

# Legislative Council.

Tuesday, 13th October, 1942.

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The PRESIDENT took the Chair at 2.15 p.m., and read prayers.

## QUESTIONS (2).

### PERTH TRAMS.

#### *As to Damage by Military Vehicles.*

Hon. A. THOMSON asked the Chief Secretary: 1, How many bogie trams have been put out of action through accidents caused by drivers of military vehicles? 2, Is it correct that the travelling public in the metropolitan area are suffering serious inconvenience through the department's inability to secure the necessary men to repair the trams and put them on the track? 3, If so, has the department made any claim on the Federal Minister for the Army for compensation to cover the cost of necessary repairs and loss on passenger fares?

The CHIEF SECRETARY replied: 1, Trams, 12; trolley buses, 2; motor buses, 1. Total, 15. 2, No. 3, Claims are made against the defence authorities for cost of repairs.

### GRASSHOPPERS.

#### *As to Measures for Eradication.*

Hon. G. B. WOOD asked the Chief Secretary: 1, What amount has been spent by the Government in the north-eastern wheat belt for the eradication of grasshoppers in the years—(a) 1941; (b) 1942? 2, How much has been spent in 1941-42 on—(a) poisoning; (b) breaking up of abandoned farms? 3, What has been the cost to the Government of free petrol supplies to farmers who could not afford transport in combating the grasshopper pest in 1941-42? 4, What has been the cost to the

Government in providing labour to farmers for spreading poisoned bait in 1941-42? 5, Has any action been taken against farmers or road boards under the Vermin Act that have neglected the eradication of grasshoppers?

The CHIEF SECRETARY replied: 1, 2, 3 and 4, There has been a tapering off in requests for poison bait and expenditure for the eradication of grasshoppers in the past two years; for example, the vote for 1940-41 was £4,000, and although no case for poison bait and petrol recoup was refused and every road board claiming was recouped for mixing costs, the expenditure was about £300. In some cases, unused bait was on hand with the various road boards at the end of the season although available free to farmers. An undertaking was also made that road boards would be recouped for the cost of mixing bait prior to issue. Figures for the current year are incomplete because some claims from road boards are still outstanding. Every inducement was given to farmers to break up infested areas and specific instructions were given to Agricultural Bank inspectors to foster such arrangements. During the last two years it has been extremely difficult to arrange either contract ploughing or for farmers to do this work owing to the labour position. Under £100 was spent this year in this connection. 5, No action has been taken by the Government against farmers or road boards under the Vermin Act.

## MOTION—INDUSTRIES ASSISTANCE ACT.

### *To Disallow Drought Relief Regulation.*

HON. A. THOMSON (South-East)

[2.20]: I move—

That Regulation 9, as shown in the schedule of regulations, made under the Industries Assistance Act, 1915-1940, as published in the "Government Gazette" on the 5th June, 1942, and laid on the Table of the House on the 4th August, 1942, be and is hereby disallowed.

This will be what may be termed the third attempt to get the Government to carry out the intention of the Commonwealth Government when it made available to the State a grant of £570,000 for drought relief. If we may judge by the attitude of the State Government, that grant was not provided for the purpose of drought relief at all, because the Government definitely laid down rules and regulations providing, in effect,

that the advances made from the grant were for a period of only one year. I propose later on to quote provisions of the legislation and also extracts from a speech made by the Chief Secretary bearing on this question. One would imagine from the Minister's remarks that those entitled to receive assistance from the grant had suffered from the effect of only one year of drought with subsequent farming disabilities. If that had been the actual position, no trouble at all would have been experienced. On the other hand, the situation in which the farmers found themselves was so serious that the Commonwealth Government provided a grant of £570,000, the repayment of which was to be made by the State Government in four annual instalments extending over a period of seven years. In the first three years, no repayments were to be made.

When the Premier introduced the Bill to amend the Industries Assistance Act, members of the Country Party, as representatives of those most vitally interested in the application of the amended legislation, strongly resented, and opposed to the utmost of their ability, the amending legislation which indicated the intention of the Government to apply the provisions of the Industries Assistance Act generally to farmers who had suffered from the effects of the drought and secured assistance from the grant. We fully realise that the Government said the intention was not to apply the whole of the conditions to the farmers so assisted, and that doubtless has been the lever availed of by the Agricultural Bank Commissioners to support their requirement that the money advanced each year should be repaid. In the regulations now submitted for the approval of Parliament, the schedule sets out that advances made in pursuance of the regulations shall be repayable on demand and that the interest rate on such advances shall be £5 per centum per annum. That is on money advanced to drought-stricken farmers which, on the showing of the Chief Secretary himself and according to the Act, cost the Western Australian Government only 1½ per cent.! Yet we find that our Government, through the Agricultural Bank or the Industries Assistance Board, each year has insisted on what may be termed a final clearing-up of the season's products. If the Agricultural Bank Commissioners consider the financial position of a borrower to be satisfactory, and, further, if the advance made to

him from the Commonwealth fund has been repaid in full, they may readvance the money for the ensuing season either wholly or in part, and spread re-payment over the balance of the loan period. To me it seems that the State Government has not acted in accordance with the spirit in which the loan was made to it by the Commonwealth Government. A loan of £2,800,000 was made available by the Commonwealth Government for division among various States, and of that amount Western Australia received £570,000. Subsection (1) of Section 4 of the Commonwealth Loan (Drought Relief) Act provides—

The principal of moneys loaned to any State in accordance with this Act shall be repaid by that State to the Commonwealth by four equal annual payments, the first to be made not later than four years after the making of the loan and the last to be made not later than seven years after the making of the loan.

