

**Legislative Assembly,***Tuesday, 12th November, 1940.*

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

### ROYAL COMMISSION, PASTORAL INDUSTRY.

#### *Report Presented.*

The MINISTER FOR LANDS: In tabling the report of the Royal Commissioner appointed to inquire into the pastoral industry, I should like to make a brief explanation. The report has not yet been printed because of the difficulties involved and the rush of work, and a week or two might elapse before printed copies are available. The final print will contain, in addition to the report as submitted, certain photographs and illustrations, and included is a copy of the recommendations taken from the report, all of which is indexed.

### STANDING ORDERS SUSPENSION.

THE PREMIER (Hon. J. C. Willcock—Geraldton) [4.33]: I move—

That so much of the Standing Orders be suspended as is necessary to enable a motion relating to the precedence of Government business to be moved.

Question put.

Mr. SPEAKER: As the motion has been moved without notice, an absolute majority of the House is needed to pass it. I have counted the House and as there was no dissentient voice, I declare the question passed by an absolute majority.

Question thus passed.

### MOTION—GOVERNMENT BUSINESS PRECEDENCE.

THE PREMIER (Hon. J. C. Willcock—Geraldton) [4.34]: I move—

That on Wednesday the 13th November, Government business shall take precedence of all motions and orders of the day.

I am asking the House to agree to this motion to enable Government business to be considered tomorrow. I expect to have to leave for the Eastern States on Thursday, and I desire to introduce the Loan Estimates and make progress with some of the Government business. Of course there will be ample opportunity for the discussion of private members' business at a later date, but at this stage I wish to make progress with several of the Government Bills on the notice paper.

MR. PATRICK (Greenough) [4.35]: In the circumstances I have no objection to the motion. Members on this side of the House consider it imperative that both the Premier and the Minister for Lands should be present at the forthcoming conference at Canberra because the matter to be discussed is one that concerns this State probably more than any other State of the Commonwealth, seeing that the wheat industry bulks larger in our economy than in theirs. In fact, we believe that the Premier should have attended the last conference, seeing that the Premiers of other States, in addition to Ministers for Lands, were present.

The Premier: That conference did nothing very definite.

Mr. PATRICK: Perhaps not, but the Premier of one State went so far as to submit a scheme of his own. Regarding private members' business, we have the usual assurance of the Premier that there will be ample time for its discussion, and I hope that on this occasion the requisite time will be allowed. My experience in this House has been that, though assurances are honestly given, there is not a great deal of value in them. Once the Government business is concluded, very little time is left for private members' business; in fact, I have known of occasions when we have been dealing with private members' Bills round about 4 a.m. on the last day of the session. That does not give private members a very fair deal. If those Bills are passed, they have to go to another place, and in view of the shortness of the notice, it is only natural for another

place to say that there is not time to discuss them. There is ample time to discuss private members' business and, in fairness to private members, we should set aside at least a day or two at the end of the session for the discussion of such business, in order that it might be dealt with properly.

**HON. N. KEENAN** (Nedlands) [4.38]: I understand that the motion moved by the Premier relates to tomorrow only, and consequently private members' business will be discussed again to-morrow week.

The Premier: That is so.

Hon. N. KEENAN: Then I see no objection whatever to the motion.

Question put and passed.

### QUESTION—EDUCATION.

#### *Teaching of Diet.*

Mr. NORTH asked the Minister representing the Minister for Education: 1, Is the teaching of correct diet still undertaken in the Government schools? 2, During which of the school ages, or in which standards is this teaching given? 3, Are the results observed to be beneficial?

The MINISTER FOR THE NORTH-WEST replied: 1, Not as part of the curriculum. 2 and 3, Answered by 1.

### ASSENT TO BILLS.

Message from the Lieut.-Governor received and read notifying assent to the following Bills:—

- 1, Land Tax.
- 2, Income Tax.
- 3, Supply (No. 2), £1,200,000.
- 4, Licensed Surveyors Act Amendment.
- 5, Fremantle Gas and Coke Company's Act Amendment.

### BILL—FINANCIAL EMERGENCY ACT AMENDMENT.

#### *Second Reading.*

**THE MINISTER FOR LANDS** (Hon. F. J. S. Wise—Gascoyne) [4.40] in moving the second reading said: This Bill is one of three continuance Bills referring to Acts which were passed about the 1931 period.

In this instance the original Act was passed in 1931 and re-enacted in 1934. The Act originally provided for a general reduction of 22½ per cent. on salaries, retiring allowances, pensions and interest. Most of the Act, however, has been repealed; and the only part remaining in operation is that dealing with mortgagors' interest. That part of the original Act has been renewed from year to year. It provides that on all mortgages executed before the 31st December, 1931, there shall be a reduction of interest payable under such mortgages by 22½ per cent., or else to 5 per cent., whichever is the greater. The mortgagee has the right to go before a commissioner appointed under the Act and make application that the original rate of interest provided in the mortgage shall apply.

Hon. W. D. Johnson: Of course there can be contracting out.

The MINISTER FOR LANDS: The Act applies only to contracts made before that date. Although many people have from time to time expressed the view that its operations should be brought up to date and that it should apply to contracts and mortgages since that time, thorough examination of the proposal shows that at this stage it would be highly inadvisable to take such action as that. The mortgagee has the right to go before a commissioner under the Act and make application that the original rate of interest provided for shall apply. The Act is due to expire on the 31st December next, and this Bill will continue its operation for another year. Examination suggests that undoubtedly, unless it is re-enacted, the economic conditions obtaining out of war circumstances and the drought would make it highly difficult for mortgagors, and indeed that the need for re-enactment is greater than it has been for many years past. I move—

That the Bill be now read a second time.

On motion by Mr. Boyle, debate adjourned.

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

#### *Second Reading.*

**THE MINISTER FOR LANDS** (Hon. F. J. S. Wise—Gascoyne) [4.45] in moving the second reading said: The parent Act is due

to expire on the 31st December next, and this is a Bill to authorise its continuance, extending its operation for a further year, to the 31st December, 1941. The original Act came into operation on the 19th August, 1931. The measure applies only to mortgages and agreements for sale in existence at the date on which the original Act came into operation. Under the Act, a mortgagee cannot enforce his security without first obtaining leave of a judge of the Supreme Court. In the case of agreements for the sale of land, the onus is placed upon the purchaser to approach the court; otherwise the vendor can exercise his rights after the expiration of one month from the service of the notice on the purchaser of his intention to do so. Section 8 of the Act sets out the principles which the court shall take into consideration in dealing with any application under the Act. The court has to decide whether the mortgagee would be likely to be severely prejudiced by refusing leave to take action, and whether the mortgagor can redeem his mortgage or borrow at a reasonable rate of interest. So far as the mortgagor is concerned, the court would consider whether the granting of leave would inflict great hardship on the mortgagor, and whether his default is caused by general economic conditions, and also whether refusal of leave would enable him to meet his liabilities within a reasonable time. This Act has been continued from year to year since 1931, as it was considered that general economic conditions did not recover sufficiently to prevent hardship being inflicted by its discontinuance. This year, owing to the effects of war and drought, the continuance of the Act is, if anything, more necessary than at any time since 1931. The unfortunate aspect of war circumstances, and the effects on markets, including the money market, together with drought effects, leave no option but to continue the Act for another year. I move—

That the Bill be now read a second time.

On motion by Mr. Mann, debate adjourned.

## **BILL—EMPLOYMENT BROKERS ACT AMENDMENT.**

*Second Reading.*

**THE MINISTER FOR LABOUR** (Hon. A. R. G. Hawke—Northam) [4.49] in moving the second reading said: The most im-

portant matter dealt with in the Bill concerns the system of licensing employment brokers. The next most important matter with which the Bill deals is associated with the fixation of maximum fees that may be charged to employers and employees. The parent Act contains ten sections dealing directly or indirectly with the licensing of those who desire to become employment brokers in this State. In the first instance an application has to be made to the clerk of a local court, who has to post the necessary notice and to notify the Chief Inspector of Factories. A licensing court has to be appointed by proclamation to sit at a certain place for the purpose of hearing and deciding any applications which may come before it. Under the present system persons are, of course, given the right to raise objection to any application with which the court may be concerned. The licensing court finally decides whether a license applied for is to be granted. The new system of licensing proposed in the Bill will be simple. Applications will be made to the Chief Inspector of Factories, who will hear and decide each application. In addition to granting the Chief Inspector power to grant or refuse an application for a license, the Bill also proposes to give him power to cancel any existing license if he considers there are sufficient grounds to warrant drastic action of that nature. Whenever the Chief Inspector refuses to grant a license applied for, or whenever he cancels an existing license, there will be a right of appeal from his decision to a magistrate. The grounds upon which the Chief Inspector may refuse to issue a license are that the applicant is not a fit and proper person to hold a license; that he has practised fraud, imposition or extortion; that he has conducted his business for immoral purposes; that he has failed to observe the Act; that he has suffered forfeiture or cancellation of a license under the Act; that the reasonable requirements of the district do not warrant the granting of the license; and finally that the premises in which the applicant proposes to exercise or to continue to exercise the license are unsuitable for the purpose, or that for any reason the Chief Inspector deems sufficient the applicant ought not to be granted the license applied for.

When the Chief Inspector refuses an application for a license or cancels an existing license, and a magistrate, if appealed to,

upholds the decision of the Chief Inspector, the person concerned in the making of the application or in the holding of the cancelled license will be prohibited from carrying on business in any way as an employment broker and from acting as the servant or agent of any other employment broker. An endeavour is made in the Bill to widen the definition of the term "servant". The idea is to enable more workers to receive the protection of the Act than is possible to-day. The words "for reward" where they appear in the definition of "employment broker" and in the definition of "servant" in the parent Act are deleted by this measure, and the words "under a contract of service or a contract for service" are substituted. The effect of this proposed alteration is that independent contractors will be given the protection of the law.

Mr. Marshall: Do you mean pieceworkers?

The MINISTER FOR LABOUR: A contract of service in law is held to be a straight-out contract for wages. A contract for service, on the other hand, is held to be an independent contract. This proposed alteration will clear up doubts that now exist as to whether clearers, wood-cutters, shearers and other similar workers working under contract are entitled to the protection of the legislation which this Bill seeks to amend. Hon. members will agree that workers of that type are perhaps more in need of protective legislation than is the ordinary worker, because more of the first type of worker mentioned would obtain employment through the offices of employment brokers than would the general run of workers. It is further provided in the Bill that no fee is to be paid by any person who goes into the office of an employment broker seeking employment. It is only when employment is actually found through the agency of an employment broker that the worker will be called upon to pay a fee. A schedule is added to the Bill setting out the maximum charges which may be made to an employer or a worker by the broker for services rendered. Some members may be surprised to know that the parent Act does not provide for a maximum fee at all. It merely provides that each employment broker shall display in his office a statement setting out the maximum fee which he is charging to those for whom he is doing business. Absolute discretion as to the maxi-

mum charge is left with the employment broker himself. Western Australia is, I think, the only State of the Commonwealth where the employment broker at present is allowed absolute discretion in that matter. This Bill proposes to establish maximum charges. The scale of charges contained in the Bill is based almost entirely upon the scale of maximum charges provided by the Victorian legislation. The charges range from 1s. 6d. to each worker and employer concerned where the weekly rate of wages does not exceed 5s., with or without board and lodging, up to 20 per cent.—to be paid by both employer and worker—of the weekly wage where the weekly rate of wages exceeds 40s., with or without board and lodging. Where married couples are engaged as servants, every such engagement is to be regarded as one engagement. The maximum charge that may be levied in such cases is 6s. to each married couple and employer concerned where the yearly rate of wages does not exceed £50 with or without board and lodging, and 7s. payable by each party concerned where the yearly rate of wages exceeds £50 with or without board and lodging.

The Bill further seeks to make it compulsory for employment brokers to retain for a period of at least six months all books, letters, papers and documents associated with their business; and any inspector appointed under the Act is to be permitted access to such books, letters, papers and documents and to take such copies thereof as he in his discretion may deem desirable. Every inspector is to be bound to secrecy with respect to any investigation he may carry out. The parent Act provides that the employment broker must keep proper books of record and documents relating to the operations of his business, but does not impose upon him the period of time for which he shall keep such books and documents. Inspectors have found, on seeking to police the Act, that when a certain book or document or letter is required, it cannot be found, it has been destroyed as being out of date or for some other reason.

The Bill contains other amendments of a less important nature than those to which I have referred. I have no doubt that many hon. members have at different periods received complaints regarding the activities of some employment brokers in the metropolitan area. Some very bad cases have been

brought to notice from time to time, but although in many instances prosecutions would have been justified, action has not been taken either because the law was not such as to allow a prosecution to succeed or because the necessary books, documents, letters or papers could not be obtained in order to build up a prosecution against the offending employment broker. The Bill does not go nearly as far as the Government desires. Some hon. members will probably recollect that Bills to amend the Employment Brokers Act were introduced some years ago and were of a particularly drastic kind. The Government considers that no Bill to amend the Act could be too drastic. It is, in fact, opposed to the operation of private employment brokers' offices. However, in view of the agreement reached when the war began, the Government does not feel that it would be justified in introducing what might be regarded as radical legislation to deal with this matter at the present time. It is realised that such a Bill would be highly contentious and because of the Government's undertaking to both Houses of Parliament at the beginning of the war, not to introduce contentious legislation, it has not submitted a Bill fully incorporating its policy on this subject. The measure that has been submitted will, it is felt, assist to remedy many of the weaknesses and dangers at present existing. The Bill will not achieve as much as we think should be achieved, but if it is passed in its present form, a much greater measure of protection will be given to men and women who find it necessary to seek work through the agency of employment brokers, particularly in the metropolitan area. I commend the Bill to the House and hope it will be approved. I move—

That the Bill be now read a second time.

On motion by Mr. Watts, debate adjourned.

## **BILL—MARGARINE.**

### *Second Reading.*

Debate resumed from the 7th November.

**MR. WITHERS** (Bunbury) [5.4]: I welcome the Bill because, together with people dependent on the dairy industry for a living, I realise the need for a measure of this description. I am not unmindful of the part that margarine plays in the lives of people who are not in a position to pay the

price asked for butter but, as I shall endeavour to show, there is considerable justification for some such protection to be given to the dairying industry as is provided in the Bill. The dairying industry has made such rapid progress during the past few years that legislation of this kind is essential to the goodwill of Western Australia and the Commonwealth as a whole. At conference after conference held under the auspices of the Butter Fat Council in the South-West, endeavours have been made to devise means of combating the competition of margarine. The colouring of the product and other methods of restricting the growth of the sale of margarine have been suggested, and the Bill provides other means of protecting the interests of those engaged in butter production. The measure will not inflict as much hardship on the manufacturers of margarine as some hon. members may think, inasmuch as a quota satisfactory to the producers of margarine has been established. As a matter of fact, considering the size of Western Australia's population, seven tons appears to be rather a high quota. However, the production of margarine does provide a substitute for people unable to purchase butter.

The Minister submitted figures to indicate the benefit the dairying industry has proved to Australia. I have some figures to indicate the local position. In 1924-25 the butter produced in Western Australia amounted to 2,962,630 lbs. I propose also to quote figures covering what I might term side lines of the butter industry, such as cheese and condensed milk. If butter factories and creameries had not been established, it is quite likely that cheese and condensed milk factories, which are part and parcel of the make-up of the dairying industry, would not have been erected. It might be said that the sale of margarine is not likely to affect such products as cheese and condensed milk, but I wish to quote the figures in connection with those commodities to indicate the benefit that dairying has been to this State.

In 1924-25, in addition to the butter produced, 4,055 lbs. of cheese were manufactured, but no condensed milk was produced. In 1934-35 the butter produced totalled 12,987,411 lbs. and in the same year 643,571 lbs. of cheese and 1,754,416 lbs. of condensed milk were produced. The estimate for the ensuing five years is as follows:—Butter, 14,991,343 lbs.; cheese, 841,152 lbs. and condensed milk 4,575,428 lbs.

The increased production of cheese and condensed milk and other sidelines has corresponded with the increased output of butter.

Mr. Patrick: Cheese is not a side line of butter.

Mr. WITHERS: We have factories in the South-West producing an enormous quantity of cheese and I venture to say that had butter factories not been established in the first instance, thus leading to a growth in the number of cows and an increase in the quantity of milk supplied, those cheese factories would not have been established.

Mr. Doney: That does not make cheese a by-product of butter.

Mr. WITHERS: No, it is not a by-product, but cheese production is part and parcel of the dairy industry and if butter production had not been undertaken in the first place, there would have been no inducement for people to establish herds of cows and subsequently for others to undertake the production of cheese. The production of bacon and other commodities owes its origin to the establishment in the first instance of butter factories. Exports of butter have also increased. In 1931-32, the first year in which we exported this commodity, 1,399,048 lbs. were sent overseas. In 1939-40 the exports totalled 4,121,544 lbs. So that export has increased with increased production. Unfortunately we have become and will increasingly become dependent on overseas markets for the disposal of our surplus produce. We are now producing more than we can consume locally.

