

Third Reading.

Read a third time and passed, and a message accordingly returned to the Council.

House adjourned at 10.35 p.m.

Legislative Council,

Tuesday, 20th December, 1932.

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Bills: Land and Income Tax Assessment Act Amendment (No. 2), Com., etc.	2600
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The PRESIDENT took the Chair at 4.30 p.m., and read prayers.

ASSENT TO BILLS.

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

1, Tenants, Purchasers and Mortgagees' Relief Act Amendment.

2, Municipal Corporations Act Amendment.

**BILL—LAND AND INCOME TAX
ASSESSMENT ACT AMENDMENT
(No. 2).**

In Committee.

Resumed from the 16th December. Hon. J. Cornell in the Chair, Hon. J. J. Holmes in charge of the Bill.

Title:

Hon. J. J. HOLMES: At the last sitting of the Committee, Mr. Kitson raised the point that a similar Bill to this amended the Land and Income Tax Assessment Act,

1907-1931. This particular Bill amends the Acts of 1907-1924. I find that this measure is in no way complicated with the other one, and is quite in order.

Title—agreed to.

Bill reported without amendment, and the report adopted.

Third Reading.

Read a third time, and passed.

**BILLS—BILLS OF SALE ACT
AMENDMENT.**

Third Reading.

THE CHIEF SECRETARY (Hon. C. F. Baxter—East) [4.40]: I move—

That the Bill be now read a third time.

HON. J. M. DREW (Central) [4.41]: I oppose the third reading. I was absent for a brief period when the Minister made his second reading speech, but I have examined the Bill since and come to the conclusion that it is not as innocent as its size would indicate. Its object is to validate certain bills of sale which have not been registered in accordance with the Act. It does not say so in as many words, but that is its objective. Under the Bills of Sale Act, notices of intention to register must be given except in a few specified cases. It would seem that such notice was not given when it should have been given, and bills of sale have been registered contrary to the law. The law is to be altered and made retrospective so as to protect the interests and serve the future purposes of the gentlemen vitally concerned, whoever they may be. I do not know who they are, and have not had time in which to make inquiries. Notice of intention to register is not necessary in certain circumstances when the security is wool or stock on a station. A station is interpreted to mean "any land used wholly or partly for the purposes of depasturing stock, whether the same shall consist of freehold land or land held under lease or license, or partly of freehold land or partly of land so held." Section 18 of the Bills of Sale Act Amendment Act, 1906, is amended by Section 15 of the Bills of Sale Act Amendment Act, 1914. Clause 2 of the Bill amends the Act by deleting the words "on a station," and deleting the paragraph which defines a station. The law exempts from notice of

intention all bills of sale on stock and wool on a station. This Bill aims at extending the privilege to permit wool and stock, wherever they may be, whether the wool is on a motor truck or in a warehouse, or whether the stock comprises racehorses in a stable in the city, to be covered by a bill of sale without the creditor being given an opportunity to lodge a caveat against registration. The Bill is not satisfied with doing this. There might not be very much wrong with it if it stopped there. It places its sheltering wings over those who have been illegally acting in connection with these matters in the past, and protects them against all comers unless the grantor is already in the hands of a bailiff, or an official receiver has appeared on the premises. Otherwise, bills of sale which have been illegally registered in the past will become valid in every other respect. It is not impossible to conceive of the trouble that may arise if this Bill to validate deliberate breaches of the law is sanctioned by this House. I should like to know whether the people most concerned have been consulted on the matter, and what they think of the retrospective feature of the Bill. The Minister may be able to tell us that. If there is not a very satisfactory explanation and a complete justification for the course adopted, I will not support the Bill.

HON. J. CORNELL (South) [4.46]: The Bill has arisen out of a decision of the Full Court, and the Attorney General, who brought down the Bill, was somewhat reluctant to deal with this question by way of legislation pending an appeal to the High Court from the decision of the Full Court. I understand it is absolutely necessary that this amendment of the law should be made now. Mr. Drew referred to the definition in the Act of "station." That definition includes farms and dairy farms. So the Bill cannot be regarded as handing out something to station owners exclusively. I have it on the best authority that unless the Bill be passed there will be some chaos in the Agricultural Bank.

Hon. J. M. Drew: How does the Agricultural Bank come in?

Hon. J. CORNELL: Because of the inclusion of farms and dairy farms in the definition, and in consequence of the bank's advances to farms and dairy farms. One of the institutions that will benefit by the Bill is the Agricultural Bank, which has

taken bills of sale that were made in good faith, notwithstanding which the obligation can be dodged under the decision of the Full Court unless the law be amended. If the law be not amended, the bills of sale held by the Agricultural Bank may have to go out altogether to let another set of creditors come in.

Hon. J. M. Drew: How will that happen?

Hon. J. CORNELL: Because there are other bills of sale in addition to those held by the Agricultural Bank, and unless the law be amended the bills of sale held by the bank may become invalid.

Hon. Sir Edward Wittenoom: How could two bills of sale be registered?

Hon. J. CORNELL: After the first one was registered, it was found there was something wrong in it. An appeal has been carried to the High Court, but in the meantime the Bill is necessary in order that advantage should not be taken of a technicality in an otherwise genuine bill of sale. I will support the third reading.

HON. J. J. HOLMES (North) [4.50]: The last speaker has put up one aspect to the House, and I propose to submit another. Members who are accustomed to attending stock sales will know that there is now adopted a procedure different from that which obtained when everybody on the land was doing well. In those days the auctioneer or agent would admit almost any person's bid, but now, in order to protect themselves, they take along with them one of the financial men of the firm and he has to interview the client before the auctioneer will accept the bid, and the bid is accepted on the distinct understanding that a bill of sale over the stock is given. But the stock is then in the yard, not on the farm as contemplated in the Act. That is the trouble. So there is nothing to prevent the man who gets possession of the sheep sending them, not to his farm, but somewhere else, and probably realising on them. We should not countenance that position.

Hon. J. M. Drew: What about the retrospective feature of the Bill?

Hon. J. J. HOLMES: That is to validate the illegal action spoken of by Mr. Drew, because those men did not know they were acting illegally; they were acting in accordance with custom. We now have an interpretation from the judges which, how-

ever, has not yet been definitely confirmed by the High Court. It becomes necessary, not only to clean up the past but to protect the future. One man has stock for sale, and another requires stock. If the agent is prepared to finance the buyer, there must be means of protecting the agent from the moment the hammer falls until the stock arrive on the farm, and again while the stock are on the farm. It is the small farmer in the southern area who wants to buy and sell, and the agents have to be put in a position where they can protect, not only the vendor against the purchaser, but themselves also against the purchaser. Whilst I do not like retrospective legislation, when it comes to an Act being wrongly interpreted either by a judge or by those administering that Act, we are right in making the amending law retrospective. I will support the third reading.

THE CHIEF SECRETARY (Hon. C. F. Baxter—East—in reply) [4.54]: It must be remembered that in the Act the definition of "station" includes farms and dairy farms. At lots of sales precautions were taken to make the position legally right, but the Full Court in its decision on a test case declared the position was illegal. Now the damage has been done, for a lot of firms in all good faith have supplied stock to various people and taken bills of sale which are now null and void.

Hon. A. Thomson: Not null and void while the stock are on the station.

The CHIEF SECRETARY: But they have to come off the station again. The Bill has been made retrospective to legalise what everybody thought was legal. It does not harm any creditor, because he should not want the assets of another creditor who has supplied stock in order to help a client make good. No creditor should want to take advantage of that. But at present the third party can come in. Surely the House does not desire that. If ever there was necessity for financing these purchases it is now, and I am afraid it will be so in the future. So we should give every protection to firms and institutions prepared to finance the purchase of stock.

Hon. J. Cornell: And the Agricultural Bank requires protection.

The CHIEF SECRETARY: I do not think so, not in that regard, for I believe the bank is protected.

Hon. J. Cornell: I understand the bank is involved in it.

The CHIEF SECRETARY: The bank may be involved to some extent, but certainly many others are more deeply involved. All that is asked is that these transactions should be legalised, transactions that everybody thought were legal, but which the Full Court has declared were not legal. The retrospective clause will put that right.

Question put and passed.

Bill read a third time and *passed*.

BILL—FARMERS' DEBTS ADJUSTMENT ACT AMENDMENT.

Second Reading.

Debate resumed from the 16th December.

HON. A. THOMSON (South-East) [4.59]: I will support the second reading because I feel one ought to do so. The Act which the Bill is to continue for another 12 months gives the farmers security for a period of one year, and is also a form of protection to the creditors. That Act has been and is performing a very useful function, but I regret to say it does not go far enough. Members will agree that the outlook for wheat and wool was never more hopeless. I can quite understand the feelings of many men on the land to-day, who have no security of tenure. It is admitted that the Mortgagees' Rights Restriction Act prevents foreclosure, that with the aid of the Farmers' Debts Adjustment Act many have been able to carry on, and that the statutory lien is waived for the benefit of those who have supplied super bags and insurance, but with interest accumulating as well as land rents and other charges piling up, many farmers realise that whatever equity they had is fast disappearing, if it has not already gone. The New South Wales Act provides for certain conditions, and a minimum sustenance of £75 a year, and also a freezing of debts. In my opinion some such scheme must eventually be introduced here. The action of the Federal Government in not providing the 4½d. bonus which we were all asking for, and the conditions imposed by that Government on the State Government in my opinion

have broken the morale of the farming community. We know that when troops are in action it is essential to maintain their morale, and I contend it is the duty of the Government to re-establish as far as possible the morale of the farming community by giving them some incentive to work. Take the Agricultural Bank client: we are told that if he works diligently and intelligently he need have no fear. I admit the Agricultural Bank clients have had favourable consideration, but working from daylight to dark, many of them feel that if they had a definite assurance of a minimum sum for necessary requirements, it would give them a little more incentive to work than they have at the present time. They also would like to feel that if there were a chance of things brightening up they would have a reasonable opportunity of remaining on their properties. To-day, unfortunately for them and the unsecured creditors, the secured creditors are having interest added in many cases to an already over-capitalised account, and the position of the unsecured creditors is steadily becoming worse, if it is not absolutely hopeless. I strongly favour the establishment of local control. It is important that we should have a committee appointed on lines similar to those under which the committee at Esperance has been operating. I was rather disappointed to hear Mr. Cornell speak as he did regarding the farming community, particularly those who unfortunately had to seek the protection of the Farmers' Debts Adjustment Act. I do not for a moment believe that those who have had to seek that protection have in any way reduced their standard: it has certainly been very satisfactory from the creditors' point of view and also from the farmers' point of view, but it is most interesting to know what has actually happened in connection with the Esperance settlers. We find that during the past season 237 settlers in that district were operating under an arrangement made by the local committee which was under the management of Mr. Rogers, the bank's local officer. There were two other representatives on that committee, and the only fees charged for services rendered came to about 2s. 6d. per grower. That, of course, would not be applicable to the whole of the scheme such as I have in view, but we must not fail to realise that out of the 237 settlers 60 per cent. paid their current costs and improved their position by reducing their liabilities:

a small number reduced current accounts, 15 per cent. paid current accounts, 20 per cent. failed to do so, while only 5 per cent. ceased operations. Thus it will be admitted that very effective work was done by that committee in the Esperance area, and there is no reason why a somewhat similar procedure should not be followed to get other sections of the farming community out of their difficult position. Even if we were not immediately reducing the indebtedness of farmers, at least we could have a scheme put into operation next year. I consider that the various debts could, for the sake of argument, be divided into five classes.

1. Those who, by reason of the disastrous fall in prices are suffering temporary difficulties only. In this class assets greatly exceed liabilities, and difficulties are the result of poor returns for produce, and the general reluctance to extend further credit.

2. Those who are faced with moderate difficulties owing to the same causes, but to a greater degree: but who, under normal conditions, should right themselves within a year or two without special assistance.

3. More involved cases which will require a term of years for complete recovery.

4. Severely involved cases, where a general writing down of liabilities is essential for recovery.

5. Bad. This class includes those who are hopelessly involved, or who have proved themselves unfitted for the life of a producer.

I know that is putting forward something that might appear to be drastic, but I believe the day is not far distant when we may be compelled to take such action and to bring in legislation of the character that I am proposing, to protect not only the farmer but also the unsecured creditors. The position, as far as many farmers and unsecured creditors are concerned, is becoming desperate. Many of the storekeepers in the country and business people have in good faith advanced to their clients under conditions similar to those referred to in the Bill we have just passed. At the time when credit was given they considered they were taking a justifiable business risk, but unfortunately owing to the decline in prices of primary products those who made the advances are faced with the position of possibly losing all. If legislation on the lines I have suggested were brought into force, the position might be improved. The

committee should consist of the resident magistrate, a representative of the financial institutions or commercial interests in the district, and a farmer. Those representatives would do just as good work as has been done by the committee at Esperance. The committee would have power to review a debtor's position, and they would deal with each case on its merits. I am in favour of appointing local committees because we have an established precedent. When Mr. Maley was Minister for Agriculture some years back we were dealing then with a troublesome question as to what to do with those who were under the provisions of the Industries Assistance Board. Local committees were appointed to go into the various cases and submit a report to the Agricultural Bank. The local committees did not spare the farmers if it was considered that the Industries Assistance Board had not been given a fair deal. We could introduce legislation of a similar nature. I know it is impossible to do it in connection with the Bill we are discussing, but this is the only opportunity we have of dealing with such an important question. If there were local committees to whom the creditors or the debtors could appeal, the committees, after assessing the assets, would then be in a position to say, "In our opinion you are heavily capitalised and there is no alternative but to go off your farm, or if your creditors will meet you, you may be able to carry on." We do know that that can be done. I would be safe in saying that a great majority of unsecured creditors in country districts—and they in turn are the debtors of the merchants in the city—would favour the freezing of assets or debts. In that way very much could be accomplished, and the farming community would be given a little more encouragement to carry on. I am hoping that the Premier will be able to give an assurance to the farmers that they will be able to rely upon at least a reasonable amount of sustenance, that they will have consideration given in the form of reasonable security of tenure and above all, that a committee may be brought into being to deal with their debts. If something of the nature I suggest is not carried out, we shall have wholesale bankruptcies in the farming areas. The position that exists to-day is giving them a great deal of worry. The Farmers' Debts Adjustment Act has done a certain amount of good, but I am afraid, judging by the outlook, many more

will have to seek the protection of that legislation during the coming year. There are married men who are in receipt of sustenance, and God knows they need it badly enough. Those men have no assets and no return is expected from them. Farmers do not work 44 or 48 hours a week; they work from daylight to dark daily. Certainly their living conditions are more pleasant because they get milk from their cows, eggs from their poultry, meat from the stock and so on, but, nevertheless, if they have to work 12 months without any definite assurance that they will have at least a certain amount of money for their personal requirements, they will become dissatisfied. I hope that when the Premier makes his statement in another place, we will learn something definite on that point. Should provision be made for assistance to the farmers, it will have a beneficial effect on the community as a whole. If the farmers do not carry on, then I am afraid the people in the city will experience much worse conditions than those obtaining at present.