Under the next section of the Act it is clearly laid down, and it has been definitely understood, that when the money was advanced to farmers they would pay exactly the same rate of interest as the money loaned was costing the Western Australian Government. It is provided by Subsection (2) of Section 4—

A State to which moneys are loaned in accordance with this Act shall pay interest thereon to the Commonwealth at a rate equal to that payable by the Commonwealth on moneys borrowed by the Commonwealth for the purposes of this Act.

So, in effect, as regards the interpretation which the Chief Secretary provided in replying to Mr. Wood when the subject was debated previously, the statement was that 1½ per cent. was all the interest that would be charged. This has reference to a Bill passed by the Commonwealth Parliament on the 16th December, 1940, the commencement date of that legislation being the 13th January, 1941. Thus, plainly, the Commonwealth Government was alive to the position of drought-stricken farmers; but from one aspect, to judge by the various regulations submitted to Parliament, the State Government has not been as sympathetic as it might have been to sufferers from adverse conditions capped by a drought. The Chief Secretary is reported in "Hansard" of the 16th April, 1942, page 2965, as saying:—

Members are aware that the conditions laid down in regard to this money provide that for the first year any advance made to a farmer

shall be free of interest and that for the succeeding six years, if the money is still owing, the rate of interest paid by the farmer shall be half the rate paid by the State Government to the Commonwealth. Therefore, those farmers will be called upon to pay a rate of interest of  $1\frac{1}{2}$  per cent. It is rather important we should bear that in mind because Mr. Wood, in moving for the disallowance of this regulation on this occasion, did not go into any particular detail in regard to the reason for disallowance other than to make one or two brief statements and refer to utterances by somebody elsewhere. Therefore I want members to understand just what the position is.

The intention of the Act is thoroughly understood, but its administration by the Industries Assistance Board, through the Agricultural Bank and the Government, is a totally different matter. Section 5 provides—

During the first year after the making to any State of a loan in accordance with this Act, the Treasurer may pay to that State a sum not exceeding the interest on the loan payable by that State to the Commonwealth in respect of that year, and during each of the next following six years the Treasurer may pay to that State a sum not exceeding one-half of the interest on the loan payable by that State to the Commonwealth in respect of that year.

One would assume that the Agricultural Bank, through the Industries Assistance Board or the Government, was carrying out the Commonwealth Government's intention when making the money available. However, I propose to read a paragraph appearing in the Agricultural Bank Commissioners' report laid on the Table of the House recently. The figures given there are highly illuminating, and they cause one to feel fully justified in asking the Government for a full explanation of what it is doing as regards this money, and why it has imposed such harsh regulations on sufferers from drought who are in need of financial assistance. Paragraph 8 of the latest report of the Agricultural Bank Commissioners, which paragraph I commend to the serious notice of members, reads—

Seasonal Advances and Drought Relief.—The season of 1941-42, from a production point of view, was one of the best on record. The highly satisfactory results of the year, following the drought period, 1935-40 (with the exception of 1939), provided the farmers generally with a substantial financial return.

The total number of applications received for assistance from drought relief loan funds was 1,172, as compared with 2,619 during the previous year (1940-41). The advances approved during the year (to the 30th June, 1942) totalled £153,196, as against £439,410 for the previous year (1940-41).

Commercial credit available to farmers, particularly through the wheatbelt districts, continues to be severely restricted and, in consequence, there is greater need for Government financial assistance mainly in the matter of superphosphate supplies.

Seemingly, when that paragraph was written, the Government or its responsible officers must have been speaking tongue-in-cheek, for if commercial credit was severely restricted, the £570,000 which the Government had been granted at a charge of  $1\frac{1}{2}$  per cent. per annum interest could have been dealt with generously; the money could have been re-advanced or continued as a loan to drought-stricken farmers who for years have also suffered from other disabilities. One might ask, and has a right to ask, what the Government is doing with the balance of the money. It is admitted in the report of the Agricultural Bank Commissioners that out of the £573,000 that was lent to the Government at the cheap rate, all that was advanced last year to assist farmers was £153,196. One might pertinently inquire: To what purpose is the Government misappropriating, or misapplying, the balance of the £573,000 that was lent to the Government to enable it to help farmers who had suffered great disabilities as a result of the very severe drought they experienced? It is true the regulations state that if money is advanced for other than drought relief under the same schedule, 5 per cent. can be charged. Consequently the Government is able to advance the balance of the £570,000 and collect  $3\frac{1}{2}$  per cent. clear profit. I do not think that was the intention of the Commonwealth Government, and certainly it was not the intention of this Parliament when it disallowed the previous regulations.

