but latterly, although many regulations have been drafted in the other States where there has been distinct competition, by insisting on the admixture of certain vegetable oil it was found that it competed unfairly with butter inasmuch as it was represented as butter. No one desires that the product of the peanut should be sold as butter; but let it compete fairly.

Clause put and passed.

Clauses 16 to 18—agreed to.

Schedule, Title—agreed to.

Bill reported with amendments.

## **BILL—DAIRY PRODUCTS MARKETING REGULATION ACT AMENDMENT.**

### *Second Reading.*

Debate resumed from the 18th November.

**HON. P. D. FERGUSON** (Irwin-Moore) [9.10]: The object of the Bill is to amend the Dairy Products Marketing Organisation Act, and judging by the debate on the Bill we have just disposed of it is evident that this one is going to be more popular than the last, because I notice that practically every speaker on the previous Bill concentrated more on the one now before us.

**Mr. Marshall:** Do not be too sure about that.

**Hon. P. D. FERGUSON:** The development of the South-West part of the State and the consequent development of the dairy industry with its increased production of dairy products such as butter, cheese and condensed milk, has resulted in the demand of the State being overtaken and has rendered necessary the export of a percentage of those commodities overseas. This too has

made it necessary that some form of stability should be brought about in the marketing of dairy products. Under the 1934 Act a board was constituted to administer the marketing provisions, and that board in my opinion has rendered very valuable service to those engaged in the industry and to the State generally, and also under considerable difficulties which will always arise when any board constituted under an Act of Parliament attempts to interfere or influence in any way commercial customs which have existed over a long period of years. I commend the board for the splendid services they have rendered notwithstanding all the difficulties. The Bill provides for the extension of the definition of the words "dairy products." At the present time the definition is, "butter" and such other dairy products as the Governor may by proclamation declare. While this may be very desirable I should like the Minister to tell us why it is necessary for the extension by proclamation. Why cannot it be done by regulation in the ordinary way?

**Hon. C. G. Latham:** Because the Minister wants to take away the power from Parliament.

**Hon. P. D. FERGUSON:** It seems to me to be an extension of a reprehensible practice of the promulgation of legislation by the Government which cannot be altered or amended by Parliament. If this were done by regulation, the regulation would have to lie on the Table of the House for a period and Parliament would have the right to challenge it and disallow it if necessary, but doing anything by proclamation means that it is taken out of the hands of Parliament and doing something for which Parliament itself was elected. The proclamation of what dairy products shall be declared to come under this legislation is only a very small thing, but in this early stage of the habit which has arisen as a result of the operations of the present Government, it should not be countenanced by Parliament and if any alteration is required it would be a simple expedient to effect the alterations by regulation which would be challengeable by Parliament. The Bill clarifies the definition of "dealer." This clarifying in the Bill is going to give the board a tighter grip of anyone who might be a recalcitrant dealer, a man who might attempt to upset the activities of the board directed to stabilise the marketing condition of the dairying industry, and so might

render a very great disservice, not only to producers, not only to manufacturers, but to the State as a whole. It is very essential that the board should have that power. The same thing applies to the definition of the word "margarine." That has been discussed on another Bill, and so there is no need to refer to it at any length. But there are objectionable clauses in the Bill which I hope will be rectified at the Committee stage. One such clause seeks to restrict the definition of "producer" to "one whose butter fat is manufactured at a dairy products factory." I should like to hear the Minister explain the necessity for this restriction. Surely a farmer who produces his own butter fat and manufactures his own butter is a producer! But because he does not market his butter fat at a dairy products factory, according to this latest amendment—which the Minister carefully refrained from explaining when moving the second reading—the definition of the word "producer" is restricted to those men who market their butter fat at a dairy products factory. This of course is aimed at the country farmer, mainly on the wheatbelt and in the mixed farming areas; he is the man who, to a greater extent than the dairy farmer in the South-West, has his butter fat from his own cows, and makes his own butter. In many instances it is not expedient for him to send it to a dairy products factory. He may be situated many miles from the nearest dairy products factory, and because he is not marketing his product there, he is not to be included in the definition of "producer." It seems that this definition has been put in the Bill solely in the interests of the factory, losing sight of the interests and welfare of the bona fide farmer who has endeavoured on the advice of the Government and on the advice of many public men to embark on side lines on his farm. For instance, he has been encouraged to keep a few cows and make his own butter, together with a little over for sale. Yet whereas one Minister advocates this policy, another Minister comes along with an attempt to injure that farmer by not allowing him to come within the definition of "producer." The present Minister for Agriculture has only to read the definition of producer to realise this.

The Minister for Agriculture: You are not serious.

Hon. P. D. FERGUSON: Yes, I am; and I am serious too about the interests of all those farmers who in many instances have

no practical alternative to making their own butter.

Mr. Withers: Do they make 20 lbs. a week?

Hon. P. D. FERGUSON: Yes, in many instances, and if the amendment be carried, they will not have a vote in the election of their own representatives. I agree that factories are essential to the building up of our export butter industry. So we have to assist the factories in every way, except at the expense of the men who are keeping the factories going. That is the point I would impress on the Minister; if he is going to debar every man who is making over 20 lbs. of butter per week and does not send it to the dairy products factory, if he is to debar him from the rights and privileges of a producer, he is not acting fairly by that producer. Another objectionable clause in the Bill refers to the constitution of the board. The board consists of a certain number of members, and this is its constitution at present:—

One shall be nominated by the Minister as the Government's representative, and shall be chairman of the board.

I have no objection to that.

One shall be nominated by the Minister, and shall be the representative of the consumers.

I think that is all right. It would be impossible for the consumers to have any say in the election of that representative.

Mr. Needham: Could not that provision be improved?

Hon. P. D. FERGUSON: Yes, like the hon. member, it could be considerably improved.

One shall be nominated by the company.

I have no great objection to that, except that I think the co-operative companies in which the member for Guildford-Midland is so keenly interested in view of the great services they have rendered in the building up of this industry, should have the right to have representatives on this controlling body.

The Minister for Agriculture: I think you will find the hon. member can speak for himself.

Hon. P. D. FERGUSON: That is so; but I am speaking for myself. But it is the next point that concerns me. It reads as follows:—

Two shall be nominated by the producers other than the producers who are themselves manufacturers.

The Minister proposes in his amendment to insert the word "producers" after the word "be" in a certain section, and he makes it "two producers who shall be nominated by the producers shall be members of the board." In my opinion, it is absolutely wrong to insist that the producers shall be entitled only to elect two producers on this board. Why should the choice of producers be restricted? If they want to elect a lawyer or a parson to the board, why should they not do so?

Mr. Withers: They would not be so foolish.

Hon. P. D. FERGUSON: If they wanted to elect the Minister for Agriculture they could not do it, because he is not a producer. Why should the producers' choice be restricted?

Mr. Rodoreda: They must be protected against themselves.

Hon. P. D. FERGUSON: No, not against themselves, but against a Labour Minister. It is absolutely wrong, and to show the hollow inconsistency of the Government, they make no differentiation in the manufacturer's representative; they are too vitally concerned for the welfare of the manufacturer, and so they do not restrict the manufacturers' choice of representatives; it can be a lawyer or a Minister of the Crown, or a parson. The dealers' choice is not restricted. Why then is the producers' choice restricted? I will answer my own question: I believe this clause was inserted, not by the present Minister for Agriculture, but was the product of the brain of his predecessor, who wanted to have a hit at the producers whenever he had an opportunity. The board was appointed by the ex-Minister for Agriculture, and he asked the organised producers to nominate representatives. They nominated their own secretary, a man whom they felt was always on the spot, was au fait with the legislation and had had a great deal to do with deputations to the Minister when the legislation was being organised. So they nominated their own secretary. But the ex-Minister said, "No, I will not appoint him; I must have a producer." The parent Act says that two representatives shall be nominated by the producers other than the producers who are manufacturers. The Minister then went off to the South-West Conference, an estimable organisation, con-

sisting of all sorts of bodies and organisations, road boards, vermin boards, progress associations, racing clubs, and everything else that is organised; and the Minister asked the South-West Conference for a nomination for a producers' representative. And on the executive of the South-West Conference was the biggest manufacturer in the State, and that gentleman had a say in the nomination of the producers' representative.