HON. V. HAMERSLEY (East) [5.15]: Before the Minister replies to the debate, I would like to ask him one or two questions regarding the position of the farmers. At the present time, financial help or sustenance is being provided in some instances and is helping to keep the farmers on the land. Is the assistance rendered in that way made a liability against the farmers' properties? We know that many other men are receiving sustenance for which they do work that is supposed to be in the interests of the State. Is the money paid to those individuals charged up against them, with the object of having it returned to the Treasury, or is the money so paid looked upon as remuneration for services rendered? In one instance, it would seem that the men who received the financial assistance are able to work as a set-off, whereas any sustenance granted to farmers to enable them to continue their operations is, it would appear, made an additional charge against their holdings. Unless the men are kept on their properties, the latter will revert to nature and no one will be willing to take charge of them. It is better for the State to have farmers on their holdings so that they may look after them and keep them in order. It would be interesting to ascertain from the Minister some information along the lines I have indicated.

THE CHIEF SECRETARY (Hon. C. F. Baxter—East—in reply) [5.20]: Mr. Cornell made some remarks to the effect that only men of weak moral fibre would take advantage of this measure, and that settlers of the strongest moral fibre were averse to letting control of their affairs pass beyond them. I do not agree with those statements, for it is not a matter of moral fibre at all, but of the acute financial position, caused in most instances by the fall in commodity prices and other causes beyond farmers' control. Many farmers were forced under the Act by creditors, having no personal desire to take advantage of the measure. As for letting control of their affairs pass out of their hands, that is not correct, as Section 8, Subsection 2, of the Act distinctly provides that "the receiver shall be deemed to be the agent of the farmer, etc.," and this provision is carried out to the letter. The farmer has complete control of the management of his farm, and the proposal submitted to the meeting of creditors, on the basis of which he is permitted to carry on, is framed and submitted by himself. That is very different from the position of the farmer under the New South Wales Act. Mr. Cornell also remarked that Agricultural Bank debts, which were a first charge on the crops of its clients, became fourth in order of preference in the list of preferential creditors. As a matter of fact, representatives of the Agricultural Bank attend the meeting under the Farmers' Debts Adjustment Act, and they waive the bank's statutory lien for interest, to enable the settlers to be carried on by the creditors. The settlers would not be able, otherwise to continue. In those instances, the Agricultural Bank interest ranks among second or third preferences immediately after current supplies. The only cases where the Agricultural Bank interest ranks as fourth preference are those under the Esperance Farm Board, which is not controlled under the Farmers' Debts Adjustment Act. Mr. Cornell also stated that the bank and the Act had drifted further and further apart, but he must remember that the stay order under the Farmers' Debts Adjustment Act was established to operate in the form of a moratorium to protect the farmer against all creditors. No differentiation between creditors has been shown, and farmers under the Act

have received substantial help from creditors. If it had been the intention of the Government to carry on through the Agricultural Bank and the I.A.B., the machinery was already provided when the Farmers' Debts Adjustment Act was framed.

Mr. Piesse stated that he was sorry the Government had found themselves unable to grant sustenance to farmers prior to the taking of a statutory lien, but I can assure him that the farmers have received sustenance under this Act. Mr. Thomson raised the question of sustenance, too. The average amounts granted last year were—

	£
Sustenance	97
Bonus	30
Sundries	20
	<hr/>
	£147

In this way sustenance is provided without injuring credit. The proposal that sustenance should precede the satisfaction of liens would have the effect of creditors refusing supplies under these terms. I trust members will keep in mind the figures I have quoted because reference has been made to the New South Wales Act. In fact, time and again it was said that Western Australia should adopt the New South Wales Act. I will compare the two pieces of legislation and will let members see that our Act is much to be preferred. Our Farmers' Debts Adjustment Act compares more than favourably with the Act operating in New South Wales. The New South Wales Act provides for the appointment of a director and supervisors and for the issue of stay orders and a distribution of crop proceeds. The application for a stay order is, however, limited to one year whereas in this State it operates as long as the Act exists. In the New South Wales Act, provision is made only for a judgment creditor to apply for such an order, whereas our Act provides that any creditor may apply, but the director may reject an application made by any creditor. The New South Wales Act provides for a board of three persons to be appointed and the director and the board must arrange the affairs of the farmer. There is no provision for a creditors' meeting. Members can appreciate the difference between the

two systems. Provision is made for a "fund" with which to guarantee payment for supplies. This obviates the necessity for a meeting of creditors. Our Act provides for a meeting of creditors and makes provision for such creditors, if possible, to arrange the affairs of the farmer to advantage, and this system has distinct advantages inasmuch as the creditors' interest in the farmer is displayed, and the personal contact is a valuable influence to both parties. The New South Wales Act lays down the order of preference for disbursements as follows:—

- 1st preference: Harvesting expenses; shearing and marketing produce, etc.
- 2nd preference: Discharge existing loans.
- 3rd preference: $7\frac{1}{2}$ per cent. of gross proceeds or £75, whichever is the less, for the purpose of clothing and medical expenses of the farmer and his family.
- 4th preference: Rent lease, one year's interest, 1st mortgage charge or lien over crop, rates and taxes, etc.
- 5th preference: One year's interest on each second or subsequent mortgage charge or lien over farm stock, machinery, etc.

The payment of the sum for farmers' requirements is dependent on the first two preferences being met; if there is not sufficient to meet those, then the farmer will not get anything for his personal needs. The local Act allows the preference to be arranged by the creditors at the meeting. Section 14 of the New South Wales Act provides that a supervisor shall, subject to the control and direction of the director, manage and administer the farmer's business and that the supervisor shall report any failure on the part of the farmer to repair, and insure his property, and to destroy, or keep down noxious weeds, growths, or destructive animals. The farmer is controlled—body and soul. It does not even specify that such supervisor shall be a practical farmer, but even if it did, in most cases it would be an unwise procedure to take the management of the farm out of the farmer's hands. The Western Australian Act provides that the receiver shall be the agent of the farmer only, and that the farmer, who is the person vitally interested, shall manage his farm. The New South Wales Act also makes provision that if moneys received are insufficient to satisfy the payment of preferences as set down in Sections 28 and 29 of the Act, then the supervisor, with the consent of the Board, may sell any property and assets of the

farmer except his farm and such of his assets as are used in connection therewith. The Western Australian Act has no provision to empower the sale of a farmer's assets for the benefit of his creditors. The New South Wales Act makes provision that, in the event of secured liabilities exceeding the total assets of the farmer, then such excess is transferred to a suspended liabilities account, and this excess will carry an interest charge of 5 per cent. Unsecured debts do not carry interest. There is also provision by which, in the event of moneys received for the 1932-33 crop being insufficient to meet payments for harvesting, marketing, etc., the amount remaining unpaid shall be a first preference charge on the following year's crop proceeds.

Provision is made for the board to advance to a farmer for the purpose of maintaining himself and members of his family resident with him on the farm. Provision is also made to guarantee to any vendor the payment of the cost of any fertiliser, cornsacks, bales, stores, seed wheat, etc., but in the event of there not being sufficient proceeds from the crop to meet those charges they become a charge on income for succeeding years. Nothing is given away under the provisions of the New South Wales Act. The farmer must repay all advances made.

Under our Farmers' Debts Adjustment Act, it is interesting to note, 76 per cent. of the accounts show a surplus of assets over liabilities, even after allowing for arrears of secured and unsecured debts, and also the fact that last year the farmers working under its provisions averaged approximately £147 for sustenance and personal requirements.

There has been no necessity for guarantees in this State. Under Section 13B of the Act provision is made for any creditor making advances to a farmer for the current season's operations to register a lien covering the advances. This enables a creditor to carry on a farmer without the extra expense of coming under the Act. It will thus be seen that the Act deals liberally with the farmer and seeks to make him the instrument of his own salvation, instead of taking the management out of his hands, and thus, to a certain extent, depriving him of the incentive to make good. Mr. Thomson said it was a pity that all assets could not be frozen. I consider it a pity that assets are frozen as much as they are.

Hon. J. Cornell: They are not frozen; they are liquid and have run away.

The CHIEF SECRETARY: What is the position of the farmer? He is amply protected. What greater protection could any community give him? His assets are protected. A mortgage cannot be enforced, even if the interest is not paid. What greater protection could be desired, I cannot imagine. The probability is that the Act will be re-enacted year after year for a period of five years or more.

Hon. A. Thomson: I did not suggest five years for all farmers. I suggested that each case should be treated on its merits.

The CHIEF SECRETARY: Some members have suggested protection for five years. It would be difficult to treat each case on its merits. I repeat that ample protection is already provided for the farmers. The Act is one-sided. Necessarily it had to be one-sided. It protects the farmer absolutely unless the asset is, through the fault of the farmer, allowed to deteriorate, in which event the farmer would not be deserving of protection. Mr. Hamersley said that the sustenance granted to farmers is charged up to them. That is so. He mentioned the sustenance granted to the unemployed. The difference is that advances made to a farmer are granted to benefit his property, and we could not expect the taxpayers to provide the money for that purpose.

Hon. J. Cornell: The farmer is charged with interest on the advances.

The CHIEF SECRETARY: That is so. The money is being advanced at a low rate of interest to enable the farmer to maintain or improve his asset. Apart from the farmers, 90 per cent. of the taxpayers are in an equally bad position.

Question put and passed.

Bill read a second time.

In Committee.

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

Third Reading.

THE CHIEF SECRETARY (Hon. C. F. Baxter—East) [5.37]: I move—

That the Bill be now read a third time.

HON. J. CORNELL (South) [5.38]: I apologise for speaking on the third reading, but some members have endeavoured to construe certain remarks made by me on the second reading as implying that I condemned every farmer who had come under the Act as a man of weak moral fibre, and that only men of strong moral fibre had remained outside the protection of the Act. It was not my intention to convey anything of the kind. I have advised men to avail themselves of the provisions of the Act because no alternative was open to them. It was their only chance of remaining on their holdings. What I desired to convey was that I knew of men who had come under the Act, but who, had they been of sufficiently strong moral fibre, and had they considered the situation dispassionately instead of jumping at conclusions, would have remained free. Men in worse positions but of stronger moral fibre had worked out the position and had refrained from coming under the Act. That is what I intended to convey. Some farmers who have availed themselves of the protection of the Act now regret having done so. Another point I wish to make relates to the Esperance scheme referred to by Mr. Thomson. The Esperance scheme is now under a cloud, as you, Mr. President, are aware. You, sir, Mr. Williams, and I well remember that in October last a deputation of Esperance farmers asked to be released from it and to return to the Agricultural Bank. I stated that the Agricultural Bank trustees had given away a lot to the clients who had been permitted to come under the Farmers' Debts Adjustment Act. If a bank client comes under the Act, the bank becomes an ordinary creditor. It is necessary for the trustees to agree to fall in with other creditors, and in so doing they give away their undoubted rights. A farmer who comes under the Agricultural Bank has first of all to satisfy the bank trustees before he is permitted to deal with his creditors. That bears out my statement that the bank gave away much to a client who was permitted to come under the Act. I also made the statement that the bank and those responsible for the administration of the Act had drifted farther apart. For some time after the passing of the Act, the Agricultural Bank inspectors acted as receivers and field supervisors under the Act, but now they are not so acting. Trustees and others are doing this work now.

Mr. Piesse is acting as a receiver. Previous to his acting, the work was carried out by one of the Agricultural Bank inspectors. Thus the two institutions are drifting farther apart. I regret that a comparison was drawn between the New South Wales Act and our Act. Recently I received a letter from two business men at Riverina who have been financing wheatgrowers there for the last 30 years. Riverina is expected to produce more wheat this season than either Western Australia or South Australia. They summarised their experience of the moratorium in that State, and also gave their views on the farmers' debts legislation, and in my opinion the summary applies to the operations under the Farmers' Debts Adjustment Act. They said, "Unless debts owing by farmers are written-down, there is no hope for the future. We are prepared to write our debts down 50 per cent. to-morrow if other creditors will do likewise. In good times we sold the farmer machines and many other things that he did not want, and we forced loans on him. We took his p.n's. and we were responsible for the inflation. We have to bear the loss now. The farmer cannot bear it." Unless debts are written-down somewhere about 50 per cent. all round, there is no hope for the farmer, even with the aid of legislation. That is a fair summary of the position in Western Australia, and a fair indication of the future under the Farmers' Debts Adjustment Act, or under a moratorium or other similar legislation.

Hon. Sir Charles Nathan: Say the whole community should write-down debts and you will be right.