I have no desire to labour the question, which has been fully discussed, for I would only be going over a lot of old ground. But it is pertinent to ask: What is the Government doing with the £427,804 which, on its own showing, it has kept in hand and which should have been made available to drought-stricken farmers? The Government is insisting on the money being repaid this year. Advances should have been made to the farmers on the same conditions as those on which it was lent by the Commonwealth to the State. At the recent R.S.L. Congress a resolution was carried dealing with this question. It was contended that drought relief should have been continued

for the full seven-year period and should not have been withdrawn. As a result of the Agricultural Bank or the Industries Assistance Board insisting that the money should be repaid, farmers have been compelled to go to private stock firms for accommodation in order to obtain necessary stock and finance to carry on.

When we dealt with the question previously, Mr. Cornell asked what was the use of disallowing the regulations since the Government would take no notice. Despite the fact that the Government has taken no notice and insisted upon carrying on in what it deems to be the proper manner, I consider the House has a right to ask that the Government shall honour the contract into which it entered, namely, to continue to advance this money on the same conditions as those on which it was made available by the Commonwealth. The Federal Act does not say anything about the money being repaid by individual settlers, and we were assured by the Premier when he introduced the measure governing the disbursement of the money, that the same conditions would apply to its advances to settlers as the Commonwealth applied in making the money available to the State. For the Government to insist on promulgating regulations of this kind is a breach of faith, and we are justified in asking what it is doing with the £427,804 which it has in hand over and above what was advanced to settlers for drought relief.

On motion by the Chief Secretary, debate adjourned.

#### **BILL—PUBLIC AUTHORITIES (POSTPONEMENT OF ELECTIONS).**

Received from the Assembly and read a first time.

#### **BILL—WATER BOARDS ACT AMENDMENT.**

*Second Reading.*

Debate resumed from the 7th October.

**HON. A. THOMSON** (South-East) [2.43]: We must congratulate the Government on seeking to repeal Section 108 and substitute another section in lieu. Apparently the draftsman has had instructions to provide that by the time every Government activity has received its share of rates that may possibly be due, there shall not be very much left for anybody else. Ap-

parently this Bill is an improvement on the Act because the first subsection of the proposed new Section 108 refers to money due for rates or water that has remained unpaid for three years or longer, whereas the original Act covered a term of 12 months. If I had a mortgage on a property I would very much prefer the period to be 12 months. It is possible for rates to accumulate over a period of three years without the owner or the man who has the mortgage knowing anything about it. The proposal that these matters should now be dealt with by local courts instead of by the Supreme Court, at first glance seems to be all right. I wish, however, to draw attention to one or two clauses of the Bill. Subsection (6) of proposed new Section 108 says—

A certificate of sale of any land, according to the form in the Eighth Schedule to the Act, made out by the bailiff or other person directed in the order of the magistrate to sell the same, shall be given to the purchaser; and the Registrar of Titles, and Under Secretary for Lands, or the Under Secretary for Mines, as the case may be, on production of the said certificate and of an office copy of the said order, and on payment of the proper fees, shall register the certificate of sale in like manner as a transfer of the land, and issue to such purchaser a certificate or other instrument of title, free from all encumbrances, other than a mortgage to the Agricultural Bank of Western Australia.

The Bill is really an extension of what is in the Act. As a rule private banks see that the rates are paid, but the Agricultural Bank will be free from that obligation and will be protected as to its mortgages. A private bank or individual possessing a mortgage at the time this provision is put into effect will have no chance of obtaining anything on the sale of the property, for proposed new Subsection (7) contains the following provisions:—

The moneys arising from the sale of the land shall . . . be applied by the clerk of the court, under the direction of the magistrate—

Firstly—In payment of the costs and expenses of the bailiff or other person of and incidental to the sale of the land:

Provided that, if the moneys arising from the sale of the land are insufficient to pay such costs and expenses, the same or the balance unpaid, shall be a debt due by the water board to the bailiff or other person aforesaid, and may be recovered by him accordingly.

Secondly—In payment of the costs and expenses of the water board of and incidental to the publication of notices and the petition to the local court for the order for the sale of the land.

Thirdly—In payment of all unpaid rates and taxes at the time of the sale due to or imposed

in favour of the Crown in right of the State or any department or agency of the Government of the State, and also of all moneys unpaid and due to the water board, and also of all unpaid rates due to or imposed by the municipal council or road board and the local authority under the Health Act, 1911-1937, in respect of the land at the time of the sale:

Provided that, where the moneys remaining after the payments provided for firstly and secondly herein have been made are not sufficient for the payment in full of all the rates, taxes and other moneys mentioned and provided for in this paragraph, such moneys shall be distributed between the Crown, the department, the agency, the water board, the municipal council or road board and the local health authority pro rata with the amounts of their claims respectively.

Fourthly—In payment of any moneys due under any mortgage to the Agricultural Bank of Western Australia.

Fifthly—In payment of all vendor's costs and expenses of and in connection with conferring upon the purchaser a clear title to the land.

Sixthly—In or towards the discharge of all or any other mortgages or mortgage or encumbrances or encumbrance proved to the satisfaction of the magistrate to exist over the land, due regard being had to the respective priorities of any such mortgages or encumbrances.

