

Like the whole of the goldfields residents, I join with the Minister in his expressions of sorrow at the death of our colleague.

**HON. H. SEDDON** (North-East) [4.40]: I, too, desire to support the motion of condolence with the widow and relatives of my late colleague. Mr. Allsop was not very well known to members generally, but I can assure them that he will be sadly missed throughout the North-East Province, where there are many people who can thank him for numerous kindly acts of helpfulness when they were in need of assistance, acts gracefully performed in a quiet, unassuming way. Mr. Allsop was closely identified with the public life of the goldfields for many years and, as I say, played a kindly part in the private lives of many in the district. I join with members in deploring the loss sustained in the death of the hon. member.

**THE PRESIDENT** [4.41]: Most of the members of this House had not many opportunities of knowing Mr. Allsop intimately. True, he was a member for two years, but unfortunately he was suffering during most of that period from the illness that ultimately proved fatal. They, therefore, could not become acquainted with his real character and worth. With those of us who come from the goldfields, where he lived and worked, it was different. I first met him 27 years ago when he came to Kalgoorlie, a man full of mental and physical energy, and where he was successful in getting the confidence of all with whom he did business. Busy though he was, he had a high sense of his duty to the public, and he felt it only fair for him to spare some of his time for civic work. As a member of the Kalgoorlie Municipal Council and as Mayor of Kalgoorlie he rendered service worthy of the public gratitude. Later the goldfields public showed how highly they esteemed him when, two years ago, they returned him to represent them in this Chamber. Even in that short time, he made some speeches which were extremely valuable contributions to debates, especially on mining subjects. His death is universally deplored on the goldfields where he was best known, as it is also deplored in this House, and throughout the State generally. To his sorrowing widow and family we tender our deepest sympathy.

Question put and passed, members standing.

The **CHIEF SECRETARY**: Out of respect for the memory of the deceased gentleman, I move—

That the House do now adjourn.

Question put and passed.

*House adjourned at 4.43 p.m.*

## Legislative Assembly,

*Tuesday, 20th September, 1932.*

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

### QUESTION—RAILWAY TONNAGE.

Mr. **WANSBROUGH** asked the Minister for Railways: 1, What tonnage of superphosphate was hauled from Picton from the 1st of January to the 30th June, 1932—(a) to stations Picton to Perth; (b) to stations and sidings east of Brunswick, including Narrogin, Yilliminning, G.S.R. stations, and spur lines; 2, What tonnage of Collie coal was hauled to all stations from the 1st of January to the 30th June, 1932—(a) number of trucks used? 3, How many empty trucks were hauled from Collie eastward from the 1st of January to the 30th June, 1932?

The **ATTORNEY GENERAL** (for the Minister for Railways) replied: 1, (a) and (b) 1,166 tons, 9,957 tons. 2, 203,618 tons; (a) 21,691 trucks. 3, 2,540 trucks.

### QUESTION — REDUCTION OF MEMBERS.

Mr. PIESSE asked the Premier: In view of the necessity for further economy in the administration of Government, will he give early consideration to the question of introducing a Bill to provide for a reduction of the number of members of both Houses of Parliament, or for a reduction of the allowance paid to members?

The PREMIER replied: A reduction of twenty per cent. in the allowance paid to members of Parliament has already been made. This is in accordance with the emergency legislation.

### QUESTION—MENTAL CASES.

Mr. MARSHALL asked the Minister for Health: 1, What was the number of admissions to the Point Heathcote Observation Home during the year ended 30th June, 1932? 2, How many were discharged as fit and well during the same period? 3, How many were sent, as incurable, to Claremont Hospital for the Insane during the same period?

The MINISTER FOR HEALTH replied: 1, 305. 2, Patients—recovered 108, relieved 51, not improved 19, died 7: total 185. 3, 84. This number cannot be set down as incurable. From time to time transferred patients are discharged as cured from the Claremont Hospital for the Insane.

### QUESTION—ESPERANCE JETTY.

Mr. NULSEN asked the Minister for Railways: 1, Is he aware that in the report of Government Railways, 30th June, 1932, it is stated—(a) that the Esperance jetty was maintained sufficiently well to meet shipping requirements; (b) that a number of condemned piles were replaced and piers were strengthened; (c) that it cannot be denied that the whole structure is too weak for the class of shipping it is called upon to serve? 2, Will he take the necessary steps to make Esperance jetty safe for the accommodation of shipping for the transport of the 1932-33 wheat crop and other exportable commodities produced by the settlers of the mallee district?

The ATTORNEY GENERAL (for the Minister for Railways) replied: 1, Yes. 2, The department has the position in hand, and the jetty will be quite capable of handling the coming harvest.

### QUESTIONS (2)—COLLIE COAL COMPANIES.

#### *Royalty on Mining Timber.*

Mr. WILSON asked the Minister for Forests: What was the aggregate amount of money collected by the Forests Department from all the coal companies operating in Collie for royalties on timber for mining purposes during the five years ended 30th June, 1932?

The ATTORNEY GENERAL (for the Minister for Forests) replied: £3,311 4s. 11d.

#### *Royalty on Coal.*

Mr. WILSON asked the Minister for Mines: What was the aggregate amount of money collected by the Mines Department from royalty on coal from all the coal companies operating in the Collie coalfields during the five years ended 30th June, 1932?

The ATTORNEY GENERAL (for the Minister for Mines) replied: £30,627 13s.

### QUESTION—NORTH PERTH SCHOOL ADDITIONS.

Mr. PANTON asked the Minister for Works: 1, Is it proposed to build the new rooms at the North Perth school of brick? 2, If so, when will they be started?

The MINISTER FOR WORKS replied: 1, Yes. 2, Plans have been modified, and tenders will be called again next week.

### BILL—MINING ACT AMENDMENT.

Introduced by the Attorney General (for the Minister for Mines) and read a first time.

### BILL—MAIN ROADS ACT AMENDMENT.

#### *In Committee.*

Resumed from the 15th September. Mr. Richardson in the Chair; the Minister for Works in charge of the Bill.

Clause 6—Amendment of Section 33:

(Mr. McCallum had moved an amendment, "That the proposed new subsection 2 be struck out.")

Hon. A. McCALLUM: I have made several attempts to induce the Minister to agree to the amendment. No doubt he considers that the change will be in the interests of country road boards, but it will not. It will actually penalise all local authorities. There will be a reduced amount of Commonwealth money to spend and the road programme, on that account, will be restricted. Then, because he has authority to use the Commonwealth money for maintenance, he proposes to hand back to country road boards the percentage they have contributed towards maintenance, but will keep the metropolitan percentage, which was previously spent in the country, and spend it in the metropolis. Less money will be spent in the country than previously because of that percentage being spent in the metropolis.

The Minister for Works: Quite right.

Hon. A. McCALLUM: This, in my opinion, is the beginning of the end of the main roads policy. I regret that, because the policy of the last few years has greatly assisted the development of the country. Differentiation between country and metropolitan boards is equitable. If the Minister wishes to pay back the percentage, he should pay it to metropolitan boards as well as to country boards. The metropolitan authorities will still have to pay the 22½ per cent., but will not have control of it. The Minister has power to spend up to 50 per cent. of the metropolitan traffic pool fees, and this Bill unmistakably gives him power to spend an additional 22½ per cent. That makes a total of 72½ per cent. If that is not correct, my arithmetic must be bad.

The Minister for Works: It is bad.

Hon. A. McCALLUM: Frequently up to 50 per cent. of the traffic fees has been spent.

The Minister for Works: Never.

Hon. A. McCALLUM: Subsection 2 of Section 13 of the Act states that the pool shall be chargeable with the cost of collection, certified to by the Minister, and "as to one-half of the net balance of said fees to deduct therefrom the costs incurred by the Minister" in repairing the Perth-Fremantle-road. No one will benefit by this proposal, except the Government, who will be relieved of the obligation of finding the capital expenditure for the construction of roads and bridges in the metropolis. The Bill makes the metropolitan area carry a

burden which local authorities in the country are not asked to bear.

Mr. SLEEMAN: It strikes me that this subclause will bear very harshly on some of the local authorities. I do not see why a certain proportion of traffic fees should not be taken from country authorities as part cost of the provision of bridges in the metropolitan area. The Causeway itself is a national work that will be used by centres all over the State, and I cannot see why the metropolitan area should foot the entire bill. There is no doubt the Minister intends to bring into the metropolitan area 22½ per cent. of the traffic fees which used to be kept by the country areas.

The MINISTER FOR WORKS: We never have spent 50 per cent. of the traffic fees on maintenance. The fund consists of £96,950. We have divided amongst the local authorities £57,838, 59½ per cent. of the total of the traffic fees collected in the metropolitan area. Ten per cent. is taken out for collection, 22½ per cent. is taken out for main roads, approximately one per cent. is used for refunds and rebates, and we hold 7 per cent. this year for the maintenance of main roads. We cannot use one penny of the 50 per cent. for construction or reconstruction of roads. Of the metropolitan fees 22½ per cent. has been spent on the maintenance of country roads, and this, under the Bill, will be spent in the metropolitan area, in part on the Causeway. Altogether 39½ per cent. of the fees has been taken this year and not 50 per cent. as stated by the member for South Fremantle. The local authorities in the country will have their own traffic fees to spend on road construction, but the 22½ per cent. which they used to get will be spent in the metropolitan area on roads and bridges. This money will give us an opportunity to do that work which is required.

Mr. HEGNEY: The local authorities in my electorate are satisfied that under this clause their interests will be better served than they have been in the past. I have continually urged that money should be spent on developmental roads in the metropolitan area, but have been informed there is no money available. That difficulty will, however, be largely overcome by the allotment of 22½ per cent. of the traffic fees to that purpose. Less money is being collected in the country districts to-day than is the case in the metropolitan area, and many road

boards have not been able to contribute towards the traffic fund. Therefore from the point of view of metropolitan road boards and municipalities the Bill calls for favourable consideration. The construction of a bridge between the Causeway and Guildford is long overdue, and the passing of the measure would make a contribution of £26,000 available for the purpose.

**Mr. SLEEMAN:** A bridge taking the whole of the country traffic entering and passing out the city is a national question. The member for Middle Swan may find that the Bill will have a boomerang effect.

**Hon. W. D. JOHNSON:** I must support the Minister on this clause. Experience has shown that some alteration is necessary. Under existing conditions various activities necessary for main road maintenance cannot be undertaken legally in the metropolitan area; though, it is true, they are carried out there to-day. The Act is too circumscribed. The amendment here suggested will enable necessary works to be carried out legally.

Amendment put and negatived.

Clause put and passed.

Clause 7, Title—agreed to.

Bill reported with amendments.

## **BILL—FACTORIES AND SHOPS ACT AMENDMENT.**

### *Second Reading.*

Debate resumed from the 8th September.