The Minister for Agriculture: Who was he?

Hon. P. D. FERGUSON: It is not necessary for me to say, because the Minister knows him very well. He is the head of the biggest butter manufacturing organisation in this State. He was on the executive of the South-West Conference, and the ex-Minister for Agriculture, in order to hit to leg the producers, refused their own representation and accepted the representation of the South-West Conference. I want to see that altered. I want to see a provision made whereby the producers' representatives shall be any whom the producers want to have, and that those representatives shall be elected by the producers who are registered, not appointed by the Minister. I have no objection to the Minister appointing the Government representative and the consumers' representative, but the producers' representatives ought to be elected by the producers. That is the only way in which the Minister is likely to get an entirely satisfactory board. Another clause in the Bill deals with the contribution of dealers to the funds of the board. It is provided that the Government may exempt their contribution in any particular kind of dairy product. In view of the fact that some of our dairy products are in their infancy and require to be encouraged, it might be advisable to exempt them from the contribution to the board's expenditure. Now we come to the powers of the board in connection with the organisation of their various activities, to which is added the transport of milk and cream. Just as this has proved essential in the interests of the producers in the supply of whole milk in the metropolitan area, so it is essential in this legislation. No doubt transport can be one of the means by which producers are deprived of the full 100 per cent. result of their labour to which they are entitled. If power

is given to the board to control the transport of these commodities, as is given to other boards in connection with other commodities, it will mean additional assistance to our producers, who stand so much in need of help. The provision dealing with quotas is not as simple as it looks, and I have had some difficulty in getting the hang of it to my satisfaction. One section of the Act is repealed. A clause is inserted in its place to the effect that no manufacturer or dealer shall sell dairy products in excess of the allotted quota without the permission of the board, which may be secured in writing. The quota system is the one means by which any organising board can control marketing of any primary commodity, a percentage of which has to be exported overseas, that I have been able to discover to be satisfactory. Ample provision must be made to give the board all the control necessary over those who are manufacturing this commodity, and who will be called upon to export a certain percentage of it. The quota system is absolutely essential and the board should be given the powers prescribed in the Bill. With the reservations I have made, I support the second reading.

**MR. NEEDHAM** (Perth) [9.32]: I wish to refer to one or two phases of the Bill and one or two aspects of the administration of the Act. The administration is not all that it should be. If we look at the control of the manufacture of butter we see some room for improvement. I understand the Agricultural Department controls the manufacture, whilst the Dairy Products Marketing Board control the selling. Would it not be possible to have one authority to deal with both aspects of the industry? Let the Agricultural Department sell the butter, seeing that it supervises the conditions under which that commodity is manufactured, or let the board be given full power to supervise the manufacture of the butter it has to sell. Another phase of the question might be referred to with advantage, namely the quantity of poor quality butter on the market compared with the quantity of choice butter. The administration might be improved to the end that a greater amount of choice butter might be offered to the public than is now being offered. No one will dispute the fact that there is rather too much of the lower quality butter on the market. It is said that the suppliers of cream to the factories along the Great Southern line were

not familiar with the methods required to keep their cream in good condition until it reached its destination. If that is the case, the administration might be able to help. I understand the Superintendent of Dairying reported to the Director of Agriculture that an officer should be sent down immediately to endeavour to remedy this trouble. Probably that action has too long been delayed. This may be a matter upon which the Minister will subsequently reply. I understand that exports of butter have been increasing. For the months of July, August and September of this year we exported more than we did for the same months of last year. Divided control is opposed to the interests of the industry. The quality of the butter manufactured is not to be compared with the quantity of choice cream that is paid for. I have some export figures covering the periods of July, August and September of this year and last year. In July, 1935, no butter was exported, but in August of that year we exported 397 boxes, compared with 329 boxes in August of this year, and in September, 1935, we exported 4,359 boxes compared with 5,439 boxes exported in September of this year. The total export in 1935 was 4,756 boxes, compared with 5,768 boxes this year. It is my intention to move an amendment when the Bill is in Committee. Clause 8 deals with the representations of consumers on the board. I shall endeavour to have the number increased from one to two. I shall also move to amend that portion of the Bill providing for the representation of the dealer. The question of control is all-important. Perhaps in reply the Minister will inform the House whether divided control could be abolished, and whether the control and sale of the manufacture could be placed under the one authority.

**MR. McLARTY** (Murray-Wellington) [9.40]: I support the second reading. The Minister by introducing this Bill, has shown a desire to help the dairy industry generally. I join with the member for Irwin-Moore (Hon. P. D. Ferguson) in expressing my appreciation of the work done by the board. That organisation can claim to have justified its existence and I am sure its members have a useful career before them. It is admitted on all sides that the industry is in need of organisation. That can only be effected by giving the board the necessary statutory powers. Members of the board

have worked particularly hard. I should like to pay a tribute to the two producers' representatives, Mr. McCormack of Capel and Mr. Noakes of Brunswick. They have represented the producers for 12 months and have done a lot of work of a useful nature. With some of the suggestions of the member for Guildford-Midland I agree, but I cannot agree with his remark that the dairy industry has made very little strides. It has made tremendous strides. He placed some of the blame on the shoulders of the Agricultural Department. In that he was not justified. He cannot have taken into consideration some of the work done by the department. I refer particularly to improvements to pastures and herds, the introduction of good sires, herd-testing, and many other of the activities of the officers concerned. Apart from looking after the factories, good work has been performed and the industry has been brought up to a better state of efficiency. I generally agree with the remarks of the member for Irwin-Moore. He is a champion for the man on the land, and I do not know anyone who is more of a champion in that respect. He is annoyed with the Minister because of the stipulation that the producers who are represented on the board shall be genuine producers. I presume it is the intention of the hon. member to move an amendment that the producers shall have the widest possible choice in the election of their representatives, and that they need not necessarily be producers. I hope the Minister will not adopt that suggestion. For years past producers have been fighting for and advocating that producer representatives shall be elected to boards. If when they are given producer representatives they are going to throw the principle away by saying they can elect whom they like, I am afraid that the principle for which they have been fighting so hard will be of very little value to them.

Hon. P. D. Ferguson: You do not pay the producers much of a compliment.

Mr. McLARTY: The producers are very scattered and many of them are isolated. Recently we had an opportunity of putting a producer of Western Australia on the Australian Dairy Board and an election was held to that end. Probably less than 20 per cent. of the producers exercised their vote.

Mr. Doney: That had nothing to do with the principle.

Mr. McLARTY: If some man with money, or some manufacturing firm, liked to travel around the agricultural areas, amongst the producers who did not take the trouble to vote, and to consult individuals, pointing out the advantages of returning some particular representative, probably someone representing the manufacturers, hundreds of votes would be secured.

Mr. Warner: It would be possible to put one over.

Mr. McLARTY: Yes. The representatives of the producers should be producers only.

Mr. Doney: Do you think they could put it over in their case more than they could in the case of another section of the community?

Mr. McLARTY: I think they could put it over; that is what worries me. Surely amongst hundreds of genuine producers that we have in this country, men with the necessary practical knowledge, it is not necessary to go beyond them to secure adequate representation.

The Minister for Agriculture: If this were the Bill of the member for Irwin-Moore, he would object to that principle.

Mr. McLARTY: I have consulted hundreds of producers in various districts, and I know there is a persistent desire to secure producer representation on the board. If it were found that some man was putting up as a representative producer although he was not a genuine producer, I am sure the member for Irwin-Moore would not favour that course.

Hon. P. D. Ferguson: Would the producers vote for such a man?

Mr. McLARTY: I have given an instance.

Hon. P. D. Ferguson: In that case there was no producer nominated, so they did not worry.

Mr. Doney: Would you restrict other representation in the same way?