Seventhly—In payment to the person who would but for the proceedings for sale be entitled to the land, or if there are several persons who would be so entitled, then to such persons in the proportions in which they would be respectively so entitled: Provided that, if any person is entitled to an estate in reversion or remainder in the said land, the money may be paid into the Supreme Court under Section forty-six of the Trustees Act:

Provided that, with the consent of the Governor or of the Minister controlling any department or agency of the Government of the State (as the case may require), the magistrate may order that any unpaid rates and taxes due to or imposed in favour of the Crown or any such department or agency as aforesaid shall be postponed to or shall rank on an equal footing with the moneys unpaid to the water board in respect of the land sold, and such order shall be given effect to.

After all these payments have been made, neither the private individual nor the private bank will have very much to collect. I congratulate the Government upon importing this drag-net clause into the Bill. As usual, Government activities are to come first and the private citizen is to come last. I do not suppose any objections I may raise to this measure will prevent it from being passed. Nevertheless I oppose the second reading and would prefer that the Act should remain as it is.

**THE HONORARY MINISTER** (in reply): I am sure every member of the House will agree with me that we are delighted to see Mr. Thomson back in his seat after his illness. We all hope that he will not have any recurrence of ill-health. His objections to the Bill are not very effective. There is nothing new about it, because its provisions are found in other Acts. The amendments have been brought down to rectify defects that should have been attended to before. The Agricultural Bank is a Government instrumentality.

Hon. A. Thomson: It is that to which I am particularly drawing attention.

The HONORARY MINISTER: Agricultural Bank clients cannot be compared with the clients of a private bank. In practice the cream of the Agricultural Bank clients are taken over by the private banks, and consequently the argument of the hon. member does not hold good. The Bill has been brought down to safeguard the Agricultural Bank, and to make it easier and cheaper to have these matters dealt with than was the case before. They will be dealt with in future by a magistrate. The number of Agricultural Bank mortgages discharged from the 1st July, 1930, to the 30th June, 1942, was 2,061: the principal repaid amounted to £705,810 13s. 7d., and the interest repaid amounted to £51,673 7s. 8d. The State cannot afford to have these weaknesses continuing to appear in the Act, and this amending Bill has been brought forward to rectify the position.

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—JUSTICES ACT AMENDMENT.**

*Second Reading.*

Debate resumed from the 7th October.

**HON. E. M. HEENAN** (North-East) [2.55]: I have considered the remarks made by Mr. Cornell and the Chief Secretary in connection with this Bill, and there is very little I can add to them. I support the views expressed by Mr. Cornell to the effect that justices should not be allowed to over-rule magistrates. A magistrate is a man who has been specially chosen and trained

for his position. To my mind he is better able to dispense the law and be a judge of facts than is an amateur. I admit that justices have done, and are doing, very good work in country centres, but I hold the view that when a magistrate is available to sit on the bench his decision on legal matters and the facts presented should not be open to impeachment by justices, as is the case at present. I support the Bill.

**HON. H. TUCKEY** (South-West): I agree with the Chief Secretary's remarks that this measure will take away from Justices of the Peace a prerogative they have enjoyed for the past 40 years. There is, however, another side to the question. Every justice I have spoken to on the matter would prefer to have the Bill passed rather than that the damaging criticism of justices should continue. I can see no objection to the passing of the measure. At present there are several offences upon which Justices of the Peace may not adjudicate. It seems wrong that highly-paid magistrates, possessing special qualifications, should be placed in a position where they can be over-ruled by honorary justices. I am informed by the Justices Association of Western Australia that it would welcome the amending Bill. The whole matter has been discussed by that body. It is not in the province of that association to make suggestions to the Government, but it would at all times be willing to give advice on the subject if approached. Justices generally will be pleased to see the Bill passed, and I hope the House will agree to the second reading.

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—CRIMINAL CODE AMENDMENT**  
(No. 1).

*To Refer to Select Committee.*

Debate resumed from the 7th October on the following motion by Sir Hal Colebatch—

That the Bill be referred to a Select Committee of five members and that the committee may adjourn from place to place and have power to call for persons, papers and records; that three members shall form a quorum and that the committee report on Wednesday, the 21st October.

**THE CHIEF SECRETARY** [3.1]: Another place has determined on certain action regarding the appointment of a Royal Commission to inquire into charges made elsewhere, and consequently the provisions of the Bill would be covered in the subject matter of the Commission. As a result, I understand that Sir Hal proposes to withdraw his motion for the appointment of a Select Committee, but the matter is entirely in his hands.

**HON. J. CORNELL** (South): I understand that Sir Hal is prepared to withdraw his motion, feeling that the object he had in view will be attained by the appointment of a Royal Commission, which has been agreed to in another place. I have no objection to the motion being withdrawn, but I suggest that if this is done, the Bill be passed through its remaining stages and sent to another place.

Hon. Sir Hal Colebatch: Will not that be done automatically?

Hon. J. CORNELL: Anyhow, I suggest that that be done. Another place has taken certain action, and if as a result of the inquiry it is thought that the Bill should be proceeded with, that is a matter entirely in the hands of another place. I have considered closely the resolution of another place containing the terms of reference of the proposed Royal Commission, and I have yet to find any allusion to the subject-matter of the Bill, except the point whether members of Parliament or justices are the owners of premises in which illegal betting is conducted. No reference is made to the existing law, apart from the inference that it has not been enforced. My endeavour this session, as it was last session, is to bring within the existing law owners and occupiers of premises used for betting, and thus tighten up the Act.