Mr. Marshall: What about the period between February and June?

Mr. WITHERS: Storage is overcoming that to a considerable extent to-day. Our imports are inconsiderable in comparison with what they were a year or two ago on account of butter grading and storage, introduced to tide us over the lean period. A consideration of the figures I have given indicates what the growth of the industry has meant to the districts in which it has been established. Fifteen years ago, prior to the establishment of the industry, there was very little population in South-Western areas. To-day there are townships throughout that region and they have been established owing to the introduction of the dairying industry on what was once regarded as waste land. Although the principal industry has been that of dairying, there are many other side

lines associated with the land, apart from cheese and such like commodities. Potatoes are grown by these people, and, as a result of the assistance afforded by the Commonwealth Government, flax growing has been established in the South-West. I hope that once the latter industry has been established here, we shall see it grow to such an extent that it will continue to expand and develop. A commodity of that kind is essential to the well-being and requirements of the people of the State. It will not do to have all our eggs in one basket, or to confine our primary industries in the South-West to the production of butter.

Mr. Sampson: Nor should we confine all our milk to one cow.

Mr. WITHERS: Some members object to this Bill because, as indicated by the member for Subiaco (Mrs. Cardell-Oliver), the poorer people of the community may be affected. I am doubtful whether a great many poor people are taking advantage of the opportunity to purchase margarine in preference to butter. We know that a proportion of the inferior commodity is used by some people as a substitute for butter on their tables. As a result of an agitation amongst those interested in the dairying industry in the South-West, the storekeepers in Bunbury and Busselton have agreed that they will not sell the substitute for butter.

Mr. Wilmott: They have refused to sell margarine at all.

Mr. Patrick: Do the bakers use it?

Mr. WITHERS: Very likely they do. Probably in the manufacture of biscuits and such like commodities, margarine is used in preference to pastry butter, because margarine manufactured from vegetable oils would not have the same unpleasant flavour as would pastry butter. If margarine is used for that purpose, it must be made of a grade of fats that will not produce a taint in the finished article. Possibly there will be a definite lead on these lines for such an article as margarine. The substitute in question is more in demand where wages are low and conditions are bad. I want members of the Country Party to realise that we must maintain our standards at as high a level as possible so that primary producers in all walks of life may get a reasonable price for the commodities they have to sell.

Mr. Mann: They are down and out.

Mr. WITHERS: I do not agree. Statistics prove that wherever conditions are bad, butter has to step aside in favour of the cheaper article.

Mr. Watts: Confine your arguments to butter and we might agree with you.

Mr. WITHERS: Where wages are high and the conditions of living are good, primary producers should get the advantage in every walk of life, either from butter production or the production of other commodities. The document I have in my hand says "Only in countries with a high consumption of butter do conditions exist for any considerable consumption of margarine." That is what we have to be afraid of, particularly after the war. We are relying upon an export market for our butter. So many substitutes are getting into the market we will have to look for, that when the war is over we may find ourselves suffering from very serious competition overseas. Many articles appearing in the "Dairying Review" from month to month urge producers of butter to keep their product up to a standard and produce it as cheaply as possible so that people will consume it in preference to a substitute. Last year the Minister for Lands brought down a Bill to amend the Dairy Industry Act for the purpose of seeing whether it was not possible to have the quality of our butter improved. That sort of thing applies to all parts of Australia. Seeing that margarine is bound to come into competition with butter, the producers of the latter commodity will have to produce it in such quality and at such a price as to induce the public to consume it in preference to the substitute. If that comes about, the producer will have the opportunity to derive a comfortable subsistence from the industry. We talk about the stabilisation of prices. The producer must be careful to see that the price is stabilised to such an extent that butter will not be beyond the reach of the consumer.

Hon. N. Keenan: At what figure do you fix that?

Mr. WITHERS: It is difficult to arrive at any figure. My opinion is that 1s. 8d. per lb. is too high a price to ask the ordinary consumer to pay for butter.

Mr. Warner: It is not too high for the producer.

Mr. Patrick: That is for the highest grade.

Mr. WITHERS: Butter must be of the highest grade. The producer receives from 1s. 3d. to 1s. 4d. per lb.

Mr. Fox: What becomes of the other 5d.?

Mr. WITHERS: The sum of 3d. per lb. is absorbed in the manufacture of butter.

The Minister for Lands: The butter fat in the cream is worth from 1s. 3d. to 1s. 4d. per lb.

Mr. WITHERS: I do not wish to enter into questions associated with the manufacture of butter. Manufacturers receive only a little over 3d. a lb. beyond what the producer gets, and they have to attend to the manufacture and distribution of the commodity. In my view the price is a little high. If the producer could be sure of getting a little over 1s. all the year round, he could possibly carry on, although he would not make a fortune at that figure. In cases where the basic wage is high, the maximum price for butter should be 1s. 6d. per lb. for those who can afford to buy it.

Mr. Marshall: Is the butter producer not making a profit out of his other commodities?

Mr. McLarty: Many of them have no other commodities from which to make a profit.

Mr. SPEAKER: Order!

Mr. WITHERS: Many of them may be said to have all their butter in one basket. The concern that has been exhibited in this connection is nothing new. When the Minister for Lands referred to this Bill being a repeal of the Butterine Act of 1887, I looked up that piece of legislation. At that time Western Australia was a small State. Mr. Harper, who brought down that measure in the Legislative Council, was very concerned about the effect margarine and butterine would have upon the butter industry of the State, and he quoted figures from France indicating the conditions under which restrictions were operating there. To-day we have got away from butterine and are called upon to deal with margarine. Nevertheless, the former commodity was a formidable opponent of butter then throughout the world.

Mr. Patrick: What was butterine made of?

Mr. WITHERS: I do not know, but I think it was made up of a similar conglomeration of commodities to that of which margarine is made. Regarding the industrial

side of the industry, I had some doubt at the outset whether as a Labour man I would be justified in supporting this Bill.

Mr. Mann: You are very broad-minded.

Mr. WITHERS: I wondered whether it would work out to the detriment of the general masses of the people. In my view, however, the offset to the possibility in that direction more than justifies my support of the measure. The industry has made great progress and has been the means of employing great numbers of our people. As Western Australia is a primary-producing State, the worker can only look for his employment to primary production. A considerable amount of employment has come about in the South-West through the dairying industry, and I have figures to show the increase that has taken place since 1925. The number of permanent employees, including the worker-owner, in the industry in 1925 was 2,386; in 1934-35 it was 6,278; and in 1938-39 the number had risen to 9,234. Those people are directly connected with the industry. We have also to consider the quantity of superphosphate that is manufactured at Picton and used extensively in the growth of dairy pastures. Because of the butter industry, more men are employed on the railways. I have not the figures in connection with the imports of phosphatic rock, but I think the quantities are very considerable. That leads to considerable employment of wharf labourers. The import of sulphur, which has to be handled by our working-class people, has also to be considered.

Mr. Fox: Very little handling is necessary in that case.

Mr. WITHERS: All that goes to make up the general volume of work. The handling of sulphur may not be a pleasant job, nor is it pleasant to unload phosphatic rock, but those things all create work. Money is put into circulation and the worker gets a considerable amount of benefit from it. I am, therefore, prepared to support a measure that assists in providing work for our people in the way this one does. I have indicated that 4,000,000 lbs. odd of butter were exported from this State in 1939-40. That factor must be considered. Butter boxes are also made here, though I regret they are made from imported timber. I know that experiments have been conducted and are being conducted with our locally grown woods in the hope of producing an

export butter-box. All these things go to show that we must support a Bill that is of such great importance to the State. This is not a matter of being parochial or State-minded. As the Minister pointed out, a perusal of the issues of the monthly "Dairying Review" discloses that for years efforts have been made throughout the Commonwealth to have something done along these lines. The legislation now introduced will bring Western Australia into line with what has been enacted in other parts of Australia, and provide a measure of control over the industry.

MR. MARSHALL (Murchison) [5.31]: If I held similar views to those expressed by the member for Bunbury (Mr. Withers), I would not bother to oppose the legislation because, in view of what the hon. member stated, the production of margarine has not had any detrimental effect upon the dairying industry. The hon. member quoted figures indicative of the huge increase in dairy production during the last five years. If the industry has prospered to such an extent over that period, seeing that margarine has been manufactured for much longer than five years, why fear the competition of margarine?

Mr. McLarty: Because it is just beginning to make itself felt.

Mr. MARSHALL: It is not. That is just the hon. member's imagination.

Mr. McLarty: Look at the statistics!

Mr. MARSHALL: I have the figures and will quote them. I remind the House that if the industry has been thriving to the extent indicated by the member for Bunbury, seeing that it covers subsidiary activities, the dairy farmers are not wholly dependent upon butter production.

Mr. Doney: Wool was equally thriving until the synthetic article was placed on the market.

Mr. MARSHALL: As the Minister indicated, we are asked to accept the responsibility of passing legislation to protect one industry against another. If that is the proper course to pursue, I suggest to the Government that the time is ripe for the introduction of another Bill the effect of which should be to prohibit the further production of beef in order to protect mutton. If we prevent the people in the North-West from producing more beef, then the producers in the South-West will be able to grow more mutton. That argument is quite



sound, but, of course, it all depends upon the point of view. I quite understand that if a member is looking for votes, he will adopt the point of view that will bring its reward in additional support when the next election is held. The argument I advance regarding the protection of one industry against another is quite logical; in fact, a Bill could be introduced to prohibit the further production of both beef and mutton in order to protect the poultry industry.

Mr. J. H. Smith: You are entirely a free-trader!

Mr. MARSHALL: I am not arguing along those lines, but am merely indicating the trend of such legislation if pursued to its logical conclusion. When the Bill was first mentioned, I thought there was some point about it in that there was a desire to protect the interests of the dairying industry. I really felt there was something in that contention until the member for Bunbury spoke. When he had concluded his remarks, I realised there was no need for the legislation because the dairying industry has made such wonderful strides. The Minister must have been a little unsophisticated when this was put over him.

The Minister for Lands: And he is still unsophisticated.

Mr. MARSHALL: He depended for his advice too much upon the Commonwealth Department of Commerce, which has been instrumental in having this legislation placed before the State Parliament.

Mr. Doney: The other Ministers must have been similarly affected.

The Minister for Mines: The member for Murray-Wellington must have been responsible.

Mr. MARSHALL: I think the Commonwealth department is behind this legislation. I do not think the Minister had anything to do with the quotas, which I believe were fixed by the Department of Commerce—to the detriment of Western Australia. I do not see how the Minister for Lands and the Minister for Industrial Development can sit side by side and view this matter with complacency. One Minister has introduced legislation to prevent the development of one industry; the other Minister is doing his utmost to secure the establishment of additional industries in our midst.

Mr. Mann: You have an extraordinary mind!

Mr. MARSHALL: One can always get members of the Opposition on their feet when one commences an argument regarding legislation of this description.

Mr. Patrick: We will wait until synthetic wool is more on the market, and then you will be on your feet.

Mr. MARSHALL: The same tendency is not apparent when legislation is introduced to protect the industrialists.

Mr. Patrick: The effect of this Bill is to protect the workers.

Mr. MARSHALL: Quite a different attitude is adopted then. I protest emphatically against the Bill being presented in its present form. On previous occasions when Bills have been introduced to amend Acts in a similar manner, I have uttered my protest. We are asked to pass the Margarine Bill, the object of which is to amend the Dairy Industry Act.

Mr. Patrick: The same thing applied when we dealt with the Agricultural Bank Act.

Mr. MARSHALL: The procedure is very bad. In course of time it will be difficult to ascertain what amendments have been made to the principal Act. Naturally one would look for an Act amending the Dairy Industry Act and not one under an entirely different title. No doubt lawyers will keep the amendments filed, but if any member of Parliament were to send a messenger for the Act of a particular year amending the Dairy Industry Act, he would not be able to secure the information he wanted because the amending Act would be under an entirely different name. Already we have enough complications regarding legislation, and I regard this as bad draftsmanship. Ministers should be watchful regarding such matters and make sure that the titles of amending Bills refer to the parent Acts and are not passed as separate Acts in themselves.

Dealing now with the Bill under consideration, if the production of margarine were proving detrimental to the dairying industry, I would take no exception whatever to legislation being introduced to ensure a distinctive colouring for margarine. I would not object to those engaged in the manufacture or retailing of margarine being required to see that no deception was practised regarding margarine. There should be no deception practised regarding that commodity. On the other hand, to limit the

production of margarine is positively unfair. The move in that direction is not altogether the outcome of representations by those engaged in the dairying industry. When I made inquiries regarding the production of margarine in New South Wales, I found that there had been a wrangle between the dairying industry and the margarine manufacturers over very many years. First one obtained an advantage and then the other. Strange to relate, the outcome was that the dairying industry prospered to a relatively greater degree than the margarine industry. Butter production increased far more rapidly. Statistics prove that conclusively, taking into consideration the export trade. If I were to place my interpretation upon this legislation, I would say that, in the final analysis, it has been introduced here and elsewhere to secure peace between two industries. The largest margarine manufacturer in Australia is the Meadow-Lea Company of Sydney.

The Minister for Lands: Edible Oils Limited is a much bigger concern.

Mr. MARSHALL: But not bigger from the standpoint of margarine production. The Meadow-Lea Company has secured the lion's share of the output of margarine, and is well satisfied. It possesses the largest quota of any manufacturing concern in the Commonwealth. Naturally that company is well satisfied. On the other hand, those concerned in the dairying industry are satisfied because a limit has been placed upon the quantity of margarine to be produced. I do not criticise primary producers unfairly when I say frankly that all has not been well with the dairying industry. Some years ago when the price of butter on the London market was about 70s. per cwt., the dairy farmers were experiencing a difficult time. In consequence, the Paterson scheme was introduced for the purpose of stabilising the price for home consumption, which was fixed at, if I remember aright, 140s. per cwt. Those engaged in the dairying industry derived considerable advantage. When the price on the London market rose appreciably—I think it reached the vicinity of 137s. per cwt.—local consumers derived no benefit; in fact, I think the present price locally is about 168s. per cwt.

Mr. Sampson: And the tariff was not reduced!

Mr. Thorn: Take into consideration the high wages ruling.

Mr. MARSHALL: I do not think the member for Toodyay (Mr. Thorn) should reduce the standard of the debate to verging on the farcical.

Mr. Thorn: That is quite all right.

Mr. MARSHALL: Despite the enormous increase in prices on the foreign and London markets, no benefit has been derived by local consumers. Seeing that an increased price was agreed to in order to save the industry, one would have thought that when overseas prices increased, some consideration would have been shown to local consumers. But we never got the increased price and we are not getting a fair price to-day. There are too many factories to consider, and regard must also be had for the other industries which are subsidiary to this one.

Mr. Thorn: You demand a certain standard of living?

Mr. MARSHALL: Yes, and for the primary producer too. All the factors to which I have referred must be considered. It is no use members saying that the difference between 70s. and 130s. is not a material increase when we consider the figures used by the member for Bunbury. Side by side with that increase in foreign markets there is the increase in the local consumption price. The consumers went to the rescue of the industry when it was having a really bad time, but the industry lacks gratitude and consideration by increasing the price. Is that fair? I have the figures here, and they are correct. The London price was 70s. per cwt. That was when the Paterson scheme came into existence. The home consumption price was 140s. Now we have the price in London, 109s. 9d. per cwt. and with exchange added reaching 137s. 2d. per cwt. The Western Australian price was 163s. 4d. and the Commonwealth price 158s. 8d. We must also bear in mind the more modern methods employed by the producer and the production also of greater quantities.

Mr. J. H. Smith: Do not forget that superphosphate has gone up £2 per ton.

Mr. MARSHALL: How long has that increase been in force? The figures I have quoted represent increases since the Paterson scheme, and that was introduced many years ago. The price of super has been increased £2 per ton only in the last 12 months or so. That is another excuse advanced. We must remember also that these primary producers have milking machines and cream separators, and I understand that under a

co-operative system the cream is taken to the factory. That, too, is of considerable assistance, and must with the other advantages be considered in the financial calculations. I do not argue that those who are engaged in the industry get too much, but what I am arguing is that the other individual who needs help in his hour of need is not considered. Many of our dairy farmers to-day owe their existence to the taxpayers of this country. Those engaged in the industry could never have started without the help they have received.

Mr. SPEAKER: The hon. member is getting too far away from the Bill.

Mr. MARSHALL: The whole object of the Bill is to protect the dairying industry. I heard an interjection a little while ago that margarine was made from material of inferior quality. There were other remarks in a similar strain about that product. If all we have heard about margarine is correct those engaged in the dairying industry have nothing to fear.