**HON. A. McCALLUM** (South Fremantle) [5.7]: I presume this Bill is considered necessary by reason of the development which has recently taken place in the South-West, and particularly as the result of the establishment of butter, cheese, and preserved milk factories there. At present the law provides that during certain periods, not exceeding three months, the restriction applying to overtime work by women and boys—namely, overtime on not more than two days per week, or two consecutive days in any week, and not on more than 52 days in any year—shall not apply to fruit-canning, fruit-drying, and jam factories between January and April. The Bill proposes to bring factories dealing with the products of milk under the same category, and to wipe out the restriction of overtime worked by

girls and boys in such factories. However, the restriction is to be lifted from the 1st August to the 1st February, a period of six months, whereas in other cases the free hand in respect of overtime is limited to three months. The Bill says, in effect, that there shall be no restriction at all as regards overtime on boys and girls in these industries, for outside the months referred to in the Bill no demand for overtime will arise; on the contrary, during the other months it will take the factories all their time to keep themselves going. The great probability is that during those months there will be restriction of hands instead of overtime work. The exemption proposed covers the whole of the period when there is likely to be any demand at all for overtime work by boys and girls, and the factories here in view will be largely limited to boy and girl labour. The Bill practically nullifies that section of the Act which restricts overtime for this class of employee. I am not arguing that overtime is not necessary during some of the months mentioned in the Bill. If the lifting of the restriction applies in the case of fruit-canning, fruit-drying and jam factories, it should reasonably apply to factories dealing with milk products, which have an equal, if not a greater, claim to immediate treatment. The period suggested, however, is altogether too long. The peak period for milk products lasts only while the green feed lasts. When the green feed goes off, milk products likewise go off.

The Minister for Lands: But this will refer to an irrigation area.

**Hon. A. McCALLUM:** The Bill is not limited to irrigation areas, but applies throughout the State. Irrespective of whether there is irrigation or not, the fact remains that after Christmas there is but little green feed in any part of Western Australia. There has not been, so far as I know, any request for the lifting of the overtime restriction after the period of green feed. In fact, there is little green feed in the South-West during August; it is on to September before much green feed is to be found there. Not until the warm weather comes along does the period of likely rush begin. The Minister, however, takes the period as from the 1st August, which in my opinion is altogether too early. September, I consider, is early enough for lifting the restriction. Otherwise the provision will be open to abuse. I do not oppose the principle of the Bill, but I am against the period, six

months. I suggest to the Minister that it would be far more equitable to take the period from the 1st September to the end of November, or perhaps even to the end of December, which would give four months' exemption. Six months' exemption might mean that the industry would be understaffed, because overtime rates for boys and girls do not involve a good deal of money, since boys and girls do not receive high wages. The case is different when men are employed. It is questionable whether there will be enough employees in this industry to warrant the formation of a union. Even if a union were established and an arrangement regarding overtime arrived at, the penalty of time and a quarter would not deter employers from working overtime. In the case of men, time and a quarter or time and a half does act as a deterrent. I fear that these factories may be understaffed, and may work overtime when they could be giving employment to more hands. The Government are rushing every employee they have working on wages. They are spreading out employment. Consistently with that policy, the Government should refrain from encouraging a private employer to work overtime, and thus limit the number of his employees. I think the entire House will subscribe to the idea that overtime should be restricted or abolished wherever possible, and that the law should make it as difficult as possible for the employer to work overtime when it is possible for him to increase his staff. I admit that in this industry, as well as in others mentioned in the Act, there are peak periods when, in order to cope with the rush of business, an employer might have to instal additional plant. The capital outlay involved might be too great for the industry to carry all the year round merely to cope with the rush period. To provide an exemption for six months is not sound. It should be limited to three months, but, as a compromise, I would suggest the period of exemption should start on the 1st September and terminate at the 31st December. That would be a fair compromise and would cover the full period when green feed was available.

The Minister for Works: It is available in January, too.

Hon. A. McCALLUM: I do not think there is any green feed available in that month.

Hon. W. D. Johnson: The best feed we have on the Guildford couch flats is in January.

Hon. A. McCALLUM: That may be so, but I owned land in the South-West for many years, and I have a good idea when the green feed goes off. I know when the production of my stock eased off. Clovers and other pastures, on which the dairying industry largely depends, do not last after Christmas although in a few isolated parts, and in irrigation areas, the green feed may last a little longer. If the Minister accepts my suggestion to limit the exemption period to the months from September to December, inclusive, that will be a fair compromise. It cannot be argued that the establishment of the industry depends upon the passing of the Bill, because the industry is already in existence. The money has been invested, the factory erected, and liabilities incurred.

The Minister for Works: But the people concerned consulted the Government on this matter.

Hon. A. McCALLUM: I have no doubt they did so, but all the Government could have promised was that they would introduce the amending legislation. They could not have guaranteed what Parliament would do. Thus the people concerned have established their factory under the law as it stands. The Government will be well advised to accept the modification, since it will not inflict any hardship on the industry. The company may have to pay overtime for an additional month, but they are already limited under the existing law. No one will argue that after February there will be any demand for overtime. During the six months not covered by the Bill, it will be found difficult to keep the works running. When we reach the Committee stage, I shall move an amendment to give effect to my suggestion.

**MR. McLARTY** (Murray-Wellington) [5.20]: I support the Bill. As the Minister pointed out, it is necessary that the factory shall be able to operate seven days a week, and, at certain periods, it will be necessary to work overtime. I visited the factory and discussed the question generally with the manager. I can assure the member for South Fremantle (Hon. A. McCallum) that the company will not work overtime unless it is absolutely necessary to do so. Provision is made for overtime in the Act, so I cannot see that any objection can be taken to the Bill on that score. At present the factory is employing 24 hands, and, as the member for South Fremantle pointed out, some are boys and some are girls. The majority of the employees are adults.

Mr. Hegney: How many adults are there employed in the factory?

Mr. McLARTY: I cannot say the exact number, but the majority are adults.

Mr. Panton: The Bill does not affect adults.

Mr. McLARTY: No. There are not many boys and girls employed at the factory at present. One thousand gallons of milk are being treated daily at the factory now, and it is hoped in the near future to increase that quantity to 2,000 gallons daily. The factory consumes 30 tons of Collie coal weekly and all the tins used are manufactured in the State. I hope Parliament will encourage the operations of the company and pass the Bill.

Question put and passed.

Bill read a second time.

#### *In Committee.*

Mr. Richardson in the Chair; the Minister for Works in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 39:

Hon. A. McCALLUM: I move an amendment—

That in line 4 of paragraph (b) "August" be struck out, with a view to inserting "September" in lieu.

The busy season is not in August. The season would have to be exceptional for green feed to be available so that the factory would be working at full pressure in August. It is usually well on in September when that occurs. There should be no necessity to lift the restriction during August.

Mr. McLARTY: The factory is operating in an irrigation area, and will draw the greater bulk of its milk supplies from irrigation areas. It is during the summer months that the greatest quantity of feed is procurable in that part of the State. There are three irrigation areas adjoining the locality where the factory is erected, and the more those areas become developed, the greater will be the quantity of fodder available, and that applies to milk as well.

Hon. W. D. JOHNSON: If there is anything in the contention of the member for Murray-Wellington, then he must support the amendment. He must know perfectly well that irrigated land is not drawn upon for supplies in August. The date proposed

by the member for South Fremantle is reasonable.

The MINISTER FOR WORKS: Even if the clause be agreed to, it does not mean that the factory can incur overtime to any extent desired, because the Act, in Section 39, specifically deals with that phase. I have been to the area concerned, and have seen the feed. This may be an early year, but certainly there was very fine feed available in August.

Hon. W. D. JOHNSON: This is an exceptional year.

The MINISTER FOR WORKS: With regard to my conversation with the manager of the factory, he made it clear that those affected by the necessity to work seven days a week are those engaged in the processing operations, not in the canning or box sections of the factory.

Mr. Panton: But the clause will give the management the right to work the others correspondingly.

The MINISTER FOR WORKS: Yes, but that is not intended.

Hon. W. D. JOHNSON: There is always a danger in such arrangements.

The MINISTER FOR WORKS: The management will not employ all the staff on overtime if the work can be done in ordinary time. There are always flush periods but they are later in the South-West. I will accept the compromise to commence as from September, but I think the exemption period should extend to January. It must be remembered that the factory is operating in an irrigation district and is constructed by an irrigation drain. Irrigation will provide summer crops and there will be feed available during December and January. The flush period must be at least five months, and if it starts on the 1st September it should close at the end of January.

Amendment put and passed.

Hon. A. McCALLUM: I move an amendment—

That "September" be inserted in lieu of the word struck out.

Amendment put and passed.

Hon. A. McCALLUM: I am sorry the Minister will not accept the compromise I suggested. Five months is a very long period. I have a detestation of overtime. There must be a strong case put up to warrant an exemption that will satisfy me. Of course there are exceptions where a big financial

outlay is required to establish an extensive plant that would be working only a month or two in the year. One then would naturally agree that during the rush period there should be overtime. This proposes practically to lift the overtime restrictions applying to boys and girls during the whole year round. I move—

That in line 5 of paragraph (b) "February" be struck out with a view to inserting another word.

**THE MINISTER FOR AGRICULTURE:** I trust the amendment will not be carried. Members should get it out of their minds that the South-West of to-day and the South-West of the future are going to remain as they were in days gone by. Irrigation is completely altering the complexion of the South-West as a dairying locality. Irrigation will extend by many weeks the period in which green feed will be available. Subterranean clover and other grasses are being introduced to such an extent that the green-feed period will be extended considerably.

Hon. W. D. Johnson: But it does not last.

**THE MINISTER FOR AGRICULTURE:** It does last. It is put into stacks and cows will be milked for many months longer than in the past. The member for South Fremantle is trying to support his argument by quoting what has taken place on his farm. But at that time the farm was in its early stages of development and it is only natural that the feed should have gone off at the end of the season. That does not apply to a big percentage of the dairying propositions now, where more up-to-date methods of dairying practice are being applied. The period is extended in which farmers will be able to supply milk to the factories.

**Mr. PANTON:** It is not intended to amend the Factories Act every time a new factory is established, but if the proposal contained in the Bill is agreed to it will mean that every butter factory or cheese factory that will come into existence in the next few years will come under this measure, and the weary years that were spent trying to get shorter hours for women and children in factories will have been wasted. If what the Minister has said will happen, I can visualise green feed practically all the year round, and in a short time we shall have the Minister coming forward to increase the hours worked by boys and girls during the whole of the year. If we agree to the amendment

the member for South Fremantle proposes to move, we shall be doing a fair thing. We should limit the hours of youths employed in factories whether they be butter, cheese or jam factories. On the surface all these matters appear to be as the Minister describes them, but eventually we shall find that youths will be working all hours. The Factories and Shops Act was agreed to after a long investigation by a select committee travelling throughout the State. Now we are trying to extend the hours to what they were in the bad old days.

**Hon. W. D. JOHNSON:** The member for South Fremantle has made it quite clear that this side of the House is not opposing the extension as an extension; it is the duration of the period that is in question. The Bill proposes to give all to the companies and to take all from the employees. No payment can compensate for overtime, which we, on this side of the House, object to on principle. It is only in exceptional circumstances that overtime should be worked. The Minister for Agriculture contends that the flush period will be extended because of the introduction of irrigation. That may or may not be right. It may be argued that the flush period may be extended to the 1st January, though it is wrong to assume that it will be extended to the 1st February. Experience has taught us that immediately we grant provisions of this kind they are used as the maximum. We say that, whilst we admit the argument is sound, and it should be applied to the factories mentioned, we must see to it that employees are not called upon to do that for which there is no justification. The question of irrigation has no bearing at all on the matter. Climate is a big factor and we cannot hand-feed and maintain the flow that it is possible to get through the natural feeding period from the 1st September to the end of January. I hope that when "February" is struck out the Minister will agree to a reasonable compromise that will give the company a fair opportunity. There should be no desire to unduly exploit the workers.