Hon. J. CORNELL: I mean all creditors of the farmer. If creditors are not prepared to write-down their debts, they will not get anything.

Hon. A. Thomson: I think you are right there.

Hon. J. CORNELL: If members require an apt analogy, it will be found in the fact that the nations of the world say they cannot pay the interest on their war debts; much less can they pay any of the principal instalments. A position similar to that confronting the successful belligerents in the great war confronts the primary producer. Unless his debts are written down and he is allowed to start from a reconstructed basis, there is no hope for him.

Question put and passed.

Bill read a third time, and *passed*.

BILL—METROPOLITAN WHOLE MILK.

Second Reading.

Debate resumed from the 16th December.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [5.45]: I think I ought to address myself to the Bill, even if the time left before the session closes is short. I feel members should be enlightened upon points in connection with the measure that may be somewhat obscure. The Bill proposes to bring order out of chaos by establishing a board to control the industry. That will be a very fine result if it can be achieved equitably, but it will depend in a very large measure upon the men who are appointed members of the board. Those men will require tact and foresight to harmonise conflicting interests. I am prompted to support the second reading of the Bill because of my knowledge of the difficulties under which the industry is carried on. Nearly every branch of it has its own peculiar obstacles to surmount. The dairyman on his farm has to contend with the diseases to which his cattle are subject, the chief of which, of course, is tuberculosis. There are other diseases also with which he has to contend. Within the 17-mile radius farmers contribute to a fund out of which they receive compensation if their cattle are destroyed by virtue of an order by a statutory authority. To-day, however, much of the milk supply to the metropolitan area comes from outside the 17-mile area, and the provisions of the Dairy Cattle Compensation Act do not apply to the dairy farmers in those districts. They have to carry their own risk as regards tuberculosis and other diseases. Another disease in cattle with which the dairy farmer has to contend, and which frequently affects his ability to comply with contracts he has entered into for the supply of milk, is mastitis. Again, the milk to be supplied to consumers has to comply with a certain standard of purity. This standard is more rigorous than any other trade has to comply with. First, there is the fat standard, which is 3.2 per cent. Then the solids not fat must be a fixed amount, and the milk is subject to a bacterial test. Anyone connected with the milk industry must be very expert in the

business. Finally, when the milk reaches the city, or the point at which it is distributed, it has to pass through a cooling process in order to keep it down to such a temperature as will prevent the development of bacteria. The dairy farmer himself cannot attend to all these details on the farm and therefore the distribution of the milk becomes a very important part of the industry. There comes a time, known as the flush period, when the supplier finds it difficult to get rid of the milk; and then there is the other period when he finds it extremely difficult to get sufficient milk to fulfil his contracts. The flush period is brought about by spring grasses. These bring about an over-supply of milk, which can be sold at a cheap rate. It is when there is this surplus of milk that trouble arises and intense competition takes place. Dairymen choose to send the whole milk to the depots because they can get a higher price for it than they can get from the factories for butter fat. This causes competition between themselves. Then the dairyman is faced with another serious difficulty. After he has supplied the milk he very often has trouble in collecting payment for it.

Hon. R. G. Moore: That is not peculiar to the milk trade.

Hon. J. M. MACFARLANE: No. I mention it, however, as it is one of the difficulties with which the dairy farmer who sends his milk to town has to contend. I have every sympathy with him in that regard. I think it is far better for the dairyman to send his surplus milk to the butter factories rather than that he should come into competition with his fellow dairymen. A charge has been made that the group settlers on the Peel estate exercise a disturbing influence upon the whole milk business, and the Government are charged with having brought that about. The suppliers within the 17-mile limit are making that charge against the Government. They complain that they have established their business under great difficulties and with their own capital: they have been in the business for many years; and yet to-day they are forced to compete with the group settlers on the Peel Estate, who have not paid for their land or their cattle and, in many instances, have not even paid interest. These suppliers contend that such competition is unfair, because settlers can undercut the prices which they must charge in order to get a fair

return. That is another cause for unrest in the trade.

Hon. D. H. Gray: You do not suggest that group settlers should be cut out from the business of supplying milk?

Hon. J. M. MACFARLANE: No; everybody has a right to live, but we are dealing now with the question of the control of the industry. On this occasion, it is my intention to depart from my lifelong conviction that the law of supply and demand should regulate industries such as that with which the Bill deals. I shall support the Bill. But on looking at the history of boards established for the purpose of controlling industries, it cannot be said that they are a conspicuous success. Generally, it will be found that administrative expenses are excessive; and that frequently conflicting interest are not adequately represented. Recently, I came across a balance sheet of a very large concern, with a turnover of £60,000 per annum. I know, as most members know, that produce can be sold through auctioneers for a commission of five per cent. to 7½ per cent. This particular concern was controlled by a board. The administrative costs were nearly 11 per cent., and the loss was about eight per cent. in addition. The whole of the product dealt with by that concern could have been marketed at auction for a commission of from five per cent. to 7½ per cent., according to the quantity of the produce sold and the district where it was sold. The honey pool in New South Wales has failed for the same reasons. We know some of our own pools are failing for similar reasons. I sincerely hope the proposed board will meet with success, but, as I say, its success depends upon the persons who are appointed to the board. It must be borne in mind that the representative of the consumers on the board and the chairman are not to be connected in any way with the industry.

Hon. Sir Edward Wittenoom: How could you be a consumer if you were not interested?

Hon. J. M. MACFARLANE: Unless the various parties interested are properly represented trouble will ensue. Attempts have been made in the past to endeavour to create a monopoly—a benevolent one—of the milk supply within the 17-mile limit. That was done during the price-fixing

period after the war. The result was that those engaged in the industry at that time started to look further afield for their supplies. They secured their supplies from the South-West and other parts of the State and so conflicting interests arose which could not be harmonised. The result was that that monopoly, benevolent it is admitted, broke down. There was a further attempt when representatives of the producers set out to endeavour to improve the conditions. They thought they could do so by withholding milk from the market and creating a strike. That attempt failed. It made things sufficiently acute, however, for the Minister for Agriculture to form a voluntary board, which the Chief Secretary tells us did such wonderfully good work. I wonder where that wonderfully good work was done. I am sure those concerned in the distribution in the city did not realise it. I amongst others applied for the moral support of that voluntary board at a time when prices could have been maintained, and the consumer was quite ready to play his part, but we could not get it. That organisation also fell to the ground. I was instructed from Harvey to make the position acute and cut the price with the idea of building up on the foundation brought about by the new conditions. To the surprise of the Harvey people, the industry accepted the price, and the producers decided to continue producing on that basis. Since then prices have been cut again, and to-day the business of milk production is unprofitable. If the board proposed in the Bill can put the industry on a better paying basis, members will be acting wisely if they follow my example and support it. We should make the consumers stand the difference between a profitable price to the producer and a fair price to them.

Hon. Sir Edward Wittenoom: The consumers are doing that now.

Hon. J. M. MACFARLANE: They have never had a better deal than they have had recently. Milk can be bought in the metropolitan area for 2d. a pint.

Hon. Sir Edward Wittenoom: I pay 6d. a quart.

Hon. G. W. Miles: Is that the price delivered?

Hon. J. M. MACFARLANE: Yes.

Hon. H. J. Yelland: It is the most wholesome milk in the Commonwealth.

Hon. J. M. MACFARLANE: There is no loss in quality. The other day I saw that the city council inspector in his annual report stated that the milk here compared favourably with that consumed in any other city of the Commonwealth. I am supporting the Bill because I want to give the producer an opportunity to get his head above water and meet his obligations, and to do that without penalising the consumer to any great extent. When the Bill was first submitted to another place I saw many objectionable features about it, but in Committee the Assembly made a good job of their business, and now I have not much to cavil at. I look upon the Bill as a measure of equity for all concerned. I trust that it will, when amended in this Chamber, meet with the approval of all interests and will be given a fair trial. It will be noticed that I have an amendment on the Notice Paper. I ask members to turn to the definition clauses contained in the Bill. It will be seen that there is an omission in the representation on the board. "Treatment" includes "the examination, cleansing, pasteurisation, testing, grading, cooling, refrigerating, bottling or packing of milk; and "treat" has a corresponding meaning." Those who receive the milk have to maintain it at a satisfactory temperature in order to keep down the bacteriological count. It must be treated in such a way that the solids are balanced according to the law. All this argues ability to handle ammonia plant and generally a knowledge of how to keep the milk in a satisfactory condition for distribution. The farmers have not an opportunity to learn about these things. It would be a serious mistake to overlook the treatment side of the milk in the representation upon the board. If my amendment is carried, the board will consist of two producers, one consumer, and one representing the vendors, with an independent chairman. The board would not be satisfactorily constituted without a representative of the treatment interests. The consumer's interest would not be overlooked, because undoubtedly the chairman would see to that. Likewise he would also look after the interests of the vendor's side. This Bill should give the board the necessary moral fibre and strength to enable them

to maintain a price that will be of value to the industry.

Hon. E. H. Gray: The depot men have been pirates all along.

Hon. J. M. MACFARLANE: That is not so. I was waiting for an interjection like that. The depot keepers loyally abided by the price-fixing measures that were adopted during the war, and have always endeavoured to maintain a fair price as long as they could. The cheaper milk from the Peel Estate, and from the surplus which the producers allowed to compete against them, was the first step in the breaking down of the price. The treatment people endeavoured to maintain the position, until it became so acute from outside sources that to protect their own business they had to allow the price to come down. The standard depots are trying to maintain the price at a level that is profitable to the producers, because it would be bad for their own business if the producers were not satisfied. There are 22 of those depots in the metropolitan area. On the average possibly more than two men are employed at each depot, which would mean that a total of between 44 and 50 men are employed at these establishments. Then there is the vending side of the business, the men who travel around the streets disposing of the milk. There are about 400 of these distributing 12,000 gallons.

Hon. E. H. Gray: That is what makes the business so expensive.

Hon. J. M. MACFARLANE: It is there I am looking for a certain amount of success as a result of this Bill. The amendment I have placed on the Notice Paper shows that I am asking members to give the necessary representation on the board to make the measure a success. In Clause 3 it seems to me there is a superfluity. Accommodation milk is almost the same as surplus milk. They are, in fact, the same thing. I know that is an introduction from another State. Quota milk is contract milk, and anything over that is surplus milk. The board would be able to work more satisfactorily with quota and surplus milk than with the present definitions. I am not moving to alter the definition, but I think an improvement would be effected if one or other definition was struck out. I have dealt with Clause 6 and the representation on the board, and emphasised the fact that a certain amount of skill and trained judgment will be required if the board is to function

satisfactorily. The Bill provides that there should be two representatives of the dairy-men and two consumers. It will be difficult to find the men with the necessary qualifications. In the case of the chairman it is stipulated that he shall have no interest in the production or vending of milk. It will be difficult to make the board satisfactory if the treatment side of the milk does not get representation. Very few gentlemen in the community are likely to be fit for the position of chairman. There is one name that occurs to me, namely, that of the ex-Chief Inspector of the Health Department. He has retired from service, but is still an active man. He was called upon to administer the Act during the time when he was Chief Inspector. He knows the business from the producer's point of view as well as the vending point of view. He is an independent man, and stands high in the estimation of the people who know him, and have come into contact with his department. He would make a satisfactory chairman, and should be acceptable to all interests. As the Bill now comes before us, the other Acts which control these matters will continue to function. The veterinary inspectors will still be at the service of dairy farmers as before. I felt obliged to take this opportunity to suggest a suitable man for the position of chairman. Clauses 16 and 17 deal entirely with administrative costs. Unless great care is exercised it will not be long before questions are asked as to how the Act is being administered. The cost of all these boards in course of time grows greater, until it is found that neither the producer nor the consumer is deriving the benefit from the organisation that was intended by Parliament.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. M. MACFARLANE: I have but little to add. Under Subclause 3 of Clause 23 the board will have a very delicate situation to handle, one which will fully test its ability; for the board will be dealing with a zoning proposition, under which the districts will be restricted, and so too the distribution of the milk. The revocation conditions are being amended and will now be more acceptable by reason of the appeal to the magistrate and the compensation to be paid, so we shall now have a more equitable condition. The right of appeal to the magistrate is very satisfactory, because there are so many conflicting interests to be

considered that only a superhuman board could please everybody were it not for the appeal to the magistrate. The board is to have power to appoint inspectors. I do not know for what reason, unless it is desired to use the inspectors in an educative sense which, of course, will be of advantage to the people in the district. I will support the Bill and I trust all members will be prepared to give the new system a trial and see if it cannot work out to the advantage of the industry. I wish to compliment the Minister for Agriculture, who has had a very difficult task in dealing with this matter. After a long period of opposition he has come to see that there is no way of settling the many diverse interests other than by such a Bill as this. If it works out as it promises, I am sure the Minister will be deserving of all our congratulations. I trust the House will pass the Bill with certain amendments that I have touched upon.

Hon. C. B. Williams: It is better without those amendments.

Hon. J. M. MACFARLANE: No, without those amendments the Bill will not be satisfactory. However, I leave the matter in the hands of members and I trust the results will be gratifying to all concerned.

HON. C. B. WILLIAMS (South) [7.35]: I will support the Bill. If there is one thing more than another that I know anything about, it is cows. I started in the dairying industry before I went to school, and I was in it again after I left school. I have stood in this Chamber for the unemployed and for the farmers—

Hon. E. H. Harris: And now you are standing for the cows.