Mr. Doney: It is not made up of inferior matter.

Mr. MARSHALL: If the producers of butter would do their job, and do it thoroughly they need have no fear of margarine competition.

Mr. Thorn: We must fear it.

Mr. MARSHALL: I can quote more figures which may be of interest to members. Looking up the records of the butter industry I notice that Mr. Wigans delivered an address at a conference of saccharine managers in Melbourne in May last, and these were the figures he quoted: He said that in 1938 3,491,000 cases of butter were exported and the percentage of choice butter in that huge total was 61. Imagine, only 61 per cent. The lowest type of butter, referred to as second grade or pastry butter, which was exported amounted to 10 per cent. In 1939 the quantity exported was 3,557,000 cases, an increase of 66,000 over the total of the previous year, and the percentage of choice butter dropped to 53, a reduction of 8 per cent. The increase in the export of pastry butter was from 10 per cent. in the previous year to 12 per cent. of the total quantity exported in 1939. In 1940 Mr. Wigans stated that he examined 4,300,000 boxes of butter, an increase of 749,000 boxes, and the percentage of choice butter dropped to 51. The highest percentage of choice butter in those years was only 61.

Mr. J. H. Smith: What is the difference between choice and first-grade butter?

Mr. MARSHALL: What I am trying to point out is that the greater the quantity of butter exported the lower the percentage of choice.

Mr. Thorn: We are raising our standard here all the time.

Mr. MARSHALL: I do not know whether that is so. At any rate, those engaged in the industry should be able to keep well abreast with it having regard to the improved technique and the assistance given. Apart from margarine being trashy stuff we should make an examination nearer home. I remember a couple of years ago certain producers were demanding an investigation because of the inferior and continually deteriorating value of their commodity.

Mr. Thorn: But the dairying industry is raising the standard of its commodity.

Mr. MARSHALL: I do not know what is being done, but I do know that in addition to taxes on many commodities we are paying a prohibitive tax on this one. I am wondering when we will finish imposing taxation. There are two forms of taxation, one paying in actual cash and the other what I might call the bread-and-butter tax. The latter is the worst form of taxation. Talk about what Hitler has done! Here the standard of living is reduced because incomes are reduced. We are threatened almost daily with increased taxation. Soon there will be very little money with which to buy the necessities of life. People will not be able even to buy margarine if this Bill goes through.

Mr. Doney: Yes they will, just as they did last year.

Mr. MARSHALL: Does the hon. member imagine that there will be any greater demand for a substitute for butter? I have more figures that I can quote for the benefit of members.

Mr. Hughes interjected.

Mr. MARSHALL: I did not hear the hon. member's interjection. It is very amusing indeed to find individuals protecting their interests, but it is not so amusing for the unfortunate people of East Perth who may have to revert to dripping.

Mr. Cross: That would be better than margarine.

Mr. SPEAKER: Will the hon. member please discuss the Bill?

Mr. MARSHALL: A smile comes over members' faces immediately one endeavours to give those on the lower rung the opportunity to get something which to them is in the nature of a luxury. Whoever wants margarine should be entitled to get it.

Hon. W. D. Johnson: You will be giving them a cheap, shoddy food.

Mr. MARSHALL: I thought the hon. member would be with me on this matter. He is such a champion of the working class.

Mr. Hill: He takes a wider view.

Mr. MARSHALL: I am not so sure about that; I think the Western Australian co-operative movement might have something to do with it.

Mr. SPEAKER: We are not discussing the member for Guildford-Midland. We are discussing the Bill.

Mr. MARSHALL: I wish to quote some figures to show the extent of the danger of margarine to the butter industry. The Year Book for Western Australia shows that the consumption per head of population of butter is 31.18 lbs. and margarine 3.56 lbs. That quantity of margarine includes all the butter substitutes used by manufacturers of biscuits, etc., as well as the margarine purchased by individual consumers. Therefore, there is not much danger to butter from the competition of margarine. I am not sure that the Bill has been introduced to protect the dairying industry; in fact, I am somewhat doubtful about it.

Mr. Sampson: What is the mystery?

Mr. MARSHALL: The experience of local manufacturers of margarine has been a particularly sad one. I understand that until about September, 1938, the Meadow Lea Margarine Company of New South Wales had, to all intents and purposes, a monopoly of the distribution of margarine in Western Australia. The company had no factory here, but distributed the commodity through agents. I think Mr. Armstrong was one of them, though I am not sure. At about that time a local company began to manufacture margarine in the State, and naturally the lot of this infant has been especially difficult. No sooner was a start made than it experienced the effect of Eastern States competition. Such bitter opposition was encountered that the company was forced to send out of Australia for ingredients with which to manufacture margarine. Edible Oils, the Marrickville Co., and Lever Bros., in conjunction with the Meadow Lea

Margarine Co., saw to it that the commodities needed to manufacture margarine were not made available to the local company. Those ingredients had to be obtained from England or from some foreign country. I believe that a duty of 2¼d. a lb. was paid on the imported ingredients. When the Meadow Lea Co. realised that the local company was determined, it started, as all Eastern States monopolies do—

Mr. Sampson: To smash the price?

Mr. MARSHALL: Yes, to undercut. The infant company was bitterly fought. The New South Wales company tried to influence the Tariff Board in Canberra to prohibit the importation of the requisite ingredients other than by itself. Our little company had to send its manager to Canberra, accompanied by a Customs officer, to prove that the Meadow Lea Co. was indulging in a boycott. The authorities in Canberra were convinced of this and allowed things to remain as they were. After the Meadow Lea Co. had indulged in undercutting for a considerable time, at a loss to itself as well as to the local company, legislation appeared to be in sight, and the manager of the local company was invited to go East to discuss the matter. In fact, he received more than an invitation; his fare was paid for him. This shows how eager the company was for a conference. This legislation was discussed at the conference, and the manager of the local company was informed that his quota would be 2½ tons a week; that was the quota for which he was to apply. He was threatened that if he did not apply for it, the undercutting which had nearly brought his company to ruin would be continued.

Mr. Sampson: Or resumed?

Mr. MARSHALL: The manager of the local concern agreed, because he well knew that if he did not, his company would be put out of business before legislation could be introduced to save the situation. At the same time, he never intended in his heart to agree to the 2½ tons quota.

Mr. Sampson: Did he make a mental reservation?

Mr. MARSHALL: It seems remarkable that this legislation could be engineered by the firms operating in the Eastern States. Consequently, I regard it with great suspicion.

Mr. Sampson: The Federal law made that necessary.

Mr. MARSHALL: I do not think the dairying industry was considered very much in this matter; I think it has been used in the interests of the margarine industry. The figures show no real challenge to the dairying industry, but the dairying industry is being used as a cloak to make it appear that legislation of this kind is necessary and urgent. What happened? Draft legislation was duly submitted, and I am informed that the local company was never invited to suggest a quota; the quota was fixed for it.

Mr. J. H. Smith: By the Department of Agriculture?

Mr. MARSHALL: No, under coercion, the local company agreed with the Meadow Lea Margarine Co. of New South Wales to accept a quota of  $2\frac{1}{2}$  tons a week. Had it not so agreed, the undercutting process would have been resumed, and the local company would have been put out of existence before legislation could have been introduced. Because the local company agreed at the conference to this quota, the Meadow Lea Co. informed the Commonwealth Director of Commerce that the quotas for Western Australia would be as submitted. The manager of the local company, however, was not consulted directly. Now we find that the Meadow Lea Co. has a quota of  $4\frac{1}{2}$  tons in Western Australia, and got that quota in this way: As soon as it had arranged with the local company to accept a quota of  $2\frac{1}{2}$  tons, the Meadow Lea Co. three or four months ago, started a small factory here. Had it not done so, it could not have got the business here. The Meadow Lea factory hobbled up like a mushroom, and because it had a factory here, was entitled to a local quota. It received a quota of  $4\frac{1}{2}$  tons, and the small local factory that had been fighting right through the piece to establish the industry, received a quota of  $2\frac{1}{2}$  tons. If we pass legislation of this sort, I cannot see how later on we can protest against dumping by Eastern States manufacturers. If we did protest, we would be neither logical nor consistent. If we allow this sort of thing to be put over a manufacturer of Western Australia, we shall have no argument to advance against the dumping of I.X.L. jams or other Eastern States manufactures on this

market. Here we have an opportunity to say definitely that there shall be no discrimination whatever in the quota in Western Australia, or, if there is any discrimination, it shall be in favour of the little factory that has been struggling along since 1938.

Mr. J. H. Smith: Could we make provision to that effect in Committee?

Mr. MARSHALL: I do not know. That is the history of the local company. I do not believe for a moment that margarine is a danger to the dairying industry of the State. In fact, I am positive that it is not.

Mr. Thorn: It is a substitute that we should not support.

Mr. Doney: It might not be much of a danger now, but it is growing.

Mr. MARSHALL: If the dairying industry continues to market a commodity of quality and takes all necessary precautions to ensure that it is made available at a reasonable price, there need be no fear of competition by margarine.

Mr. McLarty: Margarine can always undersell butter.

Mr. MARSHALL: Margarine must always be held in less favour than butter.

Mr. McLarty: How could you tell the difference?

Mr. MARSHALL: I might have eaten margarine without knowing it, but nobody can convince me that if choice butter was marketed with the choicest margarine, the people would take margarine in preference to butter.

Mr. Thorn: But they would not know the difference.

Mr. MARSHALL: I would not buy margarine.

Mr. McLarty interjected.

Mr. SPEAKER: The hon. member for Murray-Wellington has already spoken on the Bill.

Mr. MARSHALL: I cannot imagine any individual who could afford butter buying margarine in lieu. That he might do so is possible, but not probable. Therefore I say frankly to our dairy farmers that they have nothing to fear provided they maintain the quality of butter and keep the price at a reasonable level. If I was engaged in dairying, I would have no fear of the competition of margarine.

Hon. W. D. Johnson: But shoddy workers and shoddy manufacturers would always remain.

Mr. MARSHALL: I have it on good authority that anyone who says the margarine being manufactured to-day is shoddy, speaks with his tongue in his cheek. I am told that Dr. Leedman recommends margarine where he would not recommend butter.

Hon. W. D. Johnson: Tell me where you saw that.

Mr. MARSHALL: The hon. member should be more careful in his criticism of margarine. If it is dirty and shoddy as he said—

Hon. W. D. Johnson: I did not say it was dirty.

Mr. MARSHALL:—how can it be a successful competitor of clean, choice butter?

Hon. W. D. Johnson: It is shoddy.

Mr. MARSHALL: Then what danger can it be to the dairying industry?

Mr. SPEAKER: Order!

Mr. MARSHALL: If it is shoddy or trashy, where is the danger?

Hon. W. D. Johnson interjected.

Mr. SPEAKER: I must ask the hon. member for Guildford-Midland to keep order.

Mr. MARSHALL: Let us be fair about the matter.

Hon. W. D. Johnson: Hear, hear! And let us be consistent.

Mr. MARSHALL: Not long ago we had to take measures to ensure that butter marketed was of requisite quality. I have bought as prime butter, a commodity that was positively rank. I bought it only a few months ago from Foy & Gibson's.

Mr. Sampson: It might have been pastry butter.

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

Mr. MARSHALL: Although only 3.56 lbs. of margarine are consumed in Western Australia per head per annum, nevertheless there are families not in a position to purchase butter at 1s. 8d. per lb. I readily own up that these families would be few in number, but they are deserving of the greatest consideration because of the financial circumstances in which they exist. Moreover, men on sustenance and widows and children dependent on the Child Welfare Department would probably make up the bulk of the users of margarine as a substitute for butter on the table. They especially are entitled to consideration. Many of those widows have children; and we know that figures revealed here some years ago were

none too creditable to Western Australia, inasmuch as they showed that malnutrition was highly prevalent. If our children are deprived of vegetable or animal fats, malnutrition must necessarily increase. Those children are entitled to as much consideration as any other children, and that consideration can be extended to them without any danger to the dairying industry. I put up a plea for them because I am confident that those existing on a particularly low form of sustenance cannot do anything but change over from margarine to ordinary dripping if the Bill is passed.

While we allow seven tons of margarine to be manufactured weekly in Western Australia, that indicates a large consumption taking place over a period of years. With an increase of taxation which must inevitably be followed by unemployment, the numbers demanding margarine will increase. If the quantity of seven tons per week has been consumed up to date, obviously many families will in the near future be obliged to depart from forms of luxury such as butter and margarine and adopt substitutes such as dripping and other commodities within the scope of their finances. And there is another aspect. If we limit the tonnage of margarine to that proposed in the Bill, it removes any possibility of keen competition arising against butter. Thus the butter interests will be in the glorious position of not being afraid of any competitor, and consequently will be able, without risk of serious opposition, to raise the price of butter whenever they feel disposed. That I consider would be definitely unfair. Most members on the Opposition side argue that the competitive system is sufficient to keep prices at something like normal and reasonable levels. However, those hon. members cannot have it both ways. If it applies in other cases, it applies in this one. Therefore I suggest that the Bill is dangerous. To me it is objectionable on that score as well as on others which I have already mentioned. I appeal to those who must realise that margarine is not wrecking the dairying industry to-day. This Bill, however, is liable to wreck the right of those in lowly circumstances to obtain margarine. I intend to vote against the Bill.

MR. J. H. SMITH (Nelson): [7.35]: I support the second reading of the Bill, although I am disappointed, as are all the people in the butter-producing areas of

Western Australia. We anticipated that the quota allowed to Western Australia would be much lower than appears in the Bill. The remarks of the member for Murchison (Mr. Marshall) have astonished me. The hon. member has gone to a great deal of trouble in collecting facts and figures, but he is a long way from appreciating the thousand tribulations of the dairying industry. His ideas, to my mind, are entirely in the wrong groove. While he would have protection for other people, he would grant none to Western Australia for the millions of pounds this State has spent in the South-West for the purpose of developing the dairying industry. He would wipe all that away at one fell swoop, and substitute something provided by black labour. The dairying industry realises that margarine is an important factor, as well as a strong competitor of butter. What we would like is a stipulation that margarine should be coloured. Margarine was placed on the tables of Parliament House and members ate it in the belief that it was butter. What we have aimed at for years is a distinctive mark or brand for margarine. The Bill provides that margarine placed on the table must be in dishes marked "Margarine." That is something. Seven tons per week represents half a loaf, and we in the dairying industry are grateful to accept it on those conditions.

In our dairying industry men and women and children work 15 hours a day in the endeavour to get a livelihood. These dairy farmers are liable to be ruined and deprived of all the years of savings which they have put into their lands if competition is allowed to continue. As stated by the member for Murchison, our butter prices are based on the prices of butter in the Old Country. But does the hon. member forget that only a few years ago our dairy farmers were receiving as little as 8d. per lb. for butter fat? The result was that thousands of people placed on the land at a cost of millions of money had to leave the land. Now, however, with exporting arrangements and fair prices our dairy farmers are receiving—not a living wage based on the hours they work, but 1s. 3d. per lb. There is protection for all other Australian industries. Not a secondary industry would be established in Australia nor would thousands of people be building up our population as is now being done, were it not for protection. The same course can be followed in the case of margarine. The Commonwealth could put an excise duty

on oils and other ingredients of margarine, and thus put an end to the competition. However, the Commonwealth refuses to do that. While the member for Murchison considers it all right for the industrial side to be protected, he thinks it wrong that the primary producers, the men on the land, should receive similar protection. I would remind the hon. member that were it not for the man on the land there would be no metropolitan area. In the first instance, everything must come from the land. What would the hon. member say if for the product of the gold mining industry we substituted something else? The effect would be to throw thousands of men out of work. Where would our population be then? How would we exist? I hope the commonsense of the House will carry the second reading of the Bill. I shall not go into such details as to whether one factory should have a quota of 2½ tons or another 4½ tons per week of margarine, but I do contend that one firm should not have a monopoly all over the State.

There is something to be said about the manufacture of margarine. I believe it can be manufactured from dead bullocks and dead horses, from bones and all sorts of things. Some people assert that margarine can be made from dogs and cats, that all these things go into the making of margarine. Surely if our children must have milk, as the member for Subiaco (Mrs. Cardell-Oliver) insists, it would be better for them to have sufficient butter. Therefore I fail to understand the hon. member's attitude. Margarine coming into this country is based on the existence of depression. I have never known margarine to be considered in the fixing of the cost of living. So much per day is fixed as a living wage. Again, the poorer classes of people always want the best quality. They do not buy margarine. Thus the argument of the member for Murchison goes by the board. If an elector of his had only 2s. and butter cost 2s. while margarine cost only 1s. 6d. that elector would buy butter. It is only the miserable individual who buys margarine and puts it on the table. That is the class of people to whom margarine is sold. I trust the common sense of hon. members will carry the second reading of the Bill.