Mr. McLARTY: The manufacturers are in an entirely different position. There are eight companies altogether in Western Australia, and they have representatives in the metropolitan area. They could be got together in a few minutes. On the other hand, it would be impossible to get the producers together in the same way, so the positions are not analogous. I hope the Minister will not agree to this suggestion.

Hon. P. D. Ferguson: I think he will.

Mr. McLARTY: The member for Guildford-Midland (Hon. W. D. Johnson) has suggested that a representative of the co-operative company should sit on the board. I am glad to be able to agree with the member for Irwin-Moore (Hon. P. D. Ferguson) who supported that suggestion. The company I refer to supplies by far the greater proportion of butter that has to be stored or exported. Yet the company has no say at all in the policy of the board. It is said that Mr. Corrigan, who is a member of the board, represents the co-operative company, but he is not elected by that concern. He is elected by the Manufacturers' Association who cannot be said to represent the co-operative interests. It appears to me to be only fair that the concern responsible for the largest proportion of the choice stored butter should have some say in the policy of the board. This year I understand from 30,000 to 35,000 boxes of butter will be stored, and of that quantity 25,000 boxes will be stored by the South-West Dairy Farmers' Co-operative Company. That is a tremendous percentage, and I hope the Minister will see the justice of giving the company representation.

The Minister for Agriculture: You want a board of seven members.

Mr. McLARTY: Yes, I think that would be a very good board, and I hope the Minister will agree to the suggestion. The co-operative company will store upwards of 25,000 boxes of butter, which will not commence to leave storage until the middle of March. Storage involves tremendous expense. It will run into something like £3 10s. per box.

Mr. Seward: No.

Mr. McLARTY: I did not refer to the cost of storage, but to the value of the stored butter, which will represent between £80,000 and £90,000. That butter will not be taken out of store until some time in March, which makes it very difficult for the company to finance. The company have to pay the producers, and yet wait all that time before they can get the cash for their produce. Power is provided for the board to enforce manufacturers to place a certain proportion of choice butter in store, and to require that all going over 91 points shall be stored. I hope the Minister will indicate how he intends to get over the difficulties of finance, particularly as it is of such consequence to the particular company I have referred to. The appointment of the board has been justi-

fied despite the fact that there has been a good deal of criticism. There is little doubt that if the present home consumption price were not operating, the price of butterfat to the producers during the past few months would probably have averaged—this is only an estimate, but I do not think it is far out—between 7d. and 9d. per lb. During the operations of the all-Australia scheme, prices have been at times less in the Commonwealth than the export parity, and the price has not been raised for the local consumers. That shows that the local consumer has not been exploited by reason of the operations of the board. I certainly think the amending Bill has been received favourably by all sections of the dairy industry. Greater encouragement will be given to the manufacturer of choice butter, and I stressed the need for that when discussing the previous Bill. At that stage I pointed out that the home market was the best market for our producers, and that if we were to keep that market for them it was absolutely necessary for choice butter to be manufactured. For instance, we cannot expect to retain the market at Wiluna, Kalgoorlie and other distant places unless we provide good butter for the people there to eat. Another thing about the Bill is that all sections of the dairy industry are catered for. It is essential that all dairy products shall be under the control of a board. It is provided that all sections shall contribute towards the administrative costs of the board, and that is merely fair. Each section of the industry must be prepared to provide for its own stabilisation, and the board will have power to deal with each section of the industry as the necessity arises. Mention has been made of the cheese industry. The expansion of that branch of the industry has been most rapid. When I was in Queensland three years ago, I remember discussing matters with the Minister for Agriculture there. Apart from being interested in dairying I was interested in potato growing. At that time we were importing large quantities of cheese from Queensland, and I asked Mr. Bullock, who was the Minister for Agriculture in Queensland, if he thought there was any prospect of our sending them potatoes, seeing that we took so much cheese from Queensland. To-day the tables are turned.

The Minister for Agriculture: Queensland is wanting our potatoes at the moment.



Mr. McLARTY: Yes, and we do not want Queensland's cheese. We have manufactured more cheese in Western Australia than we require at present. I regard that as a danger point in the dairy industry, particularly regarding administration. The board should control the production of cheese, and regulate its marketing, at any rate for the present. It is useless to manufacture cheese here under present conditions. If we have to export it, we have to do so at a loss. If we have a local price-cutting war between the factories, I can see a distinct danger of the local industry going out of existence. One cannot blame manufacturers for doing their utmost to retain the local market, but if competition is to react to the detriment of the producers who are the suppliers of milk to the factories that turn out the cheese, the board will be justified in taking a hand in matters. I express the hope that the board will control the manufactured cheese and regulate its marketing in the State. If there is a chance of exporting the commodity at some future time, I hope they will see to export matters as well. The board members have received a great deal of criticism because of the levy. I think it would be better to describe the charge as a "contribution," which is a less harsh-sounding word than "levy."

Mr. Sleeman: Would it make any difference what you called it?

Mr. McLARTY: It would not make any difference; we would still have a growl. If some producers realised that they were contributing to those who were exporting in order to equalise the home and export market prices, I do not think there would be so much growling.

Mr. Doney: You think a change of a word will alter the outlook?

Mr. McLARTY: I would not go as far as that, but producers do not seem to like the word "levy." I think the antipathy that has been worked up against the board from that standpoint has been because producers have failed to realise that the charge was imposed to help them and the industry. The member for Irwin-Moore (Hon. P. D. Ferguson) asked that the manufacturers of farm butter should be given an opportunity to vote in the election of the producer's representative. The farm butter question has been a burning one and has been difficult to deal with. Many farmers who have been making butter have protested strongly

against having to pay the levy. They do not realise that the payment of the levy has enabled them to secure an improved price for their farm butter. I agree with the member for Irwin-Moore that those farmers should have a vote, and I do not think the effect of giving them the vote will be detrimental to the factories. It will not be detrimental to the turning out of good quality butter, nor will it affect the policy of the board. I hope the Minister will agree to give the vote to those producers. I understand that the loss on exports during the past month or two has been about  $3\frac{1}{4}$ d. per lb. of butter. The producers, therefore, should realise that the board members have rendered them good service. I would like to ask the Minister what is the cost of storage. I understand it represents about 2d. per lb. Many rumours have been circulated about the actual cost, but information I gleaned from a fairly reliable source was to the effect that it was about 2d. per lb.

HON. W. D. JOHNSON (Guildford-Midland) [10.0]: I had prepared a few comments on the Bill but the matter that has been submitted by my friends on the Opposition benches covers all I would like to say. It would appear that if the consolidation of our forces on this side of the House and that side make an impression upon the Minister we shall have no difficulty at all in securing the amendments we suggest. I have already convinced one or two members in regard to the fairness of a review of the representation. I do not propose to follow that any further except to announce that I will have an amendment prepared, and will appeal to the House to support me in regard to the representation of the large producers of this valuable commodity. The other matter which has been emphasised by the member for Murray-Wellington is the need for a review of the advances on stored butter. There is a very grave weakness to-day that only certain companies can store. Only the very best butter can be stored and only certain companies can manufacture up to that standard. They are compelled to store their high quality butter while the manufacturer of inferior butter, comparatively speaking, is marketing on the local market. The man marketing on the local market gets the highest price for his commodity, which is inferior, inasmuch as it cannot be stored. I do not

want to discredit the manufacturers altogether in this regard. Their butter is up to standard at the time it is marketed on the local market, but it will not keep; it will not stand storage. To be stored, it must be of high quality. Therefore the inferior quality butter, from a storage point of view, is commanding the higher price because it has a monopoly of the local market, while the stored butter is compelled to be held over a good many months. Thus those that store as a result of the arrangements are penalised because their butter is stored, while the others are getting the advantage of the local market. I do not want to take up time in going into these details because I propose to draft an amendment to overcome the difficulty of the present situation in which the manufacturers of the best butter are undoubtedly penalised because of their high quality product. It should be the other way about, and I believe the Minister and the board want to make it the other way round, but there have been difficulties. As a result of this debate, it should be possible for the Minister sympathetically to review the matter and arrange for advances on stored butter so that the manufacturers and producers of high-quality butter shall not be penalised because they are producing the better quality article. There are two points which need attention in Committee—the question of representation and the question of stabilising storage on a better basis than exists to-day. If we can attend to these two matters we can produce quite a good amended Bill and we will strengthen the board and get better results than have been achieved to-day. I do not know that I have convinced the Minister, but I propose to introduce amendments and appeal to him for sympathetic consideration for them.