**Mr. KENNEALLY:** Under the existing law, women and children can be worked overtime on 52 days in the year. Surely that goes far enough for all conditions. If there is reason for working overtime on more than 52 days within a period, not of one year, but of six months or less, it is

a sound argument for the employment of additional hands. We must remember that this will not be restricted to the South-West, but will apply to the whole State. Particularly in such a period as we are passing through, if overtime is likely to be required in any large degree, the work ought to be spread over a larger number of employees.

**The MINISTER FOR WORKS:** The reason for the original amendment in the Act was the working of seasonal occupations, such as jam and fruit factories. Overtime is permitted during the flush period, when the fruit is ripe and being picked.

**Mr. Panton:** But the fruit-picking period does not last for three months.

**The MINISTER FOR WORKS:** No, but the Act provides that, if necessary, overtime can be worked during a period of three months. I do not know much about the flush period for milk, but I know that even in the wheat belt the flush period extends over five months in the year, and I believe the flush period for milk is of about the same duration. If the clause be passed as printed, it will mean 120 working days—that is, for the period of five months—but that is not to say the employees will be called upon to work overtime on 120 days, for the Act limits it to 52 days in the year. That provision will still stand.

**Mr. Marshall:** But all the overtime will be worked within the five months.

**Hon. A. McCallum:** It is questionable whether the 52 days will be spread over the year or compressed within the five months.

**The MINISTER FOR WORKS:** Under the Act, overtime can be worked on 52 days in the year, and for not more than two hours per day. Since there are 120 working days in five months, the employees will not be permitted to work overtime every day, for they cannot work more than the prescribed 52 days. It may not be necessary to work so much overtime, even during the flush period. As for the flush period embracing January, from what I have seen in the South-West I think irrigation will carry the flush period right on till March. Even at present the flush period extends over December and January. The member for Guildford-Midland (**Hon. W. D. Johnson**) said just now that January, when the couch

grass is available, is the best month in the year. If the flush period extends over five months, and we are to give exemption for only three months, why give any exemption at all?

**Hon. A. McCallum:** Five months means 20 weeks or 120 working days. So this will mean five nights of overtime every fortnight. Fancy that strain on a boy or a girl!

**Mr. Panton:** In the middle of the summer, too.

**Hon. A. McCallum:** The restriction in the Act is based, not on the opinions of laymen, but on medical opinions framed after careful examination. That law operates, not only here, but also in the older countries of the world including England, where boys and girls cannot be worked overtime more than our existing law prescribes. It is setting back the clock to provide that for five nights per fortnight for five months on end, boys and girls may be worked two hours overtime. These new companies have not demanded this. They have built their works, so presumably they are satisfied with the law.

**The Minister for Works:** They discussed this with the Government before erecting their factories.

**Hon. A. McCallum:** The Government could not guarantee the attitude of Parliament. The fact that the works are already there, indicates that those responsible are prepared to take the risk. We do not want to place any hardship or restriction on those companies, but we are here to look after the health of the employees in the factories. Let our amendment be accepted now, and if later on the company can demonstrate that they are being hampered by the amendment, we will then be prepared further to consider the point. Down the South-West, butter factories have been working for many years, yet have not asked for this concession, notwithstanding which the Minister has included butter factories in the Bill.

**The Minister for Works:** You can amend that and make it cheese factories.

**Hon. A. McCallum:** But the Minister wants to cover milk factories. "Cheese factories" will not do that. The butter factories have not asked for this, and so it should not be extended to them.

**The Minister for Works:** Certainly they have not asked for it.



Mr. Panton: But the Bill covers butter factories, and so will include cream.

The Minister for Agriculture: Cream is different from milk, and in this instance does not matter.

Hon. A. McCALLUM: But "cream" covers butter fat.

The Minister for Works: I will amend that later.

Hon. A. McCALLUM: We want it amended, for the existing law has not imposed any hardship on butter factories. The cheese factory at Manjimup has been operating for a couple of years, and I have not heard of the restriction having caused any hardship there.

The MINISTER FOR WORKS: There was no intention to include butter factories, and I propose to restrict the clause to condensed milk and cheese factories. Those factories use fresh milk which must be dealt with on the day of delivery, whereas butter factories can hold the cream. As the flush period extends over five months, I cannot accept any limitation.

Hon. S. W. MUNSIE: The Minister for Agriculture indicated that mostly adults would be employed. We are concerned only about the boys and girls likely to be employed. I am opposed to giving the right to work boys or girls overtime, more particularly at such a time as at present. One of our troubles is lack of employment for the young people. When the Factories and Shops Act was amended, a joint select committee took evidence and the existing exemption was inserted.

The Attorney General: In whose interests?

Hon. S. W. MUNSIE: In the interests of the employers.

The Attorney General: Do not you think it might have been inserted partly on account of children working in a seasonal occupation?

Mr. Panton: There was plenty of work for young people in 1920.

Hon. S. W. MUNSIE: There is no comparison between the volume of employment offering in 1920 and now. At a time when there are so many people unemployed, overtime should not be permitted for five minutes, much less for five months. I would

support an amendment to cancel the existing exemption.

Amendment (to strike out "February") put, and a division taken with the following result:—

Ayes	..	..	..	..	19
Noes	..	..	..	..	20

Majority against .. 1

AYES.	
Mr. Collier	Mr. Munsie
Mr. Cunningham	Mr. Nulsen
Mr. Hegney	Mr. Panton
Miss Holman	Mr. Raphael
Mr. Johnson	Mr. Sleeman
Mr. Kenneally	Mr. F. C. L. Smith
Mr. Lamond	Mr. Troy
Mr. Marshall	Mr. Wansbrough
Mr. McCallum	Mr. Wilton
Mr. Millington	
	(Teller.)

NOES.	
Mr. Angelo	Mr. Lindsay
Mr. Barnard	Mr. H. W. Mann
Mr. Brown	Mr. McLarty
Mr. Church	Sir James Mitchell
Mr. Davy	Mr. Parker
Mr. Doney	Mr. Piesse
Mr. Ferguson	Mr. Sampson
Mr. Griffiths	Mr. Thorn
Mr. Keenan	Mr. Wells
Mr. Latham	Mr. North
	(Teller.)

AYES.	PAIRS.	NOES.
Mr. Withers		Mr. J. I. Mann
Mr. Corboy		Mr. J. H. Smith
Mr. Willecock		Mr. Scaddan

Amendment thus negatived.

The MINISTER FOR WORKS: At a later stage I propose to recommit the Bill to restrict the clause to milk products factories other than butter factories.

Hon. A. McCallum: Has the exemption been asked for on behalf of the Manjimup Cheese Factory?

The Minister for Lands: That factory has been closed for a long time, but another has been started recently.

Clause, as previously amended, agreed to.

Clause 3—Amendment of Third Schedule:

On motion by the Minister for Works, clause consequentially amended by striking out "August" and inserting the word "September."

Clause, as amended, agreed to.

Title—agreed to.

Bill reported with amendments.

*Sitting suspended from 6.30 to 7.30 p.m.*

# **BILL—SPECIAL LICENSE (WAROONA IRRIGATION DISTRICT).**

## *Second Reading.*

Debate resumed from the 8th September.

**HON. J. CUNNINGHAM** (Kalgoorlie) [7.30]: This Bill may be described as a simple measure containing a very dangerous provision. Its object, as explained by the Minister, is to enable the Nestles Milk Company at Waroona to obtain a supply of water from an irrigation channel known as the Drakesbrook drain. I understand the factory is already built, and is operating. The Minister has authority, under the Rights in Water and Irrigation Act, to grant a special license to the company for a period of upwards of 10 years. I understand he has already granted such a license, and that it is upon that authority the company are operating their works. The Bill, however, provides for a special license for a period of 99 years, a period, one may say, covering at least five generations. Apparently the company were prepared to spend their money and erect their factory, knowing they could not, under the existing Act, secure a license for water for a longer period than 10 years, unless the representatives of the company had received the consent of the Minister to bring down amending legislation to provide for a longer period. The Minister said that the factory was rendering service not only to the milk producers in the Waroona district, but to the State as a whole. I agree with him there, and also agree that everything possible should be done to encourage the building of factories and the launching of industries such as this one. I entirely disagree, however, with the granting of a 99 years' lease. Leases of a similar character have been granted during the last 25 years. We remember the agreement that was entered into with the Perth City Council in respect of current from the East Perth power station. The duration of this agreement is 52 years. This has had rather disastrous results to the profitable working of the Government scheme. The current is supplied at a price which does not pay the State or the power station, and yet the contract must endure for the whole of the 52 years. I also remember a Bill coming before the House some years ago authorising the construction of a railway from Waroona to Lake Clifton. That also covered a concession for 99 years. Within three or four years the Government were called upon to

take over that line, and I think that portion of it has now been removed. In the gold-mining industry the lease life of any mine is only 21 years. At the end of that period the mine owners have the right to apply for a further lease. At Wiluna considerably over £1,000,000 has been spent on plant and equipment on a mine, the lease of which endures for only 21 years.

The Attorney General: Have they not the absolute right of renewal at the end of 21 years?

Hon. J. CUNNINGHAM: No. There is nothing in the Mining Act giving an absolute right of renewal. Parliament could of course pass fresh legislation to amend the mining laws of the State, and provide conditions different from those which obtain to-day, and covering the future leasing of mining areas. I have yet to learn that pastoralists are granted leases up to 99 years.

The Minister for Lands: We are leasing land in your town along those lines.

Hon. J. CUNNINGHAM: The Minister for Lands no doubt refers to residential allotments for workers' homes. These are not granted under a special license, but there is a provision in the Land Act for the granting of special leases of quarter-acre lots for residential purposes in our gold-mining areas. Pastoral leases are for very much shorter periods than 99 years. The Nestle's Milk Company must have been satisfied with the law as it stood when they erected their works. Had they not been satisfied they would not have incurred the risk they did. There would be nothing to prevent the Minister, at the expiration of the temporary license for 10 years, renewing the rights for a similar period. We do not, as a Parliament, know what conditions will obtain in 20 or 30 years' time. The whole of the irrigation system may have undergone a change. Diversions may have been made that will completely change the position. The Minister for Works may say that if such a thing happens the Government will not be obliged, under the provisions of the Bill, to supply water to the company. If that is so, why are we asked to pass a Bill granting a concession for 99 years? I am inclined to think that the Minister is not keen on this long term.

The Minister for Works: I am.

Hon. J. CUNNINGHAM: Then he must have good and satisfactory reasons which have not been stated to the House. I shall oppose the Bill. The concession is for too long a term. It would be more beneficial to

the State if the Minister would bring down a comprehensive amendment to the Rights in Water and Irrigation Act, covering not only this company but others that may come into being in the future. This is a special license for one company only. If some other concern wishes to secure water from Government irrigation channels, Parliament will be called upon to deal with yet another special Bill of the same kind. For the reasons I have given I shall oppose the second reading.

