

Legislative Council,

Thursday, 19th December, 1918.

The PRESIDENT took the Chair at 3.0 p.m., and read prayers.

[For "Questions on Notice" and "Papers Presented" see "Minutes of Proceedings."]

BILL—INDUSTRIES ASSISTANCE ACT AMENDMENT.

Second Reading.

Debate resumed from the 12th December.

Hon. J. W. KIRWAN (South) [3.5]: I moved the adjournment of the debate on this Bill because when Mr. Sanderson was speaking on the second reading he referred to the report of the Industries Assistance Board, and said that he had not had an opportunity of reading it. I secured the adjournment so that hon. members desirous of reading the report might be able to do so. I have seen the report, and I agree with Mr. Sanderson that it is a most interesting and valuable document, and I regret that it has not been printed. I would like to know whether there is any reason for not printing it. Previous reports of this department have been printed. I have before me the report of the Industries Assistance Board for 1916. It is a somewhat bulkier document than the latest production, and I find that the total cost of printing it was £15. If it be a question of cost it is a penny-wise and pound foolish policy not to give publicity to a report of this nature. Members should have an opportunity of studying it closely. We have only to take into account the enormous sum of money that has been dispersed by the Industries Assistance Board to realise the importance of an institution of that kind. When it was started it was assumed that it would be merely a temporary concern, the existence of which would not extend probably beyond a year, so far as advances were concerned. However, owing to the war and for other reasons, the operations of the board have extended far beyond what was contemplated. During the year 1917-18 the advances amounted to £803,000, during the year 1916-17 the total was £936,000, and the year before £1,104,000. There are no fewer than 2,251 settlers involved. Therefore, the matter is one of considerable importance to the whole of the State. I notice in the report of the board there is a recommendation made concerning amended legislation, and also an expression of opinion as to how legislation which has been passed through Parliament has been operating. The report states—

The amending legislation passed last year has been found very beneficial, and has greatly assisted in the administration of the board's affairs, but the rejection of the clause providing for the board to take a lien over free assets has worked very harshly against the creditors' interests.

And this is an important statement—

In numerous cases where abandonment has taken place settlers have sold up all free assets, pocketed the proceeds, and left the board and creditors lamenting. It is considered that when Parliament gave the board the powers it did with respect to distributing the proceeds of settlers' crops, as laid down in the Acts, it had in mind that the board would be in the same position as a public trustee, but such is not the case.

It seems that the Government made a promise to the board that amending legislation would be introduced to rectify this injustice, which, according to the board, was being continued. The report goes on—

The Government has agreed to reintroduce amending legislation to provide for security being given over the free chattels of settlers, such as stock, machinery, buildings and fencing material. Provision is also being made in the amending Bill to grant additional power to the board to deal with the purchase of creditors' claims, at a discount if thought advisable.

What is the amending Bill that is referred to in that report? The report was presented to both Houses of Parliament on the 5th November last. We have heard nothing of the amending Bill, and it is too late now to bring one in. It seems very extraordinary that some arrangement seems to have been arrived at with the board to protect the interests of the country in an important matter of this kind. I cannot say what else the Government could have done in the circumstances, when the board reports that in numerous cases where abandonment has taken place, the settlers have sold out all their assets and pocketed the proceeds, and left the board and creditors lamenting. The Government promised that this state of things should be rectified, but I fail to see that there is any chance of it being rectified this session. Some explanation is required from the Government as to why some attempt is not being made to protect the interests of the country in the way the board desire. It is all the more essential that that should have been done this session, inasmuch as further on in the report there is a suggestion that the assistance in some cases should be further extended. There is also another direction in which amending legislation might be introduced with advantage to the operations of the board, with advantage also to the clients of the board, and with advantage to the State. That is a paragraph which refers to insurance. The amount paid in premiums on insurance of settlers' crops during the past season totalled £15,227. The paragraph reads—

The amount paid in premiums on insurance of settlers' crops for the past season totalled £15,227 8s. 2d. Fire claims made against the companies and paid by them amount to £7,912 18s. These figures indicate that the companies have not made an undue margin of profit. The difference in the figures represent £7,314 10s. 2d., and from this sum agents' commission, administration and other expenses have to be paid. There are some 46 insurance companies work-

ing under the agreement. The average rates for the coming year have been fixed on the same basis as previous seasons. The question of the board effecting its own insurance was considered. The Crown Law Department were consulted in regard to the board's powers, but the advice obtained indicated clearly that the board did not have the power to do so. The Act provides for payment of insurance premiums to be made on the request of the settler. It was pointed out that the board was in the position of a mortgagee, and whilst it could insure its risk still it could not carry its own risk and expect the settler to pay the premiums for the board so doing. In other words, if the mortgagee wanted to effect insurance and desired to collect the amount from the insured, then he must effect such insurance with a company or other recognised body.

It certainly seems advisable that legislation should be introduced by which the board could effect its own insurance and thus bring about a saving. These are but a few of the very important points dealt with in this report. It is a pity that it is not in printed form that it might have been distributed amongst hon. members. One of the most important questions dealt with in connection with the board is the economic question concerning wheat production in this State. On that point the information is extremely interesting, not only in relation to the Industries Assistance Board, but in relation also to the question of the returned soldiers and what chance they have on going in for wheat-growing. On that point there are several paragraphs which I might read, as follows—

The question of whether wheat growing on its own is a payable proposition opens up a large and debatable point. Speaking generally, the opinion of the board is that it should be combined with sheep grazing, and no doubt a great many settlers will have to secure sheep if they are to make a success of their farming operations. The board's funds will not permit of sheep being supplied to settlers who are being assisted, but this question is at present under consideration by the Agricultural Bank.

Then the board takes three years in order to make an average to show what wheat-growing means. The three years taken are 1915-16, 1916-17, and 1917-18. The first year is described as a fairly good one, the second as a middling year, and the third as a poor one. The total advances made during those three years were £2,844,000, and the yield was 11,291,000 bushels. The substance of the report is that the cost of production of the wheat during those years was 5s. per bushel. They represent the national value as 4s. per bushel, and they come to the conclusion that there has been an actual loss of 1s. per bushel. Then they go on as follows—

Of course for this last season it was nearer 6s. 9d., but it would not be right to judge of the success of agriculture on a normally bad year averaging five bushels.

The report continues—

That practically means subsidising the production of 11¼ million bushels of wheat or

nearly four million bushels per annum to the amount of 1s. per bushel in order to encourage the settlement, improvement, and utilisation of about one million acres of land.

That is the substance of the report. It is well worth earnest consideration. The report goes on to say—

The broader economic lesson and one that the whole of the community of bread-eaters will be compelled to learn is that the present selling value of wheat will not for much longer induce or tempt our agriculturists to produce it, and that unless wheat-growers will remain always unselfish and feed others by starving themselves, it must be raised to 6s. 4d. to justify the cost in labour, skill, and effort in producing it; and we should note that a highly prosperous agricultural and pastoral community like New Zealand prefers to buy a portion of her wheat from Australia at a cost of 6s. or 7s. per bushel and thus devote her own land and rural efforts to the products of pasture in the shape of frozen meat, butter, bacon, wool, sheepskins, hides, etc., of which products alone she has this last year sold to the British Government over 30 million sterling worth without the inclusion of one bushel of wheat or grain.

The lesson that the Industries Assistance Board consider should be taken from that position is that the farmers should not put all their eggs into one basket. And they urge that wheat-growing should also be assisted by other production. The report calls for a good deal of thought from every one interested in the future of the State and the settlement on our lands of the returned soldiers. The report has come to us very late in the session but I urge the Government to have it printed. I shall be very glad if some members with a better knowledge than I have regarding the actual working of the Industries Assistance Board, will express their views as to how, exactly, this money is being spent. Is it really being spent to the best advantage? I have heard strange stories of the way in which some of this money is being utilised in the farming districts but, those stories being in the nature of current gossip, I do not place much reliance on them. If it were only in the nature of an assurance from those hon. members who have the operations of the board under their eye that this money is being spent to the best advantage it would be very satisfactory.

HON. V. HAMERSLEY (East) [3.24]: It should be remembered that the necessity for the parent Act was the drought of 1914, while largely the necessity for the annual re-introduction of this measure has been the war. But for this no doubt the parent Act would have been repealed long ago. When it was first passed, everybody interested entertained the idea that it would be only a temporary measure. But many circumstances curtailing the operations of the man on the land have since arisen. Following on the year of drought we had years when there was actually too much rain and when, in consequence, many promising crops were ruined by rust. Probably we shall at all times have errors of judgment, and no doubt certain settlers have been assisted on

propositions which would have been better left to those who know more about the subject, while in other cases assistance had been given to men not able to cope with the difficulties confronting them. That sort of thing is inseparable from any system of assistance. At the outset, it was anticipated that there would be a large percentage of failures, but it was thought that if 75 per cent. of those assisted could eventually achieve success it would be wise for the State to embark upon this method of settling people on the land; because, after all, one of the principal reasons for the State stepping in was that our lands might be settled. It was unreasonable to expect private institutions to advance money, stock and machinery to men on the land when the security of the land was retained by the State. In this direction it was found that private institutions would not advance in the early stages of settlement sufficient money to warrant men in taking up this land. There are many who have been assisted by the Industries Assistance Board who have made a great success of their operations. Some have been so successful that they have left the board and transferred their accounts to private banks.

Hon. A. Sanderson: What percentage?

Hon. V. HAMERSLEY: I have not the figures, but I know of a great number of such cases. There are also many who with the assistance of the board are now in a very satisfactory financial position. They have not left the board because of the difficulties they still have before them.

Hon. Sir E. H. Wittenoom: The board says that they transferred assets to their own pockets and left the board with their debts.

Hon. V. HAMERSLEY: That is a phase of the matter mentioned by Mr. Kirwan, when referring to the report of the Industries Assistance Board and when Parliament was asked to grant further securities to the board over the goods and chattels of settlers but declined to do so. It was not considered by Parliament that security over the goods and chattels of the settler should be granted. I doubt if Parliament would agree to it even if such a provision was incorporated in this Bill. There are other reasons why these securities should not be given over the settlers' goods and chattels. It was thought by members, and I held that view, that the position was sufficiently safeguarded. Those in control have full power when advancing money to the settler, and afterwards through their inspectors, to see that every penny advanced by the board is judiciously spent. For the board to take further security over these goods and chattels is a hardship, and would very often prevent the settlers from trading. Many of them have used their private funds in connection with their operations and lost them. I do not see why the board should be given power to hold security over stock which the settlers might have purchased with their own private funds, or which might have been advanced to them by firms in the habit of doing these things.

Hon. J. W. Kirwan: Surely the hon. member does not approve of the action of the

settlers who sold out their assets and left the board and their creditors lamenting?

Hon. V. HAMERSLEY: Certainly not. If some firm is prepared to advance stock to one of the settlers, the whole of whose land and improvements are mortgaged to the board, it having been shown to the firm that this presents a good opportunity for successful trading with the stock, why should we grant to the board security over that stock and so stand in the way of the firm advancing it? It would also tie the hands of the settler.

Hon. J. W. Kirwan: The board in their report suggest providing the settler with stock where necessary.

Hon. V. HAMERSLEY: The board would not provide the settler with stock unless they took security over it.

Hon. J. W. Kirwan: I am not surprised at that under existing conditions.

Hon. V. HAMERSLEY: I understand the intention of the board was to take security ahead of anyone else. Parliament has objected to this. Many of those men have had machinery advanced to them. It would not be fair to the firm advancing that machinery for the board to have a security which would be a better one than that taken over the machinery by the firm which advanced it. Sometimes a relation or a friend has advanced goods and chattels of a like nature to help a man on the land. I do not see why the board should be permitted to take security over these goods and chattels, and so prevent the settler trading in them in any way that he wished. I know the circumstances under which many of the advances have been made, and think it would be unfair to tie the hands of the settler by giving that further security to the board. The Industries Assistance Board had its power when making its advances. It makes no advance until it is sure that the work has been done, and having made the advance has had satisfactory work carried out for the money advanced. If the board has been careful in its advances, no matter if the settler has left the farm, the security is still there. Extraordinary conditions have arisen. No doubt the price of wheat has not been as good as was anticipated, and the settlers in all instances have not been as successful as was hoped by themselves, the board, or the State. The board has been the means of settling a great many men on the land.

Hon. A. Sanderson: How many?

Hon. G. J. G. W. Miles: Some 2,000 odd.

Hon. V. HAMERSLEY: There have been a great many more settlers on the board than the present figures show.

Hon. H. Stewart: The number is 3,251.

Hon. V. HAMERSLEY: A number of farms have been abandoned, and the probabilities are that more will be abandoned. I am satisfied they will be taken up by other settlers. There has been a great scarcity of men in the country, but as soon as people get back to normal conditions, no doubt many of these abandoned holdings will be taken up. No

one is inclined to embark in any new industry during the stressful period which has existed since the board was brought into being in 1914. It is difficult to see how we can come to any other conclusion than that, but for the board, there would have been great depletion of settlement in the State. By extending the provisions of this Act a little longer it will be the means of successfully settling the lands of the State. I have never been an advocate of the continuation of the operation of this Act a moment longer than was necessary. I should prefer that everyone should make his own arrangements with private institutions. It is to be hoped the chartered banks will be able to relieve the board of the work they have been carrying on. In these abnormal times I doubt very much whether those who are likely to be successful settlers would have any chance of getting that assistance which is necessary were it not for the board. I trust that nothing will be put in the way of those men who are at present having a hard struggle. Some of them have been pioneering the country under very adverse circumstances. Every consideration and encouragement should be given to them to continue their operations after the hard battle they have put up during the last few years. They are undoubtedly doing good work for the State. I support the second reading.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East—in reply) [3.43]: I agree with the remarks of Mr. Sanderson and Mr. Kirwan that the report should have been printed. In the past I think reports were printed altogether at too great a length, and were too elaborate during war time. The growing scarcity of paper made it necessary to condense these reports considerably. It is quite possible that the Government went further in the direction of having these reports condensed than might have been most desirable. The war is practically over, and it is not likely that the shortage of paper will continue. The price will probably come down a great deal. I think it is desirable that the reports should be abbreviated, and I do not think they should be printed in such a tremendous bulk as heretofore, which meant considerable cost, great delay, and consequent inconvenience to the public. At all events I take the responsibility of saying that this report shall be printed. I have not had an opportunity of reading it myself. Mr. Hamersley explained that the amendment referred to by the board was previously put before Parliament, and was rejected by this Chamber.

Hon. J. W. Kirwan: Will the hon. gentleman try to amend this Bill in the same direction, just to test the feeling of the House?

The COLONIAL SECRETARY: No; I do not propose to do that.

Hon. G. J. G. W. Miles: Is it intended to make this a permanent institution?

The COLONIAL SECRETARY: No; only to continue it from year to year until the need for it is past.

Question put and passed.

Bill read a second time.

BILL—PERMANENT RESERVE (COTTESLOE).

Second Reading.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [3.48] in moving the second reading said: This is a very short Bill, intended to give the Government the power to grant the municipal council of Cottesloe a small piece of land, comprising two roods, adjoining a block of the same area which is already vested in the municipal council of Cottesloe, out of reserve A1208, on which the municipal buildings stand. The council, I gather, are very much inconvenienced by the restriction of the area, and the consequent want of room to house plant, etc. I have plans here showing the locality, and this small additional portion to be taken out of the same reserve will not in any way interfere with that reserve as a reserve for recreation purposes. In fact, there are reserves for recreation purposes all round.

Hon. W. Kingsmill: Whereabouts is the reserve?

The COLONIAL SECRETARY: At the corner of Jarrad-street and Broome-street. In another place the member for the district expressed satisfaction with the proposal, and said it met with the wishes of the local people. I have no doubt that representatives of the province in this Chamber are acquainted with the circumstances. I move—

That the Bill be now read a second time.

Hon. A. SANDERSON (Metropolitan-Suburban) [3.49]: I have much pleasure in supporting the motion for the second reading. I was personally conducted by the council over this block of land, and given every opportunity of asking the members about it. This is one of those local matters which are of great interest to the people concerned, and so far as I can make out the proposal would commend itself to any independent person going down and viewing the locality.

Question put and passed.

Bill read a second time.

In Committee, etcetera.

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

Read a third time and passed.

BILL—WHEAT MARKETING ACT AMENDMENT.

Second Reading.

Debate resumed from the previous sitting.