**MR. SHEARN** (Maylands) [7.48]: The eloquence of the previous speaker has not convinced me that either his long experience

of the dairying industry or his sincerity of purpose has been distinguished in his speech on the Bill. Like the member for Murchison (Mr. Marshall) in spite of the fact that a number of people have approached me during the last few days to state the damage which they suggest is likely to be suffered by a section of the population if the Bill becomes law, I am not confirmed in that opinion. I have made certain inquiries and gained information which many members of the House, outside those directly associated with the Bill, could not otherwise be expected to possess. A great deal has been said about the proposal to protect the margarine industry. The member for Nelson (Mr. J. H. Smith) has just said that people will not buy margarine if they can buy butter. That is perfectly true, provided they can afford butter. However, as has been pointed out by the member for Subiaco (Mrs. Cardell-Oliver), there are in this community numerous persons, for instance in the metropolitan area, who are earning the basic wage, and in many cases only about two-thirds of the basic wage. It is to the position of those people that I personally am desirous of attracting attention. I do not think any member could reasonably argue that margarine would be consumed by any person if butter were available at the same price. The damage that margarine would do to the butter industry has been the subject of comment throughout Australia for some 20 years: Some years ago in the Victorian Parliament representatives of the dairying industry pointed out the danger that margarine constituted to the dairying industry. That was done in a discussion on a Bill providing for the colouration of margarine. After all, we must bear in mind this fact—notwithstanding the arguments adduced at that time and over the years—that margarine is, as has been pointed out, a relatively small commodity in this State when compared with butter. I realise as well as any other member of this Chamber the necessity for conserving the immense amount of money that is invested in the dairying industry; and the same consideration should be extended to it as is extended to any other equally important industry. At the same time, we have to bear in mind the existing tendency to protect this industry and that industry and to create this board and the other board to exercise control. The result, in my hum-

ble opinion, is that we are gradually developing an idea that the community consists of two classes of people, the sheltered class and the unsheltered. I agree with the member for Murchison that the dairying industry must have protection; but, as he pointed out, we must consider what inroads the manufacture of margarine will make upon the dairying industry.

I do not want to delay the House, because the member for Murchison has quoted much data and statistics which I personally have gathered. I shall not weary the House by repeating the figures. I have, nevertheless, made inquiries and can but say that I find myself in accord with the various analyses he made of them. These show that an explanation is required why there is not a greater degree of proficiency in our butter industry. As the hon. member pointed out, we have an increasing quantity of first-grade butter, but a serious reduction in quantity of choice butter. He also pointed out the discrepancy in the local price of butter compared with similar butter sold in Melbourne. I am primarily concerned with the conservation of the interests of all sections of the community; because if it is contended that the interests of one section of the community are to be preserved, safeguarded and maintained at the expense of another section, the whole attitude is futile. I am fully seized of the necessity for protecting all our industries, whether primary or secondary; but such protection must, in my opinion, be consistent with the interests of all other sections of the community. I may be open to a charge of parochialism, but, like the member for Subiaco (Mrs. Cardell-Oliver) and other members, including some on the Government side, I represent a section of the people which is not in a position to pay the present price of butter. I pay tribute to the Minister and his department for what they have done in the way of administering the Act passed last session. I have travelled throughout the South-West a fair bit and, for obvious reasons, will not mention names, but to my own meagre knowledge much good has resulted from the operations of the Act to which I have referred. Let us hope that the supervision exercised over the dairying industry will be carried out even to a greater extent, so that we shall have greater efficiency both on the part of the producer and the manufacturer. I do not know



enough of the subject to say who is to blame, but obviously something is wrong. It appears to me that if there were greater efficiency in the industry, it ought to be possible for people to buy at least first-grade butter, and perhaps choice butter, at a price lower than that charged in the metropolitan area and other districts of the State to-day. If that degree of proficiency could be attained, we would have no need to worry about the danger that margarine constitutes to the dairying industry. As I have said, no Australian would willingly purchase margarine if he could buy butter at the same price. But we have to consider the economic question. For that reason, I hope the Minister will in his reply give us some better indication of the position than he did when introducing the Bill; otherwise I shall be forced to the conclusion that the Government, which primarily represents the working classes, is introducing a measure dealing only with a particular section of the community. Unless the Minister can give us some more conclusive evidence than that which he has already adduced, I shall oppose the second reading.

**MR. CROSS** (Canning) [7.53]: One of the main functions of Parliament is to protect the interests of the consumer; and in my opinion this legislation is overdue. We have heard much about margarine, but not many members have told us what it is made from. If it were made from milk, they would not be so anxious to make it easy for the poorer people to procure margarine. Margarine can be made not only from cocoanut oil extracted from copra, but also from animal fats. I had the doubtful pleasure of once inspecting a plant for the manufacture of margarine. The gentleman concerned wanted the Government to lend him some thousands of pounds to extend his business.

**Mr. Patrick:** To buy up the cats and dogs!

**Mr. CROSS:** As a matter of fact, that manufacturer was concerned in the blood and bone business. I think the member for Middle Swan (**Mr. J. Hegney**) knew the situation of the factory, even if he did not know that margarine was made there. One could smell the factory two miles away. The proprietor bought up all the dead horses in the metropolitan area, boiled down the carcasses, extracted the fat from them and, by the hydrogenation process, purified it to such an extent that when the manufacture was completed the result looked and smelt like

butter. After that, I assure members, I ruled out margarine. At present, the manufacture of margarine is not subject to control by regulations. Manufacturers can make it from whale oil, if they so desire.

**Members:** They do.

**Mr. CROSS:** Margarine can be manufactured from what is known in England as ead, meaning dead horse. Had I not seen it, I would not have believed it. Among other things, the Bill provides for regulations to control any person who holds a cooking margarine license. He may manufacture for sale only to prescribed persons or classes of persons, and the margarine must be sold in lots of not less than 14 lbs. It may contain beef or mutton fat to the extent of between 75 per cent. and 90 per cent. of the total quantity of the oil and fat in the margarine. Regulations will prescribe what may and may not be used in the manufacture of margarine. If margarine is to be used for human consumption, surely the factories where it is made should be supervised, because otherwise the public will not be protected. Pure food legislation has been passed in some of the States preventing the public from having rubbish foisted on to it. It is a form of fraud for people to sell margarine as butter, and I believe that is done. Certainly it is done in some of the cafes in Perth. These put margarine on the table; they do not say it is margarine, but do not indicate that it is butter. It looks like butter and tastes very like butter.

Another reason for the legislation is this: I am informed that the major portion of the oil used in the manufacture of margarine—at least 75 per cent.—is extracted from copra. That is grown outside the State and the money paid for it goes outside the State. We have invested millions of pounds in our dairying industry and we literally have tons of butter to spare beyond what we ourselves need.

**Mr. Hughes:** Not beyond what we need.

**Mr. CROSS:** Perhaps not beyond what we need. There should be no need for us to use an inferior substitute for butter. If our people cannot afford to buy butter then we should devise ways and means for them to get sufficient money to buy it. What an advertisement for this State! What would people in Great Britain, Denmark and other countries think of us if they knew that our poorer people were obliged to consume mar-

garine because they were unable to afford butter, especially when we can make butter here equal to that made in any other part of the world? For those reasons I support the Bill. As I said, it is of paramount importance that the people's food should be protected.

**MR. HUGHES** (East Perth) [7.58]: I shall vote against the Bill on the general principle that this form of monopoly which we are setting up is a kind of hybrid syndicalism. Every day we are giving some little group a special privilege to exploit the remainder of the community and exclude other people from their trade.

**Mr. Thorn**: Your fee of 6s. 8d. is fixed for you.

**MR. HUGHES**: I do not know how it is fixed.

**Mr. Patrick**: It is a minimum.

**Mr. HUGHES**: If one can extract it, of course one gets it. I would be quite agreeable to apply the principles governing the practice of law to trade—for example, to the dairying industry, or any other industry. This is the position with the law: Certain conditions are laid down for persons entering the legal profession. I do not consider they are liberal enough; they place undue restrictions on poor people.

**Mr. SPEAKER**: I hope the hon. member intends to connect his remarks with the Bill.

**Mr. HUGHES**: I am drawing an analogy. For anyone who wants to practise law there is a set of rules to be observed, and those rules are archaic and prohibitive to the working man. Once a man enters the profession there are certain rules under which he practises and certain prescribed fees which he charges, and—as the Minister for Labour has intimated—gets, if he can. That is not the position with regard to margarine. If Parliament said, "We are going to lay down rules and regulations governing the manufacturer, distribution and price of margarine," I would agree, because then every citizen in the State would be free to enter this particular occupation provided he carried on his industry in accordance with the established rules. I would be quite prepared to apply that principle to every industry and avocation.

**Mr. Patrick**: People are free to enter the dairying industry if they want to.

**Mr. HUGHES**: Are they?

**Mr. Patrick**: Yes, anybody can get a few vacant blocks on the groups.

**Mr. Withers**: It is easy to get out of it, too.

**Mr. HUGHES**: I do not know that any of us would be at liberty to set up a dairy to-morrow and sell milk wholesale.

**Mrs. Cardell-Oliver**: Of course not.

**Mr. HUGHES**: I heard last week of a man who had a cow. He had no use for the milk produced by the cow but there were many children living near him to whom the milk would have been very sustaining. He could not, however, give it to them. Consequently he had to dispose of the cow. He was faced with the alternative of getting rid of the cow or milking it and throwing the milk out because he could not give it to children who needed it for the development of their physical and mental powers. To say that anyone can enter the dairying industry to-day is absurd, because one of the most valuable privileges obtainable in this community is that of selling milk wholesale or retail. The moment a person secures a license to sell milk retail the milk is worth £10 a gallon. When we imposed restrictions on the sale of milk we put thousands of pounds in franchises into the pockets of those existing in the trade. So people are not free to enter the dairying industry, if the distribution of the final product is part of the industry. A man has to obtain a license, and the way to obtain it is to pay £10 a gallon to somebody who was lucky enough to obtain one previously. The restrictions were very nice for those who were fortunate to be in the trade when the Bill was passed, or have been fortunate enough to secure licenses since. The consequence is that children who live in my electorate and who need milk cannot get it. The putting of these capital values into the pockets of the people who had the trade did not put milk into the stomachs of the children who badly needed it in East Perth and other electorates. They have had to go without.

**Mr. Watts**: Hear, hear!

**Mr. HUGHES**: What a sad state of mind and what a terrible economy we have got into when an educated and intellectual man like the member for Katanning (Mr.

Watts) can say "Hear, hear," when a member talks about children going without the food necessary to build up their bodies.

Mr. Watts: I was approving your making the fact plain to the House and not approving that state of affairs, as you know perfectly well.

Mr. SPEAKER: Now I think the hon. member had better return to the Bill.

Mr. Holman: Did those children have milk before the regulations came into force?

Mr. HUGHES: Milk was very much cheaper then and more easily accessible to people on low incomes. Now we come to the question of margarine as a substitute for butter. There is no one who could desire more than I that all the people in the State should have freely accessible to them the choicest butter we can produce in quantities adequate for their existence; not in excess quantities that build extensive waist-lines like those possessed by some speakers who have preceded me in this debate, but in quantities sufficient to provide the energy needed for the body. It is an indisputable fact, however, that a great percentage of people living in my electorate and in other electorates are not in a position to provide the butter requisite for themselves and their children. As they cannot obtain butter and therefore cannot obtain the body-building substances that butter provides, what are they to do? They must go without the ingredients that supply energy and warmth to the body; they must do without butter altogether; or they can make use of the best substitutes available to them. We might as well say, "When you cannot get butter you should not eat dripping," but many of us, when we have been unable to obtain butter, have been glad to eat bread and dripping.

Mr. Thorn: And still do so.

Mr. HUGHES: And it is wholesome.

Mr. Cross: It is infinitely better than margarine.

Mr. HUGHES: I do not know that the people I have seen eating bread and dripping are worse off physically than those who have existed on butter and other luxuries from their childhood. As the Minister for Mines with his knowledge of gardening knows, if hardy plants survive they are the strongest of the lot. The member for Canning (Mr. Cross) says that if poor people cannot get the first-class article in the form of butter he would devise some scheme whereby—

Mr. Cross: I did not say I would. The hon. member and others could give a hand.

Mr. HUGHES: I understood the hon. member to say that he was in favour of devising a scheme whereby the people could obtain the best and most wholesome food. We are all awaiting such a scheme, but it cannot be denied that, under the existing state of the world's economy, a large percentage of the people in the Canning electorate, as well as in East Perth and other places, cannot afford to buy the butter they require. Therefore they have to go without the ingredients that butter supplies or use a substitute. A substitute is offered in the form of margarine. I do not know whether margarine is a wholesome food or is injurious. The member for Canning suggested that cats were boiled down and the fats used in the production of margarine. I have never tried to eat a cat, but I wonder whether there would be any great difference in the source from which a cat finds its nourishment and that from which a pig is nourished?

The Minister for Mines: A cat would be more particular about what it ate.

Mr. HUGHES: The pig provides choice food but it is not a choice eater. If margarine is not a wholesome food, by all means let us declare that margarine should not be manufactured and distributed. Let us treat it like other foods we consider injurious to health. I take it, however, from the fact that this Bill has been introduced and provides for the manufacture of seven tons of margarine a week, that the Minister is satisfied that margarine is quite wholesome and fit for human consumption. If we are going to give it the hall-mark of suitability for human consumption by allowing it to be manufactured, why should we limit the production to seven tons a week if there is a public demand for the commodity? Why should we say to people who cannot afford to have butter, "You shall not have margarine," though we admit it is quite a wholesome food? I do not consider that the Bill is designed to assist the dairying industry. I think it is a clever piece of legislation on behalf of the Meadow Lea Company.

Mr. Withers: If you read the "Dairying Review Monthly" you will find that dairy farmers want the measure.

Mr. HUGHES: I know, but the dairy farmers would never have had it. This legislation is a triumph of political organisation by the Meadow Lea Co. I should

like to see the Bill referred to a select committee. Let us investigate the Meadow Lea Co. and other companies that will have the special monopoly privilege of manufacturing margarine in this State. Let us ascertain what profits the company has made over the past year and how it has tried to stifle the establishment of the industry in Western Australia. It is well known that the Meadow Lea Co. resorted to all sorts of nefarious expedients, by threatening them and so on. When certain people in this State invested their money in local companies for the development of the industry here, the Meadow Lea Co. sold the products at below the cost of production in order to run those people out of business. When that did not succeed the Meadow Lea Co. threatened to cut off the sources from which they got their raw material, and when that failed they tried cajoling. They paid the expenses of their competitors to the Eastern States, and offered the olive branch with a mailed fist to back it up and said, "If you come in with us, we will give you a share of the spoils, but if not we will smash you." People who were trying to establish the industry in this State knew, from the control held by the Meadow Lea Co. of the sources from which they got raw products, that if they did not do what the company told them to do, and were not satisfied to take whatever portion of the output the Meadow Lea Co. was prepared to give them, they could not carry on. In return for that onslaught against the industry in Western Australia, Parliament is asked to put its blessing upon the efforts of the Meadow Lea Co., and establish them here by law.

Mr. Withers: That is definitely wrong.

Mr. HUGHES: They could not get their way by threats and cajoling. If the statement is wrong, I point out that the information has been conveyed to me and to other members by those who were endeavouring to establish the industry in the State.

Mr. Withers: That is not what inspired this Bill.

Mr. HUGHES: What did inspire it?

Mr. Withers: The dairying industry.

Mr. HUGHES: It is strange that all the negotiations for the passage of a measure like this in the various States have been carried out by the Meadow Lea Co. and its agents. The Meadow Lea Co. was able to tell people that it was going to have an Act passed in all the States. These people, if put on oath before a select committee, could tell members that agents of the Meadow Lea Co. have for a long time been negotiating for the passing of these Bills in the various States. The Meadow Lea Co., out of excess profits, has been able to advertise extensively. It has used its profits to destroy an industry in this State, and in return for that we are asked to say "We are going to establish you in this valuable franchise for the rest of time."

Mr. Abbott: The Bill does not say that. It does not make any allotment to any particular firm.

Mr. HUGHES: If the Bill reaches the Committee stage, let us insert a clause to provide that no margarine shall be manufactured in this State except by companies whose total capital is subscribed by citizens of this State. If the measure is not to protect the Meadow Lea Co. let us say by the Bill, that we give preference to our own people.

Mr. Thorn: Can that be done legally?

Mr. HUGHES: Yes.

Mr. Doney: Under the Federal Constitution?

Mr. Watts: I do not think the Constitution would be affected.