**MR. DOUST** (Nelson) [10.5]: Quite a number of matters with which I intended to deal have already been broached by the various speakers and I will not travel over the same ground to any great extent. There is one point in the Bill to which I would draw the attention of the Minister. In the Dairy Industries Act we find an appeal board allowed for. Under the present Bill the Marketing Board has full powers without any appeal at all. I am not sure that is quite right. I would like members to appre-

ciate the fact that our present marketing board has been appointed practically to deal purely with the manufacture and sale of butter. This new Bill provides a wide extension of the board's powers by repealing the word "butter" and putting "dairy products" in its place. If we have appointed a board to deal with butter and now it has to take on far greater responsibilities and the members of that board have in all probability little knowledge of the matters of which they have to take control, I think that the kindred industries brought under their control are justly entitled to representation on the board. We note that the Minister has the right to nominate one member of the board who shall be the chairman. I think a more ideal board than we have at present could be appointed by the Minister using his power to choose a second consumers' representative. Then we have the dealers appointing or nominating a representative. How many dealers are there in Western Australia who are not manufacturers? I venture to say they could be counted on the fingers of one hand, and I doubt very much if the dealers classed as distinct from the manufacturers are entitled to representation. I consider that the board in dealing with dairy products would be greatly strengthened, and that the sales of local products would be largely increased by the appointment of a retailers' or grocers' representative. There are thousands of grocers and retailers dealing out butter, and if we could get them to understand the position of the producers, we should probably find they would be willing to assist them by pushing local sales, not only of butter, but of cheese also. I think members would be very much surprised to know exactly the wonderful strides the cheese industry has made in the past 12 months, and particularly during the current year. We find it is necessary to export a very considerable amount of cheese. No provision has been made prior to this for any levy or contribution, but I understand that actually it has been suggested by the present Marketing Board that the same levy should be made on cheese manufactured for export as is made for butter. There is something like 3d. per lb. to pay in respect of loss on the export of butter. But the amount required to pay for loss on the export of cheese would not be more than a halfpenny, and it would be wrong to ask people supplying milk for the production of cheese to pay the same contribution as those who are supplying cream

for the manufacture of butter. The position is an intolerable one because it will be quite impossible to get any settler to supply milk for cheese manufacture if he has to pay the same contribution that the butter producer is compelled to pay. It is only because it is possible to pay a higher price for milk for the production of cheese that it is possible to produce cheese in this State. A high price is being paid for butterfat for the production of cheese, only because there has been a levy of 2d. or 3d. on butterfat for the production of butter, and that has enabled the cheese manufacturing business to progress in this State. I wish the Minister would appreciate that if the same levy is struck for cheese as for butter we cannot produce any cheese whatever except for our own local market, which is a very small one. If we want the cheese industry to flourish it will be necessary to produce cheese practically the whole year round. It is not possible to get retailers to buy from us for a few months and then have to apply to the Eastern States. It is not possible to produce cheese commercially in this State unless it is produced throughout the whole year. I hope the Minister will give serious consideration either to the appointment of a separate cheese board or for representation on the present board for the cheese production industry. It is hardly fair that a board composed entirely of people not au fait with the production, manufacture and marketing of cheese should be the board appointed to control that particular industry. I should like to compliment the Minister on the fact that he has given the board power to organise the carriage of dairy produce from the producers to the various factories. This has been a very burning question throughout the industry for a number of years. Unless the matter is approached very carefully I am afraid a great deal of dissatisfaction will continue. It will be necessary and it is right that the board should control the carriage of the produce. I think it would result in great saving to the producers. Roughly the cost of carriage is about  $\frac{3}{4}$ d. per lb. for butterfat, rising at some periods of the year to  $1\frac{1}{2}$ d. per pound. Members will readily understand that one vehicle would not be able to carry all the cream. Two vehicles travel along the same road, one following the other, because they are picking up for separate factories. Organisation would ensure a double service instead of the present service. Instead of cream being picked up, say, twice

a week, it could be picked up three or four times a week and could reach the factories in a much better condition, particularly during the hot months of the year. The marketing board, when making regulations for the carriage of cream for the various factories, should certainly impose strict stipulations on the carters catering for the various factories. Otherwise the various factories will be antagonistic to each other, will not trust their carters, and the carters will be blamed for tampering with the cream and other things. If independent men were obtained to do the carting—men not interested in supporting any particular factory—it would be a boon to the producers, enabling them to get their cream to market much more expeditiously than at present, and, during certain portions of the year, saving the companies a considerable amount of money. I hope the board will succeed in making some satisfactory arrangement for the carriage of dairy produce, and will impose stringent regulations to prevent co-operation by carters with particular companies. Other members have dealt with matters upon which I had intended to touch, and I shall not repeat what has been said. I am pleased to support the second reading, as I know the Minister is most anxious that producers should receive the benefit of any legislation he can bring forward. I believe that in Committee he will be prepared to accept any reasonable amendments, and I congratulate the Government on having brought down the Bill.

**MR. DONEY** (Williams - Narrogin) [10.18]: I wish to make a few brief observations in support of the contentions of the member for Irwin-Moore (Hon. P. D. Ferguson). Undoubtedly the Bill is entirely justified. Members must concede that only when a measure has been in actual practice are its weaknesses disclosed. Very good; this is a Bill to correct such weaknesses. The only fault of major consequence I have found in the Bill is the manner of the election of the board. The plea of the member for Irwin-Moore to give producers a wholly free choice in the matter of the election is surely a sound and reasonable one, and I cannot see that the Minister can very well resist it. There appears to be very little sense in proposing that producers be permitted to elect their own representatives and then qualifying that permission by saying, "You shall not select this

man, that man, or the other man, no matter how suitable he may be, no matter how high his qualifications may be, but you must select from this one group, and no other." I cannot see how the Minister can justify an attitude of that kind. If he does, I cannot understand why he does not impose similar restrictions upon the manufacturers and the consumers in making their choice. Those other bodies are to exercise a free and unfettered choice, and why should the producers, of all people, be singled out for this stupidly harsh restriction? One or two members on the cross-benches have suggested by way of interjection, and the member for Murray-Wellington said that the producers had to be protected against themselves. That is not a very flattering opinion to hold of the producers. I imagine they are just as competent to act wisely in their own interests as is, say, the member for Murray-Wellington. Yet he would have the House believe that the producers are, shall I say, of a low-grade type, easily hoodwinked. I am surprised that he should have uttered sentiments of that kind.

Mr. Warner: He did not say that.

Mr. McLarty: Of course I did not.

Mr. DONEY: When the hon. member reads the report of his speech, I think he will find that he did make that statement. It is almost certain that the producers would elect one of their own men.

The Minister for Agriculture: You understand them.

Mr. DONEY: But conceivably they might find a suitable person not directly connected with the industry to the extent of being a producer. There might be a producer who had recently retired from business, perhaps because he was more than usually smart in the conduct of his business and knew more about it than most producers. Surely there are quite a number of such men in the metropolitan area, any one of whom would make a suitable representative. On the other hand, the producers might prefer a man in a secretarial position having some connection with the industry, a man in a managerial position, in an advisory or legal position. Why should not representatives from those sources be elected, if the producers so desire? Surely there is nothing wrong with the principle of allowing the producers to please themselves. All the solicitude expressed for them by the member for Murray-Wellington is so much non-

sense, and I admit that I cannot understand the hon. member's sentiments. I favour the Bill, and shall vote for the second reading, but I am hopeful that the Minister will appreciate the wisdom of the remarks of the member for Irwin-Moore.