Hon. J. F. ALLEN (West) [3.52]: One gets tired in this Chamber of hearing member after member express regret that important measures are being introduced at the tail end of the session, when members are tired and when time for consideration is short. This, of course, is an old complaint especially in this Chamber, because we have in most cases to await the pleasure of another place before proposed legislation reaches us. In some cases we can excuse this state of affairs, because there are certain Bills which would not be very materially affected if they were shelved for

months to come. In the case of a measure of this description, however, we have something to deal with that is urgent and that, in fact, should have been before us many weeks ago. During the debate on a previous measure I referred to the fact that the present Colonial Secretary had in the past been one of the most strenuous opponents of the taking away from Parliament of the powers it should possess. I remember early in my career in this Chamber hearing an eloquent address from the corner close to me, an address in which Mr. Colbatch strongly protested against government by Executive Council, by administrative order, and by departmental regulation. Yet I venture to say that never has there been in this State a Government so culpable in that respect as are the present Government and the previous Government, with which the Colonial Secretary was associated. In this matter of wheat marketing, right from the inception of the Scheme, we have had executive acts preceding parliamentary authority. Only, I believe, in respect of one harvest was parliamentary authority sought and obtained before the work of handling was begun. We can realise that when the Scheme was first introduced no one anticipated the length of time we would be under the disadvantages of shipping created by the war. Most of us anticipated at the worst that the war would last three years, instead of which it has lasted over four years, and is not ended even yet. Realising this, a certain degree of latitude was allowed to those who initiated the Scheme, for the possibly unconstitutional manner in which work was done at that time. Mr. W. D. Johnson, the Minister then in charge, visited the Eastern States, and, in conjunction with representatives of the other wheat-producing States and of the Federal Government, entered into a verbal agreement launching the present Scheme of pooling the wheat of the Commonwealth. On his return to Western Australia Mr. Johnson, not anticipating that such a long period would elapse before the Pool would cease to exist, proceeded without legislative authority to carry on the work. But Mr. Johnson took the step of calling together members of both Houses of Parliament in an informal conference, and outlining the scheme which he intended to inaugurate in conjunction with the other States and the Commonwealth; and on that occasion he received the support of members of both Houses in his action. Consequently, he knew that he had behind him the Parliament of this country. When the lapse of time showed that the Scheme was going to continue longer than originally anticipated, the next Government brought in a Bill, which I believe had been prepared by the preceding Government, to inaugurate the Scheme properly and constitutionally. This Bill was carried by both Houses of Parliament, and became the foundation, constitutionally, of the present system. The measure was brought in after one harvest had been handled, but I think before the second harvest had been taken in hand. The harvest after that was practically handled and dealt with before Parliament had a voice in

the question of the agreement of the handling. The agreement was brought in, as a schedule to a Bill, at the end of the first quarter of this year; and Parliament was asked to ratify an agreement which had already been executed. This Chamber was so indignant at the time, in view of the treatment Parliament was receiving from the Government, that it referred the Bill to a select committee, who, realising the impossibility of dealing with the question in the two or three days that remained of the session, recommended that the Bill be passed, giving the Government power to deal with one season's crop, on condition that a Royal Commission were appointed to investigate and report on the whole question of wheat handling and the Scheme. The Government accepted the instructions of Parliament; they were instructions, because the other House agreed to the proposal of this Chamber that a Royal Commission should be appointed. Possibly the Royal Commission might have been appointed a few weeks earlier if the Government had realised the importance of the question. Indeed, a Royal Commission might have been appointed when a request to that effect was made to the Government before ever it was put before Parliament at all. I asked the Government weeks before whether they intended to appoint a Royal Commission, because such an inquiry was asked for by members here and in another place; and I was only the mouthpiece of a large number of people who were anxious to have light thrown on the dark places of the Scheme. Had the Government then realised the necessity for throwing off the cloak of secrecy which had covered their operations to that date, they could have appointed a Royal Commission straight away and the work of that body might have been completed long before. As it was, the Royal Commission were appointed a few weeks after the close of the session; and I venture to say that no Royal Commission that ever sat in this State worked so earnestly and so strenuously as this one did. I ask leave to say that, although I was a member of the commission. No commission ever sat so persistently from day to day, dealing with the subject of its inquiry. Those who have taken the trouble to read the report will realise that, although the commission were drawn from the different parties in Parliament, they were entirely unanimous, and submitted a report, based on the evidence which they had received, without, I believe, one single sentence of a party character from beginning to end. The Royal Commission was appointed in June, and as they realised the matter was urgent they worked hard to bring in an interim report so that the Bill might be brought before Parliament to enable the Government to deal with the coming harvest. During the period that the commission were sitting the Government were not idle. They were drafting a new agreement and making provision for the handling of the approaching harvest. The commission were wholly ignorant of the methods of the Wheat Marketing Scheme officials and the agents, and the general transactions that were going on, and in three months they were unable to cover the whole of the

ground as thoroughly as the Scheme officials had been able to do. I think, however, the commission pretty thoroughly covered the work of the Scheme from its inception, and at the end of three months brought in a report dealing with everything which was necessary to enable the Government to introduce a Bill to deal with the handling of the harvest. Notwithstanding the fact that the Government had at their finger ends the whole matter which the commission had to resurrect, notwithstanding the fact that the Government had been negotiating for the purpose of introducing a Bill, we find that with all their advantages it took them three months before they could submit a Bill to Parliament. At the same time there is evidence of the haste which was displayed by the Government and on the part of the Scheme officials. Mr. Sayer, the Solicitor General, in giving evidence before the Royal Commission, made this statement with regard to the agreement which was submitted to him. He was asked these questions, and gave the replies quoted:—

You did not have the agreement a sufficient length of time to recommend or otherwise, it being signed?—It was brought down to me shortly before a Cabinet meeting, and the old print, with the amendments attached, was taken away by Mr. Hall, leaving in my hands a "fair copy," but before I had an opportunity of perusing the copy it was sent for, so I had no opportunity of critically examining it.

You would hardly expect an agreement of this kind to be sent to you on the morning of presenting it to Cabinet?—It was absolutely impossible for me to deal with it on the spot as the time was too limited. There is evidence of haste. I must congratulate the Government on the fact that they were not slow on all occasions. When the agreement had been drafted by the Minister or the officials of the Scheme—the Solicitor General did not draft it—dealing with millions of pounds worth of property, pledging the credit of this country to large sums of money, which, if disaster had overtaken the wheat stacks, would have resulted in great damage to the finances of the State—when an agreement of this description was drafted, it was sent to the Solicitor General for his perusal at ten o'clock in the morning, and he was instructed to give an opinion on it inside an hour, and to send it back to Cabinet. I do not know whether the agreement was submitted to him afterwards, but if this is evidence of the manner in which the present Government handle their business as a Government, then I think they are lacking in attention to public affairs. During the period the Government had this question under consideration, and while the commission were sitting, the Government decided to call for tenders from the various acquiring agents who had been operating in this State, as well as from those who had not been operating here, and they selected, unfortunately or unconsciously, the psychological moment when the Royal Commission was calling as witnesses the agents who had handled the wheat during the previous three years. The Commission realised

what the result must be, and the witnesses had to be subpoenaed and the information was elicited from them only by means of the cross-examination. We realised that the action of the Government was going to interfere with our inquiries, and we requested the Government, through the chairman of the Commission, to stay their hands until we had had an opportunity of getting the evidence that we were after. The Government took this step. They delayed the calling of these tenders and the Commission proceeded with their work. The Commission never for one moment anticipated that the action of the Government in calling for tenders would be abandoned, and in their report, assuming that the Government had only temporarily suspended the calling for tenders, included a paragraph which I shall read. In this paragraph certain suggestions were made, but if the Commission had been aware at the time that it was the intention of the Government not to proceed with the calling for tenders, they would have written a very different paragraph. This is the paragraph—

It having come to the knowledge of the Commission that the Government have decided on a policy of inviting quotations for the acquiring of the 1918-19 harvest, it was considered advisable to request the Government to stay its hand pending the receipt of a report from the Commission. The Government at once acceded to the request, and postponed the date for receiving quotations; eventually, for some reason, withdrawing the invitations altogether.

This indicates that the Commission of course knew that the Government had withdrawn the application for tenders. But they had no knowledge that the Government had abandoned that policy, which was quite a different proposition. The Commission thought that the Government would have proceeded on the lines which had been laid down as their policy. The Commission's report goes on—

The request was not made in opposition to the policy of the Government, but on perusal of the conditions of the draft agreement, upon which quotations had to be submitted, it was found that the present system of dual control in the care and protection of the wheat was proposed to be continued. Considering that such a system was not in the best interests of the Scheme, the Commission deemed it necessary to advise the Government accordingly.

Then follows the recommendation made by the Commission. This reads—

In view of the statement made by the manager of the Scheme to the effect that if the work of acquiring the wheat in the future was carried out by the Scheme officials, several thousand pounds, now being paid to the acquiring agent, would be saved—this being accomplished principally by the Scheme directly employing the sub-agents instead of operating through an acquiring agent or middleman—the Commission is of opinion that the general manager should be requested, when quotations are being submitted by acquiring firms, to also submit a price for the work.

I have asked this question twice before, as to why the Government decided not to proceed with the policy of inviting tenders for the handling of the coming harvest and have received no answer. I will tell hon. members the reason. It was because the acquiring agents of the preceding year, the Westralian Farmers, Ltd., sent messages to all the co-operative societies in the State and to the Farmers' and Settlers' Association, suggesting to them, in fact practically commanding them, to send in a protest against the handling of this wheat being given to anyone but the Westralian Farmers, Ltd. The replies came in promptly—this is a well-drilled machine—they came along in exactly the terms stipulated, and the result was that in some cases the agents refused to handle the wheat for anybody but the Westralian Farmers, Ltd., and threatened the Government to hold up the work if they employed anyone but the Westralian Farmers, Ltd. That is why tenders were not proceeded with. I must do the Honorary Minister, Mr. Baxter, this credit, that from what I gather he does not come under this indictment of mine. I believe that if Mr. Baxter had a free hand something different might have resulted. I take this opportunity of saying so in justice to the Honorary Minister.

Hon. J. Ewing: Who is responsible?

Hon. J. F. ALLEN. The Government as a whole.

Hon. J. Ewing: Mr. Baxter is a member of the Government.

Hon. J. F. ALLEN: He is only an Honorary Minister. I venture to say that I could name the Minister who is responsible. The blame, however, is on the head and shoulders of the Government as a whole, and I claim that when a system like this obtains in Western Australia, when a Government department stultifies itself in this manner, it transcends anything that ever happened in the past. With regard to the old acquiring agents who were asked to tender on this occasion, we might have something to say about them. There is a great deal in the report of the Commission on this question, and it will repay hon. members well to read it. I do not intend to quote it at this juncture, but in passing I intend to refer to what Mr. W. D. Johnson had to say. Mr. Johnson was the Minister in charge of the Scheme when it was started. No one would dream of saying that Mr. Johnson had any interest in the old acquiring agents; no one would say that he would go out of his way to pay them a compliment if they did not deserve it, and although, at this juncture, I desire to disclaim any interest in the acquiring agents, or to appear as advocate for them, I will ask the House to maintain a sense of justice in dealing with this question, and to look at the facts as they stand. If hon. members turn to question 41, they will find what Mr. Johnson had to say.

You made a statement that you found the wheat agents were very helpful in connection with the carrying out of the Scheme at the outset!—Yes. If they had shown opposition, my position would have been hopeless.

I would have had to throw myself on the mercy of the Legislative Council.

That was a jocular comment on his part, but the fact remains that he admitted that if they had shown opposition his position would have been hopeless. I will quote question and answer No. 42—

In your opinion do you not think they should have had some consideration for the assistance they had previously rendered?—The very fact that I was thinking of making it a State concern was evidence that I thought we had carried out our obligations to them for the assistance they had rendered at the outset.

The reply he gave to that question was one which I wanted to clear up, and I submitted the next questions as follows:—

Do you not think when they placed their knowledge and experience at your disposal in the way they did, they were actuated by the semi-promise that they would be allowed to continue in the future?—I believe that is so.

So that no financial consideration they received could have got over that difficulty?—That is so.

In return for the services they rendered a promise was made to them by the Prime Minister of the Commonwealth that their business would not be interfered with any more than could possibly be helped by the operations of the Pool, and as they gave ungrudging assistance to the Scheme from the inception, the opportunity should have been given to them to continue in the business. But what do we find? Last year they were eliminated from the Scheme, and through no action of their own. The ground has been covered again and again, but it will bear repeating. Realising that the one cause of the heavy expenditure incurred was by the competition throughout the agricultural areas, it was suggested—and I do not know who suggested it, the evidence conflicts with the files—that instead of the competitive system extending throughout the State which existed in previous harvests, they should have what is called the zone system, and each of the acquiring agents should have a portion of the State allotted to him in which he could operate without competition, while the other agents would be similarly treated. On this zone system the various agents were asked to tender, and the only firm that demurred was the Westralian Farmers, Ltd., which did not exist prior to the inauguration of the Pool. They sprang into existence to take advantage of war conditions to establish itself.

Hon. H. Stewart: They existed prior to the war.

Hon. J. F. ALLEN: As far as I know they did not. The Westralian Farmers, Ltd., bought out the interests of another firm. If the Westralian Farmers, Ltd., did exist prior to the war, they were practically unknown; nobody had heard of them. In the first year, I know, they were very small fry in the handling of the harvest. They came in late in the

season and did but a small amount of business. In the second season they did a larger amount for the reason that they called themselves the farmers' representatives, acting on behalf of the farmers. They were doing sub rosa an action which the Mercantile Farmers' Union did openly. The Mercantile Farmers' Union deliberately offered a bonus for the buying of the wheat, and for that reason they were dropped off the list of acquiring agents. The Westralian Farmers did not do that. They simply said "We are the farmers' representatives. We will look after the farmers' interests. We will handle the wheat more carefully than anybody else, and if there are any profits the farmers will get them." It was an offer "under the lap" which induced the farmers to give the firm the business in the second harvest under the Scheme. But to revert to the negotiations for the handling of the third year's harvesting: the proposal for the zone system was made, and various agents were asked to tender. All were prepared to tender except the Westralian Farmers, Ltd., who said, "No, we have established ourselves; we have our agents everywhere throughout the State and we want the whole field of the State to operate in, not merely a portion of it." The old acquiring agents, who had sacrificed something to establish the Scheme, were thrown out. They were given no further consideration. After a good deal of gerrymandering between one side and the other the thing boiled itself down to this: The Westralian Farmers, Ltd., were told, "You can do the work throughout the whole of the State in competition with the other agents for a given price, or alternatively you can have the whole of the State as a monopoly at a slightly lesser price." Now mark the difference! The other agents were told this: "You can either have the business of the State in competition with the Westralian Farmers, Ltd., at a certain price, or alternatively the Westralian Farmers, Ltd., get the job." There was a distinct difference in the two offers. Had both bodies been placed on the same footing, nobody could have objected. Then the agents called upon the Minister and had a conference with him. This brings us to a period in the history of the Scheme which is distinctly clouded. Mr. Duffell, who introduced this deputation, giving evidence before the Royal Commission, said that when he left the conference he was under the impression that the Minister had given the conference to understand that the business was ended. The Minister himself says that it was ended; but when asked more particularly, he says he did not tell the acquiring agents that it was ended, because he was satisfied that they knew it. But we have the evidence of the departmental files, which show in a report of the conference that the agents left that conference with the distinct understanding that they could put in another quote. This record of the conference distinctly says that Mr. Keys, then chairman of the acquiring agents, on leaving said to the Minister that

a further quote would be put in that afternoon. And the Minister let them go under that impression. That further quote was put in. But we have the evidence of Mr. Duffell that he left the conference under the impression that the business was closed, the evidence of the Minister that they knew it was closed but he did not tell them so, the evidence of the departmental files, which states that the agents left the conference under the impression that they could submit another quote, and the evidence of Mr. Keys that he left the conference, clearly understanding that they had an opportunity of putting in another quote. One other acquiring agent who was at the conference also made the same statement. The agents put in that quote and were told by the Minister that even if they offered to do the work for nothing their offer would not be considered. I claim that under those circumstances those agents should have been given the same opportunity to tender as was given to the Westralian Farmers, Ltd. If there was to be competition, they should have been given an opportunity, and if there was to be a monopoly they should have been given an opportunity of quoting for that monopoly. It is unjust to say to one competitor, "You tender in one direction" and to another, "Tender for only half the service." It is not in accordance with principles which we should support. I have had an opportunity during the last few years of visiting the various States of the Commonwealth and of personally seeing the work done by the Wheat Scheme in the Eastern States. I take this opportunity of saying that in no other place in the Commonwealth have I seen the work so well done as it has been in this State. I am not paying a compliment to the agents who have from time to time handled the wheat; the compliment I am paying is to the Scheme officials and to the Minister in charge. To them I give the credit, and not to any agent; because we have the agents here just as they have in the other States, and the evidence before the Commission shows that one agent is neither better nor worse than another. I pay tribute to the Scheme officials, who have done the work well. No doubt they have made many mistakes, but those things which were suspected when the Commission was first appointed, we failed to find. We found an honest endeavour on the part of the officials to do the best for the farmers. We found that where economy could be effected it has been effected, and I take this opportunity to say that the officials have done really good work, notwithstanding the fact that they have made mistakes. When we consider the magnitude of the work, who can be surprised if they are still making mistakes? Before leaving that question, I should like to call attention to one of the recommendations made in the interim report of the Commission, namely as to the housing of the officials of the Scheme. I have never seen such a congestion as I saw in the offices of the Scheme. In some of the rooms were to be found two or three times as many clerks as there was space for. Naturally the papers were in some confusion on account of the lack of accommodation for their being properly kept in order. Seeing that the

Scheme does not come into direct contact with the public, the Commission recommended that the offices should be removed to more commodious premises which could be obtained in some other building. If this were done, a large number of the mistakes being made would be obviated. In our report we mentioned the difficulty we sometimes had in obtaining papers and information from the Scheme, but when we visited the Schemes offices and realised the difficulties under which the officials were working, we felt that there was some justification for their contention that they could not avoid the delay. The report states that better accommodation should be provided for the Scheme's officials.

Hon. J. A. Greig: The Westralian Farmers, Ltd., have lots of rooms to let.