**HON. SIR HAL COLEBATCH** (Metropolitan—in reply): In view of the statement by the Chief Secretary, it would be improper and useless for a Select Committee of this House to inquire into a matter subject to investigation by a Royal Commission. For this reason I ask leave to withdraw the motion.

Motion, by leave, withdrawn.

*In Committee.*

Hon. V. Hamersley in the Chair; Hon. J. Cornell in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 211:

Hon. E. M. HEENAN: Paragraph (a) proposes to delete from the Act the words “knowingly and wilfully.” The word “wilfully” should be retained. The section provides that any person being the owner or occupier of premises, who knowingly and wilfully permits them to be used for betting purposes, shall be guilty of an offence. Apparently the presence of those two words forms too great an obstacle to the prosecution of owners of premises, but some safeguard should be provided for a person whose premises might be used for betting purposes without his knowledge or consent. They might be occupied for a few days only and so used entirely without his knowledge.

Hon. J. Cornell: The Chief Secretary thinks both words should be deleted from the section, so what more do you want?

Hon. E. M. HEENAN: I move an amendment—

That in paragraph (a) the words “and wilfully” be struck out.

Hon. J. Cornell: If an owner acts knowingly he will be acting wilfully.

The CHIEF SECRETARY: It is very hard to appreciate the fine point raised by Mr. Heenan. I understand that “knowingly and wilfully” constitute a legal expression. If an owner permits his premises to be used for a particular purpose, he must know of it, and therefore he is knowingly permitting them to be so used.

Hon. J. Cornell: And wilfully, too.

The CHIEF SECRETARY: I would just as soon see both words struck out as the one suggested by Mr. Heenan. The object is to enable the police to prosecute successfully which, I am advised, has not been possible in the past.

Hon. SIR HAL COLEBATCH: Surely any offender against the law is liable for punishment regardless of whether he knowingly or wilfully offends! Why should people engaged in an unlawful business be given the special protection that they cannot be punished unless the prosecution can prove that they acted knowingly and wilfully? Why should they have a protection not accorded any other offender against the law? I can see no purpose in the amendment. The two words should be struck out of the section so that an offender may be punished without the prosecution having to prove the impossible—that he acted knowingly and wilfully.

Amendment put and negatived.

Clause put and passed.

Title—agreed to.

Bill reported without amendment and the report adopted.

## PAPERS—FISHERIES.

### *Nornalup Inlet.*

Debate resumed from the the 7th October on the following motion by Hon. H. L. Roche:—

That all papers having reference to the throwing open of Nornalup Inlet for net fishing be laid on the Table of the House.

**THE CHIEF SECRETARY [3.15]:** There is no objection to laying these papers on the Table of the House.

Question put and passed.

## MOTION—BUTTER INDUSTRY.

### *To Inquire by Select Committee.*

Debate resumed from the 7th October on the following motion by Hon. H. L. Roche:—

That a Select Committee be appointed to inquire into and report upon the butter industry in Western Australia, with particular reference to—

- (a) the circumstances and conditions that make it more profitable for producers to send their cream past their nearest factory to factories hundreds of miles away;
- (b) the conditions under which cream and butter are graded and check-graded;
- (c) the price being paid for second-grade cream and the present demand and price for the product thereof, and
- (d) any practical means whereby the transport of cream to factories could be expedited.

**THE CHIEF SECRETARY [3.18]:** In moving this motion Mr. Roche said that he was actuated by the fact that a large number of complaints had been received from dairy farmers in regard to the disposal of their cream, its grading and the prices they received for it. From inquiries I have made, it appears the Agricultural Department has not received any complaints from the producers. It has, however, received complaints from the factories, or perhaps I should say from some of the factories which were concerned about the fact that considerable quantities of cream were passing their doors and being conveyed to other factories in some cases long distances away. That seems to me to be rather interesting. Why should

a farmer consign his cream 200 or 250 miles away when perhaps there is a factory, say, within 50 miles and I believe in some instances within a few miles?

Hon. W. J. Mann: Within one mile.

The CHIEF SECRETARY: A good and sufficient reason must exist for the farmer to do that. I would suggest the reason is that the farmer is following the usual business practice of selling his product in what is to him the best market. That, I take it, is really the crux of the whole position. I remind members that on various occasions we have had discussions in this Chamber on many matters associated with the dairy industry. In 1939 the Government introduced a Bill which was designed to assist dairy farmers, and more particularly butter-fat producers, in all parts of the State. When the Bill reached this Chamber, after having successfully passed the lower House, some provisions of the measure met with the strongest possible opposition. Strange to relate, the opposition was to a clause of the Bill which would have obviated complaints of the kind now brought forward. I looked up the debate on the Bill and found that that particular clause, was defeated by 16 votes to 8. The strongest opponents were the representatives of the Country Party, to which Mr. Roche belongs.

Hon. H. L. Roche: The producer did not want it.

The CHIEF SECRETARY: I believe there was much agitation throughout the country districts in order to bring pressure to bear on some members of this House, and perhaps, as a result of that, some members did oppose successfully that clause of the Bill. Yet today we find a member of that party moving for a Select Committee to inquire into the industry, in order that we may find out the reasons.

Hon. H. L. Roche: Not to support the zoning principle. That was struck out of the 1939 Bill.