Hon. C. B. WILLIAMS: The fellow who goes in for cows is the hardest-done-by man on God's earth; that is to say, one who honestly puts his work and labour into the industry, for he has to work every day in the year and every hour in the day. He has to be there to milk the cows—unless he can afford to pay somebody else to do it. I was reared on a dairy farm and as soon as I was old enough I advised my mother to sell the cows and let me go to work on a mine. She did as I suggested. The dairy farmer is the hardest-worked man in the country, because he must work almost continuously, including the best part of his nights. I would sooner die of miners' complaint to-morrow than be a dairyman. However, it is useless for me to try

to lecture those who have already gone in for dairy farming, to lecture them on how to make a success of the industry. The cows have to be fed and milked and the yard cleaned up, and by that time the cows have to be milked again. I left that work at 15 years and 11 months of age and have never been sorry, but I have a tremendous sympathy for the dairy farmers. One could speak a long time on the slavery conditions attached to dairying. I do not intend to do that, but I say that if the Bill be passed without any amendments at all, it will be a good thing. The slavery conditions under which the dairymen work entitle them to half the representation on the board, and the consumers who buy the milk should have the other half of that representation, with the Government representative there to see fair play between the producer and the consumer. Then there is the vendor, who does not have to undergo any of the slavery conditions of the industry; in point of representation he is not worthy of notice, because he simply buys the milk at a price which allows him to sell it at a profit. If the dairy farmers were sufficiently organised, the vendor would not be there at all. When I lose my job as a member of this House, there is one opening I can see, namely, the organising of the dairy farmers. Once they are organised there will be no more vendors. In my time in the milking business my mother was the vendor of the milk produced by her cows, and that is the proper system. On the goldfields the retail price of milk has been 6d. per pint ever since I have been a resident of Kalgoorlie. It has never been either reduced or raised. In the hard times of the war and in the hard times of each summer when the dairymen have to hand feed their cattle and water them with excess water at 5s. or 6s. per thousand gallons, they have never increased or reduced the price of milk. I have no complaint against that. The dairymen have their rounds and they charge 6d. per pint for the milk. That was the price in 1910, and that is the price to-day. The people of the goldfields do not mind, because they realise that the dairy farmer up there, while he makes a few pounds in winter time, is up against it in summer time when he has to pay a heavy price for the water he gives his cows. However, the Bill does not apply to the goldfields, for every dairy farmer there is his own vendor. I do not see why the Bill

should include the vendor, who comes into the picture only after the cows have been milked and who gets a good profit: indeed if he be one of those who adulterate the milk he gets an extra profit on the water added.

Hon. R. G. MOORE: Where do you find the vendor in the Bill?

Hon. C. B. WILLIAMS: The hon. member will find him on the Notice Paper. Mr. Macfarlane proposes to give the vendors representation on the board. I do not want the vendors in it at all; I want only the producer and the consumer to be represented on the board. I give this Bill my earnest support because I realise that the owners of cows or dairymen or producers, call them what you will, are the worst treated people in any part of the world. I have no intention of voting for any amendment that may be moved.

HON. R. G. MOORE (North-East) [7.47]: I have very little to say in regard to this Bill except that I do not like it. I do not like it on general principles, and I do not like interfering with private enterprise by legislation if it can be avoided, or except under very special circumstances.

Hon. C. B. WILLIAMS: There are special circumstances here.

Hon. R. G. MOORE: The better way to protect the producers of milk would be to fix the price at the depots.

Hon. E. H. GRAY: That has been tried, and it has failed.

Hon. R. G. MOORE: The vendors can fix the price to the consumers. Mr. Williams objected to a vendor going on the board because he failed to see what he has to do with it; yet he is in favour of two representatives of the consumers being on the board. I fail to see why the consumers should have representation at all on the board.

Hon. C. B. WILLIAMS: The consumers have to pay.

Hon. R. G. MOORE: The Bill is brought in for the purpose of raising the price of milk.

Hon. C. B. WILLIAMS: Not to the consumer.

Hon. R. G. MOORE: At the present time, milk is too cheap. That is why we have the Bill. If we put two vendors on the board, they will raise the price of milk. If another dairyman starts to-morrow and

sells milk at 1d. a pint, he will soon sell more than all the others put together.

Hon. C. H. WITTENOOM: He would not last very long.

Hon. R. G. MOORE: If a man starts to run a business, there is one thing that he must retain for himself, and that is the right to fix the price of the product he sells. The vendor has nothing to do with the price of milk.

Hon. C. B. WILLIAMS: He has everything to do with it.

Hon. R. G. MOORE: He does not produce it.

Hon. C. B. WILLIAMS: That is the trouble.

Hon. R. G. MOORE: The vendor has to do with the distribution of the milk, and he can fix the price of distribution. What does the consumer know about the cost of production or the cost of the distribution of milk? He cannot tell you anything about the cost of production or distribution. That is something that should be arrived at between the people who produce the milk and those who distribute it.

Hon. C. B. WILLIAMS: What do they do in your part of the State?

The PRESIDENT: Order!

Hon. R. G. MOORE: The man who produces milk there is his own vendor.

Hon. C. B. WILLIAMS: In Kalgoorlie?

The PRESIDENT: I ask the hon. member to cease interjecting.

Hon. C. B. WILLIAMS: I want the hon. member to speak facts and not a lot of rot.

The PRESIDENT: The hon. member must not interject.

Hon. R. G. MOORE: The only difference between the goldfields and the metropolitan area is that the producer on the goldfields is also the vendor. In the metropolitan area it is different. It does not make any difference as far as the vendor having anything to do with the costs is concerned. If one goes to a dairy in Kalgoorlie to buy milk, he can get it at a cheaper rate. He would not be charged 6d. a pint for it there. I do not like this kind of legislation, because it interferes with private enterprise. It is a matter that could be arranged between the producers and the vendors. If we give the consumers equal representation with the people who are producing the milk, we are only looking for trouble.

Hon. Sir Edward WITTENOOM: Are you a producer of milk?

Hon. R. G. MOORE: I am a consumer, and I do not know anything about the cost of production. I would refuse to serve on a board to help fix the price of milk.

HON. E. H. GRAY (West) [7.52]: I desire to support the Bill because it is a most important step forward in the production and distribution of this valuable commodity. I also venture the prediction that if the Bill is not passed there will be the possibility of a very serious shortage in the supply towards the end of January because of the inability of the owners of herds to produce the article at the present price. I have followed the milk question very closely for a number of years and have tried in my own small way to encourage the consumption of milk. I am satisfied that if the public were properly educated nearly twice as much would be consumed as is being consumed at the present time. The Minister for Agriculture is to be congratulated on sending up a Bill which is a step in the right direction. Before milk can be properly distributed and controlled we have a very long way to go. The first board will be a distinct factor in the success or otherwise of the administration of the Act. Mention has been made by Mr. R. G. Moore, and also by way of interjection of the probability of the price of milk being increased. I say that if the producers imagine that they are going to get a board that will merely be satisfied to increase the price of milk to make it a payable proposition to the producer the main object of the legislation will be missed and in the course of a short period there will be failure. It is proposed to give the board power to provide for zone distribution. That is the only effective way by which producers can get an increased price for their product and by which the consumer will get the product at a reasonable price. After all the public are prepared to pay a reasonable price, and I venture the opinion that a reasonable price will enable milk to be purchased which will make it the cheapest food for children that can be obtained. That should be the objective of the board. In Wellington there is control by the City Council and the milk, which is pasteurised, is distributed at a cost of 6d. per gallon. In Western Australia the average cost of distribution is 1s. and

more a gallon. That is too much. Mr. Macfarlane spoke of milk being vended at 2d. per pint in Perth. Personally I look with suspicion upon milk that is being distributed and sold anywhere at 2d. a pint. It is not supposed that milk can be purchased from the producer and distributed at 2d. a pint. The producers are entitled to a fair price for their product; we do not require to be experts to know that all producers in the metropolitan area and outside the metropolitan area are having a very bad time and cannot pay their way. I venture the opinion that if the board is composed of men of ability and experience in the business, and who display some courage, in a very few years we shall see rapid progress made in the milk trade. The board should aim at a system whereby the milk will be cooled, cleaned and pasteurised, and distributed in bottles and cartons. In some parts of the Old Country and in America it is distributed solely in cartons, and the price of those cartons is less than the cost of washing the bottles. Unfortunately, up to date success has not been obtained because it has not been possible to eliminate entirely the flavour imparted by the cardboard containers. That difficulty will be overcome, and if the board aims at that objective, in the metropolitan area there should then be necessary only three depots, two in Perth and one at Fremantle. These should be constructed on modern lines, and then, if the milk is distributed in bottles or in cartons, it will be a safer commodity to consume, and the result will be better for producers. Although many are against pasteurisation, I am satisfied that if that system were instituted, the price to the consumer could be made such that everyone could obtain milk and the producers would be better off. I shall be disappointed if the members of the board are not imbued with that spirit in the interests of the public and the trade. It is hardly conceivable to many people who visit our shores to find that our community is quite content to see milk distributed as is being done. Despite the fact that a considerable sum of money has been spent in trying to educate people to adopt a better and more hygienic system, we know that only a comparatively small proportion of the public insist on getting the bottled product.

I hope that with the passing of the Bill that position will be changed. The need for the Bill is imperative and in my opinion Mr. Macfarlane's amendment would prove fatal to the successful operation of the measure. This is a producers' Bill.

Hon. J. M. Macfarlane: No, you are wrong. It is a whole milk Bill.

Hon. E. H. GRAY: The object is to establish a board under the operations of which the interests of the producer will be conserved. We should be fair in dealing with such a subject. With that object in view, I made inquiries from one of the biggest depot keepers in Perth, and he told me that the Bill was certainly a producers' Bill and that representatives of the depots should not be on the board. So I am fortified in my opinion that the amendment proposed by Mr. Macfarlane will be fatal to the measure. I know the statement made to me was correct, and I think the House should be guided by it. So far as I can see, there is no necessity for the Bill to be amended. The clauses dealing with inspections are necessary because under existing conditions there are many dairies in the metropolitan area that are supposed to be controlled by inspectors but are very unsatisfactory. I have seen some of these backdoor properties, which are in a most unsatisfactory condition, and not very far from Fremantle either. Near the port, we have some splendid dairy herds but the interests of the owners of those animals are menaced by the operations of what I call shadow-milk purveyors who are mostly apparent in the flush season. I have seen some of the so-called licensed premises. I know of one man who came from the country with a horse and cart and secured a license from a local authority. He rented a house that should have been condemned as unfit for habitation. I saw the churn upside down in the sand and everything about the so-called depot was in a filthy condition. That was not an isolated instance. There are many of these shadow milkmen in the suburbs and those are the men that will probably be eliminated by the board if the Bill be passed.

Hon. R. G. Moore: The health authorities have power to deal with them now.

Hon. E. H. GRAY: The milkmen of the type I have indicated are a menace to those who are conducting their dairies in a proper and efficient manner. I shall support the second reading of the Bill and trust that the measure will be given a fair trial. I

hope the board will be composed of men who will do their job and work with the objective I have indicated during the course of my remarks.

HON. E. ROSE (South-West) [8.3]: I have great pleasure in supporting the second reading of the Bill. The time is long overdue for such a measure. The metropolitan milk supply is carted from 100 miles or more to the city and is being sold at whatever price can be realised for it. Until such time as we have stabilised prices, milk producers will not receive the benefit that should be theirs in return for their labour. I was born on a dairy farm and I am still a dairy farmer. I can speak from personal experience of the work entailed in such an undertaking. The dairy farmer works 14 hours a day or more, and the return he gets for his labour is not profitable. The Bill should be accepted in the form in which it has been presented to us. The Minister for Agriculture deserves great credit for the manner in which he has dealt with the Bill. It will be of great benefit to the producers although I have my doubts as to whether the consumers will benefit to the extent it is hoped. There will be overhead expenses that will be considerable, but as a set-off there will be the lessened cost of distribution. In practically every street in the metropolitan area there can be seen five or six vendors going over the same ground with their milk deliveries. That means so much unnecessary expense and overlapping. No doubt the board that will be set up under the Bill will go carefully into that phase and probably the metropolitan area will be cut up into zones and the cost of distribution appreciably lessened. The basic idea of the Bill is not new. In 1925 a Royal Commission was appointed to inquire into the milk supply of the metropolitan area. I have a copy of the report and although I shall not quote extensively from it, I desire to draw attention to some statements made by the members of the Commission. For instance, they reported—

At present the Retailers' Association is the dominating factor in determining the price received by the producers. Owing to the nature of the industry and the vast area over which dairy farmers are scattered, they have little chance to organise for their protection and they are, therefore, at the mercy of the organised distributing interest, and must

accept the terms and conditions decided on by these, or lose the sale of their product.

Further on they said—

The provisions of the Health Act and by-laws are sufficient to safeguard the quality of the milk supply, but these are not enforced in practice.

If the board be appointed, they will see to it that the by-laws and regulations are enforced. The Commission also said—

Responsibility is shared by too many authorities. Veterinary inspection has been irregular and incomplete.

Then, dealing with the question of distribution, the Commission reported—

There is much economic waste entailed owing to overlapping of rounds and excessive distances traversed. The methods of handling milk during delivery can be improved.

I may say the Royal Commission that inquired into the metropolitan milk supply in 1925 consisted of Mr. J. W. Burgess (chairman), Dr. John Dale and Mr. F. J. Roberts. Dealing with a basis of organisation, the Commission reported—

Our findings show that the milk supply is in a disorganised and unsatisfactory condition. Milk is an essential article of human diet, especially for infants.

Then, again, dealing with the advisability of creating a board to deal with the milk supply, the Commission stated—

It is considered that the situation can best be met by the creation under special Act of Parliament of a board or trust to be appointed by the Government and to be constituted as follows:—One representative of the consumers, who shall be chairman; one representative of the producers; one representative of the vendors; a medical officer of health designated by the Commissioner of Public Health; the chief veterinary officer for the State.

The board should have powers which would enable it (1) to safeguard the quality of the milk supply; (2) to encourage the consumption of milk; (3) to reduce waste; (4) to adjust prices so that each interest shall receive equitable treatment.