Hon. J. F. ALLEN: Undoubtedly there is plenty of accommodation available in the City. There are in the Commission's report one or two points to which I shall refer. One is the question of the advisory committee. The Minister paid a high compliment to the advisory committee which is now about to be supplanted by the executive board. I believe those committeemen ungrudgingly gave valuable services to the Scheme, that they did their best in the interests of the farmers of the State. Although as a member of the Commission I am not in a position to express the same opinion of the committee as the Minister did, I must say that, seeing they have acted in an honorary capacity, the thanks of the country are due to those gentlemen for the services they have rendered. The Commission realised that something more than an advisory committee was necessary. The Minister has stated that seeing that the Government have guaranteed certain advances to the farmers, the prime asset was the country's, and not the farmers'; that is to say, the bulk of the value was the Government's business rather than the farmers' business. We grant that the pecuniary interest in the wheat stored in the State is the Government's rather than the farmers'. That goes without saying. But the fact remains that the Government, naturally, would not have made a guarantee or an advance to the farmers in excess of what they expected the wheat to realise when sold. If they did they are not fit for the position they occupy. When they made the guarantee, they expected that the price realised for the wheat would be greater than the advance made by the Government. In the circumstance the residual value, after the Government had deducted from it the amount of their advance, is the part which is affected by the economy or otherwise in the administration of the Scheme. It is that margin over the guarantee which is affected by the actions and the control of the Scheme. However, the commission were led to the conviction that, from the evidence taken from all sources, and seeing that the values which were affected by the operations of the Scheme were the farmers' values, the farmers should have a direct say in the administration. Consequently the Royal Commission recommended a board of this nature. That recommendation is the basis of all the recommendations made by the Royal Commission. Every

recommendation is based upon the one that the control of the Scheme should be vested in an executive board. The Bill does not provide for an executive board. It is an advisory board under a new name. It has no control over any of the finances. The bulk of the voting power is in the hands of the Minister and the nominees of the Government. The only difference is that instead of having two farmers nominated by the Government the farmers are allowed to elect them. I am of opinion that this is not right. When the Bill is in Committee, I intend to move for an alteration to Clause 5 in order to give the board wider powers than are provided in the Bill. If we do not give the board these wide powers, then the recommendations of the commission are more or less valueless in other directions. On the question of the storage of wheat, the commission recommended that instead of the big depôts, which are established in different parts of the State, smaller depôts or sheds should be erected at country sidings, where wheat to the extent of 20,000 bags or over, that is received annually, may be stored rather than be sent to a central depôt. I understand that recommendation really came in too late to be considered, seeing that the Scheme were already committed to the bigger buildings comprised in the depôts. Consequently for that, amongst other reasons, the recommendation was not adopted by the Scheme. Other reasons are given in the evidence. I do not suppose we shall want to build any more wheat sheds for the future, so that the matter is ended. I suggested to a member of the Government at the beginning of last year, when the first sheds were being erected, that they might have been roofed with some composition instead of iron, as is the case in the Eastern States. I was surprised to find that no notice was taken of this suggestion. Mr. Sibbald, the late manager of the Scheme, was also favourably inclined towards the use of some material other than iron. It is too late to undo what has been done, but still for the benefit of members, I desire to show what a suggestion like that would have meant to the farmers. I will read what Mr. Pearce, the engineer in charge of the construction of the sheds, had to say upon the difference in the cost and the different methods of the construction. When his attention was called to the fact that in South Australia they were roofing wheat sheds with malthoid, he said that this cost £3 15s. 5d. a square, whereas the iron roofing cost £4 2s. 3d. a square here, and adamant at Spencer's Brook with local timbers for sacking boards cost £3 per square. Whether he meant that the iron was to cost £4 2s. 3d. or the roof as a whole was to cost that much including the iron, I do not know. Assuming that he meant the two prices were for the completed roof, in each case it works out at a difference of something like £8,000 in favour of malthoid. There would therefore be £8,000 less spent on that class of roofing with the roofing done with iron. These buildings cost under £100,000, leaving out the railway sidings and adjuncts, and this difference therefore worked out at nearly 10 per cent. on the total cost of the buildings. That differ-

ence will never be made up by the sale of the iron, when the buildings are being dismantled.

Hon. Sir E. H. Wittenoom: Will this malthoid last any length of time?

Hon. J. F. ALLEN: It will last two or three years. If the Scheme set fire to it, when the buildings are done with, I think they would be in pocket. These buildings cost about £8,000 more to roof with iron, and the difference in the two classes of material used works out at 10 per cent. At present these sheds are still in use, and he would be an optimist who would expect them not to be in use 12 months hence. Assuming they are empty in 12 months' time, and are broken down and the material sold, the iron, which at present is quoted at £45 per ton as compared with the high price that it was two or three months ago, will not be worth anything more than £10 a ton.

Hon. J. E. Dodd: It dropped £23 in Sydney on the day the armistice was signed.

Hon. J. F. ALLEN: From the information at my disposal and my knowledge of the question, I should say that in 12 months' time that second-class iron, which is all that this iron is, will only be worth something like £10 a ton.

Hon. H. Stewart: What will the malthoid be worth?

Hon. J. F. ALLEN: The residual value of the iron is about £3,500, and the Scheme have spent £8,000 on roofing over and above what it would have cost if malthoid had been used. If malthoid had been used, and at the end of three years had been burnt or destroyed, the Scheme would be nearly £5,000 in pocket by the transaction.

Hon. H. Stewart: No one knew how long the war would last.

Hon. J. F. ALLEN: Malthoid is guaranteed for seven years.

Hon. J. Nicholson: How many tons of iron are there in question?

Hon. J. F. ALLEN: There are 350 or 400 tons, I believe. Even assuming that the war had lasted a number of years, the position would not have altered only in so far as whether malthoid would have lasted for the whole period or not. It is guaranteed for a number of years. Assuming that it begins to perish in certain places, it is only what happens in the case of iron. The recommendation has been put up this year that the iron erected last year should be painted in order that it might be preserved. If it is necessary to paint the iron to preserve it we cannot say that it is an unwise expenditure to do something in the way of preserving the malthoid roofing. At the end the residual value of the one would be so small that it would have paid to have destroyed the malthoid without taking it into consideration at all. I have an amendment on the Notice Paper, which I intend to move when in Committee, providing for the deletion of the clause ratifying the Westralian Farmers, Ltd., agreement. I intend to move this amendment, firstly because I consider that that agreement has been entered into through political interference engendered, as I have suggested, by the action of the Westralian Farmers through their agents. By this action the Government

have been forced into the position of giving this work to these people as against employing others outside. Never, I think, has there been in the history of this country, even in the days when we used to talk about the Trades Hall domination, a time when political organisation has been so much used for commercial purposes as is the case to-day. This agreement stands as a monument of this. Members of Parliament have also been threatened as to what may happen if they do support any action which takes work away from the Westralian Farmers, Ltd.

Hon. J. Ewing: Is that so?

Hon. J. F. ALLEN: I am not speaking without my book. I have seen certain letters that have been sent to members of Parliament demanding that they should support this agreement with the Westralian Farmers, Ltd.—

Hon. J. Duffell: Shame.

Hon. J. F. ALLEN: Practically as the price of their political existence. When such a day as that is come it is time that an organisation of this nature was suppressed by Parliament.

Hon. J. A. Greig: Can you produce the letters or give the names of the writers?

Hon. J. F. ALLEN: I think the hon. member will probably have seen some of the letters.

Hon. J. A. Greig: I have not.

Hon. J. F. ALLEN: Then I am surprised. There is another reason why I think this work should not be done by the Westralian Farmers, Ltd., and I pointed this out in connection with the Appropriation Bill a few days ago. Mr. Keys in his evidence in question 4504 says—

The other day I made up an estimate at which I reckon the Scheme could do the work of issuing certificates for a ten million bushel crop. The estimate was approximately £10,000. On a similar basis to last year's, we would have to pay the Westralian Farmers, Ltd., £25,000 for that work.

The present agreement provides for the same remuneration in this respect as was provided last year. Consequently the evidence of Mr. Keys is that this work would cost £25,000 if done by the Westralian Farmers, Ltd., but could be done by the Scheme for £10,000. That is the evidence of the expert employed by the Government, the only man with the necessary qualifications at the command of the Government to advise on this point. In question 4507 Mr. Keys, the present manager of the Scheme, makes this further statement—

A similar scale was worked up 12 months ago for Mr. Sibbald. I worked this up independent of that. I had not seen the file, and in comparing the records of the one compiled by Mr. Child and myself on the basis of 10,000,000 bushels with that compiled for Mr. Sibbald, the difference is only £150 on the two estimates.

Mr. Sibbald, the late manager of the Scheme, calculating on a 10 million bushel harvest, arrived at the same estimate within £150. That shows that both gentlemen knew their business and that there is accuracy in the estimate. That is only a portion of the saving which would be effected by the Scheme if they handled this work for themselves. In question 3870

Mr. Keys also makes the following statement—

If the covering had been done by contract at so much per bushel this season, could anything have been saved to the Scheme?—I think half the cost of covering could have been saved. I think the Scheme were absolutely bled by the Westralian Farmers, Ltd., as regards the roofing.

How many stacks have you round the country covered?—About 30; that is, not left uncovered now.

Do you know the total cost of covering them?—No. The Westralian Farmers, Ltd., rendered a debit note for covering, but they are charging us for covering stacks that never have been covered, and also for covering more wheat in stacks than actually was covered.

When we get a statement like that from the manager of the Scheme—

Hon. J. A. Greig: It does not say much for the management.

Hon. J. F. ALLEN: I am not blaming the manager; the manager knew what was happening. But we come back to this fact, that the politician was interfering with the management of the Scheme, and consequently these losses were taking place. That is why the Commission advocates the appointment of an executive board to control the Scheme, rather than that political influence should be allowed to interfere with it. Appoint a board and at once the necessity for the agent disappears. Why have two bodies? Here we have a man who was the trusted servant of Dreyfus and Co., and who has the absolute confidence of the Government. What is wrong with the board being created with a gentleman like him in charge, as against the present system of a scheme supervised by one who has another great department to maintain? One or the other should be wiped out. The Westralian Farmers, Ltd., also suggested that this should be done, but their suggestion was in an opposite direction. "Why have the Scheme," is what they said. "Wipe out the Scheme, and we will do the lot." I am not one of those who believe in State enterprises and the creation of new departments. This, however, is not a department of State; it is not a charge against Consolidated Revenue. It is a board created to manage the concerns of the farmers, at the expense of the farmers, and at the suggestion of the farmers. We have here a co-operation. We believe in co-operation, and we also believe in a co-operation which is just and equitable, and not a co-operation which is going to be the biggest incubus known. Now for my third objection. In the past we have had a lot to say about the beef buccaneers, and the timber combines, the shipping trusts, the sugar trusts, and all those things. We were afraid of those concerns running rampant. But never before has there been any trust or combine created in Australia, or in fact in any part of the world, so dangerous as the Westralian Farmers, Ltd. It is a trust which has been created for controlling the staple food of the people. We can do without many things, but we cannot do without that. The Westralian

Farmers, Ltd., have become an octopus, which is attempting to establish itself not only here but in the Eastern States. It is attempting to dominate and control the wheat production and its consumption throughout Australia. It is spreading out in all directions, and if we allow this great combine to grow, in the name of the farmers and humanity, for the purpose of securing to the farmers the best results of their labour, which we all admit they should have, we shall allow a hypocritical body to spread itself to the detriment of all. How is this concern made up? We have at the head of it Mr. Basil Murray, who was formerly an insurance manager, and there is with him Mr. Striling Taylor, who was also connected with the same insurance business, Mr. Prowse, another insurance man, and Mr. McGibbon, still another insurance man, and amongst the shareholders we find a large number of members of Parliament, and official people. This thing germinated in St. George's terrace, and the people whose names I have given are those who are getting a grip of the foodstuffs, and who hope to control them in the future, in the interests, as they say, of the farmer. It is the people in the City of Perth, the St. George's terrace farmers, who are getting this grip of the staple food of the people. The Westralian Farmers, Ltd., is one of the cleverest institutions I have ever come across. We have heard of American trusts, beef buccaneers, timber combines, and what the Trades Hall have done, but never in history has there been such a cleverly worked organisation as the Westralian Farmers, Ltd. We have laughed at the idea of compulsion, and being compelled to enter into a thing against one's wishes, but in this we have something which is astonishing when we look into it. Mr. Prowse, at one time a director of the Westralian Farmers, Ltd., in giving evidence before the Royal Commission stated what should be done to assist the Westralian Farmers, Ltd., to become paramount in this State. The chairman asked him these questions and the answers were given by Mr. Prowse as stated—

By the Chairman: You have stated that you consider it is necessary to carry on the Pool after the war is over?—I do not think there is anything finer than the Pool.

And that Parliament should be asked to afford some protection?—The Pool should be properly constituted and the Government should have representation on it. It should be legally constituted.

Would you still make it compulsory for a farmer to put his wheat into the Pool whether he liked it or not?—Absolutely. He should not sell it outside.

You think he should be compelled to dispose of his produce in normal times in a manner that he might not like to do?—The farmers have already said they want it. This is one good thing that the war has done, and we as wise people should now continue to avail ourselves of it. If the Pool is to be effective, it must be all in, the wheat must be handled as now, and anyone wanting to buy wheat from Australia should not do it in such a way as to exploit the individual

farmers. We feel that Australia as a whole, and the farmers collectively, will benefit greatly by such protection.

Do you think that if the Government legislated in the direction that you suggest, those in control of the Pool should also do the whole of the handling of the wheat?—Exactly. I do say that the Government should step in and protect legal consumption. I am advocating the continuation of the Pool under slightly different control.

Do you not think it would be better for the farmers, through co-operation, to take the whole of the responsibility?—Yes, if you would agree to that. We thought possibly the Government would insist on certain conditions. They could put those conditions in and then stay at home.

You do not think it could be done without an Act of Parliament?—There are those who would default or blackleg. There is nothing finer than that the wheat should be thrown into a pool so as to avoid exploiting.

You think it is necessary to provide for compulsion so as to prevent any person blacklegging?—Yes, in this respect.

He advocated compulsion to avoid blacklegging. So much for Mr. Prowse. Then we had Mr. Murray on the distribution of profits, and here is where the cleverness of this organisation comes in. It is necessary that every farmer in this State who produces wheat should be in their combine. There should not be a single individual left outside, and failing compulsion by Act of Parliament, they seize another way of doing it owing to the existing conditions. When a man makes war profits today he is taxed heavily on those profits and none of us has much regret for that individual who is so taxed. Any man who deliberately sets out to exploit his fellow man on account of the war conditions existing, his name should be anathema; he is beneath contempt. The Westralian Farmers, Ltd., practically say this—

The Government are prepared to give us the sole monopoly of acquiring wheat in this State, to force every wheat producer to send his products through their agencies and this gives them an opportunity of consolidating their position.

They, therefore, called a general meeting of the shareholders to alter the constitution to provide that their profits over and above 7 per cent. interest on the shares should be distributed amongst those doing business through them, but that money is not to be distributed to those people in cash, they are to be given it in the form of debentures. This debenture is not negotiable.

Hon. J. A. Greig: Yes, it is.

Hon. J. F. ALLEN: A debenture is only available, according to the articles of association, after a man dies. Mr. Murray says in answer to question 3046—

The only thing for which we can reserve from any profits is when we have issued certain debentures, which are compulsorily payable in cash at death. It is a form of insurance for the wives and children of the farmers.

Hon. J. A. Greig: A debenture can be transferred to another man.

Hon. J. F. ALLEN: It cannot. A debenture is given to the man who does business with them and it is not a negotiable document. A 5 per cent. debenture does not make a man a shareholder, and the Company said "If you like to transfer your debenture for a share, instead of 5 per cent. you will get 7 per cent. and you will be a shareholder in the company." It means that every farmer who grows wheat is compelled to do business with the Westralian Farmers, Ltd., and he becomes automatically a debenture holder, and if he converts his debenture into a share he becomes a shareholder and receives 7 per cent. This is one of the cleverest things ever done. It is certainly beyond parallel in my experience. The Government have worked in with them to this extent that last year they gave them the sole acquiring right and this year the Government are going to perpetuate the same trouble, and if a farmer or two escaped last year from the mesh, this year they will be made shareholders. After this year it does not matter a rap whether the Government continues the Pool or not, because the Westralian Farmers, Ltd., will by that time have all the farmers in this State in their hands and the staple food will be controlled by that organisation. No words of mine can adequately condemn the existence of such a state of affairs, and I trust that members of this Chamber who have always been against the existence of combines and trusts which have interfered with the freedom of the people, will in this case treat the agreement made by the Government with the Westralian Farmers, Ltd., in the way it deserves. There are a lot of other matters in connection with the Westralian Farmers to which I could refer but I do not think it is necessary for me to do so. The one point which I have already stressed is the one which appeals to me more than any other. We are here to protect the rights and privileges of the people; we are here to see that no hardship is inflicted on them, that the few shall not exploit the majority. The farmers have called for protection in the past; they have had a hard time and there is no one more sympathetic towards them than myself, but I must realise that they are not the only people to be considered. We must consider the consumer as well. The man that eats the bread is just as necessary as the man who grows the wheat. And so is the man who makes the bread. Not only is the consumer to be considered, but he is necessary to the farmer. I have told the farmer so. If the local consumer ceases to exist, the farmer ceases to exist, unless he finds other consumers in America, or in the Old Country, or in Jerusalem. I did intend to touch upon the question of the saving which has been effected by this year's agreement as against the previous year's. The Colonial Secretary, speaking on the Supply Bill, referred to the fact that a sum of £30,000 had been saved this year, as compared with last year, through the Westralian Farmers Ltd.

being utilised for the acquiring of wheat. I dispute that statement. I say £30,000 has not been saved for that reason. I am not going to quote the evidence which hon. members can read for themselves, beginning with Mr. Keys's answer to question 3864. A saving has, naturally, been effected by the elimination of competition. Naturally, the cost must have been higher when five agents were operating at every centre than now when there is only one at each centre. But that limitation of competition, and that saving of expenditure, have not been effected by the Westralian Farmers Ltd.; they have been effected by the Scheme. The zone system was suggested by the agents; but the Government decided to eliminate competition entirely, and thus the saving was effected. Let this be remembered, too, that whereas the Government are paying 2½d. to the Westralian Farmers, Ltd., the competing agents offered, in a letter which the Honorary Minister said he would not consider, to do the same work at one farthing less. The statement that £30,000 has been saved to the Scheme through the acquiring of the wheat being placed in the hands of the Westralian Farmers is inaccurate, and I am sorry that the Colonial Secretary is not present to hear me say that it is on a par with a great many Ministerial utterances that have been made in this Chamber. The Honorary Minister, Mr. Baxter, speaking on the Supply Bill, referred to my statement that £15,000 could be saved if the Scheme handled the wheat. He said that was purely an estimate. The estimate given by the Colonial Secretary was only the Colonial Secretary's estimate, but the estimate I gave was that of the gentleman whom the Government trust absolutely to control the Scheme—Mr. Keys, the man who was trusted by Dreyfus & Co. to handle their business here prior to his taking control of the Scheme. It is Mr. Keys's estimates that the Honorary Minister has to go on for the control of the Scheme. Therefore, I claim that in giving Mr. Keys's estimate I am giving such an estimate as a member of Parliament can stand behind. I trust that, when the Bill is in Committee, hon. members will realise the seriousness of the position and carry my amendment.