The CHIEF SECRETARY: I therefore cannot agree to the motion, not for that reason alone, but because I consider a Select Committee is not warranted at present. The Agricultural Department is working short-handed.

Hon. W. J. Mann: So are the dairymen.

The CHIEF SECRETARY: Undoubtedly they are. The time that would be involved in a matter of this kind--when the Select Committee could obtain no more information

than is available at present--seems to me to be unwarranted.

Hon. A. Thomson: What do you mean by saying that the proposed Select Committee could get no more information than is available at the present time?

The CHIEF SECRETARY: The department has all the information that it is possible for a Select Committee to obtain, and it is available to every member of this Chamber. I have been furnished with information that I am prepared to give to the House. I propose to do so before resuming my seat. Very interesting information it is, too. I have no desire whatever to minimise the importance of this matter from the point of view of some persons. I am prepared to say, however, that some things will not at present meet with the approval of some persons in some of our country districts. The farmers themselves are the best judges, I take it, of their business. The fact that they are prepared to continue what they have been doing for some considerable time—sending their cream long distances when it is possible for it to be dealt with by factories closer to their properties—is an indication that they are looking after their own interests. They are getting a higher price for their cream.

Hon. A. Thomson: Why is the higher price given? That is the point.

The CHIEF SECRETARY: If the hon. member will bear with me a little while I shall endeavour to elucidate that point. I do not want it to be thought for one moment that I am a dairy expert or that I have personal knowledge of the factories operating at the present time. I have consulted the department and have been provided with some extremely interesting information, some of which I propose to pass on to members as it has been given to me. The complaints to which I have referred, and which have been received by the Department of Agriculture, were causing the department grave concern, and efforts were consequently made to compare the quality of the cream delivered and the standard of grading as applied in the various factories. That is one of the points raised by Mr. Roche in his motion. The hon. member also suggested—I do not think he said so in so many words—that in the metropolitan area the standard of cream-grading was not being observed.

Hon. H. L. Roche: I did not say that.



The CHIEF SECRETARY: But that was behind the statement.

Hon. H. L. Roche: It is what I want to know.

The CHIEF SECRETARY: With the appointment of dairy instructors under the Dairy Produce Improvement Fund, the department found it possible to make additional inspectors or officers available to ensure that the same standard of grading applied, as far as possible, to all the factories. In the case of one of the largest factories in the State, where it was impossible for one officer alone to inspect all the cream that was being delivered, arrangements were made for two officers to share the work. That particular factory is the main competitor of those factories from which complaints have been received, complaints to the effect that supplies of cream were being diverted from them to that particular factory. The department informed me that all comparisons made indicated that the diversions of supply to the factory in question were not on account of cream being graded into a higher class and so a higher price being paid to the farmers on that account.

It appears that the particular factory to which I have referred has consistently paid a higher price for the cream which it received than was paid by any other factory in the State. To indicate just the difference that was paid by that factory, I have had supplied to me a table which I propose to read to the House. From the figures which I intend to quote it will be seen that the average price paid monthly for the top grade of cream during the past two years has been greater than in all the others. Again, investigations have been made which show conclusively that that is the factor which has a great attraction to the farmer in deciding to send his cream to that particular factory.

The figures supplied to me run from July, 1940, to July, 1942, and show that over that period there has been a higher price paid by the one factory as compared with the other. In July, 1940, the price of butterfat, as far as the Great Southern Co-operative company is concerned, was 1s. 4d., and as regards Watson's factory, in the metropolitan area, it was 1s. 5d. plus a bonus of  $\frac{1}{4}$ d., making a total of 1s. 5 $\frac{1}{4}$ d. The South-West Co-operative Company's price was 1s. 4d., plus a bonus of 1d., mak-

ing a total of 1s. 5d. I do not know that I need read the figures for each month. In January of this year the Great Southern Co-operative Company's price was 1s. 5d. and Watson's was 1s. 6 $\frac{1}{8}$ d. plus a bonus of  $\frac{1}{8}$ d., making a total of 1s. 6 $\frac{1}{4}$ d. The South-West Co-operative Company's price was 1s. 5d., plus a bonus of 1d., making a total of 1s. 6d. There are variations in the prices for the different months, but the variation between the prices paid by the factories has not altered a great deal. These figures indicate that that difference amounts generally speaking, in the case of the Great Southern Co-operative Company, to approximately 1 $\frac{1}{8}$ d. per lb., and as far as the South-West Co-operative Company is concerned between  $\frac{1}{8}$ d. and  $\frac{1}{4}$ d. That is the difference between the prices of the co-operative companies and the metropolitan factory. It will be seen that the latter factory has made a practice of paying a higher price.

There is another point in connection with this question of price which may have an important bearing on the subject, and that is that the factory which the hon. member suggests is paying a higher price than it should, has endeavoured as far as possible to make the payments in full. The farmers have not to wait for their complete cheque, whereas in the case of other companies I understand that the bonus payments are delayed for considerable periods. In the case of the South-West Co-operative Company, it has what is called the bonus of 1d. which is frequently not paid until quite a considerable time has elapsed.

Hon. A. Thomson: It is paid yearly.

The CHIEF SECRETARY: I am not sure of that, but according to the monthly returns the bonus is the same, so it probably is a fact that the farmer has to wait until the end of the year before receiving that bonus, which is an important item to him.