**MR. WITHERS** (Bunbury) [10.23]: There would not have been any great need to make a contribution to the second reading debate but for the remarks of the member for Williams-Narrogin in support of the proposal of the member for Irwin-Moore. Members who were in the House at the time the original legislation was passed will recall what happened when the constitution of the board was decided upon, and the definite effort to restrict the representatives of the producers to producers. I do not know how the representatives of the producers in this House can expect us, who do not claim specially to represent the producers, not to display a little more sympathy with them than members opposite appear to do. Who could have a better knowledge of the requirements of producers than a producer? True, an organiser might be appointed as representative and he might be the best organiser possible; but is it likely that he would be able to represent the viewpoint of the producers as well as could one of their number? If I were engaged in a particular industry, such as dairying, I should not look outside the industry to secure a representative for a board.

Mr. Doney: Not ordinarily.

Mr. WITHERS: Then what is extraordinary about this proposal, except that most things connected with the Primary Producers' Association are extraordinary? That is the most extraordinary statement I have heard, although members opposite at times make some very extraordinary statements. Do members opposite want to provide a "cushy" job for somebody in preference to giving it to a man in the industry?

Hon. P. D. Ferguson: No member of the board has a "cushy" job.

Mr. WITHERS: Why should not a man who has made good in the industry, perhaps worked himself to a standstill in the industry, have the preference as a board representative? Such a man would understand the industry from beginning to end and surely he is the man to be chosen in

preference to somebody outside the industry.

Mr. Doney: He most certainly will be chosen.

Mr. WITHERS: The whole thing is most foolish. The hon. member has one idea of foolishness and I have another. Then the member for Guildford-Midland suggested that the Co-operative Butter Factory should have representation on the board. If he is prepared to move an amendment in that direction I will support him. The South-West Dairy Co-operative Company is really the only company of that nature we have which manufactures for and on behalf of the producers. The greater the percentage of the producer representatives we can have on the board the better it will be for the industry in general. If we can secure two representatives from the producers who will actually be producers, and a representative from the co-operative side of the industry, we shall have an equality of representation on the board. I am pleased that the Minister has gone to such trouble to amend the Act. It is some two years since that legislation came into operation. Only that short time has been necessary to reveal the few anomalies that are practically inseparable from any new Act or any new board or concern of that nature. These anomalies have been found by practical experience. I hope when the Bill emerges from Committee the legislation will be something that this State will have good reason to be proud of. I hope the legislation will be finalised once and for all, and that it will not be necessary to bring down further amendments next year. The Act as amended will give those engaged in the industry an opportunity to get a better deal than they have had in the past.

Question put and passed.

Bill read a second time.

## BILL—ROADS CLOSURE.

### *Second Reading.*

**THE MINISTER FOR LANDS** (Hon. M. F. Troy—Mt. Magnet) [10.30] in moving the second reading said: This is the usual Roads Closure Bill that comes down every session and provides for the approval of Parliament in the case of decisions made by the Minister for Lands. These closures are

confined to municipalities only, as in the absence of any statutory power to close roads in municipalities it becomes necessary to bring down this legislation. The Carnarvon Municipal Council has applied for the closure of a street to allow the holder of certain lands to include the street within his property and thus consolidate the whole. The local municipal council has agreed to the closure as the road is considered unnecessary. The City of Perth desires the closure of certain portions of roads within its endowment area. These roads do not fit in with the scheme of subdivision and development adopted by the Council, and as other roads have been provided to take their places and ample access is given to the beach, there is now no necessity for those portions of roads, and it is proposed to close them and grant the land comprised therein to the City Council as part of the endowment. There is no objection to that action. Short-street, Subiaco, is a short private street running off Lawler-street, and the owner of the land abutting thereon desires to resubdivide and include this street in the resubdivision. It is considered this will improve the neighbourhood and appreciate the value of property in the immediate vicinity. The purpose of the Bill is to close that street. The disposal of the land comprised therein will rest with the owner of it, as it belongs to the original owner of the subdivision. The Wagin Council has been offered a quarter-acre block near the railway station in exchange for a small portion of Union-street, comprising about one-fifth of that area, such portion of Union-street being a dead-end and not required. The council therefore desires to complete this exchange, but it will first be necessary to close this portion of Union-street. The council wishes to acquire the quarter-acre referred to for drainage purposes. The Bill provides for the closure of portion of Union-street, and the granting of the land in fee simple to the Wagin Council in order that the exchange may be completed. Portion of Venn-street, Collie, lies between two portions of the school site reserve. This part of Venn-street is not made and is not required. The closure is approved by the Collie Council, and it is desired to consolidate the school reserve. The Bill proposes to close this portion of the road so that it may be included in the school reserve. Certain land has been acquired under the Public Health Act for a public school site at

Millen, Victoria Park. The area referred to comprises portion of Patricia-street which is not required, as sufficient access is provided by other streets. It is desired that this portion of Patricia-street be closed and included in the school reserve. The municipality of Bunbury has acquired a large portion of Leschenault Location 26, south of Bunbury, which had been subdivided, and a number of streets were set out in the subdivision. It is proposed to set apart a comparatively large area of this subdivision for park lands, and to re-arrange the subdivision by making the necessary alteration in the road system as required. It is, therefore, desired that the roads which traverse the parklands should be closed so that the area may be consolidated. There is another portion of the same land to be set apart as a recreation reserve, but a public road traverses this ground. As other roads have been provided in lieu thereof it is desired to close this road so that it may be added to the recreation reserve, and to grant the fee simple of the land in such closed road to the Bunbury Council for the consolidation of the recreation reserve. These alterations are required by the council, who own all the land with the exception of the public land referred to, in order that the plan of resubdivision may be approved and registered in the Titles Office. The Government have been indemnified by the council against any claim or demands which might arise as a result of these closures, but such are not considered likely as the necessary arrangements have been made by providing alternative streets as required. I move—

That the Bill be now read a second time.

On motion by Hon. C. G. Latham, debate adjourned.

## **BILL—LOTTERIES (CONTROL) ACT AMENDMENT.**

### *Instruction to Committee.*

Order of the Day read for the consideration of the Bill in Committee.

**MR. RODOREDA** (Roebourne) [10.35]: Before the Bill goes into Committee, I desire to move—

That the Committee be instructed that they shall have power to make the following amendment:—

“2. Section fifteen of the principal Act is hereby amended by adding a further proviso to paragraph B:—

“Provided further that in the case of all lotteries conducted by the Commission the Minister shall appoint an independent auditor, who shall make a continuous audit and report to him from month to month.

“Every such monthly report shall be tabled within fourteen days after making thereof in each House of Parliament, or if Parliament is not then in session within fourteen days after commencement of the next session.”

The motion appears on the Notice Paper. Having heard one or two of your rulings, Mr. Speaker, on similar matters, I came to the conclusion that the amendment contained in the motion would be ruled out of order if moved in Committee, although at the time I drafted the amendment it was within the Title of the Bill. The Bill was originally entitled a Bill for an Act to amend the Lotteries (Control) Act; not to amend a particular section—as in the case of other continuance Bills—but to amend the Act as a whole. Having heard your decisions, Sir, I came to the conclusion that the amendment would be ruled out of order. Thereupon I investigated the position to see whether there was any other means by which a private member could have an amendment foreign to the subject-matter of a Bill considered in Committee. I hope members will vote for the motion, as on the second reading they have supported the principle of the amendment. If it is thought that I am endeavouring to establish a precedent, I hope hon. members will dismiss any such view from their minds. The motion does not take the control of business out of the hands of the Government. If the Government do not wish to have the amendment considered in Committee, then they have the necessary numbers to refuse permission. I ask hon. members to realise that if they vote against the motion seeking to instruct the Committee, they will also be voting against the principle contained in my amendment.

**MR. SPEAKER** [10.38]: The member for Roebourne (Mr. Rodoreda) has moved the motion standing in his name on the Notice Paper.

Hon. C. G. Latham: May I ask, Mr. Speaker, if you are going to allow this?

Mr. SPEAKER: I am. Perhaps it may save the time of the Leader of the Opposition if I give him the authority. Standing Order 390 reads—

An instruction empowers a Committee of the whole House to consider matters not otherwise referred.