Mr. HUGHES: This is one case on which lawyers agree. The member for Katanning (Mr. Watts) says that such a step would not be debarred by the Constitution. If we have the right constitutionally to pass a Bill such as this—it contains clauses which if tested on constitutional points would probably be found to be ultra vires—and we have power to say that margarine shall be made in this State to a limited extent only and under certain prescribed conditions, we should also have the right to impose a further condition that it can be manufactured in this State only so long as the whole of the capital of the company or companies engaged in that industry shall be subscribed bona fide by citizens of Western Australia. The Constitution says that trade and commerce shall be free between the States. If we are going to set up, as we would be doing by this Bill, a prohibition against the

manufacture of any article, I fail to see how trade and commerce can be free. If, however, we can do that under Section 92 of the Constitution we can go a step further and say that this commodity can be manufactured in this State only so long as those manufacturing it, and subscribing the necessary capital, are bona fide Western Australians. The people in the Eastern States may then say, "If you are going to limit the manufacture of margarine to Western Australian companies, we are going to prohibit the manufacture of that commodity in our States to persons who have put up the necessary capital and belong to those States." I think that would work out all right for Western Australia. Probably in no circumstances would Western Australian margarine be allowed to be marketed in the Eastern States. The Constitution would allow that to be done, but we know how close a corporation this combine is and how powerful the Meadow Lea Co. is in the Eastern States. We may be sure, therefore, that it is not going to allow any of the seven tons a week produced in Western Australia to be sold in the Eastern States. If a company in opposition to the Meadow Lea organisation in the State was to attempt to sell any of its quota in the Eastern States, it would promptly say, "We are going to cut off your raw material, and you will not then get the means to manufacture any margarine at all." I see no guarantee that when the Bill is passed, and a Western Australian company obtains the right to manufacture  $2\frac{1}{2}$  tons of margarine, the Meadow Lea Company will not come in and say, "You must sell your concern to us; if not, we will cut off your sources of supply and you will not be able to manufacture any margarine." What is to stop it from doing that? What chance would a little Western Australian company have of standing up to a big financial concern in the Eastern States, if that concern decided to swallow it up?

Mr. Holman: Could that not be done now?

Mr. HUGHES: Yes, and it would have been done already, but for the introduction of legislation of this kind in the various States. It could have swallowed up any other concern but for the prospect of having this legislation passed throughout Australia. It was a better financial proposition for the Meadow Lea Company to allow the small people to have a share of the business and to obtain protective legis-

lation that would give it a monopoly, than it would be to run those little concerns out of business. If small concerns were run out of business, the Meadow Lea Company would have to face the possibility of other competitors coming into being at any time. As a business proposition it would be better to allow small competitors to have a share in the business and thus secure a monopoly. Once a local firm gets its quota, I do not think it will be long before it finds it will have to sell out to the Meadow Lea Company, or its sources of supply will be cut off. The Bill gives no protection against that.

Before the measure is passed, I would like to see it referred to a select committee, so that all the circumstances that led up to the introduction of this legislation in all the States could be investigated, and we could ascertain what safeguards could be devised to guarantee that the local industry would be allowed to function once the monopoly was established. As soon as the Meadow Lea Company secures a monopoly, it may do what people in the licensing and milk trades do when they get a monopoly. As soon as the Meadow Lea Company secures a monopoly, it may float a big company and sell its franchise to that company. By virtue of selling its franchise to that new company it will capitalise its profits for 20 years ahead. It will capitalise the gift it is proposed to give by this Bill, and the shareholders will be left to get their money back. The Meadow Lea people may say, "If we have a monopoly it is worth perhaps £250,000 or £300,000. We will capitalise it immediately. We will float a company to take over all our existing assets and franchise, and break off now while the going is good." It is natural that it should do that, for it is what is done in the liquor trade. Someone gets a provisional license for a hotel, and immediately sells it for a handsome figure. That is the whole story of all this legislation. Whilst it is desirable that all our industries should be protected, particularly the agricultural industries, one who represents a city constituency has to be careful when he suggests something that is favourable to them. The member for Beverley (Mr. Mann) said he wondered what the motive of the member for East Perth was when he suggested something favourable to the farmers. That leaves me in doubt. I have not the permission of the member for Beverley to vote for this Bill.

Mr. SPEAKER: We cannot have a discussion on the member for Beverley.

Mr. HUGHES: I am in doubt whether a wrong interpretation might not be put upon my action if I voted for the measure. This Bill will not solve the difficulties of the dairy farmer. All this pettifogging business, the giving of little privileges here, and the prevention of someone from entering into competition with others there, are not going to solve the problem, but will make the position worse day by day. If we are going to deal with the industry, we must do so on a more comprehensive plan. All the Bill says is that it proposes to give some alleged protection to the dairy industry, but we are going to deprive people who cannot get their food from getting any substitute for it. If the Bill said, "We are not going to allow any margarine beyond a certain tonnage to be purchased by the people who desire it, but if we take away from those people the right to purchase the food they can purchase, we will see that they are in a position to purchase the article we want them to purchase," then it would be all right. It would be all right if we could say, "We are not going to allow you to have margarine because we can give you a better article within your capacity to pay." Then we would be doing something for the dairying industry. The member for Canning (Mr. Cross) suggested that we had more butter in Western Australia than we required. I disagree entirely with that statement. We have not more butter than we need. We may have more than can be made available to the people who require it. In my electorate there are hundreds of children who need butter, but their parents have not the wherewithal to provide it for them. I fail to see how the Bill will provide them with butter.

Mr. Marshall: It could not do it.

Mr. HUGHES: Will it help?

Mr. Abbott: Of course it will.

Mr. HUGHES: How?

Mr. Abbott: The butter industry helps to bring in £12,000,000 from London.

Mr. HUGHES: I do not know about that; I do not see how the consumption in Western Australia can affect the consumption outside Australia. If the sale of butter outside Australia would be beneficial to Australia—and it is—would it not be in the interests of the Commonwealth for the people to consume as little butter as possible so

that we would have more for sale overseas? I am not aware that we have reached the stage at which we cannot supply the overseas orders for butter. If we ever reach that happy stage, it will be in our own interests to deprive ourselves of butter and eat some substitute, so that we can build up more credits overseas for the purchase of goods we so badly need. I do not know whether I have been correctly informed, but I believe we cannot sell our butter overseas at the local price. In order to effect such sales, we have to join issue with the Meadow Lea Margarine Company and cut prices.

The Minister for Mines: That does not apply only to butter.

Mr. Patrick: We have to cut the overseas price for sugar by one-fifth.

Mr. HUGHES: And we have had to cut our price for sales overseas because the local price is too high.

Mr. Abbott: Because wages are too high.

Mr. HUGHES: I do not think there is anything wrong with that form of economy.

Mr. Mann: We have to accept world parity prices.

Mr. HUGHES: There is nothing wrong with that. We can only import what Australia requires by exporting goods. I do not think our export trade makes any difference to our internal economy.

Mr. SPEAKER: Order! I think the hon. member is well away from the Bill now.

Mr. HUGHES: I think there is a close relationship between butter and margarine.

Mr. SPEAKER: Yes, but not between the Bill and the question of exports to countries outside Australia.

Mr. HUGHES: I hope the Bill will be rejected because it represents a further extension of the very bad, hybrid syndicalistic system which is now doing so much harm to our industry and commerce and is such a fruitful source of graft. People who wish to participate in these restricted trades know that the privilege is valuable, and, human nature being what it is at the present time, they will be prepared to pay for privileges gained. How many times have members of this House been asked the question, "Can you get me a license for a hotel? If you can do so, it is worth £1,000."

Mr. Withers: I have not been told that.

Mr. HUGHES: Or, "Can you get me a license to supply milk? If so, it will be worth £200." Members know that that is done every day.

Members: No.

Mr. HUGHES: Many members have interjected that that is not so. I will make an open offer to them and will give £1,000 for every hotel license they can get me.

Mr. SPEAKER: Order! There is nothing in the Bill about hotels.

Mr. HUGHES: Because these privileges are hard to get, people will pay for them, and so this system becomes a fruitful source for graft. That is what we have seen in connection with the liquor licenses in Western Australia. There has been a solid bit of graft in connection with them. So we will find that people who want a license to engage in these activities will offer cash amounts to get them, because they realise that if they secure such privileges, they will be able to make handsome profits. That is the story of all this type of legislation. It is bad in principle and the balance is against such legislation. In this instance the small advantage to the dairying industry, if it be an advantage, set off against the disadvantages to the people as a whole, particularly the poor consumer, means that the balance is against the enactment of the measure. I hope the Bill will be rejected at the second reading stage. If it is not, I trust it will be referred to a select committee, so that some of the statements made in this House may be examined. I would be quite happy to have the statement I made concerning the Meadow Lea Margarine Co. investigated by some tribunal because if the people who supplied me with the information cannot support it before such a body, then at least that position should be made public and those of us who have made statements relying on the accuracy of the information supplied to us, will be prepared to say we were wrong in our utterances. As the position stands at present, if the statements made are true, they certainly warrant thorough investigation before the Bill is passed.

MR. ABBOTT (North Perth) [8.39]: I intend to support the Bill. The settled policy of Australia is that its industries shall be protected.

Mr. Seward: All of them?

Mr. ABBOTT: All of them, if possible. For that reason Australia has adopted a high protective policy. More and more as

time goes on Australia will be forced into an economic area comprising itself, possibly linked, to some extent, with other portions of the British Empire. It cannot be disputed, on the information given to the House by the Minister for Lands, that the dairying industry is one of the greatest undertakings in Australia, and is one of the few established in Western Australia able to compete with similar concerns in the Eastern States. I shall not weary the House by quoting a mass of figures, but it is well to realise that over £4,500,000 worth of machinery alone is used in connection with the industry. I suggest that a very large proportion of that machinery has been made in Australia by Australian workmen. The industry employs 165,000 people who buy manufactured goods, and so give other employment to still further Australians. When members realise that a body like the Agricultural Council of Australia deems necessary legislation such as that under consideration, then we must give the Bill serious consideration. Very strong grounds should be advanced before we contemplate rejecting the measure. The strongest argument I have heard advanced in opposition to the Bill is that a large number of people cannot afford to buy butter. I am sorry to say that I am afraid there are far too many people in that position. On the other hand, will those people be assisted if the industry goes out of existence, and in its place we have margarine, largely manufactured from imported products?

The Minister for Mines: And the price would go up in favour of butter.

Mr. ABBOTT: Yes. What advantage would it be to have margarine manufactured locally by the use of vegetable oils produced overseas—

Mr. Thorn: By black labour.

Mr. ABBOTT: Possibly so, or even by white labour. How can we be advantaged if we force men out of the industry to seek employment in other avocations. There are far too few avocations available and far too little employment offering as it is at present. The dairying industry is the one that is able to compete with the imported article and enables Australia to sell overseas £12,000,000 worth of butter annually. It is all very well to say that the mar-

garine output is so small. Even to-day vested interests have been strong enough to create a demand that the Western Australian quota shall be seven tons. Certainly disturbance will be caused if we attempt to set that quota aside. Surely it is worth while taking heed of the warning of those who study these problems, such as the Agricultural Council of Australia. When that body advises us that danger is likely to attach to an industry if legislation is not passed, surely we are justified in supporting the Bill.

Hon. N. Keenan: Did the council tell us that?

Mr. ABBOTT: Yes, most distinctly. The Minister read Mr. McKenzie's letter to the House. For that reason and because I have not heard any arguments advanced to show that in the long run anyone would be advantaged—there might be a temporary advantage to a few, but I think their condition can be better remedied by other means—or that the majority of the people of Australia will be better off if margarine replaces butter, I shall support the Bill. Possibly margarine may be produced more cheaply from overseas products and distributed more cheaply than is butter in Australia, but I shall support the Bill, which will assist one of Australia's major industries.

MR. HOLMAN (Forrest) [8.45]: I intend to support the Bill, which I consider very necessary to the dairying industry. It has been said that there is no need for legislation of this kind because such a small percentage of margarine is consumed in Western Australia compared with the quantity of butter consumed. The member for Murchison (Mr. Marshall) mentioned that 31.8 lbs. of butter was consumed per person last year as against 3.56 lbs. of margarine. Hon. members have stated that because judging from those figures the butter industry does not seem at present to be faced with serious competition, the Bill should not be passed. The answer is that prevention is better than cure. The measure will prevent the growth of a cancer in the butter industry of this State, and legislators who have the welfare of the State at heart should support a Bill designed to protect such a vital industry. The importance of that industry need not be stressed by me. The Minister has provided facts and figures to indicate the

immense sum of money invested in the dairying industry here, and we know what a large number of people are employed on dairy farms and in the manufacture of dairy products.

That margarine has made inroads in the dairying industry in recent years is indisputable and that it could make further inroads cannot be denied when we consider the huge publicity campaign conducted through wireless stations and by other means. In that connection I was pleased to note that the Bunbury Chamber of Commerce has criticised a certain wireless station for using the term "Voice of the South-West" during a session in which it advertised margarine. When called to order, the station decided to cease using that designation, indicating that the station had some conscience in the matter and felt that it could not honestly advertise margarine without injuring the dairying industry.

The argument has been used that this is sectional legislation. It is all very well to criticise such legislation. As a matter of fact, some members who have resorted to such criticism have in the past endeavoured to induce the House to pass sectional legislation. As an industrial representative of some years' standing, I know it is necessary for the industrial movement to have sectional legislation. Legislation of that kind led to the establishment of the Arbitration Court.

Mr. SPEAKER: The hon. member is getting away from the Bill.

Mr. HOLMAN: I intend to connect my remarks with the Bill. We believe in the organisation of industrial sections for the purpose of protecting their interests. I do not see why any group of workers should not be able to protect its interests in the same way. A person on a dairy farm is just as much a worker as a man working in a factory or any other place, and for that reason I consider it my duty to vote for legislation that will assist him to safeguard his interests. This Bill has that purpose.

There has been an outcry against the treatment meted out under this measure to alleged Western Australian margarine manufacturers by reason of the fact that a large quota is being provided for the Meadow Lea people. I have looked through all the information I could obtain and it appears to me that if the other company, namely, Kasely's, is a Western Australian company, it is a very young one, very much in its in-



fancy. I do not care whether the roots of a company are in the Eastern States or not; so long as we can persuade that company to manufacture its article in Western Australia we are going a long way towards fulfilling our task of creating employment in this State and intensifying the industrial capabilities of this State. For that reason I do not consider any distinction should be made between an alleged Western Australian and the new Western Australian company, the Meadow Lea Company, although its birth was in the Eastern States. According to the information I have, the Meadow Lea Company had been supplying Western Australia with margarine. I do not intend to go into that argument at length. If anybody has been given special information, as suggested by the member for East Perth (Mr. Hughes), it is the members opposed to the Bill. On hearing the opposition expressed against the measure, one could not help coming to the conclusion that members voicing that opposition might have been in a classroom listening to a lecture. The arguments used were on the same lines as the information received by the member for Subiaco (Mrs. Cardell-Oliver). I do not intend to allow my judgment to be biased simply because an interested party has sent to certain members of the Assembly documents embodying its viewpoint. I want to know the other side of the case, and am anxiously waiting to hear what the Minister has to reply. I am sure he will be able to place before us facts disproving statements made by the other company. It has been said that because of this legislation, poorer people will be denied foodstuff in the way of margarine. It is a slight on the working class of this State to say that margarine is their butter. Any person outside this Assembly would be horrified to be told to his face that margarine was his butter. Margarine is not the butter of the working class.

Mr. Doney: It is their margarine.

Mr. HOLMAN: Exactly. No person has a right to insinuate that working people should have margarine instead of butter. It has been said that through certain circumstances people have not money to buy butter. That is not the fault of this legislation or of the dairy farmer or of any person in this Assembly. It is the fault of the system under which we are forced to live, a system which has long been decadent, and which will be improved only when the Federal Parlia-

ment of this country sees fit to introduce legislation enabling everybody to have a standard of living both desirable and necessary.

I was surprised to hear the member for Subiaco state that she believed margarine was purer than butter which might be produced from the milk of tubercular cows. That was a most astounding statement for the hon. member to make in view of her continuous propaganda with a view to securing large quantities of free milk for school children in this State. In view of her contention, any member of this Assembly will be justified, when the member for Subiaco on some future occasion returns to her advocacy of free milk, in asking her what is the use of endeavouring to assist her to provide milk which might come from tubercular cows.

Mr. Seward: Do you think there are not any tubercular cows?

Mr. HOLMAN: I made no such statement. I know there are tubercular cows just as there is diseased wheat; but because there is diseased wheat, I do not intend to condemn all wheat; and because some milk is diseased, I do not intend to condemn all milk. I rely on the authority of the medical profession throughout the world as to the nutriment for children and adults provided by milk.

Mr. Doney: You would condemn tubercular milk?

Mr. HOLMAN: There is no need for me to do so; the department provides inspectors to do that.

Mr. Doney: Tubercular milk exists all the same.

Mr. SPEAKER: Order!