Hon. W. J. Mann: He sometimes draws against it, too.

The CHIEF SECRETARY: It can easily be understood why a farmer who is able to supply cream to a factory and receive his payment in full, prefers to do so rather than to send his output to some other factory where a percentage is retained for, as pointed out by Mr. Mann, a period of 12 months. Another point referred to by Mr. Roche was the fact that

when cream was railed over long distances there would be a tendency for it to deteriorate, and consequently it was hard to understand why it was possible, in those circumstances, for the factory to be able to pay a higher price. That is one of the points which has come out as a result of the hon. member's remarks. I believe there are two reasons for this. One is that so far as the Great Southern is concerned cream is consigned by train and travels at night-time, and reaches the factory here and is dealt with as expeditiously as it would at a factory in the Great Southern. We all know that trains arrive at very awkward times at some of those places on the Great Southern line—at 2 a.m., and so on. Consequently when cream is delivered to the siding at that time it leaves immediately by train and can be dealt with in the metropolitan area at no later hour than it would be at the local factory.

Hon. H. V. Piessé: That is impossible. Fancy cream from Narrogin being dealt with at Spearwood at the same time as if it had been sent to the Narrogin factory! It would be dealt with there first thing in the morning.

Hon. H. Tuckey: I think that is one case where there is very little difference.

The CHIEF SECRETARY: In price or quality?

Hon. H. Tuckey: In time.

The CHIEF SECRETARY: That is my advice so far as the Great Southern is concerned. I understand that cream which arrives at Narrogin by train gets there in the early hours of the morning, whereas cream sent to Fremantle, or Spearwood, as the case may be, still travels by the same train and arrives at a time which allows it to be dealt with at practically the same time as the cream at Narrogin. This particular firm apparently has been giving so much satisfaction to farmers that it has been able to hold the biggest proportion of the business.

Hon. H. L. Roche: I am not complaining about the good business it is doing.

The CHIEF SECRETARY: I am not suggesting that the hon. member is. I should say that such a complaint, if any, would be against those firms which are not able to pay the same price. The suggestion would be that, perhaps, their methods are not as efficient or economical.

Hon. W. J. Mann: They trade in different ways.

The CHIEF SECRETARY: I now come to what is one of the most important points in this matter, and that is the question of transport costs. One would naturally assume that when a farmer consigns his cream 200 miles as against consigning it for just a short distance he would be mulcted in higher transport costs. But it appears from the practice in this industry that that is not so. The transport charges are averaged and therein lies the trouble. It costs the man in close proximity to the factory the same amount per lb. for the transport of his cream as it does the farmer who sends his cream 250 miles. That position arises because of the action taken by this House in 1939 when it was proposed to amend the Dairy Industry Act to provide that the farmer should have the right to send his cream to a factory outside his district if he so desired, but that he must pay the additional freight.

Hon. L. Craig: Quite right.

The CHIEF SECRETARY: When he sent his cream to the local factory the transport costs in that particular district were to be averaged and every farmer treated alike, but if he desired to patronise some other factory he was entitled to do so, but would have to pay the additional freight. This House did not agree with that. Mr. Craig was one of those, I think, who did agree, and so this House defeated the provisions appearing in the Bill on that occasion. As to grading, it is provided by the Dairy Industry Act that all cream should be graded according to its quality and that different rates should be paid for the various qualities. Power is also contained in that Act to define the qualifications of the operatives called upon to grade the cream in the factories. It has been found in practice that with the development of the rapidly expanding production in many districts, in an effort to procure additional suppliers, some factory managers paid more than was justified for particular grades of cream. This, of course, led to considerable suspicion between farmers and factory managers whenever it became necessary to grade cream lower than the top quality. This suspicion was naturally directed against those who endeavoured to comply with the standards laid down in the regulations under the Dairy Industry Act. In an endeavour to correct

this position, officers of the department, highly trained in this class of work, were instructed to carry out, and have actually carried out, a check on the work of the graders in the various factories.

We not only have a periodical or regular check of the methods adopted by the graders in the various factories, but we also have a senior officer of the department whose duty it is to go round periodically and check up on those doing that class of work. It was with a desire to improve this work that the Dairy Industry Act was amended in 1939 to make provision for the collection of a small levy from the farmers concerned to defray the cost of employing special dairying instructors, who would augment the staff of the department. Every assistance is given by the department to the graders, and according to Mr. Baron Hay, with whom I discussed this subject, it would appear that quite good work is done in that connection, and that there is little to complain of. Sometimes it may be found that one of these officers is a trifle strict, and in another factory it may be seen that the officer is a little lenient, but by reason of the check that the department maintains on the operations of these graders and factories, the final result from the departmental point of view is satisfactory.

Another point referred to by Mr. Roche was the acquisition of second-grade butter. It is a fact that the British Government did refuse to receive anything but first-class butter. As a result of that action it became necessary to find ways and means to deal with the position. For instance it was quite possible that a considerable quantity of this type of butter would be dumped on the local market. In that case it would adversely affect the price received by the dairy farmer for his first-class butter. It was with a view to avoiding disabilities of that description that the Commonwealth Government, on the advice of the Dairy Produce Control Committee, decided to acquire all low grades of butter and regulate the sale of small quantities on the local market. With that end in view, compensation was made available to people concerned.