**MR. McLARTY** (Murray-Wellington)

[7.43]: I did not anticipate any opposition to this measure. As the Minister has pointed out, only those people who are in the irrigation area have a right to use the water, and they have to pay for it. The member for Falgoolie (Hon. J. Cunningham) points out that the Minister has the right to give this company a lease for 10 years. That is not long enough. The company have spent £30,000 in the erection of a factory at Drakesbrook, and are doing a lot to encourage employment and industry within the State. It is now proposed to grant a 99 years' lease. I do not think the House has anything to worry about on that account. The Bill merely gives the company the right to take water from one part of the brook and put it back in another part. There are ample safeguards in the measure. The company have to guarantee that the water is returned in such condition as to be fit for irrigation and stock, and to guarantee to put back 90 per cent. of the water used. If exceptional circumstances arise, and a shortage of water occurs, the Minister still has the right to refuse to supply the company. So there is no danger of settlers finding themselves short of water in future because of the use made of it by the factory. The State is protected in every respect. I had a look at the position myself, and found that the water is used only for cooling purposes, and is not fouled in any way. It simply comes into pipes, and goes out through pipes again. I do not know why the length of the term should be objected to; I do not see how any embarrassment can be caused. While the water is there the factory will have the right to use it. If the water is not there, the Government are otherwise safeguarded.

**MR. PARKER** (North-East Fremantle)

[7.47]: It seems to me somewhat extraordinary that this measure should be op-

posed, when the object is purely and simply to provide markets for the disposal of the products of the South-West dairy-industry, and to provide employment.

Hon. J. Cunningham: It is not a measure dealing with production or supply I am opposing, but a proposed lease for 99 years.

Mr. PARKER: Obviously no one will start a factory without security of tenure. One cannot expect people to spend a large sum of money in erecting a factory unless they have some security as regards obtaining essentials, such as water. It is highly necessary for the factory to have this supply of water; and I think the Government did not only the right thing, but the essential thing, in encouraging this secondary industry in order to supply the long-left want that we produce and manufacture in our own State the commodities necessary to our existence. All the tinned milk that is used throughout Western Australia can be made here. If we can secure the erection of a factory by merely giving a 99-years right to use water—which does not become in any way fouled—that is a very desirable arrangement. I personally see no objection to the measure, and shall certainly support it.

**MR. MARSHALL** (Murchison) [7.49]:

No member on this side is opposed to the granting of a lease to this company, but we do object to the lengthy duration of the lease. A previous speaker based his argument on the amount of capital invested by the company. Let me point out that on the goldfields mining companies have spent 1½ millions of their own money on the strength of a lease for less than 20 years.

Mr. Parker: Tell us one such company with a lease of less than 20 years.

Mr. MARSHALL: The Wiluna Gold Mines, Ltd. That company has less than 20 years, in point of fact, because a considerable portion of the period had already expired. I would not object to any reasonable lease. No one is more desirous than Opposition members are that this industry should be established and should flourish. But there is one concession for which every member has expressed deep regret, a concession not more than three miles from this Chamber. I refer to the sale of electric current to the Perth City Council.

The Minister for Works: That is a monopoly; this is not.

Mr. MARSHALL: We could have advanced the same arguments against that concession. It may be said that the term of 50 years granted to that municipal body was little enough; but if we had had the opportunity since, we would have amended the contract many years ago. The Government are losing much money through the concession granted to the Perth City Council, who on their side are showing huge profits. What is wrong with a 20-years' lease, seeing that we renewed pastoral leases in the North and the middle portion of the State for that period? The Violet Pastoral Company, operating around Wiluna, apart from paying £30,000 to £40,000 for the leasehold, invested an additional sum of £100,000 in the property. They have only till 1944 to go. Those companies have every confidence in this Parliament, as I think they should have, seeing that they have been treated with particular liberality. In the circumstances, why should not the Waroona company have confidence in this Parliament?

Mr. Parker: Parliament might change.

Mr. MARSHALL: That will be an advantage. We cannot know that there is no danger of anything happening to cause us to regret having granted a lease for 99 years. By those who assume a knowledge of the industry, it is stated that the water merely enters, percolates, and passes off again. We, however, cannot say whether that is so or not. None can say but the experts controlling the industry. A great deal of this water is used only for stock and irrigation purposes, and therefore need not be 100 per cent. pure. But what is wrong with a 20-years' lease? Much larger sums have been spent in other industries with far shorter tenures. A 99-years lease means tying up the next five generations. We are too prone to hand on to posterity something which we to-day think right, but which in a little while we find to be wrong. The electricity agreement with the Perth City Council is a case in point. Future generations should not be asked by us to tolerate what to them might appear unfair and inequitable. Who is to say that another company will not want to start operations in the same locality?

The Minister for Works: Another company can start there. This is not a monopoly.

Mr. MARSHALL: Surely the Minister does not intend to hand leases to all sorts of companies. This factory has not yet even had a run.

The Minister for Works: It has been running for 12 months.

Mr. MARSHALL: In that case we know that the water is almost as pure on leaving the factory as it was when entering. There is that much to the good. The Minister would not be doing an injustice to the company if he agreed to a term of 20 years. The leases granted in the case of other companies are much shorter, and there are much larger amounts of capital invested in them. What is here in view is only an infinitesimal industry compared with some established in this State on leaseholds for a much shorter term.

HON. A. McCALLUM (South Fremantle) [7.58]: Two phases of this question appeal to me. The first is that the Minister for Agriculture (Hon. P. D. Ferguson) and the member for Murray-Wellington (Mr. McLarty) have both warned the House to-night that the fate of the South-West for dairying purposes is likely to be changed owing to irrigation, and that no one can realise what in 99 years from now the South-West or any other part of the State is likely to be to the people. To tie the country up to a 99 years lease is altogether absurd. In other matters we have had to arrange on the basis not of 99 but of 21 years, and have discovered some highly unexpected things. It is no use trying to visualise what the South-West is going to be. We should be blameworthy if we allowed the Bill to pass without discussion. The danger of passing special Acts to suit the conditions of one particular concern is great. We having spent our time in making laws for individual cases, why should a company be allowed to go along to the Government and obtain all sorts of special conditions? The laws of this country would become altogether chaotic under such conditions. The company should be told that there are laws governing rights in water and so forth, and that they would be treated in the same way as anyone else is treated; that they could rest assured of equity and justice being meted out to them. If the Bill goes through containing a term of 99 years, the Minister can rest assured he will hand that fact down to posterity, if he hands down nothing else. Posterity will

be hampered. It is altogether too dangerous a proposition to be countenanced in a young country like Western Australia. In the Old World where no new developments are likely, such a proposal would be on firmer ground, but even there, they do not agree to such proposals as that embodied in the Bill. In connection with the huge hydro-electric scheme, entered into by the American and Canadian Governments, the arrangement is for a period of 30 years. The scheme represents probably the biggest electricity undertaking in the world, and yet the rights over waterways are to exist there for 30 years only. In a young country like Western Australia, the Government ask us to agree to giving away the people's rights for a century. It is altogether wrong. The capital outlay involved in this instance is nothing like that involved in other industries having far less security. Those industries had to rely upon the sense of justice of Parliament, and Parliament has never been found wanting. No complaints have been lodged against the actions of Parliament since leases were first granted. That phase should be pointed out to the company, and they should be assured of the enjoyment of justice equal to that meted out to others. In my opinion, the Minister will make a grave error if he persists in his proposal to grant rights extending over 99 years. The agreement may include all the necessary restrictions that we can contemplate now, but who can visualise the position in the future?

**THE MINISTER FOR WORKS** (Hon. J. Lindsay—Mt. Marshall—in reply) [8.3]: I am surprised at the objections raised by members opposite. I listened to the comparison they drew between other projects and the proposal embodied in the Bill, but I cannot understand their opposition. Before establishing their works, the representatives of Nestle's consulted the Premier, who sent them to me as Minister for Works, the member of the Cabinet charged with the task of administering the Rights in Water and Irrigation Act. Under that Act, the Minister has power, in special instances, to grant leases extending over a period of ten years. The company refused to erect their factory under those conditions and the Government agreed to give them security of tenure. For that purpose the Bill was drafted. What are we giving away under the Bill? Opposition members referred to

a monopoly, but no monopoly is contemplated under the Bill. The company will have the right to water if we can provide them with it.

Hon. J. Cunningham: We do not desire you to refuse water to the company.

**THE MINISTER FOR WORKS:** There is nothing in the Bill that will prevent a dozen other factories being established and securing similar rights in respect of water. The company will have the right to take water that is in the river, which has been converted into the main irrigation drain, and must return 90 per cent. of that water in good order and condition. If the company fail to do so, we can prevent the water being taken. The member for Kalgoorlie (Hon. J. Cunningham) quoted, by way of illustration, the position under the electricity agreement, but that agreement was for a period of 50 odd years and granted a monopoly for the supply of electricity within a radius of five miles of the General Post Office. Pastoral leases have been referred to, but they have been extended to 1948, and members who referred to those leases failed to point out that if the Government do not renew the pastoral leases, we must pay the whole of the cost of improvements.

Mr. Marshall: Nothing of the sort.

**THE MINISTER FOR WORKS:** The hon. member representing a mining constituency and talked about the huge sum that had been spent at Wiluna, without any such security. The member for Kalgoorlie also spoke along the same lines.

Hon. J. Cunningham: I did not say anything about there being no security.

**THE MINISTER FOR WORKS:** The Mining Act provides that the term of mining leases shall not exceed 21 years from the 1st of January preceding the granting of it. But the Act also provides the right of renewal for the further period of 21 years. That lease represents a type of monopoly because no one other than the lessee may mine for gold on the lease. The Bill will not prevent other people from having the same right to a water supply as that to be enjoyed by Nestle's. I know the member for Kalgoorlie did not mean what he said when he stated he would oppose the Bill; he was referring to the clause to which he took exception.

Hon. J. Cunningham: That is so, but the clause in question really is the Bill.

**THE MINISTER FOR WORKS:** I do not think the Government are giving away anything. The agreement protects the State

in every direction. The company will have the water if we can supply it. There is no monopoly whatever. There is no comparison between the position of the company and the other activities to which attention has been drawn. The establishment of the industry will be good for the State and in order that it may be established with security of tenure, the Bill is presented to Parliament. Exception is taken to the length of the lease, but I understand the Colonial Sugar Refining Company have the right to use their light railway for 99 years. That concession was not granted by the present Government. There are other such instances that can be quoted. In addition to giving Nestle's the security they desire, the Bill provides that the company must pay for everything they get. Should an earthquake occur, with the resultant loss of the water, the Government will not be liable for the payment of compensation, and I cannot see any reason whatever why the Bill should not be agreed to.

Question put and passed.

Bill read a second time.

#### *In Committee.*

Mr. Richardson in the Chair: the Minister for Works in charge of the Bill.

Clauses 1, 2,—agreed to.

Clause 3—Authority to grant special lease:

Hon. J. CUNNINGHAM: I move an amendment—

That in line 2 of Subclause 1, "ninety-nine" be struck out, and the words "twenty-one" inserted in lieu.

I am still of the opinion that it is not right for Parliament to grant a concession covering a period of ninety-nine years. The Minister referred to the position of mining leases. While it is quite correct to say that those leases are for a period of 21 years with the right of renewal, it must not be forgotten that the lease terminates at the expiration of 21 years.

Mr. Marshall: And the Minister need not renew it.

The Minister for Lands: The Minister has no option.

Mr. Marshall: Talk sense! What rot!

The CHAIRMAN: Order!

Hon. J. CUNNINGHAM: The Mining Act provides that a lease shall terminate

at the end of 21 years and Parliament has the power to enact legislation materially affecting the position. Parliament has no right to interfere with the contract that exists for 21 years, but at the expiration of that period, any laws enacted by Parliament in the interim apply when the lease is renewed. Thus the Minister's statement is not quite correct. I do not take exception to the establishment of the industry. We should welcome it, but we should not be asked to give away the rights of the people for 99 years, or more than five generations.