It will be seen that as far back as 1925, recommendations were advanced by a Royal Commission that are similar to those embodied in the Bill.

Hon. J. M. Macfarlane: Was there not a minority report presented?

Hon. E. ROSE: There may have been. Here is a further recommendation by the Commission—

The board should be the only authority controlling the metropolitan milk supply; and

should have control over all premises concerned wherever situated. The powers of the board should include the following:—

- (1) To appoint inspectors and other necessary officers.
- (2) To license milk products under conditions to be determined, and prohibit the sale of milk unless produced under license.
- (3) To buy, sell and deal in milk and milk products.
- (4) To establish and conduct such premises as may be required.
- (5) To license persons to distribute milk, either wholesale or retail, under conditions to be determined, and prohibit the sale of milk except under license.
- (6) To inaugurate a block system of milk distribution, determine the boundaries of such blocks, vary or alter such boundaries from time to time when deemed necessary; allocate blocks to distributors in such manner as may be determined.
- (7) To determine the minimum price the producer shall receive for his product; the charges to be made for handling treatment, and the maximum price to be paid by consumers, and vary such prices from time to time.
- (8) To make regulations for the efficient control of the industry and impose penalties for breaches of the regulations.

It will be seen that the Bill largely follows the recommendations of the Royal Commission of 1925. I think a board composed of five members, representative of both producers and consumers, is sufficiently large. I do not agree with the amendment suggested by Mr. Macfarlane; I would prefer the Bill as it stands. I have received letters from nearly all the Primary Producers' Associations between Perth and Rocklands, all asking me to support the Bill in its present form. They consider it absolutely necessary to do something to protect the interests of the producers, since the price they have been receiving is unfair compared with that obtained by the retailer. I whole-heartedly support the second reading of the Bill, which should prove beneficial to the producers who have to work such long hours and get little or nothing in return for their labour.

HON. SIR EDWARD WITTENOOM (North) [8.11]: I support the second reading of the Bill. The only trouble I see is the low price the producer receives as compared with what the consumer has to pay. Perhaps Mr. Gray will correct me if I am

wrong, but I think the producer gets 8d. or 9d. a gallon, whereas I, as a consumer, pay 6d. a quart for the milk I get, which amounts to 56 quarts a week.

Hon. E. H. Gray: I wish everyone else were like you.

Hon. C. H. Wittenoom: Are you not talking about pints, not quarts?

Hon. Sir EDWARD WITTENOOM: I do not think it is fair to the producer, who lives a dog's life. He has to be at it morning and night every day of the week. I remember when Mr. Hampshire went to Geraldton in September. That is the finest part of the year in that district. Some of the farmers were discussing matters with him, and he said that the district was just the sort of place where they should have dairies. Someone asked him about workers, and Mr. Hampshire said that if they had 25 or 50 cows to be milked, that would mean another 10s. a week. But then he suggested that the men who would establish the dairies could milk the cows themselves. That represents one idea of the situation. I do not know exactly what the producer gets per gallon of milk, but I know what I, as a consumer, have to pay. From that standpoint, I support the Bill, and I hope that it will improve the position. Great fuss is made from time to time about milk having to be clean and free from all sorts of germs. When I was a young man I had a farm, and I was milking 50 cows. So far from the milk being free from germs, the cows came through three feet of dirt to the bails every time, and the man who milked them used to be a post-cutter, and I do not know that he had not a good few scabs on his hand at the time. He used to make the butter. It was the finest butter we had. We made 50 lbs per week, and received 2s. 6d. per lb., and were rushed for it. All this fuss about germs, sickness, etc., arising from milk is piffle. Consider the water that we as young fellows drank in the bush. I would not have been alive now had there been so many germs about.

Hon. J. J. Holmes: You can always take something to kill the germs, you know.

Hon. Sir EDWARD WITTENOOM: I am not joking. I think too much fuss is made about germs and the need for cleanliness in dairies. I do not consider that lack of precautions leads to bad milk. I should like to see the producer get a little more for his product, and the consumer pay less. The producer, I understand is receiving 10d. per

gallon. I pay 6d. per quart, and though it is excellent milk, there is too big a margin between what I pay and what the producer receives. As I said before, the producers live a dog's life, because they have to work every day in the week. I support the Bill.

HON. W. J. MANN (South-West) [8.17]: It is very refreshing to hear the expression of opinions from members regarding the necessity for the Bill. I think Sir Edward Wittenoom summed up the case pretty clearly in his concluding sentences, when he complained of the price the producers receive and the price the consumers have to pay. To-day I made some inquiries, and out of four housewives questioned, I found that one was paying 2½d. and three were paying 3d. per pint. It has been said that the producer is receiving 8½d., 9d. and 10d. per gallon for milk. If that is a fact, such payments can have been made only recently. I was not far out of Perth some weeks ago when a dairyman informed me that he had been forced to accept 7½d. per gallon for his supplies. If we allow that sort of thing to continue, it will not be long before an important industry reaches a very serious condition. Whatever may be said to the contrary no adequate explanation has been given for the difference between the two prices. Mr. Hall contended that the matter should be left to private enterprise. During the last 12 months private enterprise has been doing its best to reach a solution of the problem. Members will recollect that a board was constituted and that valiant and sustained efforts were made to secure some stability of price. However, there were influences at work, not always on the part of the little backyard man, that simply nullified the efforts. The Government are to be congratulated on having introduced this measure in order to do what is done in other countries, namely, secure a liveable price to the man who produces and a price to the consumer that will encourage him to use more milk. The business of supplying milk, particularly to the people of the cities, is a serious one. Despite Sir Edward Wittenoom's references to germs reaching the top of the bail, there is no doubt that much sickness and suffering have arisen from the consumption of impure milk.

Hon. Sir Edward Wittenoom: How do you know it was due to impure milk?

Hon. W. J. MANN: Strong, able-bodied, virile men like Sir Edward was years ago

and is at present would be more than a match for any germ, but to give such milk to an infant a few days old would be quite a different proposition. A mature man has the strength to throw off millions of bacteria. If it were not so, we should be unable to carry on for very long. Impure milk has been responsible for a lot of trouble. I wish to quote two or three lines from an American journal entitled "The Milk Dealer," an estimable monthly which represents a very big interest. In Cleveland the authorities set about taking control of the milk question. The infantile death rate there was rather appalling, and it was tackled first of all from the point of view of the milk supply. Senator Copeland, referring to it later, said—

Down on the east side of New York, where one million people reside within a square mile, the death rate of infants under one year of age was reduced from 247 per 1,000 to 16 per 1,000.

The change was wrought by pasteurised milk distributed under hygienic conditions and safeguarded in every way. The result of a campaign instituted among the people to increase the consumption of milk and thereby improve the position of the people engaged in the production of whole milk was an advance from 1,800,000 quarts to 3,000,000 quarts per day. Those figures are rather staggering. In Western Australia there is great need to foster a higher consumption. We are told on authority that cannot be doubted that milk is the most perfect human food known provided it is taken—

Hon. J. M. Macfarlane: In proper doses.

Hon. W. J. MANN: Yes, and is pure.

Hon. Sir Edward Wittenoom: Taken with what?

Hon. W. J. MANN: With various things. Despite the controversy that has raged in the past regarding pasteurisation—while there is reference in the Bill to pasteurisation—I hope the board, when functioning, will ensure that every pint of milk in the city is pasteurised. It has been proved that as a result of proper pasteurisation the organisms injurious to health are eliminated to 99.9 per cent. The only minor complaint against pasteurisation that I have been able to discover from quite a lot of reading is that it leaves some slight degree of chemical element, but that can be overcome by the addition of a few drops of orange or other fruit juice. The Bill is timely, and it is

refreshing to hear members supporting it. Regarding the personnel of the board, I am not quite so enthusiastic as Mr. Macfarlane regarding the position of the distributor. If the board functioned correctly they should be able to ensure that the distribution of milk is carried out effectively without overlapping and without causing any great harm to anybody. The advantages of control outweigh all other considerations that have been mentioned for the sake of those men who are working seven days a week and 365 days a year in producing this necessary food. The dairymen within 17 miles radius of the Town Hall are producing under less advantageous conditions than are those in the farther South-West because they have to purchase concentrates, and their stock are largely hand-fed. I have not been able to understand how many of those unfortunate producers have been able to get sufficient to live upon, much less a reasonable return. I heartily support the Bill.

HON. H. V. PIESSE (South-East)

[8.28]: I wish to congratulate the Government on having introduced the Bill, and I feel sure the thanks of the producers and consumers are due to the Minister for Agriculture and his officers for having prepared such an excellent measure. The Bill has arrived in this House after having had many amendments inserted in another place, and I am going to support it as it stands. I feel that the time has arrived when our dairymen must be protected in the price they receive. The Bill sets forth the idea of supplying milk to consumers at a reasonable price and also safeguarding the producer to ensure that he gets a payable price for his product. I controlled a dairy in the country for many years, and we were more fortunate, in that we received 1s. 6d. per gallon wholesale, which was quite a payable price. In the city, on the price of 7½d. per gallon, it is utterly impossible for the producers to make a living, especially when we realise that the average production of a dairy, year in and year out, would not exceed three gallons per cow per day.

Hon. H. J. Yelland: It would not amount to that.

Hon. H. V. PIESSE: The figure is rather on the high side. That shows the absurdity of the present position. A man has to feed and keep a cow for a paltry three gallons of milk, equal to three times 7½d. per day. Of course, it must not be forgotten that the

majority of the dairymen in the metropolitan area have practically to stall-feed their cattle for the greater part of the year. I feel sure that the Bill will have the desired effect of resulting in a wholesome milk supply for the public. What we must do is to persuade the public to use more milk. That will give the producer a better chance of making a profit by producing more milk. I support the Bill.

HON. H. J. YELLAND (East) [S.31]: I support the Bill. It has a precedent in the Dried Fruits Bill introduced into the House some few years ago. I am glad to know that the Bill has not met with the opposition which the Dried Fruits Bill did, and which legislation of this kind met with when it was first introduced.

Hon. G. W. Miles: That is because the Bill provides for a representative of the consumer to be on the board.

Hon. H. J. YELLAND: In any case, the principle underlying the Bill is very much the same as that underlying the Dried Fruits Bill. I consider the satisfactory working of the Dried Fruits Act has been responsible for the cordial reception of this Bill. It is not necessary to reiterate the great disparity between what the producer receives for his commodity and what the consumer pays for it. That disparity shows, however, that the cost of distribution is beyond what can be considered a fair deal. Here we have a commodity which is perhaps the most important that is used in the household. Milk is probably used more than any other food, especially for infants. For that reason, purity of supply is essential. It may interest members to know that if milk is taken to a laboratory where there is an up-to-date bacteriologist, he can, on submitting the milk to an examination, tell the condition of the stock and the conditions under which the milk was produced. For instance, if the milk were produced under conditions such as those suggested by Sir Edward Wittenoom I venture to say the bacteriologist could tell, from his microscopical examination, what those conditions were. The results of some examinations would make one's hair stand on end, if one had any. It seems to me the things which the scientist is able to discover will have to be considered when the Bill reaches the

Committee stage. The man who is able to furnish information of that character, who can with the aid of the microscope detect the various bacilli that infest milk, and can state whether it is produced under dirty conditions, or whether, as Mr. Macfarlane stated, the bacilli had its home in the intestines of the animal, as a result of dirty conditions—

Hon. J. M. Macfarlane. Not at all. The growth of the bacilli is due to temperature.

Hon. H. J. YELLAND: The hon. member is not following me as closely as he might do. I am referring now to a bacillus which has its home in the intestines of the animal. If the hon. member wants to know its name, it is the bacillus coli, (taken from the name of the intestine); and it can be distinguished by the bacteriologist. He is able to tell from his examination almost exactly the conditions under which the milk is produced. He can also, with the aid of a microscope, distinguish the bacillus of bovine tuberculosis, another matter referred to by Mr. Macfarlane. The question has arisen whether bovine tuberculosis is transmissible to human beings. Very recently a medical journal published an article which indicated that bovine tuberculosis was transmissible to human beings; but the germ, finding itself in a different environment, is not able to operate as it does in its natural host, that is, in cattle. Therefore, it remains in a dormant stage in the human body until it is able to accommodate itself to its surroundings. It may remain there for a period of 10, 15 or even 20 years before developing. The fact that it is transmissible to infants and remains dormant until its host has reached the age of 22 or 23 years accounts for the large number of deaths from tuberculosis that occur at about that age. It is therefore essential that bovine tuberculosis should be diagnosed, and any animals suffering from it removed from the herd. According to the Bill, the proposed board is to consist of two representatives of the producers, two representatives of the consumers and one person to be appointed by the Minister. Inspectors are to be appointed who will be subject to the control of the board. These inspectors will be required to know something about the industry. It is essential that, at any

rate, one member of the board should have a deep knowledge of the difficulties that arise in connection with the industry.

Hon. G. W. Miles: Do you want the Government to appoint a man with technical knowledge?

Hon. H. J. YELLAND: I suggest it would be wise for the Government to appoint such a man. It is improbable that they will be able to secure one from among the producers. They could find him among the consumers, if they went to the right place, but it is not likely that such a man will be appointed. The Government will appoint the chairman of the board, and therefore it is to the Government that we must look for the appointment of someone who understands the industry.

Hon. G. W. Miles: The Government appoint the consumers' representative too.