Hon. H. L. Roche: The second-grade article is being sold on the local market, is it not?

The CHIEF SECRETARY: I would certainly be surprised if it was not on sale on the local market. The Commonwealth Gov-

ernment, having acquired that grade of butter, had to deal with the matter extensively, and naturally would release small quantities for sale on the local market. Had that not been done, the sale of the first-class product would have been seriously affected. It appears from the information supplied to me that compensation payments for second-grade butter were made to manufacturers at the rates of 9d. per lb. from the 1st December to the 31st December, 1941; 6d. per lb. from the 1st January to the 30th June, 1942; and 9d. per lb. from the 1st July to the 30th September last. For pastry-grade butter the compensation payment for December, 1941, was 4d. per lb. and no further payment was allowed until the period extending from the 1st July to the 30th September. A deferred compensation payment of 3d. per lb. was allowed for all second-grade butter acquired between the 1st January and the 30th June.

I am also advised that a deferred payment of 6d. per lb. was allowed on pastry butter acquired between the 1st January and the 30th June, but the quantity acquired of this grade was very small. The effect of these low prices was that after deducting the cost of manufacture, it was possible to pay the farmer only 2d. per lb. for second-grade butter-fat. The whole of the deferred payment, which is equivalent to approximately 4d. per lb. butter-fat, was returned to suppliers, building the total payment to date for the period to the end of June to 6d. per lb. It is understood that further payments may be made. The departmental officials advise me that the margin between the actual amount of realisation for the second-grade butter, which ranged from 1s. 1d. to 1s. 4d. per lb., and the compensation rates paid for it to the manufacturer, was paid into a fund from which were financed a search for new markets and experimental work with low-grade butter. As a result of the experiments that were carried out in consequence of the provision of that fund, a trial shipment of dehydrated butter-fat proved so satisfactory in England that a contract was immediately signed for 2,000 tons and it is now suggested that the United Kingdom will take 10,000 tons of this fat in the 1942-43 contract year. That discloses that research work carried out in the interests of the dairy industry has made possible a sequel that should prove of great value to those interested. According to the

advices I received, a further announcement has been made recently indicating that the acquisition of inferior grades ceased as from the 30th September last. I understand this action was consequent upon the greatly changed conditions which demanded increased exports of butter to England.

Naturally, all the phases dealt with are affected by circumstances prevailing today. We must all admit that war conditions necessarily affect the dairy industry as they do other avenues of activity. Another phase involved relates to transportation, while other aspects affecting the situation include the shortage of petrol supplies, road transport difficulties and the question of manpower—all serious matters affecting not only the dairy industry but other industries as well. While I have been provided with much material regarding this question which I have not placed before the House, I assure members that departmental officials are anxious to make available all the information they possibly can, but they are not anxious to have their time taken up with an inquiry by a Select Committee when they have already at their disposal all the information that could possibly be obtained. If Mr. Roche or any other member desires information on this subject, the whole of the files and reports can be made available for that purpose. When a similar motion was moved in another place, that was the course pursued and when the member who had taken the matter up had perused the files and all the information placed before him, the matter was allowed to drop.

Present-day conditions arise solely from the fact that this House, when amending legislation was submitted in 1939, strongly opposed certain portions of it, and after being amended the Bill was returned to another place. The position was explained by the Minister for Agriculture in these words—

The Legislative Council's proposal is to exclude from the Bill that portion of Clause 6 which deals with the transport of cream. I regret very much that the Council has made this decision. Nevertheless, I fully appreciate the excellent provisions of the measure and what its ultimate effect will be when it becomes law. I carefully perused the comments of the speakers on the amendment; and it seems to me that considerable pressure was brought to bear by vested interests. Although the desires of the department will to some extent not be realised if the Committee agrees to the amendment, yet the measure is of such great importance to the industry that I would not care to jeopardise its passage by suggesting that we

disagree with the amendment. I regret that a large majority decided against this provision, but I venture the opinion that within a very short period we shall have pressing requests, backed by members of another place, to reinstate it. I realise that it would be hopeless to fight the Council on the amendment and I therefore move that the amendment be agreed to. I may emphasise the fact that the Minister for Agriculture was responsible for introducing the amending legislation in 1939 and it is owing to this Chamber having amended the measure in a rather drastic manner that we have the conditions prevailing today. I shall not labour the question, but I suggest to Mr. Roche that he accept my suggestion and approach the Agricultural Department with a view to having all the files and papers placed at his disposal. If he does so, I feel sure he will satisfy himself that he will be able to procure no further information by means of a Select Committee.

On motion by Hon. W. J. Mann, debate adjourned.

*House adjourned at 3.53 p.m.*

## Legislative Assembly.

*Tuesday, 13th October, 1942.*

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The SPEAKER took the Chair at 2.15 p.m., and read prayers.

### PAPER—LIQUOR LICENSES AND S.P. BETTING.

*As to Inquiry by Royal Commission.*

**THE PREMIER** [2.17]: I desire to lay a paper on the Table of the House, but before doing so I wish to make one or two preliminary observations. Members will recall that on Wednesday last we carried a motion regarding the appointment of a Royal Commission. In accordance with the