Mr. MARSHALL: I would not have risen but for the remarks of the Minister regarding mining leases. Although the agreement embodied in the Bill is for a period of 99 years, the terms and conditions in it are specific and conclusive. The Mining Act merely gives the right of renewal to the holder of a lease in preference to anyone else. That does not say the Minister is going to grant the lease.

The Minister for Lands: You read the Mining Act.

Mr. MARSHALL: I was brought up under the Mining Act. The hon. member's knowledge of mining is about as deep as the subsoil on a farm. During the term of a mining lease, regulations can be made prescribing what the lessee shall do on his lease. There is nothing like that in the Bill, which gives Nestle's Company a free hand. Take pastoral leases: there is no monopoly in a pastoral lease.

The Minister for Works: Yes, it is a monopoly while the holder has it.

Mr. MARSHALL: It is not. Moreover, I know of one pastoral lease on which there has been expended ten times the amount expended by the Nestle's Company. Yet the holders of that lease have not the 99 years' tenure which the Minister thinks should be granted to the Nestle's Company because they have spent £30,000 in the erection of a factory. The Lake Violet Pastoral Company have spent something like £150,000 on their lease. On the basis of the 99 years which the Minister thinks should be granted to the Nestle's Company, the Lake Violet Company should have a lease of 500 years. We are all glad to see the Nestle's Company come here and erect a factory, but I say the proposed lease is far too long.

**The MINISTER FOR WORKS:** I cannot see that there is any comparison in the several cases quoted by members. In giving these people the right to take water, we are not preventing other companies from securing similar concessions. Despite what members say, the Mining Act gives the lessee the right to renew his lease for a further period of 21 years.

**Hon. S. W. Munsie:** Put that in the Bill, and I will support you.

**The MINISTER FOR WORKS:** Under the Act introduced by my predecessor, the Colonial Sugar Refining Company have a monopoly of their railway for 99 years. There is no monopoly granted by the Bill, for other companies by erecting factories can secure similar water rights. I will oppose the amendment.

**Hon. A. McCALLUM:** The Minister was right in saying there is no comparison between the State railway laid down for the Colonial Sugar Refining Company, and this proposed lease. The Minister's whole case is that, under the Bill, there is nothing being given away. Surely that substantiates our contention that the period of the lease should be much shorter. The Minister insists upon fixing conditions for the next 99 years. How is it possible for him to visualise all that will happen during 99 years?

**The Premier:** Or all that will happen in 21 years.

**Hon. A. McCALLUM:** The period of 21 years is reasonable as compared with 99 years. We have operating in the State companies that have expended fifty times the amount expended by Nestle's, and that without any security. The Wiluna Company, on a 21 years' lease, has expended 1½ million pounds. Similarly, many pastoralists have expended huge sums of money on their leases.

**The Premier:** But they have to be compensated if their leases are not renewed.

**Hon. P. Collier:** Nevertheless, a 99 years' lease is absurd. As the Premier has said, we cannot see even 21 years ahead.

**Hon. A. McCALLUM:** The Minister was manly enough to admit that there was no comparison between the Colonial Sugar Refining Company's railway and this proposition. That railway is State-owned, the State merely agreeing not to pull it up for 99 years.

**The Minister for Works:** Yes, it must be left for 99 years. How could the hon. member see that far ahead?

**Hon. A. McCALLUM:** It is the Minister who insists upon looking 99 years ahead. Remarkable changes have occurred during the past 99 years, and I daresay the next 99 years will bring changes even more marked. The principle of a 99 years' lease is altogether wrong.

**The Minister for Works:** It is the same to-day as in years gone by.

**Hon. A. McCALLUM:** Developments during recent years have been so numerous that we should be warned against fixing conditions for such a long period. We should learn a lesson from the electric light agreement with the Perth City Council. No one would suggest that the conditions set out 20 years ago for a period of 50 years were fair and equitable to-day. Yet the Minister who made that agreement is a Minister in the present Cabinet. Conditions alter materially in a short space of time, and the lesson of the electric light agreement should not be lost upon us. Twenty-one years is a long time, and as far ahead as it is safe to legislate. It is dangerous to bring down Bills to suit individuals.

**The Premier:** What about the Colonial Sugar Refining Company?

**Hon. A. McCALLUM:** The Minister is going one better than the electric light agreement by doubling the period.

**The PREMIER:** No matter what science does, the water will fall from the heavens into the dam for the next thousand years, just as it is doing to-day. The water will run down the channels, and will be taken from the channels. It is a different matter from selling a commodity that might increase in price. One cannot imagine water increasing in price. I cannot see any danger in giving the right to take water for that period. The City of Perth has had water from the reservoirs for many years, and will have it for the rest of time. It is different from binding the State to keeping a railway down for 99 years, as was provided in the Quarry Railway Extension Act of 1928. I do not object to anything that is necessary to get industry established. We sell land and we lease it for 99 years. I cannot see any objection to a 99 years' lease for taking water from a channel that will be there for all time. Twenty-one years is not long in the life of a factory.

**Hon. S. W. Munsie:** The objection is not to the lease, but to the period.

The PREMIER: I see no objection to the period. People who are willing to establish factories in the State should be encouraged.

Hon. S. W. MUNSIE: Surely 21 years with the right of renewal should be sufficient.

The PREMIER: What reasonable objection can there be to 99 years? The water will be returned to the channel after being used in the factory. I am surprised at the ex-Minister for Country Water Supplies raising the objection. I remember the Bills he introduced.

Hon. J. Cunningham: Very good Bills, that were passed by both Houses.

The PREMIER: But they could have been improved by amendment.

Hon. J. Cunningham: I accepted certain amendments.

The PREMIER: We want people to establish industries and to feel safe in their undertakings.

Hon. S. W. MUNSIE: The Minister said the Government were not giving away anything. We do not know what the Government are giving away.

The Minister for Lands: We propose to give water to the factory to cool the plant.

Hon. S. W. MUNSIE: What will be paid for the right to use the water. The agreement contains many blanks. It will cost something to ascertain the quantity of water taken.

The Minister for Works: The company will have to pay meter rent.

Hon. S. W. MUNSIE: But a blank space is shown against that item in the agreement.

The Minister for Works: The charge is 10s. a year, which is not much.

Hon. S. W. MUNSIE: What is to be paid for the right to use the water? The company may terminate the agreement by giving a month's notice, but not so the Government.

The Premier: The Sugar Refining Company have a similar period.

Hon. S. W. MUNSIE: Two wrongs do not make a right.

The Premier: I did not say it was wrong.

Hon. S. W. MUNSIE: The agreement is almost as one-sided as the Financial Emergency Act. The Minister must know what the company are prepared to pay, and how much water will be used. We should also know what meter rent will be paid.

The CHAIRMAN: We are not yet discussing the schedule.

Hon. S. W. MUNSIE: If the company secured a 99 years lease, it would be of no use to discuss the schedule.

The Premier: If the Bill had specified 21 years you would have tried to make it 10.

Hon. S. W. MUNSIE: The amendment provides for quite a long enough period. If the Minister would insert in the Bill the words contained in the Mining Act relative to the duration of leases, I should be quite satisfied. Parliament should have the right to review all concessions of this kind every 21 years.

The Attorney General: Parliament has that right.

Hon. S. W. MUNSIE: Has Parliament the right to alter the 58-year agreement made between the Government and the Perth City Council? I support the amendment.

Mr. MARSHALL: I suggest that the amendment be amended by the addition of the words "with the right of renewal." The Minister could have no possible objection to that and the wishes of the Opposition would be met.

The Premier: You have done enough harm now.

Hon. J. CUNNINGHAM: Such an amendment would be unnecessary. When the 21 years have passed the Minister of the day will have power to renew the license. Possibly by that time legislation of a more general nature will be on the statute-book.

Amendment put, and a division taken with the following result:—

Ayes	..	..	..	17
Noes	..	..	..	18

Majority against .. 1

#### AYES.

Mr. Coverley	Mr. Millington
Mr. Cunningham	Mr. Munsie
Mr. Hegney	Mr. Nulsen
Miss Holman	Mr. Slegman
Mr. Johnson	Mr. F. C. L. Smith
Mr. Kennedy	Mr. Troy
Mr. Leonard	Mr. Wansbrough
Mr. Marshall	Mr. Wilson
Mr. McCallum	

(Teller.)

#### NOES.

Mr. Angelo	Sir James Mitchell
Mr. Barnard	Mr. Parker
Mr. Brown	Mr. Piesse
Mr. Church	Mr. Sampson
Mr. Davy	Mr. J. M. Smith
Mr. Doney	Mr. Thorn
Mr. Ferguson	Mr. Wells
Mr. Latham	Mr. North
Mr. Lindsay	
Mr. McLarty	

(Teller.)

Amendment thus negatived.



Mr. MARSHALL: I should like your ruling, Mr. Chairman; must the Second Schedule be discussed under the heading of this clause, or can we engage in a full discussion upon it at a later stage?

The CHAIRMAN: The agreement contained in the schedule is a matter for parliamentary decision. The hon. member will have an opportunity to amend it when we come to it.

Hon. S. W. MUNSIE: Is it your ruling, Mr. Chairman, that we can discuss the schedule when you put it to the Committee, even though this clause may be passed?

The CHAIRMAN: Yes.

Hon. S. W. MUNSIE: If we pass this clause, will it still be possible for us to amend the schedule?

The CHAIRMAN: This is only an agreement that is proposed. It is not yet signed and has not yet been made. The schedule is open to amendment, and, if members desire to move amendments, I shall be prepared to take them.

Clause put and passed.

Schedule 1—agreed to.

Schedule 2:

Mr. MARSHALL: This schedule contains no facts concerning the price to be paid for the water, the date from which the agreement starts, or any other particulars of that kind.

The Minister for Works: It starts from the day it is signed. This is only a form of agreement.

Mr. MARSHALL: We do not know what we are being asked to endorse. We might be signing a blank cheque. The Minister should have had all the blanks in this agreement filled in for the information of members.

The MINISTER FOR WORKS: I understand from the Crown Law Department that this is the usual form of agreement inserted in a Bill. I do not know the day on which the measure will pass; and until Parliament has passed it, I cannot sign it.

Mr. Marshall: You could have made the agreement retrospective to a certain date.

The MINISTER FOR WORKS: No. As to the charges, the Government have not yet incurred one penny of expense. The company are hearing all the cost. A meter has been put in. An irrigation channel has been constructed. Arrangements for drainage have been made. The charge for water, however, has been left blank. The cost per 100,000 gallons will be small, just as the cost

to the farmer is small. Probably the charge to the company will be nominal; say, £1 per 100,000 gallons. Hon. members are aware that 90 per cent. of the water has to be returned by the company in good order and condition. We can charge meter rent, which is usually 10s. per annum. The ordinary course is to leave all these matters to be decided by the Government. The rate to be charged for water will be fixed annually; a rate fixed to-day would not be the proper rate in 20 years' time.

Schedule put and passed.

Title, agreed to.

Bill reported without amendment, and the report adopted.

## BILL—METROPOLITAN WHOLE MILK.

### *Second Reading.*

Debate resumed from the 13th September.