Hon. J. E. DODD (South) [5.6]: After the very able speech of Mr. Allen and the drastic criticism which he delivered, I should have liked to hear some member of the Country party before I spoke. Firstly, I desire to say that the thanks of the community are due to the honorary Commission which has dealt with this very important subject. In my experience I do not remember hearing of any Royal Commission devoting more time or more earnestness to its labours than this Commission did; and, considering they have done it in an honorary capacity, I think the criticism sometimes levelled at members of Parliament of not doing enough is not warranted. I always thought Mr. Baxter was unduly criticised in regard to several matters; I always thought that that gentleman had to bear the burden of some acts of the Government for which the Government as a whole are responsible. There-

But of all the references which Mr. Allen remarks concerning Mr. Baxter, and also Mr. Angwin's reference to the same gentleman. But of all the references which Mr. Allen made that which gave me the greatest pleasure was the fine and glowing tribute he paid to State enterprise. I think I have previously said, but I desire to say once again, that I am pleased with the tributes paid in a property Chamber to State enterprise. I am also very glad that Mr. Allen has gone so far as to give notice of an amendment which will not only make socialism effective but which will mean the handing over of the control of the wheat to the Scheme permanently. On some future occasion I may review several statements regarding socialism and State enterprises that I have heard in this House. Some reference has been made to political influence in regard to the Wheat Scheme, and I for one sincerely regret the political aspect of this agreement. There can be only one conclusion upon reading the report of a certain conference, and that conclusion is that the body in question were assuming a political power not altogether well for the State. It seems to me there is no question about that. Being a representative, though not so much now as I was in the past, of a party accused of always using their political influence in a way not right, I think I may with reason resent the political influence which has been used by the particular body here concerned. I think I can honestly say that. But, having said that, I do not know whether or not the criticism directed against the body as a co-operative concern is altogether justified. If there is one thing that the societies with which I have been associated support, it is co-operation. One of the objects of the miners' association—of which I am still a member, and of which I was for many years the secretary—is co-operation. May I draw attention to the fact that throughout the world, during recent years, the co-operative movement has extended very widely. Mr. Stewart recently delivered a most interesting speech upon what co-operation has done. Those who have read Lord Plunkett's work on "Co-operation and Nationality" must realise what co-operation has done for Ireland, and what it has done for Denmark and Holland, and, later, for Canada. Indeed, all over the world co-operation is taking its place in making material cheaper, and also in influencing for good the conduct of the people in regard to their trading concerns. But I do not wish to be led into the mistake of giving that security to a co-operative society which may possibly become an incubus on the people of Western Australia. I find some difficulty in approaching this question. I know a little bit about the handling of wheat, and I know a little bit about some of the wheat handling agents. Every one of Mr. Allen's scathing comments on the Westralian Farmers Ltd. can be urged with even more emphasis against some of the firms who are now seeking to get into the wheat handling in Western Australia. No one knows that better than I do. I have previously drawn attention to it, and I say again that one of those firms, in particular, not a Western Australian firm, not a firm that is

going to spend money in Western Australia, but one with its head office in another State, practically controlled the South Australian wheat industry. The head of that firm was called "the uncrowned King of South Australia." Those in this Chamber who are from South Australia know that, and they know that the head of the firm would not take political office because he exercised greater power outside political office. For years and years he was known as "the uncrowned King of South Australia." I know a good deal about the working of that firm. It not only crushed the farmer, but the workman. And not only the workman and the farmer, but also rival business firms. Firm after firm went down owing to the influence of that particular firm which is seeking an entrance here to-day. One of the oldest firms in South Australia, one that possibly did as much for South Australia as any single institution that was ever there, went to the wall, absolutely crushed—a firm that was there at the beginning, one that, I believe, built the first mill in South Australia. It was crushed out by the unfair competition of some of these firms. In the old days I have seen men carrying wheat in four-bushel bags for one penny per bag. I know many of the men who did that work; I have tallied for them. Numbers of them became absolutely crippled as the result of the work in which they were engaged. And there was absolutely no mercy for them. Those were not the days of Workers' Compensation Acts. Those men worked in a way that men have never, I suppose, worked in Australia before or since. The small bushel bag has done away with some of that. However, these particular firms had no mercy upon those men, none whatever. When they were crippled they were cast aside. The farmer was treated the same. Hundreds of meetings of creditors have I seen, showing that the farmers were being crushed by those firms. And what fortunes were being made, fortunes up to 2½ millions! Could any man by business acumen or by any fair efforts, ever accumulate that money in a lifetime in Australia? It is impossible. I can take hon. members back to Broken Hill in 1892, when the director of one of those firms sat on the directorate. For two years I walked about looking for work which could not be found for me owing to the activities of that directorate. Not only did they beat men down, but they had their revenge on them afterwards. It made extremists of men, made revolutionaries of men. Broken Hill has never recovered from the effects of that strike brought about by the operations of some of the principals of the firms seeking to get a footing in Australia. When I know that members of firms like those are seeking to get a hold on the Wheat Scheme of Australia, I look around to find how I should vote on a measure like this. I can never see why the wheat marketing business should have been taken out of the hands of the Wheat Scheme. I do not see why the Westralian Farmers, Ltd., or any other firm, should be given the handling of the wheat, especially after the fine tribute Mr. Allen has paid to the officers of the Wheat Scheme. Here is a socialistic concern, a State

enterprise which has been working side by side with private enterprise in the Eastern States. What do we find? Mr. Allen, a man who has never previously professed any regard for State enterprise, is compelled to admit that in this instance State enterprise has been far and away in advance of private enterprise in the Eastern States in the handling of the wheat. And it is to be remembered that this State enterprise was initiated in a crisis. We find that this State enterprise, this latest phase of socialism, has scored. I intend to vote for the amendment moved by Mr. Allen. In regard to the executive board I am not altogether in accord with the recommendation of the Royal Commission. Mr. Allen referred to the fact that the State was pecuniarily responsible to a large degree for the operations of the Scheme. We all know that. We know that if there is any loss on the Scheme, the State has to bear it. Having that in mind, despite what the executive board might accomplish in the direction of economy in administration, I am inclined to think we are giving them a little too much power in handing to them the control of the finances of the Scheme. I shall await with interest some of the speeches to be made upon this point before I decide how I shall record my vote. It has been suggested that all the agents should have been given an opportunity for tendering. I have been reading the debates in the Federal "Hansard" in connection with the trans-Australian railway and the purchase of rails. I find that all the tenderers for those rails tendered at the same price. Clearly, tendering is not necessarily open competition. I have heard the Minister for Works express the same view in another place. We may call for tenders and expect bona fide tenders, but we do not get anything of the sort. The tenderers put their heads together.

Hon. J. J. Holmes: Did not your State mills and Millars' do the same thing in regard to the South African contracts?

Hon. J. E. DODD: If they did, it only proves what I am saying, namely, that there is a combination, whether it is the State tendering or a private firm tendering. This has been proved by Mr. Allen in one of the ablest speeches I have ever heard in the House. He has proved the worth of State enterprise. Therefore let us go on with it and shut out the private firms. In regard to the circular which it has been alleged, perhaps with good reason, was issued, I think that if such a circular was issued, it may be possible to take further action. If it was issued, most certainly it was in the nature of intimidation and bribery. In all my connection with the Labour movement, I have never known of anything like that being urged against Labour. I believe tyranny was sought to be exercised in some cases in this State, but I have never heard of anything like this disclosure. I have seen delegations at different conferences, but I hardly ever saw one as bad as that which took place a little while ago in connection with the Westralian Farmers, Ltd. I think that if a circular of that nature has been issued, members of Parliament ought not to

rest satisfied, but should go farther. I have stood up to many things in my time, but I should never allow such a thing as that to dominate me. I have some feeling upon this matter in regard to some of these firms. I have seen men crippled and wiped out from any usefulness just as emphatically as one shot by shell or shrapnel on the field of battle, wiped out by the unmerciful dealings of some of these men. I have seen smaller businesses crushed out by the operations of bigger ones, and I have seen scores of farmers wiped out in the same way. We have only to look at what fortunes have been made, to see that it must have been so. One thing in favour of the Westralian Farmers, Ltd., is that, I take it, what money they make is spent here. It is not an Eastern States firm, nor is it a world firm with headquarters somewhere else. I think we can say that in favour of it. However, I will support the amendment moved by Mr. Allen because I believe the business should not be taken out of the hands of the Wheat Scheme.

Hon. H. STEWART (South-East) [5.26]: I may unavoidably overlook some of the points upon which Mr. Allen should be answered, upon which I believe satisfactory answers can be given. I hope that if I should overlook any of them some of my colleagues representing the wheat-growers will more fully reply to the hon. member. I believe that any indictment he may have made can be effectively answered or alternatively, cannot be substantiated. Before dealing with the various heads of the hon. member's remarks, I wish to congratulate him on the very forcible speech he delivered. His extreme solicitude for the interests of the consumer is most praiseworthy, but I think if he but knew the spirit of the wheat-growers, he would feel that there is none who has a more proper feeling in the interests of the Empire and of the State and the people than the wheat-growers and the farmer. I believe that if he has his wish realised in the perpetuation of Wheat Pool, the spirit of the wheat grower evidenced in his organisation is such that he would do nothing to imperil the position of the worker who is in need of cheap bread; that if he were able by combination to so conserve his position as to get a better price on the markets of the world, he would not do it at the expense of the worker. As the hon. member waxed eloquent, I could not help thinking that he protested too much. I cannot think that he really believed all that he said. Mr. Allen went over the conditions under which the Westralian Farmers, Ltd., had the sole right of handling the harvest for last year. During the last 12 months it has been gone over many times in this Chamber. The position put forward by Mr. Allen is not the actual state of affairs and the full facts have not been disclosed by him. It is undeniable that the mercantile shipper agents endeavoured to combine so as to cut out the small growing co-operative companies that were simply fighting

for existence. The existence of the wheat grower has been imperilled by such firms as has been pointed out by Mr. Dodd. It is on record that the mercantile shipper agents absolutely refused to carry on the work of handling the last season's harvest and in open competition with the Westralian Farmers, Ltd. This co-operative organisation started in 1914, over 4 years ago. The principle of co-operation has been recognised in almost every country in Europe and the agricultural industry has very largely been placed on a satisfactory basis as a result of co-operation. In order to kill the co-operative movement the mercantile shipper agents refused to openly compete with the Westralian Farmer agents because in the second year of their operations this organisation had acquired two fifths of the total handling of the harvest more than any share obtained by any one of the old competing firms. They had not only built up their business from nothing to two fifths of the business of handling wheat in open competition, but as the Royal Commission shows, for a period of two years during which all were acquiring in open competition, the work of the Westralian Farmers, Ltd., as acquiring agent, has been performed neither better nor worse than by any of the other four firms operating when they had the handling of the wheat.

Hon. J. Nicholson: Where is that?

Hon. H. STEWART: It is found on page 11 of the interim report. That shows the remainder of the criticism of the hon. member is hardly worthy of serious consideration. Faced with the disorganisation of the wheat market as the bountiful 1915-16 harvest ripened, the representatives of the Eastern States firms were almost in a state of panic and went to the Federal Government for assistance in meeting abnormal conditions. When the Pool was suggested they jumped at the suggestion. The financial stability of a large section of the commercial people of Sydney, Melbourne, Adelaide, and Perth would have been ruined but for the Pool and they were only too glad to carry on the work and make their profits in their own interests and not only to help the Government. Later they cut themselves out as hon. members can see from the statements which have been made in this House and from the evidence placed before the Royal Commission. I desire to place on record my appreciation of the fact that the Royal Commission was appointed and of the very valuable work the members of it have done. Speaking as a representative of the primary industries of the State and of the farming community, I say that when we can obtain authentic information based on a thorough investigation such as has been conducted by this Royal Commission, and such as has been furnished by the report of the Industries Assistance Board, we are getting something valuable in the interests of the State. We can judge then as to whether the administration of the country is being properly carried out—when dealing with any section of the community—without prejudice to

the State as a whole. Mr. Allen when dealing with the position of the mercantile shipper agents failed to tell the House that they had full opportunity in the same way as the Westralian Farmers, Ltd., had of submitting a quote for the handling of last season's harvest in open competition. With regard to the proposal for an executive board, Mr. Allen took great credit for the recommendation in this respect. Last session both Mr. Greig and myself stressed this matter and combated the argument of the Minister in his endeavour to retain an advisory board instead of providing for an executive board. I do not like this so-called executive board because it is not one. It is simply an advisory board by another name. The interests that will be represented by the two members to be chosen by the farmers, I consider can justly claim representation on that board in proportion to the magnitude of their interests. I think there should be other representation and power in the hands of the Minister to safeguard the interests of the community but power should not be given to the Minister amounting to complete control as is the case here. Mr. Allen quoted from the report of the Royal Commission in regard to the insurance manager, Mr. Prowse, who is also a large farmer, producing something like 5,000 to 10,000 bags of wheat from season to season. If any man has an interest in the agricultural industry Mr. Prowse has. Similar remarks apply to Mr. Basil Murray, who was also mentioned. This gentleman crops about 2,000 acres a year and has a real and personal interest in the agricultural and wheat growing industry. It is on the primary industries of the State that our future depends. It is to advance these primary industries that our endeavours should be directed. These men realise the importance of agriculture and what it has done for other countries in the world. They say it is absolutely necessary to have a contented and prosperous agricultural community as the backbone of the State. Of what use is it to have 34 per cent. of the population of the State living in the metropolitan and suburban areas? Do they contribute anything appreciable towards the revenue? To a large extent they are really living on the primary industries of Western Australia. Where would the State have been but for the mining industry, and the other industries that are of such great importance? Those men who have held such prominent positions in connection with the organisation of the wheat growers and the farmers of the State have realised this is due to the State and they have combined with the farmers and worked and at sacrifice to themselves in order to advance this well founded organisation. Those for whom they have worked, namely the small farmers of the State realise that immense work has been done for them by these more prosperous men who are so much interested in the agricultural industry and have assisted so consistently in the Farmers and Settlers' movement. Mr. Allen said that Mr. Prowse was a director of the Westralian Farmers Ltd. That is not true. Mr. Basil Murray is a paid officer and managing director. The directorate of the Westralian Farmers Ltd. are as follows:—Chairman, Mr. M. T. Padbury. I challenge members

to find in the State any man who is more highly honoured and respected for his uprightness and straightness than Mr. M. T. Padbury. Mr. Padbury has large farming interest in the northern portion of the wheat-growing areas. He is of course intimately connected with the Westralian Farmers, Ltd. Then there is Mr. C. W. Harper. I am sure Mr. Sanderson appreciates that gentleman's character and integrity. I believe he has already referred to him in connection with the fruit-growing industry as being a most reliable man. Then there is Mr. C. W. Hawter of Balingup, and Mr. Tanner of Beverley. There is also Mr. Marwick, late member of this Chamber, of York, and Mr. Mather of Kellerberrin. These gentlemen are all farmers with the exception of Mr. Harper and Mr. Hawter, who are engaged in the fruit-growing industry; they are all agriculturists. Where does any charge lie against the St. George's-terrace farmers of having built up an octopus to raise the price of the bread of the consumers of the State? It is a fallacy. The eloquence was admirable, but the foundation was as one of shifting sands. Mr. Lynn dealt with the bonus debenture system which is in operation in connection with the Westralian Farmers, Ltd. He endeavoured to convey to hon. members that this was a new and cleverly thought-out scheme instituted since they did the whole handling of the wheat of the State in order to draw in the wheat growers of the State so that they could not but put their business into this great octopus-like concern controlled by St. George's-terrace farmers and run to a large extent by insurance managers. We talk about the hyperbolic reference to the beef buccaneers and the shepherd princes, but I think Mr. Allen has gone absolutely beyond that. When the Westralian Farmers, Ltd., was formed in 1914 and endeavoured to safeguard the position so that it would not be a failure as the earlier co-operative company, the Producers' Union, had proved, information was obtained as far as possible as to what had been done in the co-operative movement elsewhere. It was desired to establish themselves on a mutual co-operative basis and as far as possible on the most democratic basis which could be discovered. In the first place the maximum number of shares one person could hold in the parent company was limited to 250. I am not speaking from notes and my figures are probably only approximately correct. In 1914 when the company was formed an endeavour was made to prevent any man from getting the lion's share of control. The holder of those 250 shares is entitled to only three votes at the shareholders' meeting. The minimum number of shares that anyone could take up was ten. The ten-share man is entitled to one vote, the man with 50 or a larger number of shares is entitled to two votes, and the man with 250 shares is entitled to three votes. An endeavour was made to form the company on a democratic basis, and the man with a larger interest at stake has only a slightly greater say than the individual with only a few shares. The company had not been formed 12 months

when at a meeting of shareholders the minimum number of shares than anyone could hold was reduced to one. The only difference in regard to that one share was that it should be paid up. So that any man now can become a shareholder of the Westralian Farmers, Ltd., and by possessing one £1 share he has the right to one vote, which means that he has a third of the say that a man with 250 shares has. Can anyone imagine anything more democratic? With regard to the bonus democratic system, an endeavour was made in the early stages of the company's history to distribute their profits in such a way that every customer should participate in the profits in proportion to the amount of the business that he had contributed to the company, and also in proportion to the profit accruing from the particular class of business. For example, profits from wheat growing are different from those from dealing with live stock. The arrangements for the distribution of profits are such that each person, whether a shareholder or not, who does business with the company shall participate in the profits. That was a difficult matter to arrange, and if it had not been for the difficulty of getting a complete scheme and one that would stand the test of time, I am on safe ground when I say that the bonus debenture and bonus share system of distributing profits would have been inaugurated before the 1915-16 harvest had been handled instead, as the hon. member indicated, of it only coming into operation to deal with last harvest. When the Scheme was initiated last year, it dealt with the profits of the year before. The scheme of profit distribution had been developing and under discussion by the shareholders during 1915 and 1916, and in 1917 in its final form it was adopted at a shareholders' meeting. Most misleading statements have been made about this distribution of profits. It is a system to encourage people to co-operate, to carry on their business in a way which will enable them to put aside an asset and to strengthen the financial position of the company. The company are only struggling. They have been represented as an octopus carried on with a dangerous policy. I believe they have the policy, but it is a beneficial one in the interests of the small producer. They have only a small capital. I say, and I know I am correct, that the holder of bonus shares has a vote. Let me read this note which is the result of a shareholders' report I received: "Bonus debenture stock certificates are issued. In distributing the profits these certificates can be exchanged for either bonus debentures or bonus shares fully paid up to £1." A man has a right to take bonus debentures and the five per cent. profits can go on accumulating until his death, or he has the option when the profits are distributed of taking bonus shares. Is that what the hon. member represented? I say it is not. Now consider the matter of interest. When the company was inaugurated, seven per cent. was laid down as the maximum amount of interest that could be paid on the paid-up capital of the shares. That was done in order to bring in a truly co-operative principle, and it only shows that the hon. member is quite

wrong in saying this method of dealing with profits was introduced in 1917 and only after the Westralian Farmers, Ltd., got the sole acquiring agency, to deal with the profits accruing from the sale and the handling of wheat. That seven per cent. stipulation as a maximum dividend on ordinary shares was put into the articles of association in 1914, in order to safeguard the position, and so that the people who put money in should not get anything more. Every person who puts wheat into the Pool in Western Australia, when the Westralian Farmers have the handling of it, can see their costs of administration are nil. The profits to the company accruing from that wheat are distributed pro rata to every wheat grower who has wheat in the Pool, whether he is a shareholder or not.