Standing Order 391 provides—

It is an instruction to all Committees of the whole House to whom Bills may be committed, that they have power to make such amendments therein as they shall think fit provided they be relevant to the subject-matter of the Bill; but if any such amendments shall not be within the Title of the Bill, they shall amend the Title accordingly and report the same specially to the House.

I find in Denison's and Brand's Decisions of the House of Commons, 1857-1884, the following:—

Continuance Bills: Instructions to Committees on. Where a Bill is simply a Continuance Bill of an Act now in force, it is not competent for the Committee to introduce a clause of a different nature to the simple scope of such Bill, but it may be an instruction to the Committee to introduce such a clause.

Poor Law Continuance Bill. Committee. Order for Committee read.

Lord Edward Howard moved an amendment, viz., an instruction to the Committee to introduce clauses of a creed register, etc.

Mr. Speaker is asked whether such an instruction is in order, on the ground that either the Committee have the power already, or that the matter is foreign to the object of the Bill.

Mr. Speaker said—"Whether on a Continuance Bill it was a convenient occasion to introduce such an instruction was an entirely different question, but in point of form he did not think that the noble lord was out of order."

In reply to a further point, Mr. Speaker decided that it would not be competent for the Committee to introduce a clause without a special instruction.

The basis of that ruling is that the House must be in control of its own business. The Committee of the House is, of course, subordinate to the House; but where the Committee has an instruction from the House that it may make certain amendments, whether relevant to the Bill or otherwise, that instruction having been carried, it is competent for the Committee to make that amendment, though the Committee is not necessarily compelled to make it. The Committee may make the amendment if the House carries an instruction that the Committee may do so.

Hon. C. G. Latham: May I amend this motion?

Mr. SPEAKER: No; the hon. member may not amend a motion that the House give an instruction. That also is laid down. There are quite a number of rulings in "May" with regard to it.

HON. C. G. LATHAM (York) [10.43]: I wish now to speak to the instruction.

Mr. SPEAKER: The Leader of the Opposition can speak to the motion before the Chair.

Hon. C. G. LATHAM: The motion does not go far enough to satisfy me. I want it to provide that we ask the Minister for Police to instruct the Audit Department—

The Minister for Justice: You can move that in Committee.

Hon. C. G. LATHAM: If I cannot amend this here, how can I amend it in Committee?

Mr. SPEAKER: It is my mistake. I was thinking you could move to amend it only here. It can be amended in Committee. This is an instruction that an amendment may be made on those lines.

Hon. C. G. LATHAM: Do I understand that while I cannot amend this motion here—

Mr. SPEAKER:—you may in Committee. That is, if the House decides to carry the instruction.

Hon. C. G. LATHAM: This is quite an innovation in this Chamber, so far as I am aware.

Mr. SPEAKER: It has been done in this House.

MR. HUGHES (East Perth) [10.45]: I take it there is nothing to prevent the Committee from issuing a further instruction—

Mr. SPEAKER: The Committee cannot instruct anything.

Mr. HUGHES: I would like your ruling, Mr. Speaker, as to whether we can go further regarding this matter. What is the sanctity about Section 15.

Mr. SPEAKER: I have given a ruling on the question to the effect that there must be notice given of a proposal to move such an instruction in the House. Once it gets into Committee, further amendments cannot be moved that are not relevant to the Bill itself.

Mr. HUGHES: Which is the Standing Order dealing with notice?

Hon. C. G. Latham: Standing Order 391.

Mr. SPEAKER: This point was dealt with in 1893 and again in 1904, so it is not new in this Chamber.

Mr. HUGHES: Under what Standing Order can we deal only with such instructions upon notice?

Mr. SPEAKER: I referred to "May's Parliamentary Practice."

Mr. HUGHES: I cannot see anything on the point in Standing Orders 391, 392 or 393.

Mr. SPEAKER: I told the hon. member that I referred to May's "Parliamentary Practice," which is covered by our Standing Order No. 1.

Question put and passed.

11.11.11

*In Committee.*

Mr. Sleeman in the Chair; the Minister for Police in charge of the Bill.

Clauses 1 to 3—agreed to.

Title—agreed to.

New clause:

Mr. RODOREDA: I move—

That the following new clause, to stand as Clause 2, be inserted:—

2. Section fifteen of the principal Act is hereby amended by adding a further proviso to paragraph (b):—

Provided further that in the case of all lotteries conducted by the Commission the Minister shall appoint an independent auditor, who shall make a continuous audit and report to him from month to month.

Every such monthly report shall be tabled within fourteen days after making thereof in each House of Parliament or if Parliament is not then in session within fourteen days after commencement of the next session.

There is little need for more to be said on this subject. I referred to it during the course of the second reading debate. The Minister gave the House an assurance on behalf of the Government that this practice would obtain, and the Leader of the Opposition supported it. It is a safeguard that the reports of the Auditor General upon lotteries conducted during the past few years have shown to be necessary.

Hon. C. G. LATHAM: I move an amendment—

That the proposed new clause be amended by striking out in lines 2 and 3 of the proviso "Minister shall appoint an independent auditor who" and the words "Auditor General" inserted in lieu.

Provision is already made for an audit, and in the amending Act of 1933 or 1934 we provided that the auditor's report should be laid on the Table of the House. My previous remarks must have convinced members that the auditors have not complied with the requirements of the Act. The Minister who was formerly in charge of the Lotteries Commission glossed over the matter, but that was not right. The auditors should have seen to it that the Commission complied with the Act and the regulations, and that his report should not merely deal with a few figures. He should have seen to it that we secured the

reports as required by the amending Act. The point is that the auditor did not do his job, so we should stipulate that the Auditor General should see that the work is carried out. I am not satisfied that the law has been complied with, and my proposal will relieve the Minister. The Auditor General is the servant of Parliament. He is the official to whom Parliament looks for information regarding public accounts and so forth. He is not the auditor for the Minister or the Government, but for Parliament. I was reading to-night that it is Parliament that is the authority which controls the finances of a country, not the Executive Council, and that members of Parliament have an even greater responsibility than Ministers. In those circumstances, I hope the Minister will agree that the Auditor General should conduct these audits. We should make it clear that we do not want any outside auditor. The firm of auditors who have carried out the auditing stand as high as any other firm of accountants in the city, but I want the Auditor General to do the work. I hope the Committee and the member for Roebourne will agree with me that it is better to fix this matter definitely and stop any further discussion. If the public lose confidence in the Commission, we may just as well close it down.

*Point of Order.*

Hon. W. D. JOHNSON: On a point of order, Mr. Chairman, I want to ask whether you are satisfied that the amendment we are now discussing is relevant to the subject matter of the Bill. We are dealing with a very serious matter this evening, and we must be careful. We must not allow the Committee at any stage to introduce a matter not relevant to the subject matter of the Bill. An amendment is only in order if it is relevant to the subject matter of the Bill, and I submit that the one under discussion is not relevant.

Hon. C. G. Latham: I agree with you.

Hon. W. D. JOHNSON: It is in Committee that we have the right and responsibility to move amendments. Members can see exactly what is going to happen unless we are careful. It has been the practice ever since I have been in this House that the Government have always had the right to limit discussion on a particular Bill by specifying certain clauses. It is deliberately done, and the practice is used by Governments to limit



the discussion on the principal Act to the amendments introduced by the Government. My point of order is that there is no relevancy between the amendment as submitted and the subject matter of the Bill. The subject matter of the Bill is purely an extension of time. The amendment deals with administration, and thus introduces absolutely foreign matter. If we are going to do this I want this House to realise where they are going. There will be no possibility in the future of preventing anything from being introduced. The member for East Perth was sat down the other night on the same thing, but now it is O.K., and if we permit this to go through it is going to be O.K. for all time.

The Chairman: The amendment before the Committee is to amend the new clause moved by the member for Roebourne.

Hon. W. D. JOHNSON: My point is that the amendment is not in order, and it is your responsibility to say whether it is.

The Chairman: Will the hon. member sit down while I give my ruling? I cannot do it while he is on his feet. I rule that the amendment is in order. It is relevant to the subject matter of the new clause which it has been an instruction of this Committee to discuss.