MR. MILLINGTON (Mt. Hawthorn) [9.8]: In giving consideration to this measure which has been introduced by the Minister for Agriculture, I presume with the approval of the Government, I cannot help thinking of the pressure, economic and in a degree political, which has been responsible for the generation of the Bill. For some time past the present Government, like previous Governments, have been pressed by deputations representative of the milk industry, producers and distributors, to introduce legislation regulating the whole milk industry. I myself was asked to introduce legislation of this nature, but at that time the position of the industry was not such as it is to-day. It appears to me that the conditions surrounding the industry become continually worse, until now those who did not approve of control measures, of compulsory means of organisation, are obliged to admit that something must be done if the industry is to be preserved. Therefore I assume that the Government have overcome their objection to control measures, and are now intending to apply such an Act to this industry. In respect of the principle of the Bill, that of control, we have in this State only one instance, that connected with the dried fruits industry. But in that industry the conditions are entirely different. The reason for the establishment of the dried fruits pool was the necessity for protecting our producers against the dumping of the sur-

plus dried fruits of the Eastern States. Further, the price of the product is controlled by overseas parity. In the absence of control the industry, which had been established at considerable expense to both the State and the Commonwealth, would have gone to the wall. I do not know that the control has been entirely satisfactory. The idea behind control of dried fruits was to preserve and protect the producer. To an extent, this has been accomplished; but it is a highly impartial control. Although to some degree the producer is protected, although he receives slightly better prices than he would in the absence of control, the fact remains that under the form of control the public are not protected. Although the producer receives what I should call a bare living price, probably very little indeed over the productive value, the public have to pay considerably more than the producer gets. There is a great disparity between the price the producer receives and that which the consumer pays. So that the measure of control has in some degree achieved its object of protecting the producer, but has not succeeded in affording protection to the consumer. In discussing the principle of control measures, I should say that we should be extremely reluctant to introduce a further measure, having regard to what has happened in the case of the sugar industry. The idea behind the control of that industry, and the fostering of it, was good; but I think few will be found, outside those directly interested in the sugar industry, who approve of what has happened since control has been applied to sugar. It means that when one departs from the ordinary practices of industry, there must be abundant evidence to show that such a departure is justified. If I were asked whether in this instance we are justified, I would say that in view of the position of the producer some measure of control is necessary, and that I hope it will prove successful. I am not sure that there is a probability of success under the measure introduced by the Minister for Agriculture. I desire first to survey briefly the position of the producer in the whole milk industry. There is a set of producers outside the metropolitan area who are now working under certain conditions which I shall outline. Then again, there are others within a radius of, say, 20 miles of the General Post Office producing under different conditions. These two sets of producers are, in a measure, competitive. Until recent years the metropolitan producer of whole milk

supplied up to 70 per cent. of the metropolitan requirements. The figures quoted by the Minister of consumption of milk in the metropolitan area fix that consumption at 10,000 gallons per day. He estimates that it would take 12,000 cows to produce that milk. There are still within the metropolitan area 6,500 cows registered under the Dairy Cattle Compensation Act. So that within the metropolitan area we still produce half of the milk consumed by that area. Investigations show that considerably over half of the milk required by the metropolitan district could still be produced in that district. The difficulty which has arisen regarding prices is due to the fact that an attempt was made by those outside the metropolitan market to capture the whole of the milk trade throughout the metropolitan area. Group settlers from Armadale right down through the country, including the Peel and Bateman estates, were placed there at very great expense to Western Australia for the purpose of producing butter; and they have been endeavouring, particularly since the decrease in the price of butter fat, to capture what they regard as their share of the metropolitan whole milk trade.

The Minister for Agriculture: It is merely an idea that they were placed there only to produce butter fat.

Mr. MILLINGTON: In all the schemes that were put up, that was the idea. The group settlers were not placed on dairy farms to provide whole milk for the metropolitan area. There was no need for it. Government control was not required for clearing land or financing stock for the metropolitan producers, and there never was a shortage of milk in the metropolitan area prior to the group settlement scheme. I did not interrupt the Minister when he was speaking; as a matter of fact, he said nothing worth interrupting him for. But the hon. gentleman knows very well that the disastrous group settlement scheme was introduced in order to extend the dairying industry and the production of butter. We were short of butter, was the argument. Now that the group settlers have been established, about all they have so far done is to ruin the metropolitan milk trade. They certainly have been established on a basis that does not enable them to produce butter fats at present prices. To show the difference between the two sections of the

dairymen who are producing whole milk for the metropolitan district, it is well to point out that the country producers—those operating from Armadale down to Brunswick—were established for the purpose of extending dairying operations in respect to the production of butter fat. The contention of the metropolitan milk producers is that they are prejudiced by the competition of the country producers because a great many of the latter—we are reaching the stage when we shall have to find out how many are in that position—are not paying interest on the capital outlay on their holdings. They are now working up to the point at which they may be taken over by the Agricultural Bank, and for that reason alone it will be interesting to ascertain how many of them have paid their interest charges and how many are not paying anything at all. The objection taken by the metropolitan producers is that they have had to purchase their holdings, clear them, pay for drainage work in the swamp portions of their holdings, and so on; yet they have to compete with country producers, who have been subsidised by the Government but do not pay any interest on the outlay involved. It is like one man conducting a business and paying a weekly rent running into several pounds, endeavouring to compete with another man in the same class of business who does not pay any rent at all. The metropolitan producers say that the Government have introduced a new type of settler to participate in the industry, and the latter has been ruining it. Should a metropolitan producer fail in his operations, he has to get out of the industry altogether. There is no one to save him. On the other hand, the settlers in the South-West are carried on by the Government under their usual conditions. Another point the metropolitan producers make, which I shall mention but will not stress, is that the country producers have the benefit of preferential railway freights, and the figures I have certainly show that they enjoy an advantageous scale of rates as compared with those charged for the carriage of other primary products despatched to the metropolitan area. If there were a shortage of milk in the metropolis, there would be some reason for conveying that commodity over the railways at the lowest possible rate. That has always been the policy of the State to a less

or greater degree. But metropolitan producers contend that when there is a surplus of their particular commodity, the Government should not grant such preferential freights to country competitors who are being helped in their operations by the Government and who are not even paying interest on the money involved in the development of their holdings. By doing so, the Government enable settlers who are not paying their way to compete successfully against other producers who have to foot their bill for their every requirement. Then again, it is pointed out that the herds of the producers outside the metropolitan area are subject to a negligible form of inspection, whereas the herds in the metropolitan area are closely inspected.

The Minister for Agriculture: That will be put right under the provisions of the Bill.

Mr. MILLINGTON: If the Bill achieves that object, there is one justification for it that I missed. In addition, the producers outside the metropolitan area are not subject to the provisions of the Dairy Cattle Compensation Act. That measure was passed because of the prevalence of tuberculosis in dairy herds. I have not heard of any instances outside the metropolitan area, but I do know that in this area valuable cows were destroyed by the department because they were stated to be affected by tuberculosis. To overcome the difficulties that arose, the Act was passed, and since then all cows in the metropolitan area have been inspected and insured under a contributory scheme, partly subsidised by the Government on a sixty-forty basis. The Act has perhaps not had the effect of rendering metropolitan herds immune from tuberculosis, but, with a reasonably rigid system of inspection, an attempt has been made to keep the herds clean. Where the product of the cow is used as whole milk, that system should apply not only to the metropolitan area but to the outer dairy districts that supply the metropolis with whole milk. The metropolitan dairymen claim that as they are confronted with this unfair competition, we should see to it that the competitive conditions are fair and that no privilege is granted to one section over and above that accorded to others in the industry. They say that the country dairymen should be made to pay their interest charges and adequate rates for the conveyance of their products to Perth. Moreover, they claim that the country dairy premises should be subject to the same form

of inspection as that obtaining in the metropolitan area, and that the dairymen in the outer areas should be subject to the provisions of the Dairy Cattle Compensation Act. If action were taken along those lines, the competition would be equalised to a considerable degree. Metropolitan dairymen are subject to the provisions of the Arbitration Court awards, both as regards hours and rates, but, so far as I am aware, that does not apply to the country producers. I mention these phases to show those who suggest that the metropolitan producers are whining about the competition of country dairymen, that there is room for improvement in the competitive conditions, which must be evened up. I am by no means satisfied that the basis of competition is at all fair. Under the provisions of the Bill, it may be possible to extend the application of the regulations and restrictions to which the metropolitan producers are subject, to those operating in the country districts. In moving the second reading of the Bill, the Minister said that the dairymen in the country districts would be subject to the provisions of the Dairy Cattle Compensation Act. I cannot see any provision in the Bill where that is mandatory.

The Minister for Agriculture: That is a matter for regulations.

Mr. MILLINGTON: It is more than that; it is a matter to be definitely determined.

The Minister for Lands: It is a matter that can be fixed by proclamation.

Mr. MILLINGTON: I know that is so; it does not require an amendment of the Dairy Cattle Compensation Act. When the Minister for Agriculture informed us that that Act would apply to dairymen in the country districts, surely we should expect to see some mention of the fact in the Bill itself.

The Minister for Agriculture: But that applies to another Act altogether.

Mr. MILLINGTON: It is not sufficient for the Minister to say that the matter can be dealt with by regulation. Such an important provision should be mentioned in a Bill such as that under discussion.

The Minister for Agriculture: I said that if the Bill becomes law, the provisions of the Dairy Cattle Compensation Act will be extended by proclamation to cover the dairymen in question.

Mr. MILLINGTON: There is nothing of that sort in the Bill.

The Minister for Agriculture: I give you my assurance on the point.

Mr. MILLINGTON: On minor matters we can accept assurances, but in respect of important matters, we have the right to expect specific mention of them in legislation.

The Minister for Agriculture: Do you not think it would be wrong to embody such an amendment in the Bill?

Mr. MILLINGTON: No. The Government have set out to regulate the metropolitan milk supply. Apart from the question of price and distribution, the health phase represents an important factor. That alone should assure the inclusion in the Bill of a clause such as I have indicated. If that were done, it would certainly be something gained. It would represent a guarantee to the public that the metropolitan milk supply, over which they themselves had no control, would be properly policed by the Government or the board to be set up. I regard that as a most important phase. The work of the Health Department is highly important and it is considered as such in connection with the metropolitan milk supplies in other countries. We are behindhand in that respect, and here is an opportunity, furnished by the introduction of the Bill, to rectify that position. With reference to the proposed board, the Minister read an extract from the report of the Royal Commission that inquired into the metropolitan milk supply some time ago. That extract led up to the recommendation by the Royal Commission for the establishment of a board. The commission's report is a valuable document, and the evidence tendered by experts had much to do with the subsequent improved conditions of the metropolitan milk supply. The commission set out to show how the industry should be conducted, and laid particular stress on the importance of observing healthy, sanitary conditions in the conduct of the industry. At that time, whereas the producers were not, as usual, being overpaid for their milk, the public had to pay high prices for their supplies. The commission had in mind the necessity for the reconstruction of the system of distribution, in respect of which the public had been overcharged. With that object in view, the commission recommended the establishment of a board. The Minister faithfully read out that part of the report that led up to the recommendation, but did not give the

House the benefit of the recommendation itself. That was a remarkable way to present a commission's report. I do not know why the Minister did it. He read the following:

It is said that the situation can best be met by the creation under a special Act of Parliament of a board or trust to be appointed by the Government.

Then the commission proceed to enumerate the powers and duties of the board. What the Minister missed was this:

The board 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, and the Chief Veterinary Officer of the State.

This board so constituted was to be the board. Why did the Minister miss that when reading the report of the Commissioners?