Hon. J. J. Holmes: I have wheat in the Pool, and have never got anything out of it.

Hon. H. STEWART: Then the hon. member must have very little, or not have it in his own name. The bonus shares carry voting power in accordance with the shares taken up by the shareholders, who paid for them, and they carry the same privileges. I have made a note in my permanent notebook to this effect: "Bonus shares have the same rights and privileges as shares, except as the articles of association provide otherwise," and I know that the articles of association do not eliminate that voting power. The choice lies with the person who gets the bonus as to whether he takes £1 debentures or £1 bonus shares; if he takes shares he can participate in the management of the company as a shareholder, if he takes debentures they accumulate like an insurance policy until death or are transferable by permission of the directorate, who are agriculturists. What other firm will give what is practically an insurance policy on which five per cent. interest will accrue until his death? There is no other institution in this State which treats its customers in that way, giving them a bonus on their year's business. The amount of interest on the bonus debentures is five per cent. That was fully discussed by the shareholders. Is not the man who in the early stages inaugurated this company and put in a certain amount of capital to enable it to get going, entitled to a little more than the other man who put his business there and who did not take that risk with his capital? They decided years ago that it should be five per cent. on the debentures and seven per cent. on the ordinary shares. Mr. Allen made a serious statement with regard to the political influence in connection with this movement. I am quite proud to say that the Country party stands for the primary industries of the State. It is because of the belief in the vital importance of those industries to the community that I am here to-day and belong to the Country party, and not because of any desire on my part to be here. While I am here and take part in political matters, no one will intimidate me to follow any course which I do not think will be in the best interests of the State. I know of no one in the Country party on whom any attempt has been made at

intimidation into taking a certain course of action. Whatever action I take I do so because I believe in it. When the previous agreement was being considered, and was being assailed in another place, it was said there that no member of the Country party had at any stage interviewed the Minister in charge of the Scheme or introduced a deputation to a Minister in connection with the arranging of that contract. In contrast to that we have had the spectacle of members of the Metropolitan-Suburban province introducing deputations to a Minister in connection with the mercantile shipping agents. I do not say they did any wrong. Certainly not. A member is entitled to introduce a deputation. But we Country party members, apparently, are not entitled to introduce deputations without being grossly misrepresented and vilified by metropolitan and metropolitan-suburban representatives and the metropolitan Press.

Hon. J. J. Holmes: There is no need to, with the influence you have.

Hon. H. STEWART: In connection with these wheat matters, since the interim report of the Royal Commission was issued, I have been on deputations to the Minister in charge of the Wheat Scheme and to the Premier, and I have asked that recommendations (1) and (2) of the Royal Commission should be carried into effect. I consider I was quite right in doing so, because I believed those recommendations to be in the interests of the wheat growers. I greatly regret that they have not been carried out in their entirety. When a similar Bill to this was before the House last session, no Country party member rose to speak; but certain members opposed to co-operation and to wheat growing and to the Government got their shots in. It was difficult to get the House to realise the actual state of affairs, because the members I referred to impressed the Chamber with a succession of speeches, and a number of members pledged their vote before fully hearing both sides. After a debate has proceeded for some time, members do not remain in the Chamber as they do during the early stages of the discussion. I hope that in this instance I have been able to disabuse the minds of hon. members generally of many erroneous impressions. They may have derived either from the discussion on the last Bill or as the result of a very able speech delivered here this afternoon by Mr. Allen.

Hon. A. SANDERSON (Metropolitan-Suburban) [6.6]: I can compress my remarks on this Bill into the few minutes left before the tea adjournment. The question seems to me, as it must seem to anyone else, one of prime importance. My view on the principle of the measure was given two years ago. I do not often look up in "Hansard" what other people have said; I am more interested to read my own remarks, in order that I may see whether I have carried out my duty to my constituents. I did not speak at all on the second reading of the original Bill, and I said very little in Committee. I took the unusual course of speaking on the third reading—

If this question of dealing with the wheat crop of Australia is to be regarded as it

should be, and if this Bill can be regarded as a war measure, I think it is very much to be regretted that the whole thing, from start to finish, was not handed over to the Federal Government. If, on the other hand, this is a question of the protection of our farmers, apart altogether from the war, then I say that the trouble created by the procedure is not finished yet, and threatens to lead the country into still further trouble. The Bill is most objectionable to me. It violates every principle that I hold of value in the conduct of public affairs.

I stand by that, and I think the present position justifies the attitude I took up then. With regard to the attitude I take up, I venture to think, although I am neither a prophet nor the son of a prophet, but an analyst of political affairs, that I can see what is going to happen. I hope the Country party will take a note of this, and I hope the Honorary Minister will take a note of it. It must be gratifying to him to get these tributes to his abilities. This is no personal attack on him. But I say he is the spokesman here of the chief of the Country party. Let him and his followers think over this position. After what we have heard from Mr. Allen and Mr. Dodd, the crux of the thing is in the agreement. What does the representative of the Western Province say? Put that agreement out. For what purpose? I take it, for the purpose of putting in an agreement with the State.

Hon. J. F. Allen: An executive board.

Hon. A. SANDERSON: That is the State.

Hon. J. F. Allen: No.

Hon. A. SANDERSON: I see the point very clearly, but we will let it alone for a minute. Let hon. members not think that there is no answer to Mr. Dodd's outburst against the firms and institutions that are carrying this country through; that is, the private financial institutions. When Mr. Dodd talked about revolutionaries, it occurred to me that a lot of these people have revolted already and will have nothing more to do with a country which is run on the lines desired by Mr. Dodd.

Hon. J. E. Dodd: I could say a good deal more.

Hon. A. SANDERSON: However, I want to treat the position so far as this Bill is concerned; and I say the Labour party will win every time. They are more honest, and certainly far more intelligent, than the Country party. They are getting the support of members for the West Province, and of members like myself, who prefer to be guided by more intelligent and more honest people than the Country party have produced. I shall certainly support the cutting out of the agreement with the Westralian Farmers, Ltd., and handing the work over to the State. This is a State enterprise. The only justification for it was the war when it is a very proper method of dealing with things that the Government shall say, "We will take control of the whole thing, on land and on sea, while we are at war." But this Bill represents an attempt of the farmers to take control of the country for the benefit of themselves. We all sympathise with the farmers. No one knows better than

myself the deplorable plight the farmers are in. No one is more anxious than I am to assist in putting the farmers on a proper basis and divorcing them from the Labour party. But they will not have it. Very well. It will be war in the political arena, and we shall see who will go down in the conflict. The Country party have taken control of this Parliament and of this country. We know the danger, or rather the positive disaster, that the Country party has brought us into. I make my attack every time on the Honorary Minister, because he is the spokesman of the Country party. I know all about him. I am one of his electors. I say to him, let him divorce himself from that party and be reconciled to us, and we will give him plenary absolution and receive him into the fold. However, I will back the Labour party every time. I regard Mr. Dodd as one of the ablest spokesmen of the Labour party. With his official experience and public career he is fully entitled to speak for them. They will come back to Parliament next time with an overwhelming majority, because the Country party have abandoned their principles and endeavoured to benefit themselves at the expense of the community. What can be done? Let the Country party and the farmers tell us how much they want from us, the taxpayers of the country, so that we may free ourselves from their demands.

Hon. W. Kingsmill: Buy them out.

Hon. A. SANDERSON: Yes. But what can we expect when measure after measure comes before us carrying the thing on from year to year—to-morrow, to-morrow, and to-morrow? I have occupied only seven minutes of the time of the House, and I see clearly, if I have not made hon. members see clearly, what is going to happen. The discussion on the agreement will come in the Committee stage. Just one word on that agreement, and a very significant word. How is the Honorary Minister described in the agreement? Let hon. members look at that. The most important business on our Notice Paper is my motion, which will not be brought forward—there is not time for it. Such is the position of affairs, and I thank hon. members for having given me their attention for seven minutes. So far as I am concerned, the rest of the discussion can proceed in the Committee stage.

[Sitting suspended from 6.15 to 8.0 p.m.]

BILL—VERMIN.

Conference, Managers' Report.

Hon. C. F. BAXTER (Honorary Minister): I have to submit the following report of the managers appointed by the Council to meet the managers appointed by the Assembly in a conference upon the Council's Amendments in the Vermin Bill. The report is as follows:—

Your managers have met in conference with the managers of the Legislative Assembly and have considered amendment No. 7 in the Vermin Bill and have agreed

that the alternative amendment proposed by the Legislative Assembly be withdrawn and that the original amendment be not pressed.

I move—

That the report be adopted.

Question put and passed.

BILL—ROADS CLOSURE.

Received from the Legislative Assembly and read a first time.

BILL—WHEAT MARKETING ACT AMENDMENT.

Second Reading.

Debate resumed from an earlier period of the sitting.

Hon. J. MILLS (Central) [8.13]: I desire to offer a few words on this Bill, but they will be brief because hon. members who have preceded me have used many of the arguments that I intended to submit and to some extent have blown away the chaff and left the grain. The Honorary Minister forecasted a change in the personnel of the present Wheat Board. I welcome that change as it will afford an opportunity for the Government to appoint a man from the northern areas on that board and thus ensure the people in the north a little more sympathy than they are getting at the present time. I want to refer to the wheat which is being brought from Geraldton at the present time, approximately 100,000 bags of last season's and 1916 season's wheat. I presume it is being brought down here for gristing but the Government have made no attempt to supply a mill at Dongarra. A first class mill is there, and is within 25 yards of a railway and only 45 miles from Geraldton. Yet the board prefer to haul the wheat over the Midland railway, 300 miles to Perth. That to my mind is utterly unjustifiable. About three weeks ago I received information that the board were also hauling to Perth this season's harvest—for what reasons it is hard to divine. With several other representatives of the Geraldton district, I interviewed the Honorary Minister. He gave us his reason. I must say for him that I believe he was speaking only as the mouthpiece of the board, members of which were present. The reason given by the Honorary Minister was that weevils were such a trouble at Geraldton that the wheat could not be stacked there, but had to be brought down here. I am not prepared to admit that that is the case at all. There are no more weevils in the Victoria district than there are here. To begin with, that district is 20° miles nearer the equator, with clearer and hotter air than here. The weevil pest, therefore, must be less in the Victoria district than here. I think it has been proved that there is no such thing as spontaneous generation of weevils. Weevils are fully developed insects and unless one has a couple of them, like good old Noah had, there would be no increase. If one has a clean machine and clean bags and a clean dump, one will have clean wheat for all time. Therefore,

why haul the Geraldton wheat down here when there are already hundreds of thousands of bags stacked at Spencer's Brook and elsewhere about the metropolitan district? This wheat being brought down now from the Geraldton district is not likely to be required for two years; and the cost of bringing it down is very great to somebody. I believe the Geraldton district growers have been assured that they will be charged only with the cost of hauling the wheat to its natural port. Who will pay the difference?

Hon. J. CORNELL: The general taxpayer.

Hon. J. MILLS: In my opinion it is done for a purpose, namely to bolster up the Midland Railway Company and to make the financial position of the Railway Department show up better than it has done in the past. In the past Mr. Sutton has been a member of the wheat board. I understand he is the member to be retired; and I am very pleased to hear it, because, although he is a very fine man in his particular position, there was no reason for placing him on the board, as the Government did. Mr. Sutton attended many conferences in Melbourne, and there he was pitted against the commercial kings of Australia. But Mr. Sutton has no more knowledge of commerce than he has of shirt weaving. It was just as sensible to send Mr. Sutton, a wheat breeder, to those Melbourne conferences, as it would be to set a wool expert to work weaving shirts.

Hon. C. F. BAXTER (Honorary Minister): What Melbourne conferences did Mr. Sutton attend?

Hon. J. MILLS: Several. It may not have been in the Honorary Minister's time. I give the Honorary Minister credit for better sense. I hope that on the new board the Geraldton district will have some representation. At present the vision of the board is restricted. It carries about as far as Moora. Members cannot see further, unless it is something to bring away, and then they can see it. The board at present do not realise that there is a port at Geraldton, the natural port of the Geraldton district. We of that district hope that the centralisation policy of the past will be discontinued. We have been hoping that for a long, long time. Why haul the Geraldton wheat over the railways at such tremendous expense? Yet that has been done for two years. Why not extend the jetty at Geraldton? The objection to that port is that we have not the necessary depth of water. But in pre-war days some very deep sea-going vessels loaded at Geraldton, though not to their full capacity, yet to the extent of half or three-quarters, whereupon they went to Fremantle to complete. Would it not be much better, however, to extend the Geraldton jetty or complete the harbour works so that the "Great Eastern," if necessary, could load there instead of wheat being hauled an unnecessary distance of 300 miles?

Hon. J. CORNELL (South) [8.20]: I do not intend to detain the House for any length of time, nor do I intend to deal with the Bill in detail. I understand the position to be that an agreement has been entered into with the Western Australian Farmers, Ltd., and that the agree-

ment in the schedule is on all fours with similar agreements which come before Parliament. That is to say, the agreement has been drawn up and entered into, and partly or wholly carried out, before Parliament has the chance of ratifying or otherwise. That being so, Parliament has one function to perform—ratify the agreement whether it be good or bad. I listened closely to Mr. Allen and to the Honorary Minister. Mr. Allen has first-hand information, inasmuch as by virtue of his seat on the Royal Commission he is an expert in the working of this wheat business. He made out a good case for the amendment, a much better case than the Honorary Minister made out for the Bill. Therefore, if it comes to a division I shall vote for the amendment.

Hon. J. EWING (South-West) [8.22]: I have been somewhat astonished at Mr. Allen's remarks during the very able speech he delivered this afternoon. Mr. Allen has of course been a member of the Royal Commission for some eight months, so that he must have some information on wheat marketing. Therefore, due weight must be given to his words. At the same time, I regret that the statements should be made regarding members of the Country party, that undue influence was brought to bear on them and that that influence is reflected in this Bill. If any such thing comes into the politics of Western Australia, it is a very bad thing for this country. I hope the matter will be cleared up, or that we shall hear more about it. So much has been said that some further investigation is necessary. I do not see my way clear to dislocate matters by voting against the Bill or by supporting Mr. Allen's amendment. Therefore I intend to support the second reading.

Hon. J. W. HICKEY (Central) [8.26]: I do not wish to delay the second reading. Whether Mr. Allen's amendment is carried or otherwise I certainly hope there will be some alteration made in existing arrangements. In listening to the debate I took down the names of the personnel of the board, and I think Mr. Baxter last night, in his opening speech, said that there would be some alteration in that personnel. I sincerely trust that if an alteration is being brought about, the northern portion of the State will have an opportunity of representation. At the present time that portion is utterly unrepresented on the board. Without offering any criticism of the present personnel, I think the Government would be well advised if they appointed to the board a representative of the Geraldton district. As representative of the great province whose interests are so much wrapped up in farming, I certainly think that district is not getting a fair deal at the present juncture. My colleague, Mr. Mills, complained about the treatment meted out to that portion of the State. We have the spectacle of wheat grown in the Geraldton district being railled to the metropolitan area. I think there was an agreement that if it were found that the port of Geraldton had weevil, the wheat should remain at country depots. We admit that Geraldton is at a great disadvantage as regards shipping facilities. That is the fault not of the port, but of

the inactivity of various Governments in not providing such accommodation. However, that is not such a great drawback, because lightering facilities operate on every sea-board of Australia and could quite easily operate so far as the port of Geraldton is concerned. Three weeks ago I accompanied a deputation to the Honorary Minister to protest against the action taken of railing Geraldton wheat to Spencer's Brook. The shipping arrangements were put forward as an objection, certainly; but the principal objection appeared to be weevil. Of course we would be rather foolish to protest that there was not a certain amount of weevil in the Geraldton stacks, though the reason for the presence of the weevil was negligence on the part of someone. However, there is no stack in this country but contains weevil more or less. I am not quite sure that Spencer's Brook is much cleaner than the Geraldton one. I have taken notes of various recommendations of the Royal Commission in that connection. From my own observation I can say that the excuse put forward by the board is a paltry one, namely, that their reason for shifting his wheat from Geraldton was the presence of weevil there. Weevil exists at Geraldton, but not to a greater extent than in other parts of the country. Mr. Carson at the deputation pointed out that stacking facilities could be established at Walkarina, which would get over the difficulty and expense. If the wheat were being transported to Fremantle for immediate shipment, we would have no strong objection. But when the country is put to the expense of transporting that wheat over 300 to 400 miles of railway, it would be a shame to let the thing go on without a protest. I trust that, whatever may be the outcome of the amendment, some alteration will be brought about. Whoever is going to handle the wheat will eliminate the centralisation that has been the curse of the Eastern States and is the curse of Western Australia to-day. When something like 35 per cent. of our people are situated in the metropolitan area, it is no wonder if we have stagnation throughout the country. I trust that due notice will be taken of our protest and that, in any re-arrangement of the board, consideration will be given to the appointment of a representative from the northern parts of the State.