Hon. H. J. YELLAND: Leaving that question, I was very interested in Mr. Macfarlane's speech. In his opening remarks, he said he favoured the Bill, notwithstanding his lifelong objection to any restriction being placed upon private enterprise. I believe he opposed the Dried Fruits Bill, but I am glad to note he is prepared to support this Bill. I venture to say he is supporting it because he understands the intricacies of the industry and the difficulties it is up against. He is prepared to do something to assist the industry to overcome those difficulties. I suggest also that when the hon. member knows of the difficulties with which the wheat farmers and other sections of the agricultural industry are faced, he will not be backward if they come along and ask for similar legislation to help them. I do not think it is necessary to say any more now. Other members have touched upon vital points of the Bill. Apart from what has been said, I think it would be unwise to take up the time of the House, although there is a great deal more I intended to say. However, that has been referred to by other members, so I shall content myself with endorsing what they have said. I congratulate the Government upon bringing down the Bill, and trust that, when passed, it will meet with the same success that the Dried Fruits legislation achieved.

HON. C. H. WITTENOOM (South-East) [8.40]: I, too, intend to support the second reading of the Bill. I look upon

it as a very desirable measure indeed. The Minister who introduced it in another place has evidently given very careful thought to it, and the revision that was made in another place was also very carefully considered. The milk supply of a comparatively large city like Perth should be properly regulated from its source until it is delivered to the consumer, both as regards price and quality. This is a case where we must assist the producer. We know from information which has been given us that it is but with great difficulty the producer has been able to carry on the industry. In many cases he has been forced to dispose of the milk in the city for whatever price he can get. That has been to the detriment of the supplies to the city. I am very pleased that so many members, particularly Mr. Macfarlane, Mr. Williams and others, are giving their support to the producers. I look upon the Bill as very important. Most members during the debate have referred to Perth; but a glance at the Bill will show that the area affected by the measure includes the city of Perth, the city of Fremantle and any place which the Government shall by proclamation from time to time constitute and declare to be the metropolitan area. That is not only a large area, but it is the portion of the State which is most thickly populated. For the moment I have forgotten the population of Perth, Fremantle and suburbs.

Hon. J. M. Macfarlane: It is about 48 per cent. of the total population.

Hon. H. V. Piesse: Then practically half the population of the State will be affected by the Bill.

Hon. C. H. WITTENOOM: Milk is a necessary food for human beings, and is especially essential for infants. It was a big surprise to me to learn that the quantity of milk consumed in the metropolitan area is smaller than that consumed in any capital city in the world, at all events in any capital city in Australia. The best milk ought to be procured here, because we have a magnificent climate and a rainfall of 35 inches. We have a long growing period, and all sorts of facilities for getting water for summer use. For these reasons, one would almost think that we should have a perfect milk supply, but apparently that is not so, seeing that the consumption is so small.

Hon. E. H. Gray: People should be educated as to the food value of milk.

Hon. C. H. WITTENOOM: I hope the Bill will bring that about. It is not the price of milk that is keeping down the consumption. The price is very low at present, namely 2d. a pint. If the vendors are getting only 2d. a pint, the position for the producers must be chaotic.

Hon. Sir Edward Wittenoom: The vendors get 8d. a gallon.

Hon. C. H. WITTENOOM: More milk is coming into the city than is required. The dairymen have to get rid of it, because it is a perishable product, or it is worth nothing to them. I take it the object of the Bill is partly to recognise the importance of dairymen to the community, and to help them along. Only by fixing the amount of quota milk and accommodation milk can the price be kept up. Milk is easily contaminated. It is essential that the best milk should be produced, and that it should be produced under the best conditions. Dairymen must have good healthy cows, and must be able to feed them well. The animals must also be milked under hygienic conditions. And this means a big expense to the producer. If the price is low, he cannot afford to feed and look after his cows as they should be looked after, nor can he afford to produce the best milk. The main thing about the Bill is that it will help the people in the metropolitan area to get good milk. That will not be possible without legislation of this kind. The board will have the right to put out of business certain dairymen and vendors. No one wants people to lose their money, but if it is necessary it will have to be done. The compensation clause in the Bill will, however, largely overcome that difficulty. The original Bill left the producer who was put out of business completely stranded, but the amended Bill puts that right. Certain objectionable anomalies will also be overcome. I understand the producers within a radius of 17 miles of Perth have to pay a license fee, but that those outside it pay no fee. Milk comes into Perth from long distances, and more is coming in than usual, because of the reduced price of butter fat. I believe that some of it is coming from 100 miles away.

Hon. W. H. Kitson: More than that.

Hon. C. H. WITTENOOM: I am pleased the Bill provides that all those who produce milk for consumption in the metropolitan

area will pay a fee. Parts of the State concerned will be divided into dairy areas, and the metropolitan area will be divided into districts. That is a good thing. It will stop the objectionable practice of vendors supplying customers from one side of Perth to the other. If the Bill becomes law, they will have to operate only in certain areas. That will tend to bring down the cost of delivery. There may be one or two things I cannot agree to in Committee, but meanwhile I will support the second reading.

HON. G. FRASER (West) [8.55]: As no member has so far spoken in opposition to the Bill, I propose to be very brief in my remarks.

Hon. G. W. Miles: Are you opposing it?

Hon. G. FRASER: It would be a pity to stop the run, seeing that half the Chamber has spoken in support of the Bill. It would, therefore, be rather out of place for me to sound a discordant note at this stage. Whilst I support the Bill, I am not entirely satisfied with it. I should like to see one or two things altered, but, as the session is close to its end, I am going to say that I want to see the Bill go through as it stands. It is long overdue. If any attempt is made at this stage to tinker with it, it may be lost. I will take no risks, and will support the Bill as printed.

Hon. J. J. Holmes: There is plenty of time after Christmas.

Hon. G. FRASER: Whilst I am prepared to come back after Christmas, I doubt whether any other member would like to do so. Knowing the condition in which the industry has been for many years, I will vote for the second reading. I would like an alteration made in connection with the election of the first board. The members of that board will be appointed ministerially. Those who are first appointed will have the thick end of the stick when it comes to the first elections. The person who is in the seat has a big pull over anyone else. The people in the industry who are represented on the board should say who those persons shall be. No doubt the Minister will use his discretion in making appointments, but we cannot expect him to be in a position to judge the best men to represent the producers. He will probably receive what he considers to be good advice, but many of the producers may not agree with him. Even if it means a delay of a month or so in the functioning of the board, I think it

would be wise if the Minister caused an election to be held. That delay will not make much difference, but would tend to give more satisfaction to producers. This is not a matter I want to see the Bill held up for. I am prepared to accept the clause as it is rather than jeopardise the measure, but, even if the Bill goes through in its present form, the Minister could still have an election held instead of appointing the members of the board. I am glad that allowance has been made for compensation for those who are put out of business. Once the Bill becomes an Act and the board functions, its main object will be to secure a fair return to the producers and a fair price to the consumers. In furtherance of that object, the board must look around for economies. One of the first things that will strike the board will be the excessive cost of distribution. That will mean eliminating many of the distributors, and paying them compensation. It would be a serious thing at any time, more particularly now, for a person to lose his business and his capital without receiving any compensation. I believe, too, there is a safeguard that if the person who is put out of business is not satisfied with the compensation he receives, he has a right of appeal. The only discordant note struck so far is that by Mr. Macfarlane who intends to move certain amendments with a view to altering the constitution of the board. I hope the hon. member will not persist with that intention, because this Bill is not for the depot people but to give a fair chance to the producers, who have been working under intolerable conditions. Now, when we are able to do something for them, it is proposed to give the vendors representation on the board against them, and that at the cost of a representative of the consumers.

Hon. J. M. Macfarlane: I want to do a fair thing by all interests.

Hon. G. FRASER: Well all the interests concerned in the Bill are the producer and the consumer. Other people who come between those two should not be given representation on the board. It is the intervention of the middle men that has brought chaos into the industry. I have said that I am not entirely satisfied with the measure as it stands and would like to see it altered if time permits. One of the reasons for saying that is that I consider the supply of milk for the metropolitan area should

be drawn from the metropolitan area. For many years it was so. One member has said that all the producers in the metropolitan area have built up their businesses at their own cost and risk and by their own labour. But then the middle men came in and took contracts and introduced into the metropolitan area supplies of milk from remote districts. That is not a healthy competition but competition by men prepared to sell at any price rather than have their product left on their hands. That is how the existing chaos has been brought about. There are in the metropolitan area sufficient dairies to supply the whole of that area, notwithstanding which milk is brought in from remote districts. If the production were confined to the metropolitan area, we would have even a purer milk supply than we have to-day; because dairies in remote districts cannot be so strictly supervised as are those in the metropolitan area. The constitution of the board is evenly balanced between the producer and the consumer, with an independent chairman. I hope to see the Bill go through as printed because the producers have suffered severely over a long period of years and are deserving of every consideration. I will support the second reading.

HON. L. B. BOLTON (Metropolitan) [9.6]: I will support the second reading and I congratulate the Government on their endeavour to place the industry on an improved footing. The Bill appears to me quite satisfactory and I hope it will pass as printed.

HON. W. H. KITSON (West) [9.7]: The Bill is long overdue for if there is any section of the primary producers who deserve to have the control of their industry, it is the dairymen. The appointment of the board representing the producers and consumers will lead to the giving of a better deal to the producers. One member has suggested that the consumer probably will be called upon to pay an increased price for his milk. Personally I do not think it will make any difference to him, for this reason: for years past the producer has not been receiving the price to which he is justly entitled and if a combination of consumers and producers on the board can arrive at an understanding as to what is a fair price, I think everybody will be satisfied. I do not wish to

criticise the Bill, although there are in it one or two things I should like to see slightly amended. I am going to adopt the attitude that this is new legislation in the interests of the producers and that it is as well to give it a trial for 12 or 18 months, after which we will know exactly how it works. I feel sure that if it be found necessary to eliminate any person or persons now engaged in the industry, those people will receive fair treatment under the compensation clause; at any rate, if they are dissatisfied with their treatment by the board they will be able to appeal to a magistrate, whose decision will be final. In those circumstances I do not propose to delay the House. I am pleased with the reception given to the Bill and I feel sure the producers will be considerably heartened by the fact that there has been practically no opposition to the measure in this Chamber, although in another place there was considerable discussion before the Bill was put into the shape in which we have received it. I hope it will leave this House without material amendment.

HON. SIR CHARLES NATHAN (Metropolitan-Suburban) [9.11]: I hope it will be possible to see the measure pass the second reading and negotiate the Committee stage without amendment. In normal times under normal conditions many of us would find in the Bill a violation of certain principles we have held: but we are moving through extraordinary times and conditions and it has been necessary during the last year or two to pass emergency legislation with the idea of giving to certain sections of the community relief from distress and strain. Particularly does this apply to primary producers and to an industry which in the metropolitan area has been largely confined to metropolitan producers, who, through unforeseen circumstances, are now challenged by outside producers who in normal conditions would be supplying their milk in other directions. The position has been forced upon us and so I look upon the Bill as a piece of emergency legislation. I appreciate Mr. Macfarlane's contentions, but I think the chairman, who will act in a neutral capacity, will realise that so long as there is a middleman necessary to distribute the milk, so long must it be made

possible for the middleman also to trade with profit. So I feel that the interests of all will be secured and I agree that this legislation should go through without any material amendment. I hope without any amendment at all. As representing a province in which a number of milk producers reside, I could not allow the second reading to go to a vote without expressing my views on the subject.

THE CHIEF SECRETARY (Hon. C. F. Baxter—East—in reply) [9.15]: I thank hon. members for the manner in which they have received the Bill, and I appreciate the generous references that were made to my colleague the Minister for Agriculture, who has given a considerable amount of time and thought to the Bill, and tenaciously clung to it in another place and brought it successfully through a series of storms. Mr. Moore's references to interference with private enterprise astonished me. There is no such interference. On the other hand, private enterprise has gone to its utmost limit in its effort to save the industry, without success. The only salvation is the Bill before us. After all, it is experimental legislation, but I have every reason to hope that it will be successful, and will be the means of saving a sound industry. I was surprised to hear one member remark that the Bill would mean the vending of good milk. The hon. member surely could not be alive to the position. I suppose occasionally some vendors add a little water to their milk, but on the whole, considering that pasteurisation is not practised to any great extent, the consumers have been very well served. The position has also been jealously watched by the Health Department. Mr. Macfarlane said he did not know why we proposed to appoint inspectors. It is necessary that inspectors should be appointed. True, dairies are inspected by officers of the Health Department at the present time, but under this legislation there must be inspectors.

Hon. J. M. Macfarlane: Will they have the power of ordinary health inspectors?

The CHIEF SECRETARY: Yes.

Hon. J. M. Macfarlane: There will be duplication of work.

The CHIEF SECRETARY: No.

Hon. J. M. Macfarlane: Will there be additional inspectors appointed?

The CHIEF SECRETARY: No. Mr. Fraser raised an objection to the method of appointing the first board, and he consid-

ered that they should be elected. I remind him that the course proposed is the only one that could be followed until the opportunity arose to hold an election. It is considered that the proposal contained in the Bill for the appointment of the first board is quite sound. If there is any other information which members desire I shall supply it during the Committee stage.

Question put and passed.

Bill read a second time.

In Committee.

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

Clauses 1 to 5—agreed to.

Clause 6—Metropolitan Whole Milk Board:

Hon. J. M. MACFARLANE: I move an amendment—

That in paragraph (a) "two members" be struck out and "one member" inserted in lieu.

If the amendment is carried it will be necessary to move a number of consequential amendments. The Bill has been altered in the process of going through another place. What I propose is that representation shall be given to vendors, a section of the industry represented by 22 depots within the metropolitan area, and employing 400 people. The consumers will be well protected, but the vital section, the vendors, has no representation at all.

The CHIEF SECRETARY: The persons mostly concerned are first of all the producers and next the consumers. I cannot see where the vendor comes in. He represents a small minority. The Bill as it came to us from another place, with the representation set out, is sound. By what stretch of the imagination the vendors should have representation on the board, I cannot say.

Hon. J. M. Macfarlane: It is the technical side.

The CHIEF SECRETARY: Taking the milk from the producer and selling it to the consumer?

Hon. J. M. Macfarlane: Two-thirds of the milk.