The Minister for Agriculture: Because that is not a board I could approve of.

Mr. MILLINGTON: Of course not! But it is the board the Commissioners approved of, after having examined all the witnesses they could get. That was their idea of a competent board, but the Minister appears to be more concerned for an elective board with a political flavour. I am suspicious of the measure because of the attitude of the Minister in respect of that board he established some time ago.

The Minister for Agriculture: Do not you approve of the producers controlling the marketing of their supplies?

Mr. MILLINGTON: I suppose the next charge will be that we on this side have not given the producers a fair deal. I want to make it clear that the producers have had just as fair a deal from those on this side as they have had from the present Government. Anywhere in the State, all through the farming districts, the orchard districts, the dairying districts and the pastoral areas, nowhere can one find a suggestion that they were not given a fair deal by the previous Government. But this is the kind of board the Minister set up as an experiment. It is no wonder he evaded reading out the constitution of the board recommended by an independent Royal Commission of experts when he himself had appointed a board like this:—A board of 11 constituted by the Director of Agriculture, Mr. Sutton. There was to be the

Superintendent of Dairying, Mr. G. K. Baron-Hay. There can be no objection to those two, for both are good men. If we had more men of the sort appointed, men who know something about the business, instead of mere political partisans, we would get a more competent board. As depot keepers we had Mr. Brown of Perth, Mr. Roberts of South Perth, Mr. McRobbie of East Perth, and Dr. Boyd of West Perth. When it comes to the producer, apparently it is a question of geography, for unless he is from outside the metropolitan area no producer is of any interest to the Government. So we get as members of the board Mr. W. E. Robertson of Osborne Park, Mr. S. F. Russell of Serpentine, Mr. W. Taylor of Mundijong, Mr. W. G. Pickering of Perth, and Mr. W. Shaw of Harvey. I have already explained that of the milk produced for the metropolitan market at least 60 per cent. is produced in the metropolitan area. For that 60 per cent. we get one representative, while for the 40 per cent. coming from outside the metropolitan area there are three representatives.

The Minister for Works: But you mentioned another man from Perth.

Mr. MILLINGTON: He comes amongst the producers. Under that method we have four producers with a political flavour. We know the fate of that board. The board set out to regulate the dairying industry in the metropolitan area, and the only thing that can be remembered about them is that the man who eventually became chairman succeeded in engineering a strike and dislocating the industry.

The Minister for Agriculture: Mr. Sutton was chairman. He did not engineer a strike.

Mr. MILLINGTON: No, but Mr. Pickering did.

The Minister for Agriculture: He was never chairman.

Mr. MILLINGTON: Well he was the chief agitator. Mr. Sutton, of course, would be unbiassed. But was Mr. Sutton chairman of the board?

The Minister for Agriculture: He was.

Mr. MILLINGTON: Then what was Pickering? We do not know how these men were appointed, nor why, nor who recommended them. I learn now that Mr. Pickering was chairman of the whole milk section of the P.P.A. Each of the others

had an official standing, was in some way associated with a political association, the P.P.A.

The Minister for Agriculture: Which of them?

Mr. MILLINGTON: We asked you at the time, but you did not know. Subsequently we learned they were officials of the P.P.A.

Mr. Sleeman: Did the P.P.A. representative engineer a strike?

Mr. MILLINGTON: Well that was his idea of regulating the whole milk trade in the metropolitan area. That was his method. He was a man of initiative and he broke new ground. The fact remains that the board petered out. They then began to advise the Minister. When I asked permission for a deputation of the metropolitan milk suppliers to wait on the Minister to discuss the principles of the proposed legislation, we were abruptly told that the Government never disclosed the provisions of proposed legislation. Yet Mr. Pickering was able to interview the Minister, and it seems to me that the ideas of Mr. Pickering and of the P.P.A. are embodied in this measure—although of course it could never have been seen by anybody outside the Government before being introduced here. Yet I suggest that the P.P.A. had a good deal to do with the drafting of the clauses, and that consequently the constitution of the board would receive the wholehearted, unanimous support of a P.P.A. meeting. Here we have a board to deal with the fixation of the price of milk. The idea of the Government, seemingly, is to put on this arbitration board, an unbiassed board, four producers. If these four producers are to be appointed in the same way as the other board was appointed, we shall have three from outside the metropolitan area and one from within that area.

The Minister for Agriculture: No we will not.

Mr. MILLINGTON: I am glad to hear that. Perhaps the Minister learnt a lesson from the disastrous results of the last board appointed. In any case the proposed board is to have four representatives of the P.P.A., two representing each section of the distributing trade, the wholesale and the retail. And for some reason the Government have given the consumers one representative—of course with apologies to the P.P.A. But to make sure that this one representative shall not dominate the board, it is provided that the board shall elect its own chairman,

who shall have two votes. So in case of four votes out of seven being insufficient for them to impose their policy on the board, it is now to be five votes out of eight, and in order that the business shall not be hung up, four out of seven shall form a quorum. That is the idea underlying the new control. We are getting away from all the old practices of industry under the law of supply and demand, and all those old principles on which liberalism has thrived for years.

Hon. A. McCallum: Competition is the life of trade.

Mr. MILLINGTON: And now they propose to launch out on this new control idea. They are going to control the industry. I would not care if the Government would extend the principle of this price-fixing board to the Arbitration Court. I would be satisfied with an arbitration court to fix wages, so long as they gave us four representatives out of seven, and the right to appoint our own chairman, who should have two votes. That is where the Minister and the Government have been misled through the continuous representation made by their political supporters from Armadale and all down through the country. The metropolitan producers could not get their views before the Minister.

The Minister for Agriculture interjected.

Mr. MILLINGTON: We asked the Minister if we could discuss the principles of the control Bill with him, but were told that the Government refused to discuss the provisions of a Bill not yet introduced. Yet we all know that frequently the principles of a proposed Bill are discussed outside by certain interests. Take a Bill for a projected railway. Not infrequently has it happened that a deputation from the country through which the railway is to pass has come along to the Minister and supported that railway. Yet the Government refused to discuss with the metropolitan producers the principles to be embodied in this Bill. Now we come to the powers of the board. I should not be so much concerned with the constitution of the board were it not for the powers to be given to that board. I am not allowed to mention the clause, but it will be found on page 10. The board are to have the right to fix the minimum price per gallon for milk supplied, provided that for milk other than surplus milk such price shall be fixed in accordance with the butter fat content and value. I do not know that a board with power to fix the price to the producer could

get beyond this. I regret that it is so, because fixing the price on butter fat content means that not necessarily will regard be had to the cost of production, which is an important factor. Since the dairying industry was seriously inaugurated a few years ago, the price of butter fat has fallen from 1s. 8d. to 1s. 2d., according to the Minister. I understand the price is now about 1s. 1d.

The Minister for Agriculture: The average last year was 1s. 2d.

Mr. MILLINGTON: It would be a fair class of milk that would go 4 per cent. and, if the price were fixed on the butter fat basis, it would take 2½ gallons of milk to be worth 1s. 1d. That is a very low price for the producer and I doubt whether any producer could pay his way all the year round on that rate.

Mr. Sampson: They get about 8d. per gallon now.

Mr. MILLINGTON: Still, I cannot see how it is possible to get away from the butter fat basis. Immediately a price were fixed without regard to the butter fat content, there would be an inducement to those supplying milk on a butter fat basis to get out and endeavour to capture the whole-milk trade. I agree that the butter fat basis is the only one that can be taken, but I regret that it is necessary to start so low. Those men engaged in the production of whole milk are subject to all the disabilities suffered by other primary producers. They are subject to the disabilities suffered by the wheatgrower, the woolgrower and the orchardist who produces for export, but they do not receive the advantage of the exchange rate. They are suffering all the disabilities, and they are told they must accept a price on a butter fat basis of London parity. I am afraid that all this structure to organise and control the whole-milk industry will still leave it on an unprofitable basis. Dairymen in the metropolitan area have good herds that have been built up over a period of years and have been bred for milk production, and I doubt whether they, much less the dairymen outside the metropolitan area, with their herds and their production, will be able to make whole milk pay on the terms and conditions set out in the Bill. Had the industry not been reduced to its present condition, the Bill would not have been asked for or introduced, and it would certainly

never have met with the approval of the producers. But because of the starvation condition to which producers have been reduced, and the need for something being done to endeavour to get them out of their troubles, this Bill is acceptable to them. What would happen under the formula laid down for the fixation of the price of milk? That is a matter of importance. The butter fat basis would make the price considerably under 6d. per gallon. Then the bacterial test must be taken into consideration. I suppose pure milk would have an added value. Then added value for the production of whole milk would certainly have to be considered. Is it proposed to leave that to the board? I do not feel disposed to leave too much to the board, because I do not know that an elected board would be a board of experts. Everything that could be done beforehand to nail the board down should be done, and we should get all the expert advice possible when attempting the most difficult task of regulating an industry which so far has had an open go. I feel satisfied that the Minister and his officers recognise the difficulty of building up a new system. To scrap a comparatively easy system of permitting the industry to be controlled by the law of supply and demand and other factors, and to undertake the difficult and highly technical task of reconstructing methods on which the industry shall be conducted, may require more than an elected board. I hold certain democratic principles, but we do not elect a chief engineer or a medical adviser. Such men have to possess qualifications before they are appointed to undertake work requiring technical knowledge. The work allotted to the board will require technical knowledge. On the board we shall require men possessed of considerable business capacity and a knowledge of business practice. Furthermore, there will be the difficulty of conducting an industry that has heretofore regulated itself—in a bad way, I admit—to satisfy the varying interests. First the producer will have to be satisfied. Then the depot-keeper, who has held a strong hand, will have to be satisfied. Big vested interests are involved. Very little is said about the distributor, but we are justified in assuming that he is the man who is to be regulated more than anybody. There has not been much talk about improving the methods of production, which I consider are

a most important phase of the industry. The distribution part of the business, apparently, is to be cut, and that means that certain vested interests will be interfered with. From my reading of the Bill it seems they are to be ignored. The Government should have some recognition for the man who has built up an industry, if it be only a milk round. That is as important as any other round or practice. The man has an asset and he may have devoted half a lifetime to building up the asset. It is not to be suggested that he is to be left at the mercy of a board, and, if it suits them, to be cut out without compensation or redress. Under the proposals of the Royal Commission, definite arrangements were made for the compensation of those whom the new order displaced or interfered with. In a British community it is expected that if a man has legitimate interests, and it suits the community to interfere with them, his interests should be recognised. There is no provision for that in the Bill. There is no direction to the board to recognise such interests. They are to be ignored. But they must be considered by the Government; otherwise a great injustice will be done. Undeniably, under the re-organisation of the milk industry by direction, rather than under the present system, those are the men who will suffer. If it suits the public and the producer and if it is in the interests of economy to re-organise the industry, something must be done to ensure that the displaced men are reasonably compensated. I do not propose to enter into a discussion of all the detailed duties of the board, but I wish to point out that they have practically mandatory power. They are to be granted enormous power. They will have the right to issue licenses. That, in itself, will confer upon them great and arbitrary power. They have not to give reasons. They will have greater power than a judge of a court, whose decisions must be in accordance with the evidence and the law controlling evidence.

Mr. Marshall: And the decisions of judges are subject to an appeal.