Hon. H. MILLINGTON (North-East) [8.32]: There is in Mr. Allen's amendment much that commends itself to me. There is embodied in the amendment a principle which is in keeping with the policy I support. I believe that it is the business of the State to handle the product of the farmer at cost price. Under the present agreement that is not being done. As a matter of fact, the Royal Commission has disclosed that the Westralian Farmers, Ltd., have made a pretty substantial commission out of the handling of the wheat. Whereas I support the principle of the amendment, I believe that when the State takes over any given activity it should do so in proper order, and I think that even Mr. Allen will admit that it is now

too late to think about the State taking over the handling of the present crop. I not only believe in State trading concerns, but I hold with doing things properly, and I do not believe in supporting something which will discredit the principle of the State giving services to the people. We have to view this thing in a reasonable light, and whereas I do not agree with all that has been done in respect of the agreement with the Westralian Farmers, Ltd., at the same time I do not think we are justified in dislocating the wheat marketing this year by stepping in with an innovation at this late date. The Government will probably say that on account of having to wait for the decision of the Royal Commission they had to make arrangements. That is quite true. But at the same time the Government have not the right to decide that policy. It should be left to Parliament. Since so much has been said about the present arrangements, I hope that long before next season Parliament will be given an opportunity of saying how this business should be done, whether it should be given to the Westralian Farmers, Ltd., or some other company, or whether the State should do it at cost price. If it were not so late in the season I would support Mr. Allen's proposal. In this I am not associating myself in any way with those who advocate the claims of the old acquiring agents. As a matter of fact, it was the treatment meted out to the farmers of Australia by those agents which impelled the farmers to do this business for themselves. I agree that the farmers are justified in adopting the attitude they have. In the past the Government have not protected the farmer against the agent, not until the Wheat Scheme came into vogue. But the farmers have to be reasonable. We hear a good deal about the farmers' co-operative movement. I have heard the most vindictive and unjustifiable criticism of Labour by representative farmers, by the Honorary Minister himself. When we were in power and enacting measures in the interests of farmers, we got nothing but bitter criticism. Whatever the farmers' co-operative movement in this State is to-day it is due to the result of Labour legislation. The co-operative movement among the farmers themselves in this State would have been impossible but for the establishment of the Industries Assistance Board and the Wheat Marketing Scheme. The farmers are not sufficiently generous to give to the Labour Government the credit that is due to them. When the farmers talk of the antagonism with which the Labour party deal with the farmer, I cannot help reminding the farmer that the condition of their co-operative societies is due to the fact that Labour gave them a start which no other Government would give them, in that the Labour Government came to the assistance of the farmer when he sorely needed it. The policy of Labour has been for the benefit of the farmers, and I want to see that Labour gets full credit for that. The farmers have the right to handle their wheat, but they do not pro-

pose to do that. Because, when it is all boiled down, the farmers do not take charge of the wheat; they merely act as acquiring agents, and the Government have to do the storing and take the responsibility. Despite what the Honorary Minister said, the people of Australia will have to accept a share of that responsibility.

Hon. C. F. Baxter (Honorary Minister): I said they have that responsibility.

Hon. H. MILLINGTON: I took it that you were repudiating the idea that anyone but the farmers was responsible. One defect I see in connection with the farmers acquiring their wheat is that the co-operative societies are composed of the wheat-growers. The agent is the employee of those farmers. He has to pass and classify the wheat, but once it is acquired the Scheme becomes responsible for payments. That difficulty should be dealt with. In matters of this description there should be some independent growers responsible for classifying the wheat, particularly in such years as last year, when there was much inferior wheat.

Hon. H. Stewart: The Government classify the wheat.

Hon. H. MILLINGTON: The agent at the siding has something to do with it. The fact remains that whereas the farmer is under the impression that he is running the whole show, the Government are mixed up in this to a very great extent. As has been pointed out by Mr. Allen, if sufficient time were given it would require very little machinery on the part of the Scheme to do all the acquiring of the wheat. Still I realise that we are right into the wheat season, and that the necessary machinery is already provided by the Westralian Farmers, Limited. Whatever may be thought of the present agreement, which we are asked to ratify after it is in operation, we are not going to hang up the acquiring of the wheat, which is to be proceeded with immediately. Therefore, although I entirely agree with the principle of the amendment. I am compelled to say that, taking everything into consideration, it is not practicable this year. Also I hope, considering the justifiable criticism of the Government's policy, that in future Parliament shall have an opportunity of saying whether the acquiring of the wheat shall be done by the farmers themselves or whether the State shall do it at cost price. The question is whether that board is to be in operation, or this embodied in the present Bill. I am in favour of the State having the handling of the wheat. At the same time I cannot vote for the amendment, as it will disrupt the whole arrangements for the wheat acquiring for the season. I have merely risen to make that point clear.

Hon. J. NICHOLSON (Metropolitan) [8.45]: One must express one's feelings of regret that such an important measure as this should come down to us at such a late hour. This is a measure which should have been brought before us much earlier, so that mature consideration could have been given not only to the clauses of the Bill but to the ratification of the agreement. Few members have had an

opportunity of closely perusing either the Bill or the agreement. Neither have they had an opportunity of studying the effects of the various clauses which appear in the agreement. We can offer our congratulations to the Royal Commission for their report and I also congratulate Mr. Allen, who acted on that Commission, and who has favoured us with a very full exposition upon certain matters connected with the Bill. He has alluded to his intention to move a certain resolution with regard to the agreement. I have given serious thought to the matter. I favour the idea expressed by Mr. Millington, that, having regard to the lateness of the session and the fact that we have to see that the work of handling this wheat is not dislocated, it may be necessary, through actual compulsion, for us as a House, although probably opposing the main purposes of the Bill, to give our support to it. I congratulate the Royal Commission in having drawn attention to certain omissions from the agreement which was entered into in connection with last season's wheat. I observe that certain recommendations of this Commission have been given effect to in the Bill, more particularly in regard to the clause which deals with the appointment of the Wheat Marketing Board. I see that the Government have adopted the recommendation in appointing five members to the board, two of whom will be appointed as representatives of the farmers. That is quite right. It is their wheat which is to be considered and which is being marketed, and they are entitled to an important voice in the deliberations of the board. I am sure that the farmers will also recognise that there are others who have large sums of money at stake in common with them in this important industry, and that those engaged in commerce and those with whom the farmers themselves have direct dealings, are also interested in the subject. In every one of the districts it is well known that the farmers have had extended to them the very hearty support of the merchants. There are large sums of money invested or advanced by these merchants in supporting the farmers and to tide them over the period between the time when the grain is sown, the wheat harvested, and the money paid for it.

Hon. H. Stewart: At a very good rate of interest.

Hon. J. NICHOLSON: If Mr. Stewart will be fair I am sure he will admit that the merchants and others have been more considerate in times of difficulty and drought, so far as the farmers are concerned, than is the case with any other section of the community. The farmers have been more considered than any other class of people in the way of advances of money under similar circumstances. Having regard to the large interests which are directly associated with the farmers, I submit that it is only right that one representative from these bodies, who are really represented by the Perth and Fremantle Chambers of Commerce, should be nominated to the board. The board would then have added to their counsels the assistance of a man who would be able to advise on important steps which are necessary in connection with matters associated with the

Wheat Scheme. The service of such a member would prove invaluable, and I venture to say that once the principle were adopted there would never be any desire on the part of the board to alter it. It is my intention in Committee to move an amendment to the effect that I have indicated. In reference to the agreement in Schedule 1, it will be noted that it is made between the Honorary Minister, Hon. C. F. Baxter, on the one part on behalf of the Government, and the Westralian Farmers, Ltd., on the other part. Clause 4 of the Bill says—

The Wheat Marketing Acts shall, except as hereinafter provided, be administered by a board to be called "The Wheat Marketing Board," and hereinafter referred to as the Board.

There is no reference in the agreement to the board at all. As a matter of fact in Clause 4 what is left to the Minister is not the administration of this important work of wheat marketing, but the exclusive control of all the advances to be made to the wheatgrowers in respect of the Wheat Pool. He has to exercise control over the finances. There should be associated with the Minister in this agreement the Wheat Marketing Board.

Hon. C. F. Baxter (Honorary Minister): Why?

Hon. J. NICHOLSON: Because they are charged with the administration of wheat marketing under the Wheat Marketing Act.

Hon. C. F. Baxter (Honorary Minister): There is no executive board yet.

Hon. J. NICHOLSON: I think the agreement was entered into before the Royal Commission furnished their report. They were quite justified in protesting against that, seeing that the matter had been specifically referred to the Royal Commission. In all fairness to that body the Government should have awaited the report before entering into the agreement. It is impossible to add the Wheat Marketing Board to the present agreement, then the Honorary Minister, on behalf of the Government, will, perhaps, take note of the point and bear in mind that in subsequent agreements they should be joined as parties under the agreement. One would expect that the Minister would be relieved by the board of many of the duties which formerly fell upon him, and which he discharged in connection with the agreement. Many of these things which are necessary to be done under the agreement will be done through the chairman of the board. There is one important point to which I wish to draw attention: that is in Clause 14 of the agreement relating to its termination. I have compared it with the agreement which appears at the end of the original Wheat Marketing Act of 1916. On that occasion, it will be remembered, the wheat marketing was carried out by various parties who had tendered for the purpose. The corresponding clause of the agreement of 1916 provides that the agreement shall continue in force until the 30th day of September, 1916, with the right of the Minister to continue its operations until such period as may be reason-

ably required for the shipping of the wheat after the last remaining date. Subclause 1 of Clause 14 of the present agreement says this agreement shall continue in force until the duties of the agent, as hereinafter provided, have been carried out to the satisfaction of the Minister. There is no definite date such as was provided in the 1916 Act. This agreement should contain a specified and definite date of termination, with the right to the Minister to extend the agreement if necessary. That would have been fair and proper. If what has been said by Mr. Allen, in the course of his eloquent address, be correct, it would seem that there is some justification for the statement that the agreement that we have here was very hastily prepared. It is an agreement of such grave importance that the most thorough consideration should have been given to it before it was entered into. There is an interesting contrast between certain other clauses. There is the limitation of liability provided for in Clause 18. It states that the liability of the agent under this agreement is limited to a total of one farthing per bushel on the aggregate quantity of wheat to which the agreement relates. Clause 17 provides that there shall be a bond of £10,000. In the original agreement in the 1916 Act the bond was fixed at £20,000. I would like to know from the Honorary Minister why that disparity exists. If it was necessary under the 1916 Act to provide for a bond of £20,000 why not provide for a similar bond in the present case? The Honorary Minister may have some explanation to furnish to the House. Then again I would call attention to Clause 19. There is a limitation there with regard to damages for certain breaches of certain clauses. It states—

Whenever and as often as it appears to the Minister that there has been a breach by the agent of any of the provisions of Clauses 2, 5, 13 or 20 of the agreement, the Minister may, if he thinks fit, in lieu of pursuing any other remedy, or in the case of such a breach as is mentioned in paragraph (c) of Clause 5 in addition to the remedy therein provided for, refer the matter to the advisory committee, and for every such breach the advisory committee may, after giving the agent an opportunity of being heard, direct that the agent shall forfeit for every breach of Clause 2, the sum of £10.

Clause 2 of the agreement provides that there shall be no private dealings, and for a breach of that clause the penalty is £10. The penalty for a breach of Clause 5 is £2. Clause 5 is an equally important clause. Under that clause the agent undertakes and agrees to carry out certain important duties. He has to keep a complete and correct account of transactions and do various other things, and for a breach, the penalty is only £2. A breach of Clause 13 will involve the small penalty of only £1. I venture to say that had this agreement come before the House prior to it having been entered into, many alterations would have been made to the clauses. It simply emphasises what has been said by Mr. Allen that there has been undue haste in regard to its preparation. There is one matter to which I have omitted to refer to and that is the subject alluded to

by Mr. Cornell. He seemed to think that nothing could be done but ratify this agreement. As a matter of fact, we have the power to refuse to ratify any agreement that is entered into subject to the approval of Parliament.

Hon. A. Sanderson: No.

Hon. J. NICHOLSON: If of course we refuse to ratify this agreement, we will place the Honorary Minister and his Government in a very peculiar position. The Honorary Minister has had sounded this note of warning and I for one will adopt the attitude that I will refuse to ratify other agreements in the future if they are entered into before being submitted to Parliament. It is a wrong principle to adopt. In view of the position to which I have referred and repeating the protests I have uttered, I propose on this occasion to give the Bill my support, although I sympathise to the fullest extent with everything that Mr. Allen has said.

Hon. E. M. CLARKE (South-West) [9.7]: I agree that it is wrong on the part of the Government to ask the House to pass legislation of this character. I intend to enter my protest against the Bill when it is in Committee by moving to strike out the whole of the preamble with the exception of the first line, because it is contrary to fact. That will be my protest against the Government making such important agreements without consulting Parliament. What has been done on this occasion is a downright insult to Parliament.

Hon. J. A. GREIG (South-East) [9.8]: On account of the lateness of the sitting and the desire to conclude the session to-morrow, I only wish to refer to one or two matters. With regard to the amendment that Mr. Allen has placed on the Notice Paper, some hon. members have stated it is their intention to support it. I wish to point out what may occur if that amendment is carried. I would like hon. members to turn to question 8073 in the Royal Commission's report and while on the subject of the Royal Commission I would like to congratulate the members of it for the good, solid, and honest work they put in on behalf of the Wheat Scheme. I have heard nothing but favourable remarks from the wheat growers throughout the State on the subject of the work the Commission have performed. They went into the matter with an unbiased mind and I believe they have given us decisions to the very best of their judgment and ability, and when we consider that the members worked without fee or reward, I think it might be worth considering as to whether we should abolish Royal Commission fees for ever. Question 8073 was asked by Mr. Allen of Mr. Sayer and both question and answer are worth quoting—

Where an alteration of an agreement is made by Parliament after it has been entered into, would that prevent the contractor from receiving the remuneration provided for in such agreement?—No. If a contractor enters into an agreement subject to approval by Parliament he would be bound by such modification as Parlia-

ment might think fit to make if he continued the agreement.

If the Solicitor General's advice is correct is it likely that those shrewd gentlemen, to whom Mr. Allen referred this afternoon, and who if they had heard what he said about them, would be suffering from swollen heads, would take their gruel lying down? They are not going to give up the agreement without compensation. Now the question arises, if the amendment is carried and they ask for compensation, who will pay it, the Government or the Wheat Scheme? If we carry Mr. Allen's amendment, the Westralian Farmers, Ltd., will be able to go on with the agreement just the same. Some slight alterations have been made by another place but they do not affect the agreement to any material extent. The Westralian Farmers, Limited, may say "We are not prepared to agree to any alteration," and even in that case they may still claim compensation. There are one or two amendments that I intend to move when the Bill is in Committee. Subclause 6 of Clause 4 contains two provisos. One is that if at a meeting at which four members only are present and such members shall be equally divided, the Chairman shall have a casting vote. That is quite correct, and the next proviso is that if there are less than the full number of members present, and there be a difference of opinion, the Chairman may adjourn the matter to a meeting of the board at which all the members are present. It may happen that there are four members present and three members are against the Chairman. The Chairman will have the power to adjourn the matter to another meeting and if the fifth member agrees with the Chairman, the Chairman may arrange with him to stay away, and in that manner the subsequent meeting can again be adjourned and so the whole question may be hung up and the matter delayed. I also intend to move an amendment to Subclause 4 of Clause 4 which provides that no public servant who may have been a servant of any incorporated company or acting as Government acquiring agent shall be appointed a member of the board. I intend to add to that clause the words "during a period of 12 months prior to commencement of this Act." It will be seen that if a man has been director or servant of such a company or agency, but had resigned his office twelve months prior to the passing of this measure, he will be eligible for a seat on the board. One of the members of the Advisory Committee was Mr. Deane Hammond, who resigned as a protest. Mr. Hammond was, I believe, at one time a member or officer of the Westralian Farmers Limited, but resigned that position before he went on the Advisory Committee. The clause would debar that man; and there are other men in this State who would be similarly debarred without reason. Hon. members may recollect that I fought here for an independent audit of the Scheme accounts. However, things are in such a terrible state that no auditor could make a satisfactory audit, and

therefore I will not move an amendment to that effect on this occasion. Let me point out that the Perth and Fremantle Chambers of Commerce are involved very largely in agriculture. The moratorium has affected these people in a harsh manner. They have been of as much assistance in the development of Western Australia, as the Agricultural Bank has. The Chambers of Commerce should have a representative on the board, because no men in the State are more anxious that economies should be effected in the Wheat Scheme. For that reason alone they are entitled to representation on the board.

Hon. C. F. BAXTER (Honorary Minister—East—in reply) [9.18]: The two most important points with which hon. members have dealt this evening are the establishment of an executive board for the Wheat Scheme, and the appointment of the Westralian Farmers, Limited, as sole acquiring agents. Considerable exception has been taken to the fact of the Government having entered into the agreement with the Westralian Farmers, and also to the lateness of the introduction of this Bill. The only reason why the Bill has been delayed was the necessity for entering into the two agreements, the acquiring agreement, and the gristing agreement. Hon. members have stressed the point that these agreements, and especially the former, should have been brought before this Chamber before finalisation. But, I ask, how could such delicate matters as those be dealt with in public? The Westralian Farmers' agreement has been brought before Parliament immediately upon its having been signed. I explained to members of the Royal Commission that in connection with the harvest there were several matters which would not brook delay. One of them, and one of the most important, was the arrangement for the handling of the harvest. I felt sure that it was not possible for any body of men to review the ramifications of the Wheat Scheme and present an interim report in time for the Government to negotiate for the acquiring; and I mentioned that to the Commission. The time for the Commission to report was extended twice in order that they might be able to submit a recommendation on this phase of the subject. However, a stage was reached when the Government could not delay longer. Let me point out that had we left the matter till too late, we should have been in this position: the present acquiring agents, the Westralian Farmers, Limited, the only body with an organisation, could have secured any price they cared to ask of the Government. At this juncture I do not intend to occupy the time of the Chamber in traversing what is familiar ground to all members.

Hon. W. Kingsmill: Familiar ground and dangerous ground.

Hon. C. F. BAXTER (Honorary Minister): I assure hon. members that so far as I am concerned, there is no dangerous ground about this matter. My actions have been straightforward and business-like. The acquiring agents who acted in this capacity in 1915-16 and 1916-17 put themselves in this

position: they were sure that they would get the handling of the harvest per medium of their representatives in Melbourne. They had an opportunity to do it at the 2½d., and they distinctly said they could not do it at that price. The offer to operate was put before all of them, and the Westralian Farmers, Limited, accepted the offer, while the other agents said no, they could not operate on those terms. Then it was put to the Westralian Farmers, whether they would operate at the lower rate of 2¼d. Thereupon I took on my shoulders the responsibility of allowing those people to handle the wheat in competition with the Westralian Farmers at 2½d., which would have meant giving away £14,000 of the Scheme's money. They had said they could not do it at that price. At a later stage the associated agents offered to do it at ¼d. less than the amount already agreed to be paid to the Westralian Farmers. They knew I had already sent the Westralian Farmers a letter authorising them to do the work at 2½d. The Westralian Farmers informed me that if there was no opposition they would operate at 2¼d. The associated agents had their opportunity, and they missed it.