Mr. HOLMAN: Speaking of the value of margarine, I think the word of the member for Canning can be taken on the constituents of margarine just as well as the word of anyone else can be taken about butter being produced from the milk of tubercular cows; but judging by his argument his reasoning appeared to be that the only difference between margarine and butter is that margarine comes from dead animals and butter comes from the product of live animals. The member for East Perth went to great lengths to criticise the measure and said the people who now buy margarine would have to subsist on bread and dripping. I think there are very few people who have not at some time eaten bread and dripping and liked it.

Even if they do eat bread and dripping, the dripping is a product brought to fruition through the efforts of our primary producers and does not have its main constituents provided by black labour overseas. For that reason and for economic reasons I would sooner have people eating bread and dripping than bread and margarine.

The great disadvantage of margarine might not lie in its properties as a food so much as in its effect upon the progress of the State. The growth of the consumption of margarine in this State must whittle away the production of dairy farmers, and for this reason I take the side of our hard-working dairy farmers against the side of the coolies in countries that have provided the main constituents of margarine. Another point has been made that the working classes are not able to buy butter. This is a dangerous idea to disseminate in this country. Anyone who has had anything to do with the fixing of the basic wage declarations knows that butter is one of the items taken into account. If the statement was circulated that the working class people were subsisting on margarine instead of butter, would it not be quite logical for those assessing the basic wage to declare a figure based on a margarine instead of a butter standard? But such a position would be fantastic. We have been told that for the poorer class margarine is as butter. I do not believe it. Arguments have been advanced both that the quota is not sufficient and that it is too high.

Mr. North: That is based on the present consumption.

Mr. HOLMAN: The quota has been asked for by the margarine interests, and surely individual members of this House are not greater authorities on that question than are those immediately interested, namely, the margarine companies. I am prepared to accept their word that seven tons a week is a sufficient quantity for this State. They are the distributors and they ought to know. The dairying interests have come to the conclusion that it is better to have a quota of seven tons than not have any legislation passed at all, so both parties are happy, or if not happy, satisfied at least on the surface. The consumer has not been vitally interested in the argument. I believe he has been brought into it even more than he would wish to be. Candidly I have not heard one statement made by a consumer outside the Chamber for or against this legislation,

and there has been ample opportunity to advance any desired argument because of the publicity given to the subject in the Press. The member for Murchison stated that if legislation of this sort was passed, at some future time, as the poverty of the people increased, the proposed quota would prove to be insufficient. I would not be so pessimistic as to think that the poverty of the people will increase. I hope that when Labour wins the Kalgoorlie seat for the Commonwealth Parliament, Federal legislation will be changed to such an extent that better days will dawn for all of us.

Mr. SPEAKER: There is nothing in the Bill dealing with the Federal election.

Mr. HOLMAN: Even if the poverty of the people did increase, this legislation could be amended to increase the quota of margarine, if considered necessary. If the butter interests, as suggested by the member for Murchison, raise their prices because of the monopoly created for them, we can provide a check by amending this legislation. I believe that it is impossible at present to make any increase in the price of butter under the existing stabilisation scheme. I hope the Bill will be passed. I believe it will be in the interests of the primary producers and of the State as a whole, particularly its economic structure. I commend the Minister for having introduced the Bill and trust that it will have a speedy passage through Parliament.

MR. DONEY (Williams-Narrogin) [9.9]: I was hoping that some member would make a comparison between the nutritive content of butter and that of margarine. I am hopeful that the Minister, when he replies to the debate, will give us some figures bearing on that aspect. I have been told, without knowing whether it is correct, that butter contains certain essential vitamins not found in margarine, but that it is possible to infuse those same vitamins into margarine, though by so doing the price of margarine would be considerably increased. Those who take the broad view, that is to say the national or State view, of the provisions of this Bill must surely vote for it. As I see it, the Bill is designed to protect the future of one of the State's most promising assets, namely, our pastures, existent and potential, and the very fine butter industry and the associated industries created by those pastures. I believe that the British

Government has contracted for the Commonwealth to supply £16,000,000 (Australian) worth of butter. That is a very heartening piece of news and shows the great national importance of the butter industry to us, more important still in these years when, on account of drought or similar occurrences in this and other parts of Australia, our exports of wheat are such as to be incapable of doing their duty in London in the sense—

Mr. SPEAKER: There is nothing in the Bill dealing with that.

Mr. DONEY: I realise that fact, but I am drawing a comparison that surely is admissible. I am dealing with something very closely related to the Bill. Anyhow, if you do not wish me to pursue that matter, I will not do so.

Mr. SPEAKER: The hon. member may make comparisons, but there is nothing in the Bill dealing with the export of wheat or butter.

Mr. DONEY: If I may be permitted to say so, many matters are raised during debate, and, until one enlarges upon them, they have not any obvious connection with the Bill. The member for Murchison and also, I think, the member for East Perth, concerned themselves only with the consumers, and a section of the consumers at that. They left the people in the butter industry to look after themselves on the score, so far as I understood them, that the comparative value of the margarine industry was so small as to be really of no consequence. Of course one sympathises with the argument that the restrictions on the use of margarine will be hard upon those who have insufficient money to buy for their families their full needs of butter, but the hardships thus caused, while quite genuine, will nevertheless be small as compared with the losses and hardships that would ensue if the butter industry ran into a decline. The Bill, so far as the main arguments deduced are concerned, seems to be a comparison between those two points. I may point out by the way to the member for Murchison that he could easily overcome his imaginary worries by putting Labour's policy, which in this respect happens to be my own, into effect, and giving the basic wage to all wage-earners who have family responsibilities. The basic wage, as

members know, would be required to provide for the difference between butter and margarine costs. If he permits margarine, as he seems to wish, to have an unrestricted sale in our domestic markets, he will create such loss and chaos in the butter industry as may well take a generation, say, 10 or 15 years, to amend.

There is this point, too, I would like to make as arising out of some remarks by the member for Bunbury (Mr. Withers) in the course of his interesting contribution to the debate. Bunbury and Busselton in particular, and in a lesser degree towns like Capel and Donnybrook, may quite reasonably be claimed to have been built up on butter. Butter also contributes largely to the prosperity of places like Albany, Denmark and, one may say, Narrogin, Katanning, Wagin and other towns up and down the Great Southern railway and in other parts of the State; besides giving to the people of the farming areas a monthly cheque that in bad times keeps the farmer and his wife and children from starving. Is not that an achievement which we should be careful not to disturb? Apparently the hon. member would carelessly destroy all that; but I do not think the majority of members will agree with him. The member for Murchison (Mr. Marshall) assumed also that if the Bill passed, the availability of margarine to the poorer class of purchasers would become non-existent. Not at all. I think the hon. member knows by now from subsequent contributions to the debate, that these same quantities of margarine will be available next year, and the following year, and the year thereafter as are available now. At the present time we consume apparently seven tons per week; and seven tons per week will be available until the Bill is amended or some other condition, at the moment unforeseen, ensues.

Mr. North: And the Price Fixing Commissioner can fix the price of margarine too, or watch it.

Mr. DONEY: I do not know that that will be done, but it is certainly competent for the Commissioner to do so if he wishes. Under the Bill production of margarine cannot go beyond the quantity of seven tons per week. Therefore the argument of availability of margarine for purchase in Western Australia is sadly overdone. I recall, too, the member for Murchison saying that the quantity of margarine consumed in Western

Australia as against consumption of butter is as three to 30—three of margarine to 30 of butter—and he therefore contended that margarine as a competitor of butter could be pretty safely ignored. I seem also to remember his saying that all the butter industry needed to-day to cope with any conceivable competition from margarine was to turn out a good quality butter. I put it that the hon. member was entirely overlooking the fact that the margarine people would in the meantime make their product more attractive and thus nullify any advantage that the butter factories might appear to be gaining. As regards the capacity of margarine to improve its output and get it consumed by the people of this or that country, I would point out that there are European countries, which may be considered among the biggest producers there of butter, whose consumption of margarine has so increased as to be now on a fifty-fifty basis with butter. That is to say, those countries are consuming over a given period the same quantity of margarine as of butter. Those are the only comments I wish to make on the Bill. I support very warmly indeed the principles on which the measure has been constructed, and I certainly expect the House to, and believe it will, give the Bill a highly favourable reception.

**MR. HILL** (Albany) [9.20]: I support the Bill in so far as it is designed to assist the dairying industry by reducing unfair competition. The member for East Perth (Mr. Hughes) raised certain charges against the Meadow Lea Company, and I would certainly vote for a select committee to ascertain whether charges which have been made are or are not well founded. City members have opposed this Bill on behalf of the poor in the city.

Mr. North: Not all of them.

Mr. HILL: Those who oppose the Bill have opposed it for that reason. I suggest they are wrong. It is deplorable to urge that the people in the city should be asked to use a more or less imported article in preference to one of our own production. I feel safe in suggesting that if we could raise our primary industries to a prosperous condition, poverty would cease to exist in the cities. Dairying is a highly important primary industry. I shall not go into statistics—other members have done that—but in

common with all other primary industries butter production has to be sold for what it can bring, whilst the producer has to pay what he is charged for his requirements. His requirements are bought at Australian parity, and in the majority of cases the price of his product is fixed by world parity. I have been a butter producer, and I represent butter producers; and I can state that the producers of butter in Western Australia do not desire a high price for their product. They desire only a price that will give them a reasonable standard of living. We should aim at cutting down their costs and improving their conditions so that they can place their product on the market at the lowest possible figure. The producer realises that there is a certain economic value for butter, and that if that value is exceeded sales will decrease and competition of substitutes will be encouraged. The Department of Agriculture has from time to time introduced legislation for the assistance of the dairying industry. I have always supported such legislation, and I support this Bill because I am confident that by assisting the dairying industry we shall assist the city population to a better standard of living.

**THE MINISTER FOR LANDS** (Hon. F. J. S. Wise—Gascoyne—in reply) [9.24]: First of all I wish to make some comments on the suggestion for a select committee. I can imagine how welcome a select committee or indeed any move which might be made to prevent this legislation from passing would be to the margarine industry. I can well imagine how delighted margarine producers would be to have on a wider field an open go at the dairying industry of Australia. I cannot imagine anything that could be sponsored with greater effect for the margarine interests than a motion for a select committee with the object of destroying the Bill. Do you think, Sir, that the margarine interests of Western Australia, after many years of conflict with the dairying industry, had it not been for the fear of colouration and other unattractive introductions to their commodity, would ever have agreed to a restricted quota being applied in all the Australian States? When introducing the Bill I gave an outline of the very many difficulties which, through the years, the Australian dairying industry found itself up against because of the inroads of this commodity on butter, and also because of the

difficulties and dangers which masquerading has produced. I instanced also that agreement was not easily reached, that for very many years the aspect of colouration and the enforcement of distinctive and even obnoxious colours was under consideration to prevent it from being presented in an attractive form. If some of the contentions which have been expressed here to-night had any foundation, then the whole of the activities of the Agricultural Council of Australia and of the dairying interests in the various Agricultural Departments of Australia have been hoodwinked and have not had the dairying interests at heart, and further have not been actuated by any worthy motive. This legislation does not emanate from any company or any interest. It emanates from the Standing Committee on Agriculture which consists of all the dairying officers of all the States; and they have examined it and submitted it to the Agricultural Council, which consists of the Ministers for Agriculture of all the States plus the Federal Minister for Commerce. The dairying interests for many years—I think, long prior to my time as Minister for Agriculture in this State, through the periods of at least two predecessors—have, in a State way and in a Commonwealth way, been forced to consider the impending threat to the dairying industry by the inroads of margarine. We know definitely that when the dairying industry showed some disturbance because of the threats levelled at it, in analysing the case for the industry we clearly showed that two or three hundred millions sterling were invested in Australia in that industry. I regret that the member for Maylands (Mr. Shearn) did not take note of the case submitted, of the figures mentioned, and of the importance of the dairying industry to this country, and the threat which margarine represents to it.

The dairying interests of Australia represent not merely two or three hundred million pounds of invested capital in the industry itself and seven or eight million pounds put into factory installations, besides two or three million pounds a year in wages; but when this trouble was first brought to the notice of the Agricultural Council of Australia, there were ten margarine factories in New South Wales. And not the whole of the ten employed as many operatives as one butter factory in New South Wales employed, and all of the commodity being used

was represented largely by articles imported from other countries. Some of the substances being used were from Queensland; and I wish to correct at this stage an impression in the mind of the member for Claremont (Mr. North) as to the age of various companies manufacturing margarine in Australia. I remember when a field officer attached to the Queensland Department of Agriculture over 20 years ago arranging for the sale of peanuts from the Tablelands to the Marrickville Margarine Coy., which was then actively engaged in the Australian trade of manufacturing margarine. It then extracted the oil from the peanuts, and also from cotton seeds, together with certain blends. The Marrackville factory is I think the proprietor of Edible Oil Products, and is associated with Eta Brand Products, a firm which has its headquarters in Sydney. So that when introducing this Bill I stressed the difficulty which had been confronted in trying to reach some agreement in this very vexed problem. It had been approached by means of enforcing colouration, and by avoiding colouration and enforcing bleaching.

All these matters were investigated by the C.S.I.R. and the council showed clearly what cost was involved in an endeavour to force margarine to be white in colour. So we understand the approach to the subject was not made by the margarine companies; it was forced on them by the interested dairying sections of the Australian community. It was clearly seen there was a definite threat to the industry, which represents not merely £200,000,000 or £300,000,000 of capital in its primary sense, but also an annual export of commodities to the value of £16,000,000 to £20,000,000 per annum. After two or three years' attempts to deal with the colour question, the Commerce Department of the Commonwealth tried to get the dairying interests and the margarine interests to confer in order to ascertain—since some of the States would not introduce legislation concerning colouration—whether a quota could be introduced which would be fair and equitable and satisfy both sides. I regret the allegations that have been made in this Chamber, as those which we have heard to-night detrimentally affect the dairying interests and certainly advantage the margarine industry. How much more beneficial would it be to the margarine manufacturers to be in open competition with butter in the

Australian field! What chance would we have then either of pegging production or of enforcing any restrictions whatever? At the same time as negotiations were in progress between the Commerce Department, the margarine companies and the dairying interests, the suppliers of raw materials were asked whether, if a quota could be fixed for Australia, they also would limit their sales of raw materials. These suppliers came into line and made an arrangement with the Commerce Department that, upon a quota basis being agreed upon, there would be restriction of sales in all the States of the basic ingredients of margarine. It was about that time when the company which has been mentioned in this Chamber as the local firm—Kasely's Ltd.—came to this State. I understand one of the principals of that company was associated in some way with the Meadow Lea Co. in the manufacture of margarine in one of the other States; but when Kasely's Ltd. came to Western Australia it first commenced to sell fruit syrup for summer drinks. That was its foundation in Western Australia; but at the time it had entered into the margarine business there was also a rush in all States for people to get into that business. I presume they felt that if they were in the trade in any respect at all they would have some claim to a quota of the allocation for the State. At a later stage I will read the approach that Kasely's Ltd. first made for this quota. But this also is a fact: All margarine manufacturers in Australia, including Kasely's, engaged a firm of solicitors to act on their behalf. That firm submitted a case to the Agricultural Council. I have the official document on my desk, should hon. members care to peruse it. It was submitted by the firm of D. R. Hall & Co., solicitors, Sydney. The companies that engaged them are as follows:—

Edible Oils Pty., Ltd.  
Meadow Lea Co.  
Mensa Manufacturing Co. Pty., Ltd.  
Sunburst Products.  
Nuttlex Food Products.  
Bernaeley Products Pty., Ltd.  
Nutta Products.  
Golden Nut.  
Kasely Ltd.

The firm of solicitors asked the Agricultural Council to review all the circumstances of the two distinct interests and stated quite clearly that these interests did not in any way desire to injure the dairying industry.

I am speaking now of 1938. The firm asked for an allocation of 80 tons weekly, the quota they requested on behalf of Kasely's Ltd., of this State, being 2½ tons. At various meetings of the Agricultural Council it was obvious that the representatives of some of the States were dissatisfied with the growth of the margarine industry in their respective States. They desired very keenly to limit the production below the 80 tons requested on behalf of the margarine companies; and finally, after much discussion—I think the matter was discussed by the officers of the Departments of Agriculture of the various States on several occasions—it was fixed on the basis of actual manufacture and sales in the States. Under the offer made by the solicitors on behalf of the margarine interests of Australia, it was urged that all the trade in the commodity should be on the basis of the then existing business, that is to say, if the margarine companies were voluntarily offering to meet the dairying industry by fixing a quota, those who were making the sacrifice of not expanding their business were to be entitled even to transfer their manufacturing interests to other States. There was nothing unfair about that. For example, Victoria was importing four-fifths of its requirements from New South Wales. At that particular time—only two years ago—87 per cent. of the margarine consumed in Australia was manufactured in Sydney, and naturally Victoria and the other States wanted a share of the trade. So that the established manufacturers with their respective quotas were given encouragement to reduce the total quantity to be manufactured, and at the same time were given to understand that they would be encouraged, instead of importing the product from New South Wales, to manufacture an equivalent quantity in the respective States.