Mr. MILLINGTON: Yes. But the board are to have arbitrary power. It seems as if the Government had become annoyed with the pestering of deputations of milk producers and distributors, were at their wits' end to know what to do, and had decided to hand over the whole business to a board. But the Government still stand as representatives of the public, and whatever powers may be given to the board must be subject

to appeal to the Minister, and the Minister will have to accept responsibility for the actions of the board. That was provided for under the Dried Fruits Act, and it is well such provision was made.

The Minister for Agriculture: Will it satisfy you if I tell you that on to-morrow's Notice Paper there will be an amendment to that effect?

Mr. MILLINGTON: I am pleased to hear it. I would never consent to hand over the enormous interests involved in the whole-milk industry of the metropolitan area to a board without having someone who would take the public responsibility for the board's actions.

The Minister for Agriculture: We will put that right.

Mr. MILLINGTON: If, as the Minister stated, the trade represents 10,000 gallons of milk per day, at 1s. 6d. per gallon to the public a sum of £750 per day is involved, and at 2s. per gallon £1,000 per day. Milk is not only an important foodstuff but represents an important industry. The Minister should remember that just as the other board appointed proved to be an out-and-out failure, he cannot guarantee that an elected board including four producers will be successful. They may be men without experience of the distribution of milk, knowing only the producing side. A depot keeper, a distributor, and a representative of the consumers complete the constitution of the board. To regulate the industry will be a most intricate matter, requiring a knowledge of producing interests, distributing interests and public interests, and it has to be remembered that within the board will be three conflicting interests at least. There is the producers' interest as distinct from that of the depot keepers. The depot keeper has always demanded his pound of flesh. He has always taken a strong hand, and has had a good deal to do with the regulations. He has also had a more effective means of enforcing his will than the board will have. I know the producers have done no good for themselves. Then there is the interest of the distributor and the consumer. The board will have to compose their own differences, which will be a most difficult thing to do. Not only will they be called upon to regulate the price of milk, but they will have before them the work of organisation. They will have to reorganise the production of milk. The amount of milk which



comes into the metropolitan area will also have to be regulated. There will also be the question of which depots are to remain in operation and which are to be closed. Then there will be the question of reconstruction of the mode of distribution. This is a job for other than farmers. Instead of taking an independent point of view in the reorganisation of the whole milk industry, each member of the board will be watching his own particular sectional interest. It appears to me there will be the utmost difficulty in getting out a comprehensive programme and concrete proposals for the reorganisation of the industry on the new lines. The board are to be given exceptionally strong powers, and are to be clothed with the right to take most drastic action in respect to those connected with the industry. I am concerned, not only with the composition of the board, but the capacity of the members of the board. I am not satisfied that the board so constituted will have the capacity to do that which is most difficult in any industry or trade, namely, completely reconstruct the business, scrap all the old ideas, and re-build the structure with very little to guide them. They will be breaking practically new ground. The Government have set the board a most difficult task, an impossible task in view of the manner of its construction. The board are doomed to failure unless they are provided with the necessary expert advice. This advice will be required in every department. I do not know whether it is suggested that the board should break away from the Health Department. That department will have to deal with the analysis of milk, although the board are supposed to buy milk on the butter fat content and its bacteriological content.

The Minister for Agriculture: That will be a matter for the board.

Mr. MILLINGTON: Not a single expert will be on that board. They will have a most arduous task to reorganise a composite and most difficult industry. If it were merely a question of the producing side of the business, the Government could find the men to attend to that, but there are the questions of handling through the depots, the distribution of the milk, the reconstruction of the business, and the attempted amalgamation of the three interests. I hope the Minister fully realises the enormous task confronting the board, and that he will consider the ad-

visability of supplying the necessary expert advice which these men will require if they expect to make a success of their arduous and technical task. In my opinion the board is wrongly constituted. They certainly represent the interests concerned, but they have to reconstruct the whole thing on a business basis. There is no guarantee that one business man will be elected, or one with any exceptional knowledge or capacity, qualities that will be badly needed. Those who set out to scrap existing methods, which have grown up over a period of years, and to reconstruct the business on new lines, will require to be men of genius to make a success of it.

The Minister for Agriculture: You agree that the producers should be in the majority on the board.

Mr. MILLINGTON: Of what use is a majority if the whole business is bungled? Many things are not decided by majorities. Democracy is a fine thing, but it is not applied to technical questions such as this one. We must have experts to deal with it. There is, however, no guarantee that experts will be elected. The Government could put seven university professors on the board, and they would have a more difficult problem to solve than any on which they are engaged to-day.

The Minister for Agriculture: They would not be as good as seven producers.

Mr. MILLINGTON: I am not an ardent advocate of control. I look upon control measures in this industry as the last resource. The justification for it exists only because of the condition of the industry. Something has to be done for it. In the process of reconstruction we have to be careful that the last case is not worse than the first. Under the proposal of the Minister we have no guarantee that the experiment will be successful. On the other hand, we have every right to assume that under the method proposed for dealing with the problem we shall probably get into a worse fix than we are in to-day. The Government have set about the business in the wrong way. They have failed to realise the size of the job they have undertaken. True, I have spoken to producers in the Osborne Park district. They say their position is such that they must have something. They are practically ruined. I assume that is also the attitude of the producers in the outer districts. The producers are like an army that

is beaten. They are not in a position to negotiate terms, and will accept anything. I am confident that the prices which have been ruling recently have not only ruined the producers outside, who are themselves largely responsible for the position, but have ruined also the others. It does not matter to the people in the outside districts whether they last a few weeks only, they will continue to sell their products and in many cases pay out nothing themselves. The other men are the responsible citizens who have built up their businesses over a period of years, and now see disaster staring them in the face. Their only hope lies in legal protection. An organisation board without any power will be fruitless. They recognise that whatever is done must have the backing of law, and therefore they are agreed on some method of regulation. Certainly they are not satisfied with the proposals in the Bill. However, there will be plenty of opportunity for reconstruction and amendment of the measure. What I have said has been said not with the object of showing that some measure of control is not necessary, but of showing that the Government's proposals are inadequate and foredoomed to failure. The job given to the board is something practically impossible for an elected board to accomplish. There are a few further objections. One clause provides that nothing in the Bill or in any other measure shall be deemed to give to any person carrying on business as a dairyman, or as a milk vendor, or treating milk, at the commencement of this Act a right to the issue to him of a license under this measure, or to give to any person holding a license under this measure a right to the renewal of such license upon the expiry thereof. Naturally, that provision makes people nervous. They say that a Bill containing such a clause will relieve the Government and the board of all liability as regards persons at present in the industry. Naturally they ask why such a provision was inserted. It may be that the Government desire to protect the board; but I, for my part, desire also to protect those who are at present engaged in the industry. My desire is that those who are displaced shall have their interests properly assessed and that some means be found, from the industry, to compensate them.

Hon. M. F. Troy: By whom? By the consumer?

Mr. MILLINGTON: The cost will eventually fall on the consumer. Unless something can be done to assist the primary producer, it will be found that to a large extent he will go out of business, be forced out of business. There is no need to stress the position of the producer. Another clause which seems to me to require explanation is that which states that neither the provisions of the Bill nor any regulations under it shall be deemed to repeal any other Act passed prior to the commencement of this measure, nor any provision of such an Act, nor any regulation or by-law made under such Act. That seems a straight-out definite proposition; but the remainder of the clause seems to annul that. The clause in question, Clause 2, goes on to say—

... but where this Act or any provision thereof or any regulation made under this Act is inconsistent with or repugnant to any other Act or to any provision of any other Act or to any other regulation or by-law, this Act and the provisions thereof and the regulations made thereunder shall prevail . . . . .

Dairymen are not expected to understand that kind of language. The members of the board, who would be farmers, surely could not be expected to understand it either. The Bill is framed so loosely, contains such drastic powers, and exhibits so much ignoring of the rights of those concerned, that naturally they want to know what will take place if such a Bill becomes law in Western Australia. Other matters associated with the Bill can be dealt with in Committee. I shall certainly vote for the second reading, because the principle of the Bill, the control outlined, is absolutely and positively necessary. I agree without any qualification that something must be done to keep the producer producing. I think, too, that the board may well give attention to the cost of production in the whole milk industry. Little attention has been given to that question in the past. We have been building up a dairying industry, but on loose lines, and without too much method being introduced into the movement. If our dairying industry is to exist, now that it is operating on a basis of world parity for butter fat, something will have to be done. Our methods will have to be improved, or the dairying industry of Western Australia will decline. Under the proposals of the Bill, the board would have power to give attention to the production of milk. I suggest that the board and the department had better give special attention to the question of production. The public, I believe, are not

desirous of sweating those engaged in the industry, but they do take exception if they see that they are overcharged because of wasteful methods, whether of production or of distribution. We have put a good deal of public money into the dairying industry. I said the other day that the Agricultural Bank is the biggest dairy farmer in Australia, has the largest interests in dairy farming. The job is too big for the proposed board. There is the most urgent need for better supervision over all the group settlers engaged in dairying. The difficulty is that those settlers have already lost hope. Something will have to be done to give them both better supervision and more continuous expert advice, with the object of reviving hope in them. If they are convinced that there is no hope, of course they cannot work and will not try to. Apart from those who will participate in this proposal, there is the bigger question of what is going to happen to those who have to continue producing at purely a butter-fat price throughout the South-West. I leave the Bill for the time, in the hope that the Government will reconsider it and will recognise its inherent weakness. The board as at present proposed to be constituted cannot possibly cope with the enormous task set by the Government. The responsibility is, after all, the Government's responsibility; and however the board may be constituted and whatever responsibility its members may be given, I shall look to the Government—I care not which Government—to stand between the board and the people, and between the board and the industry they seek to control. Therefore the Government will not relieve themselves of responsibility by merely passing that responsibility on to the board. Though they authorise the establishment of a board, the Government will have to accept responsibility for the actions of that board. I am sure the Minister recognises that fact, and will give the industry and the public the protection to which both are entitled. I hope he will do that by retaining the power of supervision that has formed part and parcel of other experimental-control measures. I support the second reading of the Bill, and shall reserve further comments until we deal with the measure in Committee.

On motion by Mr. McLarty, debate adjourned.

*House adjourned at 10.22 p.m.*

## Legislative Council,

*Wednesday, 21st September, 1932.*

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

### QUESTION—WORKERS' HOMES LEASES.

Hon. J. CORNELL asked the Chief Secretary: Is it the intention of the Government to introduce legislation this session to provide that land upon which workers' homes have been erected under Part III, Workers' Homes Act, may be converted into freehold land?

The CHIEF SECRETARY replied: No.

### LEAVE OF ABSENCE.

On motion by Hon. G. W. Miles, leave of absence granted to the Hon. J. J. Holmes (North) for six consecutive sittings on the ground of urgent private business.

### MOTION—MINES REGULATION ACT.

*To disallow regulations.*

Debate resumed from 14th September on the following motion by Hon. J. Nicholson:—That the additions and amendments to Regulations under "The Mines Regulation Act, 1906," published in the *Government Gazette* on 27th May, 1932, and numbered 1529/17 and 1010/30, and laid on the Table of the House on 16th August, 1932, be and are hereby disallowed.

HON G. FRASER (West) [4.37]: I intend in very few words to outline my attitude on this motion. In the first place, notwithstanding that there are in this Chamber at least nine members representing goldfields constituents, none of them thought fit to move this motion; it was left to a city member, whose electorate has no mines and is not in contact with the people concerned, to move that the regulations be disallowed.