The CHIEF SECRETARY: And for which they get the lion's share.

Amendment put and negatived.

Clause put and passed.

Clauses 7 to 15—agreed to.

Clause 16—Remuneration of trust:

Hon. J. J. HOLMES: It is provided that the fees and expenses shall be prescribed from time to time. Who will prescribe them?

The CHAIRMAN: They will be prescribed by regulation.

Hon. J. J. HOLMES: We have heard of directors monopolising all the profits and leaving nothing for dividends for shareholders. We should define in the Bill what the fees are to be.

The CHIEF SECRETARY: It would be difficult to do that because the duties have yet to be fixed. The Committee can take it that the fees fixed will be reasonable.

Hon. J. M. Macfarlane: Will you be able to get good men to do the work for what you regard as a reasonable fee?

The CHIEF SECRETARY: I think so.

The CHAIRMAN: At any rate, the regulations must be laid on the Table of the House.

Clause put and passed.

Clause 17—agreed to.

Clause 18—Departmental inspectors:

Hon. J. J. HOLMES: Subclause 2 provides that the Minister may fix the remuneration to be paid by the board to departmental inspectors. I presume those inspectors will be from the Health Department, so that the payment by the board will mean so much relief to Consolidated Revenue.

The CHIEF SECRETARY: That is not so. Inspectors who are at present carrying out the duties will be appointed to act under the board. If they are required full time, the board will have to pay the remuneration accordingly, but if the inspectors are required part time only, the board will pay that proportion of their salaries.

Hon. H. J. YELLAND: The "Minister" means the Minister for Agriculture, and the point arises as to whether he will have authority to control inspectors of the Health Department or whether his control will be confined to inspectors of the Agricultural Department.

Hon. E. ROSE: I take it the inspectors of the various road boards will be appointed to act on behalf of the board.

The CHAIRMAN: Nothing in the Bill sets aside the provisions of the Health Act.

Clause put and passed.

Clauses 19 to 24—agreed to.

Clause 25—Compensation funds:

Hon. G. FRASER: Subclause 2 provides that every licensed dairyman and every licensed milk vendor shall contribute to the compensation fund. If a man is both dairyman and milk vendor, will he have to pay under both headings? Certainly he will be entitled to compensation under both headings if that is the position, but I think he should be permitted to elect under which heading he will pay.

Hon. J. J. HOLMES: As I read the subclause, if the man is both dairyman and milk vendor, he will have to pay under both headings.

The CHIEF SECRETARY: There are always difficulties that arise in connection with Bills that are experimental. I think the point raised by Mr. Fraser is dealt with in Subclause 3, which provides for such matters being dealt with by way of regulations. By that means we shall be able to overcome any difficulty that may arise.

Hon. J. J. HOLMES: If the man is both dairyman and milk vendor, he will have to pay as both and may be compensated as both, and nothing that we can do by way of regulation can alter that position.

Clause put and passed.

Clause 26—Licensees may be compensated in certain cases:

Hon. J. J. HOLMES: What is the need for the words "subject to the regulations"? If a man is entitled to appeal, that should be sufficient. He should not be ruled out of court by regulations.

The CHIEF SECRETARY: A licensee may contravene regulations regarding health and he must abide by such regulations.

Hon. H. J. YELLAND: Why is not a maximum amount of compensation provided? In measures of the kind, it is usual to state the maximum.

The CHIEF SECRETARY: How could a maximum amount be arrived at?

Hon. H. J. YELLAND: Without it, considerable latitude would be given to the board.

The CHIEF SECRETARY: Yes, but I think the board would be fair, though not over-generous.

Hon. J. M. DREW: How would the compensation payable be financed? In the early stages I should imagine that the calls on the compensation fund would be heavy.

Hon. J. J. HOLMES: The Treasury is going to finance the compensation. Whether it is repaid is another matter.

Clause put and passed.

Clauses 27 to 29—agreed to.

Clause 30—Powers and functions of the board:

Hon. W. J. MANN: Is it proposed that the board shall be charged with the duty of supervising dairy herds? There appears to be no provision to that effect unless it be in paragraph (a) dealing with the production of milk in dairy areas, or in Subclause 12, dealing with "any other matter."

The CHIEF SECRETARY: I have been advised that there is power of supervision under the measure.

The CHAIRMAN: The definition of "dairy" might cover it.

Hon. W. J. MANN: Yes.

Hon. H. J. YELLAND: In view of the recent decision of the Government to institute herd-testing, would that come under this measure, or would it come under the Department of Agriculture?

The Chief Secretary: Under the Department of Agriculture.

Hon. H. J. YELLAND: The board will be empowered to fix, if necessary, a premium during periods of scarcity. That seems to be wide power to give the board. It is the function of the Government to give bonuses, and the board should not be empowered to give premiums.

The CHIEF SECRETARY: I do not think it likely that a premium would be paid. There might be a shortage of milk, and it might be necessary to bring it from long distances.

Hon. H. J. YELLAND: Does it mean a premium for specially good milk?

The CHIEF SECRETARY: No; it would be a premium to encourage producers to send milk over long distances.

Hon. J. M. MACFARLANE: I take it that the practice of the present time would be continued. At times it is difficult to produce, and to encourage people to produce at such times, a premium is offered.

Hon. H. J. YELLAND: With that explanation, I withdraw all opposition.

Clause put and passed.

Clauses 31 to 41—agreed to.

New clause—Duration of Act:

Hon. J. J. HOLMES: I move—

That the following new clause be inserted:—"This Act shall continue in force till the thirtieth day of June, one thousand nine hundred and thirty-five, and no longer."

The Minister said this was experimental legislation. It is emergency legislation. Mr. Yelland, who seems to have given a good deal of attention to the subject, has told us that we are conferring tremendous power on the board. If the new clause were inserted, we would have until the end of 1934 to decide whether the Act should be continued, whereas if we pass it without the new clause, the Act cannot be amended without the consent of both Houses. I have no hesitation in saying that the present alarming position of the wheat industry is due to America's interference, and I am afraid of this legislation.

The CHIEF SECRETARY: I hope the new clause will not be accepted. If it were, we should have practically only one session in which to test the legislation.

Hon. J. J. Holmes: Then make it 1936.

The CHIEF SECRETARY: If the Bill becomes an Act, it may be amended at any time.

Hon. J. J. HOLMES: The Minister speaks as if he will be in charge of the House until 1936. I am not opposed to the Bill, but it is experimental legislation and it has been customary in the past to limit the term of such legislation. The Government will have three years in which to experiment.

Hon. G. FRASER: It is absolutely necessary that this should be a permanent measure. I am opposed to the new clause. If the board does not function to the satisfaction of all parties, amending legislation can be introduced.

Hon. J. J. HOLMES: If the board is not functioning properly, then it is the duty of Parliament either to amend the Act or let it go out of existence altogether. A similar provision was inserted in the Dried Fruits Bill.

Hon. E. H. GRAY: The board will be undertaking a very big job. Several amendments to the Act may be necessary, but we want the producers and the consumers to have confidence in the legislation and therefore it should be of a permanent nature.

The CHIEF SECRETARY: I am definitely opposed to the amendment. If it is carried, an awkward situation will arise, because it will take six or eight weeks before the board can commence operations at all. That will leave only 10 months of next year in which to carry out the experiment.

Hon. H. J. YELLAND: With regard to the Dried Fruits Act, it has been found necessary to re-enact it. In 1929 it was re-enacted from 1930 to 1932; it has never been continued for more than two years at a time. This is parallel legislation. We cannot go back on the principle governing legislation of this kind. I support the amendment.

Hon. J. M. DREW: I have pleasure in supporting the amendment. This is one of the most important pieces of legislation that has been submitted to the House this session. I doubt whether a small Bill like this will work satisfactorily in every respect. It should be given three clear years' trial. No harm can be done by limiting the life of the measure.

Hon. J. J. HOLMES: In view of Mr. Drew's remarks, I withdraw my amendment.

Amendment, by leave, withdrawn.

Hon. J. J. HOLMES: I move an amendment—

That this Act shall continue in force till the 30th day of December, 1935, and no longer.

Hon. G. FRASER: I foresee a danger of destroying any opportunity to amend the Act if the expiry date is fixed in the way proposed.

The CHAIRMAN: Acts can be amended during their currency.

Hon. G. FRASER: No opportunity is given by the Government when a re-enacting measure is brought down for any amendment to be made to it.

Hon. J. J. Holmes: The Government can bring down a measure to extend this Act.

Hon. G. FRASER: These re-enacting measures are usually one-clause Bills, and cannot be amended.

The CHAIRMAN: There is nothing to prevent the Government from bringing down a Bill to amend or repeal the Act.

Hon. G. FRASER: I notice that no opportunity is given to amend these re-enacting Bills: By 1935 we shall certainly want the opportunity to amend this law.

Hon. J. J. HOLMES: The hon. member is referring to emergency legislation which was passed in conformity with the Premiers' Plan. It is not desired to amend this for the time being. It is customary to put a limit upon legislation, and it is still left open to the Government or a private member to bring down an amendment at any time during any session following. I want Parliament to have an opportunity to deal with any anomalies that have cropped up by the year 1935.

The CHAIRMAN: A Bill that is limited in duration lapses at the due date, unless it is continued by another Act of Parliament.

Hon. G. FRASER: I am dealing with re-enacting measures that I know of. No opportunity has been given to amend them. I am speaking not only of the emergency legislation. I am afraid we shall not be given the opportunity to amend this law.

Hon. W. H. KITSON: I see no necessity for limiting the duration of this legislation. Between now and the end of 1935 certain action will have been taken by the board, a re-organisation will have been effected, and valuable goodwill will have been built up by those in the industry. Uncertainty may be created in the minds of the people concerned if a time limit is set upon this Bill. It will take some time before everyone settles down, and it would not be right to limit the operations of the measure in the way proposed. Let us give security of tenure to those in the industry.

The CHIEF SECRETARY: I have consulted with the Minister for Agriculture, who is prepared to accept the amendment.

New clause put and passed.

Title—agreed to.

Bill reported with an amendment and the report adopted.

Third Reading.

Read a third time and returned to the Assembly with an amendment.

BILLS (2)—RETURNED.

1, Mining Act Amendment (No. 2).

2, Marriage Act Amendment.

Without amendment.

BILL—LAND ACT AMENDMENT.

First Reading.

Received from the Assembly and read a first time.

Second Reading.

THE CHIEF SECRETARY (Hon. C. F. Baxter—East) [10.29] in moving the second reading said: The main purpose of this Bill is to increase the tenure of pastoral leases throughout the State from 1948 to 1982. This provision will apply to fresh country taken up, as well as to leases already in existence, and provision is being made for the latter to be surrendered with the object of securing the new tenure. The existing law provides for re-assessment at the expiration of 15 years from 1918, or 15 years from the commencement of any new leases. The Land Act Amendment Act, 1931, while maintaining the period of 15 years for leases in the Kimberley Division, provided that leases in the remaining divisions of the State should not be re-assessed for ten years from the 1st January, 1932, in the meantime being subject to adjustment of rentals on the rise or fall in the average amount realised for greasy wool. The provisions of the 1931 Act are maintained, and surrendered leases in the Kimberley division will be subject to re-appraisal from the 1st of April, 1933, and all other leases from the 1st of January, 1942, and thereafter at 15-yearly periods until 1982. This extended tenure has been pressed for on many occasions by pastoralists as well as by financial institutions. It was recommended by the committee which recommended the adjustment of pastoral rents provided for in the 1931 Act, but it could not at that time be brought forward. The industry must be helped in every way, and it is considered that the extended tenure will enable lessees the better to carry the load of debt with which they are in most cases burdened, and also enable them to secure further financial assistance where necessary for the purpose principally of capital improvements, and will prevent pastoral leases being eaten out towards the end of the existing tenure (1948) and cessation of improvements during that time. Provision is made that the Minister may grant permission—notwithstanding the limit of 1,000,000 acres to any one company or

association of persons—that several holdings may, for the more convenient working, be worked in association with each other in order to reduce overhead expenses. In the Kimberleys particularly, where leases are devoted primarily to the raising of large stock, it is felt that, without defeating the objects of the 1,000,000 acre maximum, where one or more stations are so situated as to enable the management to be done from one centre, permission should be so given. The principle is the same in respect of the financial manager or secretary of several companies, who is often one and the same person, whose expenses are distributed pro rata. The position, of course, would be closely watched, but some relief in this direction is essential. In respect of improvements, it is provided that the Minister may direct the improvement of the stock by the building up of the herd with stud stock, and to that extent such improvement shall be considered an improvement within the meaning of the principal Act. There is no doubt that a move in this direction is essential, because the deterioration of stock causes a falling away in the revenue secured from stations. The introduction of stud stock is in any case essential, and this has been emphasised on more than one occasion by those interested in and connected with the industry. The pastoralists have disabilities just as great as those of the wheatgrower, due principally to the low returns received for wool and beef. For the three years ended in 1927 wool growers received an average price of 1s. 5d. per lb. for wool exported in the grease, but since the depression, including the three years ended in 1931, they have received only an average price of 8.86d., being 50 per cent. less than the price paid for the three previous years. It is authoritatively alleged that it costs a shilling to produce a pound of wool. Similarly the beef industry is passing through a critical period. In East Kimberley the position is more acute than in other areas for the reason that the market is practically restricted to the Wyndham Meat Works. For the 1931 season cattle landed at Robbs Jetty realised an average price of £9 3s. per head, exclusive of freight, wharfage, commission, dipping, and other charges. After these deductions the grower will receive a sum approximating that paid

by the Wyndham Meat Works, which averaged about £3 5s. per head for cattle delivered at the works in 1931. As it has been estimated that the cost of raising a beast amounts in round figures to £5, it will be seen how difficult the position has become.