Mr. Doney: Was the agreement subject to any proviso?

The MINISTER FOR LANDS: No, but it was embodied in a proposal when the manufacturers found that colouration was impracticable; and the dairying industries were so firm in their request that the manufacture of margarine should be controlled in some way or other that they were prepared to meet, one with the other, and devise some way out of the difficulty.

Mr. Patrick: We are getting something manufactured here that was previously imported.

The MINISTER FOR LANDS: At this time and for many years before the Meadow Lea Co. had this market. The Meadow Lea Co. has, I understand, been importing margarine to this State for the past seven or eight years; and when the quota was mooted, the company agreed not to exceed the quantity it was then importing into Western Australia. I had the assurance to-day from the Department of Agriculture that the company had lived up to its guarantee, even when it had an opportunity of breaking away from it at the time the Agricultural Council was further discussing the matter. The company did not avail themselves of the opportunity, however, but restricted the quantity to the amount previously agreed upon. This quantity is in agreement with that fixed by the Dairy Products Board of this State. The reason that board came into the matter was that under the dairy products marketing legislation, the board had authority to impose a levy on any dairy product. It imposed a levy on margarine and I understand that no advantage was taken—when advantage might have been taken—to increase the quantity, in spite of the field being here—it is claimed—for sales far in excess of the agreed quantity. Victoria is manufacturing in its own State all its requirements. All other States except ours have passed legislation similar to, almost identical, with this. The only difference, as I have previously mentioned, is in the arrangement of the Bill. The best legal advice the Commonwealth and the States could obtain was to the effect that unless the legislation were put up in this way, the whole thing would break down and there would be an open go for all margarine companies to impose their will and their quantities on each of the States.

I have mentioned that Kasely's Limited requested in 1938, through its Sydney solicitors, that the Agricultural Council should give consideration to granting the company a quota of  $2\frac{1}{2}$  tons. The company's approach in this State was to the acting Minister for Agriculture when, unfortunately, I was ill in bed for some weeks. The approach to

the acting Minister, by way of a deputation, showed clearly that the company based its claim for recognition on the fact that it desired to keep its fruit syrup staff in employment during the winter months. The deputation was introduced by three members of Parliament. At this time, as I have also previously mentioned, there was agitation throughout Australia by the various manufacturers in each State to obtain a quota so as to give them some standing when quotas were fixed. Kasely's, Ltd.—a typed copy of the company's case is readily available—had displayed on its letterheads the fact that it was a fruit syrup manufacturer carrying on business in Hay-street, Perth. It asked the Minister to plead with the Dairy Products Marketing Board to give it consideration for a quota so as to enable it to keep its staff employed during the winter months. The case was presented on the company's behalf to the Dairy Products Board and ultimately a license was issued giving it permission to manufacture up to  $2\frac{1}{2}$  tons of margarine. Every request that Kasely's made has been agreed to; the company has not, to my knowledge, been approached by any Government department and asked to do this or that, except perhaps to conform to certain requirements of our factory laws. I find, on obtaining a return of the quantities manufactured during each month by the company, that in the first year of its operations it manufactured about 58 tons. For the past 12 months their average has been 1.9 tons per week. This is taken from their own books from which the returns were furnished. Although about two years ago Kasely's asked for a quota of  $2\frac{1}{2}$  tons they were then manufacturing approximately one ton a week. I would not have been acting in the interests of the State had I cavilled at that request, hoping that at least some of the quantities to be used in the State would be manufactured locally. To-day we find that Kasely's have as a result of intensive advertising campaigns averaged for the past 12 months a quantity of about 1.9 tons per week. They are now approaching the  $2\frac{1}{2}$  tons for which quota a request was made two years ago. We find now that Kasely's have approached many members of the House to support a case for them to increase the quota far above the one they requested, and over their hand suggested, "In our August application

1938, we undertook not to manufacture more than 2½ tons per week." Their solicitors, to protect their interests, have written to me asking me again to remember that Kasely's are entitled to a quota, and they put forward a case both for Kasely's and Meadow Lea, the same as they did in Canberra two years ago, for the whole of the margarine interests. I will read their letter—

In connection with the proposal to pass a Bill through your Parliament for the control of margarine, we have to advise that Mr. Hebditch, who manufactures under the name of "Kasely's Limited" called on us in July, 1939, when representations were being made to the various Governments, and gave us written instructions to act for his company in an endeavour to secure a quota system throughout Australia.

It was explained to him that efforts were being made to protect margarine interests in every State to the extent of the trade that was then done.

Mr. Hebditch expressed concurrence, and produced his license showing that his trade amounted to two and one half tons per week, and asked that he be protected if possible to that extent.

On this information, and that supplied by the "Meadow Lea" Margarine Company a quota was sought of seven tons per week. I would now ask on behalf of Kasely's Limited that they be protected to the extent of the amount mentioned, namely 2½ tons per week, and that "Meadow Lea" Margarine Company be protected to the extent of the amount for which they then held a license, namely, 4½ tons per week.

Yours faithfully,

D. R. HALL & CO.

We find in perusing the official documents that Kasely's, I suppose very properly, to establish an offshoot of their business of cordial manufacturing, became interested in the margarine trade. They have grown from their initial start of approximately one ton per week, and they give the whole story of how they arranged for their fats, until they reached the point when they were approaching the amount permitted under license from the Dairy Products Marketing Board.

Mrs. Cardell-Oliver: What about Evans?

The MINISTER FOR LANDS: I understand he has only recently been manufacturing a type of cooking margarine that is used in his own trade and at his tearooms. I am advised that he also sells it to Free-corn's and other wholesale and retail grocers, and that he recently began to manu-

facture a type of margarine he calls "table margarine." I have not seen the table variety, nor do I know anything about its quality. I understand that Evans has been manufacturing the product in premises that are not equipped for the purpose, are not suitable and would not fill the bill for both cooking and table margarine manufacture. The premises are used during the week as a bakehouse, and on Sunday he makes margarine in the same premises.

Hon. N. Keenan: Was he licensed?

The MINISTER FOR LANDS: I think he received a license from the Dairy Products Marketing Board to enable it to collect the levy to which I have referred. He has no licensed premises in the sense of being licensed to manufacture margarine. Under the Dairy Industry Act it is necessary for all buildings or premises used for the manufacture of margarine to be licensed. I understand Evans has been approached to make the necessary alterations that will conform to the requirements of the Act in that connection. If there is occasion for him to continue in the manufacture of cooking margarine, there is nothing to prevent him from doing so. The position is not as some members submitted, with respect to the sale of margarine in 14 lb. lumps. They will find in the Bill a definition of "cooking margarine." This sets out definitely that cooking margarine is made of not less than 90 per cent. of animal fats.

Mr. Abbott: It cannot be done.

The MINISTER FOR LANDS: Yes. The reason why there is no conflict between cooking and table margarine is that cooking margarine is made from the products of Australia. It is made from the best dripping, from the fats of the best of the fat residues from all Australia's meatworks. It has for years been put up in the form of dripping, or of cooking margarine sold under many different trade names. If members will look at the clause dealing with the 14 lb. lumps, they will see the reason why it is so worded. In a specified type of cooking margarine it is permitted to have 25 per cent. of imported vegetable oils, and the total quantity of animal fats would be only 75 per cent. Cooking margarine containing only 75 per cent. of animal fats can only be sold in 14-lb. lumps. It is suited to the trade and resembles butter in appearance, hence the restriction. All other cooking margarine covered by the definition is sold



always as cooking margarine has been sold. Members will find that provision is quite clear. It applies only to cooking margarine which can masquerade as butter, and which has added to the ordinary animal fats a quantity of vegetable fats and oils which make it, whether intentionally or otherwise, resemble butter. There are certain types of higher grades of animal fats which, with the admixture of palm oil, resemble butter both in texture and colour. Members may ask whether there is going to be any interference with copha. That is a white substance which is popular with many housewives for the shortening of pastry and the making of pastry generally. Copha is covered in the definitions. It is a product made from a single fat, and that and like commodities are covered in the Bill, which has standard definitions common to all the other States. It is pure oil, and is the product of coconut oil; and all those single fats, or products of single fats, are covered. The Bill is designed to protect the dairying interests of this country and at the same time endeavour to hold an equal balance for the demands of the trade, which is legitimate trade for those who desire to use margarine. I have no quarrel at all with the people who desire to use margarine knowing that it is margarine, but I do have a quarrel with those people who want to make margarine black or red or pink, because it is a wholesome food, and provided it is not sold as something that it is not, has a legitimate place in the community. But misrepresentation and masquerading are something this House should not tolerate, and something that the trade itself does not want. It wants to have its legitimate absorption in this country, and that is all that is sought. While I support hon. members in their desire to see that the masses have available to them margarine at the cheapest rate, I think that in spite of margarine having certain qualities as a food-stuff it is a substitute for butter, and has not got the relative value of butter as such. It has certain fat and food requirements, but it is a substitute. It has not some of the requirements that it can replace butter as an equivalent food. There is an essential difference. I think when this legislation is passed which permits in a general sense Australia to have available to it 73 tons of margarine per week suitable for table use, and quantities of cooking margarine available to meet the whole of the trade require-

ments, we have gone a long way and have met with a happy solution, if such it can be called, for protecting the dairying industries and at the same time meeting most of the objections of the margarine people. I can imagine that those people would prefer to have no restrictions at all.

Mr. Fox: What about cooking margarine?

The MINISTER FOR LANDS: The hon. member evidently has not been listening.

Mr. North: There is no restriction at all.

Mr. Fox: The Bill hardly explains it.

The MINISTER FOR LANDS: If Mr. Speaker will excuse me for repeating myself, I will re-explain the matter. It is very clear if the hon. member will refer to the definition of cooking margarine, on which there is no restriction whatever either in regard to method of manufacture or mode of sale. There is a clause dealing with this commodity, which can be sold only in 14 lbs. packets. I do not know that there is any more I can say at this stage. I have endeavoured to give the House the whole story as I see and know it; the approach that was made to the Agricultural Council and all the officers' meetings; the request of the Commonwealth urging upon all interests in all the States to try to bring about a solution of this highly vexed problem. I believe that since this Bill is framed upon the Bill of South Australia and the Victorian definitions, and is a similar measure to that of New South Wales in most respects, and provision having been made in Tasmania and Queensland, ours is the only State which now stands out; and therefore this measure should be considered and passed by the House.

Question put and passed.

Bill read a second time.

#### *In Committee.*

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

—Clauses 1 to 14—agreed to.

Clause 15—Application of license:

Mr. NORTH: From information I have received the firm of Kasely's Ltd. is applying for a fifty-fifty basis of the local quality. This does not go into the Bill directly, but the present clause deals with licenses. Kasely's is a local firm, and I

would like the Minister to state whether he knows that  $2\frac{1}{2}$  tons is the only quantity the firm ever applied for.

The MINISTER FOR LANDS: In moving the second reading I mentioned the case as presented for Kasely's when manufacturing much less than the present quantity. I received last week a letter from the solicitors representing the case for the whole industry. When Kasely's got their initial license they wrote to the Dairy Products Board, and although they were not capable of manufacturing that quantity they have enjoyed the privilege of a license permitting them to manufacture that quantity. It was suggested and agreed upon that the different manufacturing firms should have an opportunity to continue to manufacture in a restricted way. Kasely's increased their quantity, and the others came down in their quantities. I think Kasely's license is for  $2\frac{1}{2}$  tons.

Mrs. CARDELL-OLIVER: I should like to make this matter clear. I read a letter from Kasely's last week, and believe, but am not sure, that it appears in "Hansard." The letter states—

Our trade gradually increased to  $3\frac{1}{2}$  tons per week.

I can explain the whole position from September of 1938 up to the present day. In their letter Kasely's Ltd., state that the Meadow Lea Margarine Co. tried to buy them out, then undercut, and subsequently, when that proved unsuccessful, agreed to make available raw materials provided the local firm did not manufacture more than  $2\frac{1}{2}$  tons per week. The company also stated in the letter that their trade had gradually increased to  $3\frac{1}{2}$  tons per week.

The Minister for Lands: I have the company's returns of their monthly output.

Mr. North: That is what we want.

The MINISTER FOR LANDS: I have the totals of the output mentioned in the monthly returns supplied by Kasely's. If we exclude 12 months and take the last three months for which details are available, the figures show clearly that their output from July to September averaged 2.5 tons per week. In September the output was 6.6 tons; in August 9.1 tons and in July, 14.3 tons. In June it was 12.2, decreasing according to the season until in February the output was 5.7 tons and in January 4.4 tons. On the average in the winter months

proper they did not exceed an output of  $2\frac{1}{2}$  tons, while for the period from July, 1939, to September, 1940, the output averaged 1.9 tons per week. These are Kasely's own figures, so there is nothing wrong about them.

Mrs. Cardell-Oliver: At any rate the firm reached a greater output at one time. That was in July, not recently.

The MINISTER FOR LANDS: On the company's own returns the average for 12 months has been 1.9 tons per week.

Mr. ABBOTT: I understand the licenses have been issued by the Dairy Products Marketing Board. That policy is not indicated in the Bill. What is the reason for the change?

The MINISTER FOR LANDS: The only reason the Dairy Products Marketing Board came into the margarine business was its desire to secure income for the benefit of the butter manufacturers from margarine used within the State. An interpretation placed on the relevant provision of the Dairy Industry Act concerning the issuing of licenses was construed to apply to licenses to manufacture margarine in the same way as with butter.

Mrs. CARDELL-OLIVER: Is there any possibility of having Kasely's quota increased at any time?

The Minister for Lands: By this House.

Mrs. CARDELL-OLIVER: Only by this House.

The Minister for Lands: We do not desire to increase the quota above seven tons.

Mrs. CARDELL-OLIVER: Could not part of the quota be taken from one firm and transferred to another? For instance, could not Kasely's quota be made equal to that of the Meadow Lea Company?

The MINISTER FOR LANDS: If we take the statistics into consideration, Kasely's output has substantially increased, while the output of the other people for sale in this State has decreased. When the quota was to be fixed, and Kasely's came into the business, the Meadow Lea Margarine Coy. was selling more than four tons.

Mrs. Cardell-Oliver: Kasely's was manufacturing before that.

The MINISTER FOR LANDS: No, that firm is very new in the field.

Mrs. Cardell-Oliver: The supplies from the Meadow Lea Co. were imported into this State.

Mr. Patrick: But that does not matter.

The MINISTER FOR LANDS: Unfortunately the member for Subiaco was called out of the Chamber when I explained the whole position.

Hon. N. Keenan: Once the quota is granted, is the person who enjoys that quota entitled to a renewal?

The MINISTER FOR LANDS: Yes.

Hon. N. Keenan: You cannot vary it?

The MINISTER FOR LANDS: I should say it could be.

Hon. N. Keenan: Which clause provides that power?

The MINISTER FOR LANDS: The quota would be static until the Government introduced legislation to alter the total quota.

Hon. N. Keenan: I do not mean the total quota, but the actual quantity the Meadow Lea Company has the right to supply.

The MINISTER FOR LANDS: I do not think that could be varied.

Mr. Doney: Except as a result of a mutual agreement between the Meadow Lea Company and Kasely's.

Hon. N. Keenan: No new manufacturer could come into it?

The MINISTER FOR LANDS: No, but—

Hon. N. Keenan: Then seven tons represents the total quantity.

The MINISTER FOR LANDS: —I think, by agreement with the others concerned, that could be done.

Hon. N. Keenan: Then the concern has a very nice monopoly.

The MINISTER FOR LANDS: Yes, respecting a very small quantity for this State. There was no other way out of it, considering the quantity manufactured.

Clause put and passed.

Clause 16—Duration of license:

Hon. N. KEENAN: The clause provides for the issuing of licenses and their duration. The Minister is under the belief that, once granted, the party holding the license is entitled to a renewal. That is most undesirable. There may be many reasons why it would be better to grant a license to someone else, or to reduce the quantity covered by a license. I suggest that the Minister gives further consideration to the clause, so that the renewal will be a matter for the Minister to grant or refuse at his entire discretion. Then he would have control. If the licensee is entitled to

renewal, then there can be no control. Under the Licensing Act a licensee is entitled to a renewal if he observes the law. We do not desire to renew that position in this instance. I ask the Minister to give further consideration to the clause.

The Minister for Lands: Does the hon. member suggest we should make provision to cut down the quota, if considered necessary?

Hon. N. KEENAN: Not the total quantity. The word "quota" refers to the seven tons per week which all the manufacturers, whoever they are, are entitled to manufacture. Is that so?

The Minister for Lands: Yes.