Hon. H. Stewart: They were pushed out.

Hon. C. F. BAXTER (Honorary Minister): Mr. Allen has said that the agreement, if not ratified by Parliament will become inoperative. But the agreement has already been entered upon. The Westralian Farmers have been working under the agreement since the commencement of December. No member of this Chamber regrets more than I do the fact that there was not an opportunity to submit the agreement for consideration by hon. members before any work at all was done under it. There was no time for that thorough consideration of the agreement which might have resulted in amendments and alterations.

Hon. R. J. Lynn: Whose fault was that?

Hon. C. F. BAXTER (Honorary Minister): Nobody's fault. The bulk of the negotiations were carried out between the Scheme and the present acquiring agents, and took some time to finalise. As regards the executive board, several members have said that the Government are not carrying out the recommendations of the Royal Commission. To a certain extent that assertion may be correct, but I would ask hon. members to bear in mind the fact that the Government are under heavy financial obligations in connection with the Wheat Scheme, and that is what the Government have to consider when the wheat question is before them. If Parliament is prepared to appoint an executive board and allow the board to have full financial control, the problem, in view of the existing guarantee, is going to prove very difficult. I am suggesting now that the full financial control shall vest in the Minister, representing the Cabinet. Mr. Nicholson said that an executive board should include commercial men. I take it Mr. Nicholson was referring to the request made on several occasions that the executive board should consist of two representatives of the wheat growers, and two representatives of the Chambers of Commerce—

Hon. J. Nicholson: I suggested only one.

Hon. C. F. BAXTER (Honorary Minister): The persons who take the responsibility of the whole thing are the Government and the farmers. The Government take the financial responsibility. The farmers have the responsibility of equity in the wheat. Both the Government and the farmers are entitled to representation on the board, because both are interested in the Scheme. The Chambers of Commerce are interested in the matter in so far as their members trade with the wheat-growers. The board, where advisory or executive, will continue to act as they have done in the past. I anticipate no trouble from a properly constituted board. I am going to take the House into my confidence as to the position of the sale of wheat. Some time ago it was announced that Mr. Hughes, representing the Commonwealth of Australia at Home, had made a sale of wheat on hand. However, that has been denied by Mr. Hughes. The attitude of the Australian Wheat Board in agreeing to a sale at 38s. per quarter is a very proper one. On the 15th July Mr. Watt cabled the Prime Minister as follows:—

Wheat.—At farmers' convention Sydney last week stated you had sold Australian wheat. I have announced Government here have no advice. Have since received communication from secretary convention requesting me cable you that farmers New South Wales expect 5s. 9d. at least for last season's wheat. Please advise me as early as possible whether any announcement can be made of sale.

On the same day he received from the Prime Minister the following message, which crossed that sent by Mr. Watt:—

Your telegram of 6th July. Quite understand but position now become unexpectedly more difficult, that I dare not venture press any suggestion. Position now entirely altered since my personal and secret telegram to you. Still hope however for satisfactory settlement.

Mr. Watt then cabled the Prime Minister in reply to that cable as follows:—

Your telegram 15th July. Regret difficulties. Rely on your advising me whenever position clears and definite arrangement is possible.

The Prime Minister cabled from England on the 21st August—

Very secret. Prospects of selling present crop of which I had strong hopes are distinctly declining. In view of all circumstances and imperative necessity of selling and shipping our products I intend continue press matter very strongly.

Hon. A. Sanderson: Will those papers be laid on the Table?

The PRESIDENT: Does the Minister propose to lay the papers on the Table?

Hon. C. F. BAXTER (Honorary Minister): If it is your desire, Sir, yes. On the 31st August Mr. Watt wired the Prime Minister—

At meeting of wheat board on 29th August which I attended I set out fully present position, mentioning you been giving

the matter closest attention in Great Britain but so far without success. I referred also to overdraft for payment for which banks are pressing, and to guarantee for 1918-19 crop and to necessity for effecting sale. After discussion board unanimously decided give you free hand but asked that you would not sell under 4s. 6d. without cabling me. I told them that Commonwealth Government must for future have sufficient control over preservation methods to be able to give guarantee to Imperial authorities of careful and uniform measures. Board agreed, and you may assure Government that every requirement of their Australian Commissioner will be attended to. I regard sale as absolutely imperative from standpoint finance. Hope you will continue do your best and report result as soon as possible.

Hon. A. Sanderson: Why, this has all been published in the Federal "Hansard"?

Hon. C. F. BAXTER (Honorary Minister): I have not seen it. No sale has taken place up to the present. Many people say our wheat should not be sold at less than 6s.

Hon. J. Nicholson: We are ruled by the world's prices.

Hon. C. F. BAXTER (Honorary Minister): No; unfortunately we are ruled by the shipping available. If we could avail ourselves of the world's market we should not have any difficulty in getting 6s. Last evening I said that in all probability some decision would be arrived at within the next few hours regarding advances to be made on the new wheat. I have this evening received an urgent telegram as follows:—

Prime Minister has made arrangements for payment in new year on first advance 4s. 4s. less freight, in one amount, payments to be made in new year.

It was agreed at the conference last year to make a first payment of 3s., but instead of that it has now been arranged that the whole amount of 4s. 4d. less freight shall be paid on the delivery of the wheat at sidings or stations.

Hon. R. J. Lynn: How much of that does the State guarantee?

Hon. C. F. BAXTER (Honorary Minister): Up to 3s. For anything over that the Federal and State Governments are equally responsible.

Question put and passed.

Bill read a second time.

In Committee.

Hon. W. Kingsmill in the Chair; Hon. C. F. Baxter (Honorary Minister) in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 2 of principal Act:

Hon. R. J. LYNN: I should like some explanation as to why this clause is being amended. Is it because it may be considered unconstitutional for an Honorary Minister to make this agreement?

Hon. C. F. BAXTER: It is because the Minister in charge of the Pool may be absent, when it will be necessary that another mem-

ber of the Executive Council should be appointed to take his place as chairman.

Clause put and passed.

Clause 3—agreed to.

Clause 4—The Wheat Marketing Board:

Hon. J. F. ALLEN: I move—

That all words after "pooled" in line 3 of the proviso to Subclause 1 be struck out. The object of the amendment is to give the board administrative power. The Bill provides for only an advisory board under a new name. I want to give the board financial powers, other than those involved in the control of the advances.

Hon. C. F. BAXTER: I oppose the amendment. To give the board full control over all expenditure would be very dangerous. The Federal Government are concerned in this, in that they are responsible for part of the advances made.

Hon. J. F. Allen: They are prepared to accept this.

Hon. C. F. BAXTER: I do not think so.

Hon. A. SANDERSON: We are treading on very dangerous ground and that is the only point on which I agree with the Honorary Minister. What is the board there for? Is this some patriotic work that the members of it are doing? Who are they?

Hon. C. F. BAXTER: The members of the board are Mr. Sutton, Commissioner for the Wheat Belt, Mr. Field of Messrs. Elder, Shenton & Co., and Messrs. Cotton and Paynter, farmers.

Hon. J. E. DODD: I am not satisfied with the case for the executive board. There is going to be a loss on the Scheme and the people of the State will have to bear it. Who is there better to administer a scheme of this sort than the Minister, who is the representative of the people of the State? There would be no control over the board but there would be control over the Minister, I am anxious to give the farmers as much representation as possible on the board, but I do not think it is fair to say that two commercial representatives and two farmers shall have the handling of the Scheme, and that the taxpayers shall foot the bill.

Hon. J. A. GREIG: There was never any request for more than one representative of the Chambers of Commerce. That would leave two representatives for the farmers, one for the Chambers of Commerce, one nominee of the Government, and the Minister. These gentlemen will take a practical interest in the business and will have due regard to the expenditure. I do not think there will be a loss on the Pool. There were 380,000 more bushels sent away than were acquired. That is being brought about by the natural increase. I should like to see the executive board truly executive. The present board is only a farce. If it is not made executive I intend to move that the whole thing be abolished, and the Scheme handled by the manager and the Minister.

Hon. J. F. ALLEN: Amongst all the witnesses who appeared before the Royal Commission the members of the Government were the only ones who were antagonistic to the appointment of the board. The Royal Com-

mission came to the conclusion that all the faults of the Scheme were attributable to the political influence which was exercised. If we had had an independent executive board controlling the Scheme and not controlled by outside bodies, a sum of £3,000 on the checking, and £8,000 on the roofing, would have been saved to the Scheme. In the past we have had an advisory committee which was in reality an advised committee. When the Honorary Minister wanted some moral support he got the committee to support him. If he wanted to do something, such as to appoint a manager, he did so and advised the Committee afterwards. The advisory committee were not consulted in regard to important matters, such as the agreement, the Minister acting on his own authority. The advisory board proposed here is neither one thing nor the other and is useless.

Hon. C. F. BAXTER: Never at any time have I attempted to influence the board in their decisions.

Hon. J. F. Allen: You are not the only Minister.

Hon. C. F. BAXTER: I am speaking of my own term of office. When the manager of the Scheme was appointed there was no board in existence. In entering into negotiations in this regard I could not wait until the board was established. It was a difficult thing to discuss with the board. I recognised that Mr. Keys was the best man in Australia that I could secure, and results have borne this out. The Government were certainly opposed to the executive board, because the Government were the people concerned in the management of the finances. They have to see that they get back the money that has been guaranteed on the wheat. If this amendment is carried the executive board will have full control and will not be responsible to Parliament, such as the Government would be. Our wheat has to realise 5s. 2d. per bushel under the guarantee, and I do not think it will go very much above that.

Hon. J. Cornell: It will be hard to get it.

Hon. C. F. BAXTER: And the Government should have the control of the finances concerning it.

Hon. J. F. Allen: What they want is economy.

Hon. C. F. BAXTER: And there will be economy, too. No member of the Commission has yet suggested that there has not been economy under the Scheme. Mr. Allen says that I have turned down the recommendations of the advisory board. There was one recommendation that we should use malthoid roofing instead of galvanised iron. I was never very keen on malthoid roofing, and last December when I went to the Eastern States I went further into that matter. When I visited one of the flour sheds in Victoria I found five distinct leaks in one small place in the roof of the shed.

Hon. J. F. Allen: Are there not leaks in the present iron roofs?

Hon. C. F. BAXTER: There may be, but they are not to be compared with the leaks that occurred with malthoid roofing.

Hon. A. SANDERSON: This amendment will not make the slightest difference in the world because the Federal Government have the control of this matter and they must keep it.

Hon. J. F. ALLEN: If the past administration of the Scheme and the control Parliament has had over it is an example of what we may expect, then I venture to say that we shall never have any control. We may be satisfied with the present Minister or manager, but we may have another Minister in charge next month and he may secure the services of another manager. What we want is a continuity of policy instead of a change with every Minister. At the present time we have no control over the finances. We trust to the Government and they come to Parliament and advise us as to what is done instead of asking us what should be done. Let us have a proper board independent of Ministerial influence.

Hon. J. W. KIRWAN: I am surprised that Mr. Allen should bring forward this amendment and I hope it will not be carried. The principle is simply whether or not Ministers shall have control of all expenditure on administration. There is an important principle involved and I hope the Committee will not adopt the amendment to delegate our powers to a greater extent than the delegation of powers to which the hon. member so strongly objected at the previous sitting.

Hon. R. J. LYNN: What is the use of having a paid board to meet in Perth? The board will be under the dictation of the Minister and they will not be able to incur the expenditure of a shilling unless the Minister certifies to the amount. If the Committee decide on carrying this clause with a proviso, and refuse to delete the words proposed by Mr. Allen, I hope there will be some consistency displayed by deleting the board at a later stage.

Hon. J. E. DODD: Mr. Allen rightly or wrongly painted in vivid colours the smartness and cupidity of the Westralian Farmers, Ltd. Looking over the evidence of some of the witnesses who have appeared before the commission, I find that members of the executive of the Westralian Farmers state that they were in favour of a board. My duty demands that I should oppose the handing over of the financial side of the Scheme to a board.

Hon. J. F. ALLEN: The margin between the guarantee of the Government and the price realised for the wheat is the property of the farmers of this State. That is the point to be emphasised. But the Government hand over the wheat to a body who are not responsible beyond one farthing per bushel. If the Government have promised excessive advances, they do not understand their business.

Hon. A. SANDERSON: I am sure hon. members will thank me for drawing their attention to the following three quotations from

a speech by Mr. Watt, the acting Prime Minister, reported on pages 8265 and 8273 of the Commonwealth "Hansard":—

We cannot go on being treated like pick-pockets when we are doing our best as public trustees.

I say this to the grower in any of the four wheat States of the Commonwealth, that if he believes he can attend to this matter better than the Governments, then this Government will be prepared to help him take charge of his wheat for himself. I point out to some of the wheat growing representatives who are allowing their attention to stray, that until there is a complete understanding for the new season, there will be no future Pool in which the Federal Government will join.

I do not wish the wheat grower to think there is any doubt about the guarantee for next year.

That is this year.

We have entered into that contract, and it will be observed.

Hon. G. J. G. W. MILES: The Minister referred to Parliament having control of the expenditure of money. But in the past we have had no control at all. It may assist members in the consideration of the present question if I inform them that I intend, later, to move a new clause: "After the termination of the agreements hereby ratified, no further wheat acquiring agreement or millers' gristing agreement shall be entered into or signed prior to the same having been approved by Parliament."

Hon. C. F. BAXTER: Mr. Miles and other gentlemen who criticise the way things are working this year are justified. But events have been unfortunate. We have had a Royal Commission sitting, and progress has not been what we should have liked. If I am in charge of the Scheme during the coming year, a very early start will be made with these matters. Agreements will be placed before Parliament, so as to give hon. members every opportunity to decide. Mr. Watt, the acting Commonwealth Prime Minister, said a good deal more than Mr. Sanderson quoted.

Hon. A. Sanderson: Certainly.

Hon. C. F. BAXTER: As to the farmers' margin, I personally believe there will be no margin. The guarantee has been made as high as possible, with a view to encouraging the farmers to keep on producing.

Hon. R. J. LYNN: Do you think there will be any loss? Why do not you encourage the farmers to grow sheep instead of wheat?

Hon. C. F. BAXTER: In a matter like this the Minister should be trusted. There is great waste in the Eastern States and, if only because of that, there is there a need for an executive board. In Western Australia the position is very different. Mr. Field cannot accept a position on an executive board, because his firm will not allow him to do so. It took me three months to find the two farmers' representatives on the advisory board, Mr. Cotton and Mr. Paynter, and I doubt whether they would care to go on an executive board.

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

Ayes	..	..	..	..	8
Noes	..	..	..	..	14

Majority against 6

AYES.

Hon. J. F. Allen	Hon. C. McKenzie
Hon. H. Carson	Hon. H. Stewart
Hon. J. A. Greig	Hon. H. J. Saunders
Hon. J. J. Holmes	(Teller.)
Hon. R. J. Lynn	

NOES.

Hon. C. F. Baxter	Hon. G. W. Miles
Hon. E. M. Clarke	Hon. H. Millington
Hon. H. P. Colebatch	Hon. J. Nicholson
Hon. J. Cunningham	Hon. E. Rose
Hon. J. Ewing	Hon. A. Sanderson
Hon. V. Hamersley	Hon. J. Mills
Hon. J. W. Hickey	(Teller.)
Hon. J. W. Kirwan	

Amendment thus negatived.

Hon. R. J. LYNN: I move an amendment—

That Subclause 2 be struck out.

If the board is appointed it will be mere camouflage on the part of the Government. The board will have no power, notwithstanding which the innovation will be a costly one for the wheat-growers. Even if the representatives of the Country party contend that the proposed board will be a protection to them, they must admit that the board will have no power.

Hon. J. A. GREIG: I support the amendment. If the board is not to be truly executive, the wheat-growers do not want to bear the expense of the board. The election of one man to the Australian Wheat Board cost £8,000. There were only four States involved, and on that basis the election here will cost £2,000.

Hon. A. SANDERSON: Is there a board at present, and does the Minister want to get rid of that board, or is the new board to be the same as the existing board?

Hon. C. F. BAXTER: I have no desire to get rid of the existing board. I very much regret that if the executive board is appointed we shall probably lose the members of the present board. The appointment of an executive board has been strongly recommended by the Royal Commission. The present board cannot be improved upon.

Amendment put and passed.

Hon. C. F. BAXTER: That destroys Clause 4, I think.

The CHAIRMAN: That is for the hon. member to say.

Hon. J. Ewing: Strike out the rest of the clause.

Hon. C. F. BAXTER: I move an amendment—

That the balance of Clause 4 be struck out.

The CHAIRMAN: I will put the clause as amended, and the hon. member can vote against it.

Hon. A. SANDERSON: Here are members anxious to assist the Minister. There is no discussion on the clause and the Minister will not even call for a division. Yet he puts in an agreement like this.

Hon. C. F. BAXTER: The voices were against me.

Clause as amended put and negatived.

Clause 5—Ratification of agreement:

Hon. J. F. ALLEN: I hope this clause will be struck out. If so it is my desire to move to insert a new clause.

Hon. C. F. BAXTER: I must oppose anything of the sort. The agreement has been entered into and it is a sound agreement. Wheat was actually being received at the beginning of this month. If an amendment were carried I do not know what would be done. I understand from the Attorney General that the Government are legally responsible and cannot break the agreement. I do not think any new organisation could be brought in to handle the wheat at this late hour.

Hon. J. W. KIRWAN: Would the Honorary Minister be prepared to accept the amendment outlined by Mr. Miles to the effect that this agreement or any other agreement in this Bill shall not be ratified in future without the sanction of Parliament?

Hon. C. F. BAXTER: If it would not prevent the Government from entering into any agreement, I would be pleased to accept Mr. Miles's proposal.

Hon. J. F. ALLEN: I move an amendment—

That the word "verifying" be struck out.

Hon. C. F. BAXTER: The word "verifying" was put in by the Legislative Assembly. I must oppose the amendment.

The CHAIRMAN: I do not think an amendment to the agreement can be made.

Hon. J. F. ALLEN: The Crown Solicitor said it was competent for Parliament to alter the agreement, and the Westralian Framers, Ltd., would have to accept the amendments made by Parliament.

Hon. R. J. LYNN: Apparently this agreement is not subject to ratification by Parliament.