I want the House to understand that in the good years prior to the financial depression stations changed hands at very high figures, and to enable these purchases to be completed a large amount of money was borrowed. In one instance a station changed hands at £55,000, and to-day that property if submitted to auction would have difficulty in commanding a bid. It is desired to extend the term of the leases from 1948 to 1982, a period of 34 years. This tenure would provide mortgagees and others with security for advances already made and would also give them encouragement to provide new money to assist to build up the industry. Innumerable requests are being received for the postponement of land rents due and in arrear. The Government are in the position of landlord and cannot forego the rents due. Pastoral leases are in an entirely different class from conditional purchase leases, as the means of collecting the land rents are not nearly so effective on the pastoral leases. I move—

That the Bill be now read a second time.

HON. J. M. DREW (Central) [10.37]: Under the Lands Act pastoral leases do not expire until 1948, but the object of the Bill is to carry them on until 1982. It is a pity the measure should have been brought down in the last hour of the session instead of earlier when it could have been given the full consideration which its importance deserves. For two years I was Minister for the North-West and during that period my territory included the bulk of the pastoral country in the State. As the result of my experience I gained a clear insight into the pastoral industry and the fortunes of the pastoralist. I found that for years he had been a heavy contributor to taxation; that is when the seasons were good; and that he got next to nothing in return. Yet he never complained, and generally when adversity struck him he kept his sorrows to himself. The Government of which I was a member recognised that he was entitled to fair treatment and assisted him by spending large sums of money in the provision of facilities for getting his wool to port and his goods

back. Roads and bridges were constructed on a generous scale to meet his wants, and loans at a low rate of interest were made to settlers who were not able to secure money from the financial institutions because of their long distance from supervision. In those days pastoral lessees in the sheep country were prospering, but the men engaged in cattle raising commanded my special sympathy because of the obstacles that blocked their path. The settlers were isolated from civilisation, were out in the wilds and their heroic and successful struggle against all forms of adversity showed the type of men they were. What I have to ask myself in forming a judgment on the Bill is whether any good purpose will be served by raising in the minds of the pastoralists a suspicion that their leases would not be extended on expiry of their present term. That might be a result if the Bill were rejected and I have to take that into consideration in coming to a decision as to my attitude on the Bill. There would be no grounds for any such suspicion judging from my experience, but that suspicion might exist all the same and extend to the financial institutions that are carrying on the pastoralists. Even if it were contemplated, would there be any advantage to the State in a change of tenant? That is a matter to which I have given some thought. Could others do better than the present holders or their descendants, who have been in occupation for a long term of years? Not only that, but if the lease were not renewed the past lessee would be entitled under Section 164 of the Land Act to compensation for the fair value of his improvements. The Government would have to pay for the improvements unless a new lessee took them over and carried on. What may trouble the outside public is that long before the extension of the leases terminates there may be well-organised movements, with every prospect of success, to carry on tropical culture on a large scale in the North. The passing of the Bill should place no obstacles in the way of that, for under the principal Act the Governor may resume the whole or any part of a pastoral lease and dispose of it for agricultural or horticultural settlement or any other purpose in the public interest, as he may deem fit. So that objection is easily disposed of. One other matter which required investigation prior to the presentation of the Bill is a complaint often heard and one upon which I should like some light thrown by members representing the North

Province. The complaint is that some pastoral lessees in the North have an undue length of river frontages and that other pastoralists are suffering in consequence. I have heard that repeatedly in the course of conversation with men supposed to be acquainted with the conditions in the North-West. If that is so, the Bill should be amended to give the Minister power on the recommendation of the board of appraisers to limit the extent of the river frontage in each case where circumstances would justify such a course. This is a phase of the question that could have been investigated to the fullest extent if the Bill had been introduced at an earlier stage of the session. I am glad to see that it is proposed to accept the improvements in the flocks and herds in lieu of the improvements set out in the principal Act. This is a step in the right direction, as the herds in the North-West have seriously deteriorated in the last 20 years. I support the second reading of the Bill.

HON. J. J. HOLMES (North) [10.47]: The speech of the Leader of the House and that of Mr. Drew leave very little for me to say. I think Mr. Drew has rather misunderstood the position with regard to the river frontages. The real trouble is that those frontages have been eaten out by the cattle having been permitted to remain there until they have more or less exterminated the feed. What is being done now is to sink for water in the back areas and confine the cattle to those areas until the river frontages have a chance to recover their growth. That is one of the reasons for asking for the extension. I was told yesterday on an authority that I consider to be the best in Perth, and I accept it as correct, that on the pastoral leases there are 4,000,000 sheep. There are more sheep south of Geraldton than there are in the other areas, and the total amount advanced by the banks and the stock and station agents to help to finance the lessees, irrespective of what the pioneers themselves have spent—and many of them in good times put back most of the money they got from the leases—is 4½ millions, that is, 22s. 6d. per head of the stock. The sheep to-day are not worth a fourth of that amount. At one station the owner opened the gates and turned out 5,000 sheep because the feed on the property was required for younger sheep. To-day at Midland Junction you cannot get

more than from 5s. to 7s. 6d. per sheep, and if you get that you are doing very well. The banks have been more than generous; they know as well as we do that if anybody can pull the country through, it will be the primary producer. The banks wanted to see security of tenure granted to an extent that would enable them to get their money back, and help to put their clients on their feet again. There is nothing more to be said. I merely wished to correct Mr. Drew on the subject of the river frontages, and point out that the position in which the pastoralists find themselves is due to no fault of their own after all their years of toil, tribulation and hardship. I support the second reading of the Bill.

HON. G. W. MILES (North) [10.50]: I congratulate the Government on having brought down the Bill, and I thank Mr. Drew for his support. It is necessary the pastoralists should have an extension of their leases. The trip we had through the North recently gave us an opportunity to see the country for ourselves. Prior to the extension of the leases in 1917 pastoralists did not know what was going to happen. There was a lot of talk about smaller holdings, and as Mr. Holmes has pointed out, the river frontages in the early days were permitted to be eaten out. One particular place, Mardie Station, on the Fortescue River, was as bare as the floor of this House, but through judicious stocking, a 15,000-acre paddock of salbush was available for the cattle. At one station that we inspected, when the extension was granted in 1917, the owners had spent £13,000 on their water supply. Magnificent dams and a pumping plant were provided, and the water was pumped eight or ten miles. The flocks were also improved to the extent that they cut there up to 12 lbs. of wool. By giving security of tenure we are assisting the pastoralists without cost to the State, and we are improving the security upon which it will be possible to get financial assistance. In the Northern Territory the leases granted by the Commonwealth are for 66 years, and now a suggestion has been made that leases should be granted at Melville and Bathurst Islands, and that these leases should be for 99 years. I am pleased that the Government have brought down the Bill, and at the reception it has received. I support the second reading.

HON. C. H. WITTENOOM (South-East [10.54]: I want to know for what purpose these huge tracts of country in the North could be used if an extension of the leases were not granted. Their use for any other purpose is out of the question, but if by some extraordinary change of seasons it were possible to use those areas for other purposes, there would be nothing to prevent the Government from taking them over. It may be in the minds of some hon. members that some of these very large holdings should be cut up into smaller holdings, but I remind members that in almost every instance where pastoralists have attempted to run sheep and cattle on smaller holdings they have failed; they have ultimately had to merge several leases, or perhaps adjoining pastoralists with bigger holdings have absorbed the smaller areas. I wonder how many members are aware of the actual position in which pastoralists in Western Australia find themselves to-day as compared with the position when the previous extension was granted in 1917. At that time the price of wool was 15½d. per lb. Now—I am not quoting yesterday's sale—the price is 8½d. It is estimated that it costs 1s. to grow a pound of wool, and it is impossible to sell fat sheep. It is generally known that on a great many of the northern stations thousands of sheep are being slain. To-day a pastoralist is fortunate if he can get 4s. for a fat wether.

Hon. A. Thomson: I know of one case where a pastoralist recently obtained ½d. for each of his sheep.

Hon. C. H. WITTENOOM: Within the last couple of months a couple of thousand wethers came down from the North and the owner not only did not receive anything for them, but had to hand over a cheque. To-day station properties are practically unsaleable. One point I desire to stress is that in connection with the pastoral industry, no financial assistance has ever been sought from the Government. I support the second reading of the Bill.

HON. W. H. KITSON (West) [10.57]: I do not oppose the Bill, principally because Clause 2 is a safeguard, in that it provides for reappraisal after every period of 15 years. I realise that pastoralists, in common with other primary producers in this State, really need all the assistance it is possible for the State to give them at the present time. In my opinion, however, the

position of some of the stations would have been considerably better to-day had they attempted 20 years ago to do what they are being forced to do to-day.

Hon. J. Cornell: A lot of us would be better off to-day if that applied to us, too.

Hon. W. H. KITSON: Quite so. In 1917, as Mr. Miles pointed out, owing to the uncertainty that existed at the time, the pastoralists endeavoured to get as much out of their properties as possible, with the result that the feed on the water frontages was eaten out.

Hon. G. W. Miles: That was because of all the talk about the insecurity of tenure.

Hon. W. H. KITSON: Although those areas were eaten out as bare as a board, on the other side of the fence the saltbush was flourishing. Water supplies were provided in many parts.

Hon. G. W. Miles: At the expense of the pastoralist, not at that of the country.

Hon. W. H. KITSON: Exactly. When the pastoralists were doing fairly well, they should have improved their holdings and provided water supplies and so forth in the back areas. Had they done so, they would not have gone through the experience that confronted them in later years. On the other hand, they took all they could out of their leases and put as little back as possible. They used the natural water supplies and when they struck a bad period, they were in difficulties. Notwithstanding that, I do not propose to oppose the Bill, although an extension for 50 years seems a very long period. As Mr. Drew pointed out, probably no one could do better with the leases than the pastoralists who are occupying them to-day, and as there is provision for reappraisement every 15 years, I think the Bill can be passed as it stands.

Question put and passed.

Bill read a second time.

Remaining Stages.

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

Read a third time and *passed*.

MOTION—STATE FORESTS REVOCATION.

Debate resumed from the 16th December on the following motion by the Chief Secretary:—

That the proposal for the partial revocation of State forests Nos. 14, 15, 28, 33, 34 and 42, laid on the Table of the Legislative Council, be carried out.

HON. W. J. MANN (South-West) [11.5]: I have made some inquiries regarding the areas covered by the motion and I feel justified in asking the House to support the Minister. At the same time I desire to be assured by him that the areas to be excised from State forests will be treated as Crown land in the ordinary way. I was not present when the Minister moved the motion and consequently I have to rely on hearsay as to what he said. I understood reference was made to some persons having applied for the areas.

Hon. V. Hamersley: Can you give us the names?

Hon. W. J. MANN: No, and if I could, I do not know that I would make them available to the hon. member.

Hon. V. Hamersley: That is what we want to know.

Hon. W. J. MANN: It does not matter whether Brown or Jones applied for the areas. It is invariably the custom for some individual to make application for a cut-out block or land that has no marketable timber on it. There are many thousands of acres in the forest areas that have yet to be excised, and as people desire to take them up, so they make application for them. They are inspected by the forestry officers and, if deemed desirable, they are made available for selection. I want to be assured that others will have an opportunity to apply for blocks apart from those who first made application. If the applications are dealt with on their merits the House will not cavil at this proposal. I have known of an instance in which a father made an application for a small piece of land so that he might settle his son on it. Others made application for the block as well, and the matter was dealt with by the Land Board strictly on its merits.

Hon. V. Hamersley: Will other applications be dealt with in the same way?

Hon. W. J. MANN: I have no reason to believe that any departure will be made

from that practice in the future. I know all the areas affected by the motion with one exception and I recommend the House to agree to the excision of the blocks specified.

THE CHIEF SECRETARY (Hon. C. F. Baxter—East—in reply) [11.10]: I can assure the House that there is no reason to fear that the Conservator of Forests is allowing the eyes to be picked out of the forests. Before any revocation is recommended at all, the land is inspected by a forestry inspector, and if the result of his inspection shows that the land is useless for forest purposes and would be useful for agricultural purposes, then the Conservator recommends that it be excised from the forest concerned. But such land cannot be excised in favour of any particular person, because immediately any revocation takes effect, the land automatically becomes Crown land, with the result that the selection of such land is then governed by the provisions of the Land Act. Under these provisions such land must be advertised as open for general selection and should there be more than one applicant, then the applications go before the Land Board. Any person can submit an application for Crown land that has not been thrown open for selection, but no such application can be granted until the land has been advertised as being open for selection. That makes the position perfectly clear. The land will have to be inspected by the forestry officers and if it is to be excised, it will be treated as ordinary Crown land and will be thrown open for selection.

Question put and passed.

House adjourned at 11.13 p.m.

Legislative Assembly,

Tuesday, 20th December, 1932.

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

QUESTIONS (3)—FINANCIAL EMERGENCY TAX.

Collections from Married Persons.

Mr. GRIFFITHS asked the Premier: 1, Is it intended to collect the financial emergency tax from married farm labourers and others on reduced wages, where the man has a wife, and seven children to support? 2, Is it possible to grant exemption in such cases?

The PREMIER replied: 1, Under Section 4 (d) a married person is exempt from tax if his rate of pay is less than £2 per week, or his income is less than £104 per annum. 2, The law does not permit this except as provided in 1.

Hon. P. Collier: The hon. member voted so that it would not be permitted. He ought to ask a question like that!

Tax on Holiday Pay.

Hon. S. W. MUNSIE asked the Premier: 1, Is he aware that the Commissioner of Taxation has notified the Chamber of Mines that the financial emergency tax will be collected on holiday pay which was earned prior to the 30th November this year, but is paid during December? 2, In view of the official statement issued by the Commissioner of Taxation that wages earned prior to the 1st December would not be subject to tax, will he issue instructions in accordance with such