*Committee resumed.*

Amendment put and passed.

Hon. C. G. LATHAM: I move an amendment—

That in line 5 of the proviso "him" be struck out and the words "the Minister" inserted in lieu.

Amendment put and passed.

Mr. HUGHES: I move an amendment—

That in line 5 of the proviso after "month" the following words be added:—"and of all other lotteries conducted under the provisions of this Act."

It is the practice of the Commission to give permission to other people to conduct lotteries, and those lotteries are not subject to any audit, nor is there any audit to see that the funds are expended in accordance with the terms of the Act. Parliament does not know what number of such outside lotteries have been organised, but this proposed audit will be the means of letting Parliament have the list of such lotteries. Under the provisions of the existing Act those persons who have permission to conduct a lottery are under no obligation to show that those lotteries have

been conducted, or how the funds have been disposed of. To complete the scheme of providing for Government audits, we ought to include all those lotteries that are authorised under the Act.

The MINISTER FOR POLICE: There is no need whatever for the amendment, because the matter is now completely covered under the existing Act. There is no necessity to have the Auditor General's staff handling such matters as raffles, for the auditing of which provision is already made in Section 5 of the Act, paragraphs (d) and (e). So there is provision for all raffles to be audited and for the auditor's report to be sent to the Commission, and the Commission to act upon that report.

Mr. MARSHALL: I shall vote for the amendment. We have reached a farcical stage in the history of this Commission and its transactions with the Government. I do not think it obtains anywhere else that such a Commission should have a Government auditor called in to investigate the Commission's activities. The Leader of the Opposition was strongly opposed to State interference with the Commission, but now he comes along with an amendment that will draw the Auditor General into the picture. And the hon. member succeeded in getting it through. Why should not we call in a Government auditor to examine the transactions of all boards and commissions? It is because of the proposal to make of this a State Commission that I am going to vote for the amendment. There has been a complete somersault on the part of certain members.

Hon. C. G. LATHAM: The hon. member may very well speak for himself, but he is certainly not going to speak for me in this Chamber. I did object to a State lottery, and I object to it now, but I never objected to having proper control over lotteries. I had an opportunity the other night to express myself on the gambling law of the State, which is not being administered as it should be. I am certainly going to voice my own opinion and not allow the member for Murchison to fasten on me things that I have not said. The existing law is sufficient to control these lotteries, but the law has not been complied with. The Minister cannot show me where paragraph (d) of Section 15 of the Act has been complied with. At no time have reports been laid on the Table, nor has the Minister satisfied the Committee that he has

ever seen a report of an auditor on the conduct of a lottery. Neither has he seen a certificate showing that the conditions of the permit have been complied with.

The CHAIRMAN: That has but little to do with the amendment.

Hon. C. G. LATHAM: It is not a parliamentary function to run lotteries. We are here to govern, to make laws, to tax the people for revenue purposes, not for the purpose of running lotteries, so I am never going to agree to a State-controlled lottery. I would not have any regrets if to-morrow we heard the last of the lotteries being run in the State.

Mr. HUGHES: The reports prescribed under Section 15 (e) would simply go to the Minister and would not be presented to Parliament. By adding the words the reports would be presented to Parliament and Parliament would know of the lotteries authorised. Consequently, there would be an enlargement of existing powers.

Mr. RODOREDA: I have never read a more clumsy amendment. The member for East Perth should have moved for the insertion of another paragraph. He has failed to give any reason in support of his amendment. My proposal is clear.

The MINISTER FOR WORKS: We should not make ourselves ridiculous. The amendment would include all the trifling lotteries approved by the Commission, petty raffles some of them at a penny a time. Are we to have the Auditor General to audit their accounts? The law already provides for the promoters to report to the Commission and satisfy the Commission that the lottery has been conducted in accordance with the permit. Who is to pay the staff of the Auditor General's department to audit all those twopenny-halfpenny accounts? It is right that the State-wide lotteries, a dozen or so a year, should be audited by the Auditor General. He should have conducted the audit from the outset, but that was not permitted. We appointed a Commission to attend to the small lotteries. They have the power to determine whether trifling lotteries shall be permitted. When I was controlling the department I insisted upon the Commission supplying a list of the proposed lotteries. I did that because on one occasion they gave permission for a union to run a lottery. I objected, and I consider that I acted within the spirit of the law. I insisted upon the permit being withdrawn. A Douglas Credit organisation asked for per-

mission to run a lottery, and I was so amused that a world-wide revolutionary financial institution should ask permission to finance their activities by a lottery that I granted it. The Country Women's Association asked for a lottery and I generously decided that they were not a political body. I now have a sort of demand from the Silver Chain. Should the Auditor General tinker with those accounts to ensure that they are in order and that the petty cash is right? The Auditor General would have to increase his staff enormously and send auditors all over the State, because very few people who conduct a lottery furnish all the required particulars. Penny raffles for football clubs and other organisations in the country may be worthy objects, but it is not the business of the Auditor General to scrutinise their accounts.

Amendment put and negatived.

Hon. P. D. FERGUSON: I desire to have a ruling, Mr. Chairman. When the member for Guildford-Midland raised a point of order, you ruled against him on the ground that the amendment of the Leader of the Opposition was in order and relevant to the amendment of the member for Roebourne. I refer you to the Constitution Act, Section 8 of which states—

A vote, resolution or Bill for the appropriation of revenue or moneys shall not be passed unless the purpose of the appropriation has in the same session been recommended by message of the Governor to the Legislative Assembly.

This will impose expenditure on the community on a resolution moved by a private member. It has not been accompanied by a Message. Section 8 says that the Council may not amend any Bill so as to increase the burden upon the people. In giving a ruling the other night, the Speaker stated definitely that the Legislative Council and a private member in this Chamber had exactly the same privileges. Anything the Council could not do, a private member here could not do. In view of these facts and of the Constitution being definitely opposed to it, I should like to know whether the motion moved by the member for Roebourne is in order. I contend that it is opposed to the Constitution.

The CHAIRMAN: I have been asked by the member for Irwin-Moore whether the new clause moved by the member for Roebourne is in order. I rule that it is in order, partly owing to the fact that it was moved

as an instruction from the House as a whole, and partly from the fact that there is nothing in the Constitution to debar the hon. member from moving it. It is not an appropriation of money in any shape or form.

New clause, as amended, put and passed.

Title—agreed to.

Bill reported with amendments.

## ANNUAL ESTIMATES, 1936-37.

### *In Committee of Supply.*

Resumed from the 18th November, Mr. Sleeman in the Chair.

#### *Public Utilities:*

*Votes—Aborigines' Native Stations, £7,153; Goldfields Water Supply Undertakings, £115,317; Kalgoorlie Abattoirs, £3,478; Metropolitan Abattoirs and Saleyards, £30,638—agreed to.*

*Vote—Metropolitan Water Supply, Sewerage and Drainage Department, £98,655:*

Hon. C. G. LATHAM: It is proposed to reduce the water rate this year from 1s. 7d. to 1s. 6d. in the pound. I suggest that this means an additional charge upon most of the householders, and not a relief. Although it is proposed to reduce the rate by 1d., that will mean that less water will be available for the amount of rates paid, and will mean a greater amount for excess water if that is used. We always try to encourage the making of gardens. It is certain that there will be a charge of 7s. or 8s. more for consumers than if they had the water given to them at the 1s. 7d. rate.

The Minister for Water Supplies: How do you work that out?

Hon. C. G. LATHAM: That is roughly what it will come to.

The Minister for Water Supplies: You are wrong.

Hon. C. G. LATHAM: I have worked it out. A water rate of 1s. 7d. on property worth £100 will be 8s. 4d.

The Minister for Water Supplies: It will be 1s. 6d. per thousand gallons.

Hon. C. G. LATHAM: If a person pays for excess water, he will not get the same quantity for 1s. 6d. as he got for 1s. 7d. Whilst it may appear that the water rate is being reduced, in reality less water will be available. The Minister might give some reason for the alteration, which will not benefit people in suburban areas.