Hon. N. KEENAN: I do not want to affect that point; what I want is the right to say who shall produce that total of seven tons and in what quantities each person licensed is to produce it. For instance, it might be decided that the Meadow Lea Co. shall manufacture three tons instead of  $4\frac{1}{2}$  tons, and that the  $1\frac{1}{2}$  tons so taken away shall be given to some other manufacturer.

Mr. DONEY: The clause does not need alteration. With respect, I submit that the Minister has not properly interpreted it. The clause very plainly says that the license shall have effect for one year. Surely that implies that at the end of the one year the licensee has no right to a further license, otherwise licenses would be renewed automatically.

Hon. N. KEENAN: The member for Williams-Narrogin has misled himself somewhat. He should read the preceding clause, which provides for renewal of licenses. That confers upon margarine manufacturers a nice monopoly. I regret that the provision was not carefully perused by myself and other members beforehand, and I feel sure that I am really expressing the views of the Minister.

The Minister for Lands: It is in exact conformity with the legislation of the other States.

Hon. N. KEENAN: That is a sickening phrase. We get it shoved down our throats again and again. It is said that something is in conformity with what Tasmania, Queensland or New South Wales has done; but if it is right it remains right, if it is wrong it remains wrong. The

point we must consider is whether it is right to confer a monopoly on those fortunate enough to secure licenses.

The CHAIRMAN: I draw the Minister's attention to the fact that in line 11 of this clause the date "30th day of December" is mentioned. I presume that is a clerical error.

Clause put and passed.

Clauses 17 to 21—agreed to.

Clause 22—Death of holder of license:

Mr. ABBOTT: I desire to emphasise what the member for Nedlands has pointed out, that this license is really similar to the grants given in the olden days to sell salt or some other commodity. The license is an heirloom. If the holder dies, his personal representative becomes the licensee for the purpose of continuing the manufacture of margarine. I trust the Minister realises what he is doing.

Hon. N. KEENAN: We have not directed sufficient attention to this point. Not only are the licensees' heirs entitled to continue the manufacture of margarine, but they are entitled to a renewal.

Mr. Doney: Subject to the Act.

Hon. N. KEENAN: We are giving away a great deal more than it is desirable to give away. I again ask for some statement from the Minister.

Clause put and passed.

Clause 23—Transfer of license:

Mr. J. HEGNEY: This clause provides that the Minister shall not capriciously withhold his consent to the transfer of any license. What happens if the Minister becomes obstinate, or from caprice refuses his consent? Who is to say that the Minister is acting capriciously?

The MINISTER FOR LANDS: If a licensee felt that he was being treated unfairly and improperly through some caprice of the Minister, the matter would be dealt with in the ordinary way by a court of law.

Clause put and passed.

Clause 24—agreed to.

Clause 25—Control of amount of table margarine to be manufactured:

Mr. McLARTY: The Minister said this Act was almost in conformity with the Acts of the other States, but I notice that the Vie-

torian Act definitely states how much margarine shall be manufactured in a year. The relevant section of that Act reads—

The maximum amount of table margarine to be manufactured in Victoria otherwise than for export beyond the Commonwealth of Australia in any period of 12 months ending on the 30th day of June, shall be one thousand one hundred and ninety-six tons.

The South Australian Act also sets out the exact quantity. I would like to know from the Minister why the Bill does not set out what the exact quantity shall be in this State.

The MINISTER FOR LANDS: I thought that question might be raised, and sought the opinion of the Solicitor General, which is as follows:—

Provided the law of the State purports to restrict the manufacture of margarine for the purposes of sale and consumption within the State only, I see no legal objection to such State law expressly fixing the amount of margarine which may be manufactured by each manufacturer or which may be manufactured in gross by all manufacturers.

In practice, however, such a statutory provision would be undesirable and inconvenient as being too rigid and as necessitating amending legislation on every occasion when it becomes necessary to vary the statutory limitation.

To avoid those objections, the State law could more appropriately and conveniently confer upon the Governor or the Minister power to declare a quota from time to time.

Clause put and passed.

Clauses 26 to 31—agreed to.

Clause 32—Notices to be displayed in shops, etc., where margarine sold:

Mr. HILL: I move an amendment—

That Subclause (1) be struck out.

This appears to me to be a cheap advertisement for margarine.

Amendment put and negatived.

Clause put and passed.

Clauses 33 to 38—agreed to.

Title—agreed to.

Bill reported without amendment, and the report adopted.

## BILL—CITY OF PERTH (RATING APPEALS).

Returned from the Council with amendments.

## **BILL—INSPECTION OF MACHINERY ACT AMENDMENT (No. 2).**

Received from the Council and, on motion by Mr. Watts, read a first time.

## **BILL—LEGITIMATION ACT AMENDMENT.**

### *Second Reading.*

Order of the Day read for the resumption from the 5th November of the debate on 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—INDUSTRIES ASSISTANCE ACT CONTINUANCE.**

### *Second Reading.*

**THE MINISTER FOR LANDS** (Hon. F. J. S. Wise—Gaseoyne) [10.35] in moving the second reading said: The original act to which this Bill refers was brought into being because of circumstances and the needs of the country and the farming industry following the drought of 1914. The very dire effects of that drought will be in the memory of many members. The Act has been continued from year to year. It is due to expire on the 31st March of next year, and this Bill is to continue its operations for a further 12 months. Previously I believe it was enacted for a three-year term, but this Bill will permit of operations being extended for 12 months from the date of expiry. It is necessary firstly to protect advances made under the Act. Following the 1914 drought, annual arrangements were made under the Industries Assistance Act, which members who have had much to do with farmers' debts know is a very involved piece of legislation. It gives to the Crown a prior right of lien over all property concerned and, in fact, attaches all the property affected by advances under the Act. Although it was almost discontinued in 1934, heavy payments were made in 1935 and 1936 which caused a revival of the accounts under this measure.

Members will recall that, under the Agricultural Bank Act of 1934, the Commissioners of the Bank were constituted the board for the purposes of this Act. The measure has been of material benefit to the farmers of this State, and not merely to those farmers who have been clients of the Agricultural Bank. It has been of assistance to farmers who from necessity, have had to seek help other than the normal assistance they received seasonally from the institutions or persons financing them. It is very interesting to note the number of settlers who, in the last five years, have had advances or benefits under the Act. The figures are—

1935-36	..	..	1,200
1936-37	..	..	1,408
1937-38	..	..	1,025
1938-39	..	..	968
1939-40	..	..	919

During that period the amounts advanced reached the large total of £574,432, and the amount repaid was only about one-half, namely, £287,410. Last year following the heavy crops in many of our agricultural districts, some of the debts which had been frozen for a year or two were repaid by the farmers to the Bank and in many instances the interest was paid. Early in the year when seasonal requirements are needed by farmers, super firms, machinery agents and merchants generally make seasonal advances quite outside the scope and operations of this Act, and in those cases it has been the practice in recent years for the Bank to stand aside and allow the collection of seasonal accounts before enforcing its claim to the statutory lien under this legislation. This has been a very desirable attitude for the administration to adopt. Although the machinery firms and super firms have not a prior lien when advances are made under this Act, the Commissioners of the Agricultural Bank have never quibbled, and where firms have been prepared to do the financing, the Commissioners have willingly stood aside and allowed the firms to have a prior claim over crop proceeds before putting into effect the enforcement of the lien.

An unfortunate experience of recent years, however, is that super companies and other manufacturing firms and interests have lessened the amount they of themselves have advanced, and farmers, for their super requirements particularly, have made greater

demands on the Agricultural Bank during the last four or five years. In 1936-37 the super advances under the Act found by the Agricultural Bank totalled 2,320 tons, and last year the total was 6,413 tons, which of itself gives a picture of the depreciation of the farmers' direct credit with such firms. There has been a greater call on the State finances under the I.A.B. advances for that one debt—an increase of almost 250 per cent. on the requirements of 1936-37. The drought this year has unfortunately been the worst since 1914.

Mr. Doney: Worse than that of 1914?

The MINISTER FOR LANDS: The worst since 1914. In many parts of the State affected this year, there was a very good season in 1936-37, and there is a very good season this year in a part of the State that did not have such a good time in 1936-37, for example, in the Premier's district. All members know of the move at the moment to afford farmers in this State drought relief. During the past few weeks we have given very searching examination to the provisions of this Act and to the provisions of the South Australian Act and other legislation designed to bring within its scope advances made to farmers under drought conditions. Possibly the Government will have to introduce this session another Bill framed on the Industries Assistance Act to deal with the advances of moneys to be made available to this State on loan from the Commonwealth. During the last few days I have endeavoured to give a very close scrutiny to the particular provisions of the Industries Assistance Act that might be adapted and used to meet the present circumstances, and also to incorporate in such a Bill other provisions which, while not conflicting with this Act, would not impair the farmers' credit and prevent firms and institutions from making further advances by reason of the attachment under the lien in this Act of the whole of the farmers' assets. A difficulty arises there.

Mr. Patrick: You mean farmers outside the Agricultural Bank?

The MINISTER FOR LANDS: Yes. I have endeavoured closely to examine all these implications and they are not easy of solution. If the moneys to be advanced out of Commonwealth funds to be made available to the State are for a specified term and renewable over a certain period, we first of all want to see some guarantee

that there will be sufficient funds within the farmers' proceeds after this debt is met to enable the farmers to carry on for a further period. At the same time we do not want to frighten the institutions out of making further advances. We do not want to frighten them into closing their accounts, but want them the more readily to keep them open and see that the farmer gets on his feet by the use of any moneys that are to be utilised for drought relief. Although I am moving for the continuation of the operations of the Industries Assistance Act, I think it is very likely that before the season closes it will be necessary to protect the farmers' interests, the interests of the State in regard to repayment, and the interests of farmers who are not clients of the Agricultural Bank by the introduction of another Bill. Because of the circumstances of the amounts outstanding, and the advances and arrangements already made under this legislation for carrying on for the 1941 season, it is necessary that this Act be continued for at least another year. I move—

That the Bill be now read a second time.

On motion by Mr. Doney, debate adjourned.

## BILL—RESERVES.

### *Second Reading.*

**THE MINISTER FOR LANDS** (Hon. F. J. S. Wise—Gascoyne) [10.46] in moving the second reading said: This is a short Bill which is part of the Permanent Reserves Act, and is of a kind that is brought down each session. Each clause deals with a certain area which has during the year been made the subject of a reserve. The member for Subiaco (Mrs. Cardell-Oliver) will be interested in one particular clause, which deals with a site she has urged should be reserved for kindergarten purposes, during the whole period that I have filled the position of Minister for Lands. There was some difficulty in getting a suitable site and a suitable area somewhere near the right locality. We made every endeavour to obtain a suitable area upon which a kindergarten might be built. The only way to attain the desired object was to use a portion of a police reserve in the district, and have that portion excised from the whole

reserve. One clause in the Bill deals with an area at York. Lot 450 in that town is held in the names of three trustees in trust for the Order of Good Templars, for the erection thereon of a temperance hall. The original grant was issued in 1876. The municipal council desires to obtain possession of this lot, and add it to the adjoining Class "A" reserve No. 1814. There are no improvements on the lot, and the Order of Good Templars has no objection to surrendering any claim it may have to the land, and allowing that block to be added to the park lands in the town. As the title is in the name of local trustees who are not now available, it is not possible to execute a transfer or surrender. It is, therefore, necessary to obtain parliamentary approval to surrender the lot and include it in the adjoining Class "A" reserve. This reserve is for park lands and is vested in the York Municipal Council. Plan No. 1 shows clearly the advantage of including this lot in the reserve. Plan No. 2 deals with an area at Bayswater. Many years ago the Bayswater Road Board purchased several blocks facing Beaufort street, for the purpose of widening that thoroughfare. The programme was not proceeded with, and in 1925, at the request of the road board, the locations were surrendered to the Crown and set apart as a reserve for park lands and recreation, and classified as a Class "A" reserve. The road board now desires authority to sell one of these blocks and use the proceeds for developing an adjacent Class "A" reserve No. 18958. It is considered that the lot it is desired to sell is too small to develop as a park, while the reserve which it is proposed to develop is larger. The road board wishes to sell the lot marked blue and use the proceeds for the further development and beautification of the larger area between Rosemary street and Salisbury street. Neither the Town Planning Commissioner nor the Lands Department has any objection. As the small area marked blue is a Class "A" reserve, it is necessary for the transaction to receive parliamentary approval. Plan No. 3 deals with the kindergarten site in Subiaco. As the member for Subiaco knows, the Lands Department has made every endeavour to provide a site for a kindergarten in her electorate. The area in question fronts Bagot road. We endeavoured to find a suitable place in the right locality, one that would meet all

requirements. It seems that the area which has been deleted from the police reserve will meet all requirements, whilst not prejudicing in any way the area required for police purposes. Plan No. 4 deals with an area at Cowaramup. In 1930 a reserve of about one acre was set aside there for the purpose of a hall site, a 999 years' lease was granted to the Cowaramup Agricultural Society, and a hall has been erected on the land. An amount is still owing to the builder of the hall by the society, which, however, has gone out of existence. The Augusta-Margaret River Road Board has asked that the hall should be handed over to it. The two seal-holders of the society have no objection, and agree that the society has ceased to function. The department sees no objection, provided the road board assumes responsibility for the liability on the hall, and this it has expressed its willingness to do. As the society has ceased to exist, it is impossible to obtain a surrender. The only way to bring about the transfer is to hand the area over to the road board, and allow it to pay for the hall and use the building for its own purposes.

Mr. Doney: From whom will it be transferred?

The MINISTER FOR LANDS: It will be re-vested in the Crown and re-issued to the road board. The next area deals with something that is quite historic. The property in question is in the electorate of the member for Nelson (Mr. J. H. Smith). There is an area of four acres at Jayes that in 1899 was reserved for the purpose of a recreation ground and agricultural hall. In 1932 this was vested in the Upper Blackwood Road Board, and in 1938, at the request of that board, it was declared a Class "A" reserve. The building on the land is very old, has become useless for the purpose for which it was built, and is in a state of disrepair. The road board desires that the purpose of the reserve shall be changed to "road board purposes," so that it may lease the building to a person who will occupy it either as a caretaker, with the right to dwell therein, or for the purpose of a roadside refreshment house. That will enable the building to be kept in order without expense. Parliamentary approval is required to change the purpose of the reserve, which is shown on plan No. 5 and coloured red. Another clause in the

Bill is covered by plan No. 6. It affects freehold lot No. 59 at Geraldton, which is held by the Geraldton municipality as a site for a town hall. It is a very old reserve, and is not required. The Geraldton Municipal Council desire to convert the area into a municipal bowling green. Since it is not suitable either in size or shape for a town hall—as members will see if they examine the plan—there is no objection to altering its purpose from that of a municipal council building to that of a reserve for public requirements. The land cannot be surrendered to the Crown in view of the trust that is being held by the Geraldton municipality. It is necessary to round off a corner, and to take a small portion fronting Gregory-street to round off the whole. For this, parliamentary sanction is required. I believe I have clearly described the contents of the measure, and I move—

That the Bill be now read a second time.

On motion by Mr. Patrick, debate adjourned.

*House adjourned at 10.57 p.m.*

## Legislative Council,

*Wednesday, 13th November, 1940.*

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

### ROYAL COMMISSION, PASTORAL INDUSTRY.

#### *Report Presented.*

The CHIEF SECRETARY: I wish to lay on the Table the report of the Royal Commissioner who was appointed to inquire into matters relating to the pastoral industry.

The copy I have is an original, and as ten days or so will elapse before the report can be printed, I desire to lay on the Table of the House the copy I have, so that members may obtain from it whatever information they require. The recommendations of the Commissioner are separate. The complete report, when presented, will include certain illustrations regarding some matters that are referred to.

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

Read a third time and transmitted to the Assembly.

### BILL—BUSH FIRES ACT AMENDMENT.

#### *Recommittal.*

On motion by Hon. G. B. Wood, Bill recommitted for the purpose of further considering Clause 11.

#### *In Committee.*

Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

Clause 11, Amendment of Section 14:

Hon. G. B. WOOD: I move an amendment—

That in line 8 of paragraph (d) the word "and" be struck out, and the word "or" inserted in lieu.

Last night I thought I was successful in securing this particular amendment. It is strange that both the "Hansard" reporter and the "West Australian" reporter considered that the amendment had been agreed to, but you, Mr. Chairman, do not accept that point of view.

Hon. C. B. Williams: In other words, you went to sleep and allowed him to do that.

The CHAIRMAN: Before I state the question, I wish to inform the Committee that both Clerks informed me that "Hansard" had recorded Mr. Wood as proposing the amendment he has now placed before the Committee, and that it had been agreed to. Neither I nor the two Clerks have any recollection of the amendment. I further point out that this type of discrepancy would not occur during the Committee stage but for the generosity of the Chairman of Committees. It has been a rule for years in this