The MINISTER FOR WATER SUPPLIES: Ratepayers were very perturbed on being informed by the Lord Mayor and others that water rates were being raised because of the great extensions that had been made, such as the building of the Canning Dam, and the expenditure on additional pipe lines. Although considerable expenditure has been incurred and new capital brought into the water scheme, a saving will be effected, because there will be less pumping from the bores. When we get properly going at Christmas time we shall be able to supply the needs of the metropolitan area from the hills supplies by gravitation, which is cheaper than pumping. It was, therefore, decided to reduce the rate from 1s. 7d. in the pound on the rateable value fixed by the City Council to 1s. 6d. I am at a loss to understand the suggestion that this is a disadvantage to ratepayers.

Hon. C. G. Latham: They will get less water.

The MINISTER FOR WATER SUPPLIES: The hon. member has made a misleading statement, and I will make a plain one. If the rates entitle a person to 50,000 gallons he will pay at the rate of 1s. 6d. per thousand gallons for that volume. If he pays £5 in rates he will receive £5 worth of water at 1s. 6d. per thousand gallons. If he has excess water, he will pay at the rate of 1s. per thousand.

Hon. C. G. Latham: It is 1s. 3d., less rebate.

The MINISTER FOR WATER SUPPLIES: It is 1s. The argument in the country is that people object to being rated at the maximum of 3s. Where water can be supplied at a lower rate, it is considered an advantage to get it. At Collie the rate is 2s. At Pingelly it is 3s. The people of Pingelly would be glad to get it for 2s.

Mr. Seward: Surely you do not think Pingelly would pay you a rate of 3s. in the pound? It is rated at 1s. 6d.

The MINISTER FOR WATER SUPPLIES: Three shillings is the maximum. We have reduced the rate in the metropolitan area because of the alteration in the scheme. There will be better reticulation and better service at 1s. 6d. in the pound. How that can be a disability I do not know. Every consumer will receive from the Water Supply Department an account for a lesser amount than previously. The excess rate will be 1s. in the pound.

Mr. NORTH: The Minister's department have carried out some large works in my district, with highly satisfactory results. I hope the department intend to make connections to nearly every dwelling-house, thus doing away with the night-cart service which is still in operation. I have had a complaint about a case in which application was made for connection with the sewerage system, but the owner of the house was a very old lady, and therefore the department did not consider the security good, owing to the liability of the old lady to depart from this life during the term of the contract. However, she has two or three sons, who have good positions and earn good salaries, and are anxious to take on the contract on behalf of the owner, thus enabling the department to carry out the connection. The department might consider their existing rules for deferred terms, and put the burden on the shoulders of younger members of the household.

Mr. TONKIN: I desire to refer to the department's action in cutting off water in cases where people have not paid their rates up to date. The department ought to adopt some other remedy. In hot weather such as this, for example, it is extremely bad from a health point of view to be without water for sluicing privies, for instance. The department should endeavour to collect rates in some other way rather than cut off the water without further ado. The Health Department do not permit the water to be cut off indefinitely; and as the supply must be made available later, why cut it off in the first instance, thus causing further expense? In the first place, the department charge a higher price for excess water if not paid for by a certain date; and if that is not sufficient, legal remedies are sought through the courts. Cutting off water is against the health of the community. People of course do receive threats from the department, but no notice is taken of them, and suddenly they find the water cut off. What a situation arises if water is cut off on a day such as this in the case of a boarding house! Such an action is positively dangerous in summer time, from the aspect of disease.

The MINISTER FOR WATER SUPPLIES: As regards the statement of the member for Claremont, there is always a difficulty in connecting the premises of old-age pensioners; but if a guarantee is avail-

able the Government make the connection. We do that even if the rates are to remain outstanding until the old-age pensioner dies, when the rates are met out of the sale of the property. Mr. Tonkin puts up a difficult position. The department has to be run as a business concern, and not as a charge on the State. It pays its way.

Mr. Tonkin: If you had an outbreak of typhoid fever, there would be heavy expense.

The MINISTER FOR WATER SUPPLIES: The cases suggested by the hon. member are rare. Moreover, the department get over cases of that kind by diplomacy.

Note put and passed.

*Vote — Other Hydraulic Undertakings Chargeable to Revenue, £53,696:*

Mr. McLARTY: I wish to ask the Minister whether it is contemplated to store any more water in the Harvey irrigation district. I know that it cannot be done this summer, but are there any prospects of additional storage being provided for next year? A considerable area of land has had to be excised from the Harvey irrigation district. This has inflicted hardship on a number of people who fully expected that they would be within the irrigation area and made preparations accordingly. Again, many people bought land at Harvey with the idea of being within an irrigation area. Apart from the quantity of the supply for those purposes, there is difficulty in even watering the present area. An irrigation area cannot have that success which it should have, if it is not sure of an adequate water supply. In order that the present area that has been excluded from the part that was excised shall receive water, I know that the Departmental officers hope that water will be used more scientifically. Channels are to be cemented and the settlers are to be made to conserve water in many directions. We have reached a position where there is a shortage of supply, which is having a detrimental effect on the Harvey irrigation area. I would like some information from the Minister regarding the possibility of additional storage in the near future. Another matter relates to drainage rates, which has been the cause of a lot of trouble in the irrigation areas. The Minister would be well advised to see that there is closer co-operation between the departmental officers and the drainage ratepayers. I know the Act pro-

vides that where the settlers do not receive any advantage from drainage they do not pay any rates. They pay according to the benefits derived. The Minister should confer with representatives of the settlers regarding what advantages are received. Local experience must be of considerable value. I believe the Government officers are fair in their estimates of what drainage benefits are received, but as local experience is of value I think the settlers should be consulted.

The MINISTER FOR WATER SUPPLIES: Miscalculations were made regarding the Harvey reservoir. The district is extremely porous. The calculations made as to what the reservoir would hold turned out to be inaccurate, and therefore we have had to restrict the area served. I do not know what the prospects are for getting additional water. I do not know if it is possible to raise the weir or to provide an additional weir higher up the stream. That phase has not been considered, but the fact remains that we cannot supply the quantity of water the settlers expect to receive. The only way out of the difficulty will be to line the drains, or, alternatively, to shorten the quantity of water supplied. As to drainage rates, we have endeavoured to meet the people fairly. As the result of a deputation from the hon. member's own district, the rate was altered at their request, and since then we have been inundated with appeals against the rate that was struck. The hon. member's district has been treated in a particularly generous manner. The member for Murray-Wellington is well aware of it, and I am surprised that he has had the temerity to mention drainage matters. His constituency has been treated as no other constituency in any other part of the State has been treated.

Vote put and passed.

*Vote—Perth City Markets, £200:*

Hon. C. G. LATHAM: Why is such a heavy decrease in revenue estimated? A drop from £866 in 1935-36 to £40 for the current financial year is shown. For some time the City Markets have been a source of revenue. Why is there this falling off?

The MINISTER FOR WATER SUPPLIES: The Government have decided to scrap the Perth City Markets, and tenders have been called for the work of demoli-

tion. The existing markets are a disgrace to the city, and the Government have decided to forgo the revenue that would otherwise have been received.

Vote put and passed.

Progress reported.

*House adjourned at 11.51 p.m.*

## Legislative Council.

*Wednesday, 25th November, 1936.*

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

### QUESTION—STATE'S FINANCES, CONSOLIDATED REVENUE FUND.

Hon. H. SEDDON asked the Chief Secretary: 1, What is the Government's present estimate of the position of the Consolidated Revenue Fund at 30th June, 1937, allowing for the reduction of the Federal Grant; and also the effect of the basic wage increases and marginal adjustments in salaries and wages consequent thereon? 2, What additional steps do the Government propose to take to balance the Budget for the year ending 30th June, 1937?

The CHIEF SECRETARY replied: 1, Since the introduction of the Budget, revenue has been adversely affected by the reduction of £300,000 in the Commonwealth grant. A considerable portion of the cost of drought relief will be met from revenue, but no re-