The CHAIRMAN: I think Clause 5 provides that it must be ratified and confirmed by Parliament. I do not consider that it is competent for this Committee to amend the agreement.

Hon. R. J. LYNN: Are the Farmers and Settlers' Association willing to allow the sum of £3,000 for checking for which no work has been done, to be paid to the Westralian Farmers, Ltd.? I support the amendment.

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

Ayes	..	..	..	7
Noes	..	..	..	14

Majority against .. 7

AYES.

Hon. J. F. Allen	Hon. J. Nicholson
Hon. J. Cornell	Hon. H. J. Saunders
Hon. J. Cunningham	Hon. R. J. Lynn
Hon. H. Millington	(Teller.)

NOES.

Hon. C. F. Baxter
Hon. H. Carson
Hon. E. M. Clarke
Hon. H. P. Colebatch
Hon. J. Ewing
Hon. J. A. Greig
Hon. V. Hamersley
Hon. J. W. Kirwan

Hon. C. McKenzie
Hon. G. W. Miles
Hon. E. Rose
Hon. A. Sanderson
Hon. H. Stewart
Hon. J. W. Hickley
(Teller.)

Amendment thus negatived.

Clause put and passed.

Clause 6—agreed to.

Clause 7—Wheat to be produce of 1918-19 harvest:

Hon. J. A. GREIG: I move an amendment—

That in line 3 of Subclause 2 before the word "wheat" the word "weevil" be inserted.

The object of the amendment is to prevent the people from supplying last year's weeviled wheat to the Pool. We all know that if last year's wheat is free from weevil it is equally as good as any of this season's. There should be no objection to the old wheat coming in provided it is not weevily.

Hon. C. F. BAXTER: Last year's advance on old wheat was 3s. 8d. This year it is 4s., and old wheat had to be delivered before the end of October. The wheat may not appear weevily but there may be weevil in it. The clause should be allowed to stand as it is.

Amendment put and negatived.

Hon. J. CUNNINGHAM: With regard to the penalty for an offence against this clause, how will it affect clients of the Industries Assistance Board? If a man is fined £100, will the I.A.B. have to pay the money?

Hon. C. F. Baxter: I have not gone into that matter.

Hon. J. A. GREIG: Undoubtedly the I.A.B. will have to find the money with which to pay the penalty. My advice to hon. members would be to vote against the clause altogether.

Clause put and passed.

Clauses 8, 9, 10—agreed to.

Clause 11—Power to extend operation of Acts to 1919-20 season:

Hon. V. HAMERSLEY: This clause is a dangerous one. It is taking out of the original measure the proviso which prevents the dealing in scrip which farmers hold. What demand has there been on the part of the farmers for the inclusion of this clause? I would be sorry to see the section in the Act deleted because it has operated to the advantage of the small farmers.

Hon. C. F. BAXTER: Numbers of deputations from wheat growers waited on me and finally a big deputation representing the Farmers and Settlers' Association and the Chambers of Commerce interviewed me with regard to this matter and made a request, the effect of which is embodied in the clause.

Hon. V. HAMERSLEY: Those who have scrip can go to a reputable house and secure an advance on it.

Hon. H. MILLINGTON: I also hope that the clause will not be carried. The Minister has given no reason for the repeal of the provision. Indeed, his statement would tend to make me cautious about repealing. What has the Perth Chamber of Commerce to do with the matter? This repeal clause will en-

able the members of the Chamber of Commerce very speedily to have a finger in the pie. The shrewd man with the information, that is to say the merchant or the banker, will get the better of the farmer.

Hon. C. F. Baxter: The Government did not insert this clause in the Bill. It was inserted at the instance of a member of another place.

Hon. G. J. G. W. MILES: When the farmer gets his certificate, why should not he be free to deal with it? Let him handle his scrip as he pleases. I hope the clause will pass. The scrip is not at a discount; merchants are glad to accept it at full face value, this being frequently their only chance of obtaining payment of accounts.

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

Ayes	..	..	..	12
Noes	..	..	..	8
Majority for				4

AYES.

Hon. Sir H. Briggs
Hon. H. Carson
Hon. H. P. Colebatch
Hon. J. A. Greig
Hon. J. J. Holmes
Hon. J. W. Kirwan
Hon. C. McKenzie

Hon. G. W. Miles
Hon. J. Mills
Hon. E. Rose
Hon. H. Stewart
Hon. J. Nicholson
(Teller.)

NOES.

Hon. E. M. Clarke
Hon. J. Cornell
Hon. J. Ewing
Hon. V. Hamersley

Hon. R. J. Lynn
Hon. H. Millington
Hon. A. Sanderson
Hon. J. Cunningham
(Teller.)

Clause thus passed.

New clause:

Hon. G. J. G. W. MILES: I move—

That the following be added to stand as Clause 7: "After the termination of the agreements hereby ratified, no further wheat acquiring agency agreement or miller's gisting agreement shall be entered into or signed prior to the same having been approved by Parliament."

My object is to get the business of the country carried out in a different manner from that of the past. This amendment, if carried, will necessitate the bringing down of the next Wheat Bill at the beginning of the session instead of during the last hours of the session.

Hon. C. F. Baxter: I am quite in accord with the amendment.

Hon. A. SANDERSON: How is the clause going to be enforced? There is no penalty. I see no use whatever in merely threatening the people now in charge of the affairs of this country.

Hon. J. W. Kirwan: Would not this clause make any agreement entered into without Parliamentary sanction invalid? That is the point.

Hon. A. SANDERSON: It might. The matter requires consideration. But I fear that if the agreement were invalid, the Government would simply bring in a validating Bill, and we would have to swallow that.

Hon. R. J. LYNN: I agree with Mr. Sanderson, and I hope the Committee will not

stultify itself by inserting this clause in the Bill. We ought to have the backbone to throw out any Government measure of which we disapprove. Cabinet will simply treat the next wheat marketing agreement as a matter of urgency, and complete the agreement in anticipation of Parliamentary approval. The present Bill ought to have been rejected.

Hon. J. W. KIRWAN: I do not agree with Mr. Lynn and Mr. Sanderson. I think the clause will achieve the purpose of the mover. I agree that the Government have treated Parliament with contempt in going on with this agreement without the sanction of Parliament. I am also inclined to agree that what the Government have done in the past they are likely to do again in the future. But where the amendment would be effective is that it would invalidate any future agreement arrived at; for the Government cannot do anything distinctly provided against in an Act of Parliament, and even if the Government were prepared to do something of the sort, it is unlikely that the other party would agree.

Hon. H. MILLINGTON: The amendment would be a warning to the Government and to those likely to negotiate with them. They would see that this House is becoming desperate. I believe the Minister realises that the House is at last desperate. The fact that he accepts the amendment shows that he intends to reform. What, then, will the Minister think if we reject this amendment? He can only think that we are prepared to let him go on in his bad old ways.

Hon. C. F. BAXTER: Mr. Millington is wrong when he implies that I admit I have been in the wrong in the past. Both Mr. Millington and Mr. Kirwan are wrong in the suggestion that the Government have treated the House with contempt. Both last year and this year we have had much to contend with in the fixing up of the agreement.

Hon. J. CUNNINGHAM: The amendment will have the effect of forcing the Scheme to do the work of acquiring. I will support the amendment, because I believe that the Scheme can do the whole of the acquiring.

Hon. J. NICHOLSON: I am glad the Minister is prepared to accept the amendment. I move an amendment on the amendment—

That the words "termination of the agreement hereby ratified" be struck out, and "passing of this Act" be inserted in lieu.

Hon. J. W. Kirwan: I think the amendment in its original form is sufficiently clear, and requires no further amendment.

Hon. J. NICHOLSON: The agreement is to continue in force until a date after the arrangements have been made for the new season's wheat. The intention of the House is that no new agreement shall be entered into without our having some voice in the matter. My amendment will safeguard the position, and will give effect to what is intended.

Hon. G. J. G. W. MILES: I do not think it matters whether the words are inserted or not.

Hon. C. F. BAXTER: The agreement will terminate on the completion of the work, which will not be later than May. We have no power to deal with the 1920 harvest.

Hon. J. W. KIRWAN: I think the amendment that Mr. Nicholson has proposed would be an improvement on that proposed by Mr. Miles.

Amendment on amendment put and passed.

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

Schedules 1, 2—agreed to.

Title—agreed to.

Hon. E. M. CLARKE: I would point out that the Bill says that on the consent and advice of the Council this Bill is brought into force. I would point out that the Government do not take the Council's advice at all.

The CHAIRMAN: It is quite a formal matter.

[The Deputy President resumed the Chair.]

Bill reported with amendments, and a Message accordingly forwarded to the Assembly requesting them to make the amendments, leave being given to sit again on receipt of a Message from the Assembly.

BILL—FORESTS.

Assembly's further Message.

Message received from the Assembly notifying that it had made Nos. 1, 4, 5, 6, 7, 11, 12, 13, 16, 17, 18, 19 and 20 of the amendments requested by the Council, but had not made Nos. 2, 3, 8, 9, 10, 14, 15, 21, 22, 23 and 24 now considered.

In Committee.

Hon. W. Kingsmill in the Chair; the Colonial Secretary in charge of the Bill.

No. 2—Clause 8, Subclause (2), paragraph (a).—Add the following words:—"and a professional officer who has obtained the degree or diploma of a forest school recognised by the Senate of the University of Western Australia":

The COLONIAL SECRETARY: I move—

That the amendment be not pressed.

I do not think it is a matter of great importance whether the Senate of the University or the Government are charged with the responsibility of seeing whether the diploma is to be recognised or not.

Hon. H. STEWART: It is of great importance that such an officer as this should possess the necessary qualifications.

Hon. A. SANDERSON: We might find ourselves in a position that we do not want to be in. There can be no conference with another place on account of these money clauses, I take it.

The CHAIRMAN: That is so. Under our Standing Orders we have the right in money Bills not to amend them, but to request that the amendments we desire to make shall be made in another place. That other place may accede to our demand or it may not. So far the way is plain. If the other place refuses to make the amendment and returns the Bill informing us that they refuse, we have right,

under our Standing Orders, to press the request. But it has been ruled on certain occasions in another place that we have no right to press the request. On certain occasions another place has refused to consider a pressed request, which has had the effect of destroying the Bill. There are instances where pressed requests have been acceded to. This position is indefinite. The general Standing Orders Committee some years ago made and prepared a Bill which would render the position sufficiently clear. Such Bill has not yet been laid before Parliament for its consideration. I hope hon. members will not think I am exceeding my duties, but I would point out that the pressing of a request may have the effect of precipitating a conflict between the two Houses, which may result in the loss of the Bill.

Hon. J. Nicholson: I am sure we have no desire to have the Bill thrown out.

Hon. J. W. Kirwan. The onus will rest on another place.

Hon. A. SANDERSON: This is so important that I went to the University to find out something about the forestry diplomas. I agree with the hon. member that from an academic point of view it is an important matter, but so far as the amendment is concerned, it is a mere trifle and I hope the Committee will agree so that there may be no conflict between the two Chambers.

Hon. H. STEWART: I desire to avoid a conflict but I want to make a suggestion, and it is that we should propose my original suggestion, that instead of the words in question, paragraph (a) should read, "shall be a professional officer and the permanent head of the department."

The COLONIAL SECRETARY: I do not think it is worth while. No Government would appoint as a Conservator a man without any qualifications.

Question put and passed; the Council's amendment not pressed.

No. 3. Clause 14—Strike out the word "Governor" and insert "University of Western Australia":

The COLONIAL SECRETARY: For the same reason, I move—

That the amendment be not pressed.

Question put and passed; the Council's amendment not pressed.

No. 8. Clause 24, paragraph (a)—Strike out this paragraph and insert "after such area has been cut over for sawmilling purposes or":

The COLONIAL SECRETARY: I move—

That the amendment be not pressed.

After the amendment had been made by the Committee, I stated that it had the effect of practically destroying the usefulness of the Bill in important parts. The intention of the Bill was to restrict hewing to such areas as are suitable for hewing purposes. The amendments have the effect of making hewing practically unrestricted. They take away from the Conservator the power to control the hewers. The legal advisers of the Crown have been consulted as to the scope of the amendment made by the Committee, and I am advised that

paragraph (a), which reads "after such area has been cut over for sawmilling purposes or," means that the hewer may cut practically where he likes. The words "cut over" are so wide in their sense that they are construed by our legal advisers to mean when one mill log has been removed. When opposing this amendment last week I gave it as my opinion that these words would allow uncontrolled hewing of timber in almost every part of the forests, and my opinion has now been supported by those who are best able to advise on such matters. Mr. Millington was of opinion that regulations could be made to define what country cut over for sawmilling purposes would cover and the Conservator could therefore control the hewer, and here again the legal officers of the Crown say this is not so. No regulations whatever can be made defining areas. Such regulations would be ultra vires. As amended by the Committee this clause allows for hewers being put into forests when one mill log has been removed. This being so it is little wonder that another place has disagreed with the amendment and with the amendments that follow. With your permission, I will refer to the clauses that follow, for they are so closely related and dependent on paragraph (a) that it is impossible to make the whole matter clear without referring to them. Paragraph (a) provides then for the hewing of timber in any part of the forest where one mill log has been removed, and this is further widened by the following clause which provides for returned soldiers hewing on any country which is not virgin forest, and virgin forest is defined as forest from which no timber has been drawn. This definition brings within the scope of hewing the whole of the accessible forests of the South-Western Division, for there is no forest within reasonable distance of existing lines from which timber has been drawn. The two amendments together, therefore, mean that hewing will be entirely unrestricted. In making these amendments the Committee may perhaps have thought that, at any rate, this hewing could only last for a short time, only until the 30th June, 1923. Again, with your permission, I would refer to the clause which deals with this, namely, the new clause 76, which also has not been agreed to in another place. But this new clause does not, as a matter of fact, restrict general hewing. It only restricts the granting of permits to hew, and all hewers working under paragraph (a) will be able to continue hewing after the 30th June, 1923. The whole question is whether the Conservator shall have control over hewing or not. The Bill contemplates he shall have control over hewing, and if we are going to take that control away we destroy one of the main principles of the Bill. I think I am correct in saying that the majority in another place by which the amendments made by the Council were rejected was 27 to 9. That shows how strong is the feeling in another place that hewing should be under the control of the Conservator.

Hon. H. MILLINGTON: If the Crown Law Department cannot suggest a middle course, we cannot be expected to do so. A fatal objection to the original clause was

that the Conservator not only had power but a direction to stop hewing altogether. I understood that another place did wish to make some provision for the hewer. The Crown Law Department, although they have discovered two extremes, have not been able to suggest a middle course. If the clause passes as it came here originally, the hewer will have no rights whatever. It appears to be the policy of the Government and of the Conservator not to permit any hewing whatever.

Hon. A. SANDERSON: We can fairly assume that the popular House would never allow this to go through without full discussion. The measure will be practically inoperative without regulations, and when those regulations come before us we shall be able to sprag the measure if anything undesirable is attempted. If we are dissatisfied, we shall have opportunities of protecting the hewers.

The COLONIAL SECRETARY: Even if we agree to the course suggested by another place, the hewer would have the right to hew under restrictions imposed by the Conservator of Forests.

Hon. J. CORNELL: The amendment which we are asked not to press is the vital feature of the Bill. Over three years ago a similar difficulty occurred, and a committee was appointed to find a way out. If the recommendation of that committee had been adopted we should not be in the false position in which we find ourselves to-night. The Bill has been ruled to be a money Bill, and so if we insist upon our amendments the Bill is likely to be lost. It is questionable whether another place is justified in the action it has taken. The legal opinion presented here to-night by the House could have been obtained on the day on which the Minister moved for a recomittal. It is now brought along as a bogey. On a previous occasion I was desirous of inserting in the Bill a provision which would have placed the soldiers in the position in which they were before enlisting. The leader of the House said that if anything was to be done in the direction of giving preference to returned soldiers, it should be real, and not visionary. But no suggestion came from the Government that the soldier should be restored to the position in which he was in 1914. This led me to believe that the Government were not desirous of giving the soldiers that advantage. Therefore, I framed an amendment, which was carried. On a subsequent occasion the leader of the House said that, after the vote taken on Mr. Millington's amendment, the amendment concerning the soldiers should stand, and they should be allowed to go where they liked. The action of another place conveys to my mind the fact that, so far as the hewer who went on active service is concerned, there is no intention of giving him preference over anyone else. I hope the Committee will give the returned hewer that consideration even if it means the loss of the Bill. Every soldier who has left Western Australia for the Front was expected by his employer to come back to his work under the same conditions that he left it. So far as the hewer is concerned, we find that legislation

has cut him out of his occupation, and other employers can therefore point to that as a reason for not putting a returned soldier back into his old employment. I hope hon. members will stand up to their guns and vote as they did when a similar question was before us.

Hon. J. EWING: I desire to see this Bill passed if possible, but an appeal has been made to the Committee which it is difficult to withstand. The Government seem to have no desire to overcome this difficulty, though they could do so if they would. The Crown Law Department seem to have given that advice which the Government desire to have. The Minister wants to destroy the hewer and makes no bones about it. There is no reason to suppose that the hewer will overrun the forests if the desires of this Chamber are carried. I should not be in favour of that myself. It is intolerable that we have no power because this is a money Bill, and that we must agree with the wishes of another place. I am not going to allow this Bill to pass if it is going to do an injustice to men who have been for 25 years in the South-West and will now be left out in the cold. I will record my vote in favour of insisting upon this amendment and will be prepared to take the responsibility. We have been 20 years without a Forest Bill and if the Bill is lost, the Government will have an opportunity of going more thoroughly into the matter between now and next session. The Conservator has only to refuse these permits and the difficulty is overcome.

Hon. J. W. KIRWAN: This State has got on for many years without a Forest Bill. If we had to begin over again I have no doubt that many of us would favour a Bill of a totally different character. I am not sure that it would not be a blessing if the Bill were deferred until next session when we could approach the subject with fuller knowledge. I do not think the Bill will be wrecked even if we press our amendments. Will the Colonial Secretary agree to everything that the Legislative Assembly desires?

The Colonial Secretary: I shall move that each of the amendments be not pressed, because I was opposed to the amendments themselves.

Hon. J. W. KIRWAN: This Bill is only technically a money Bill. The Government can make almost any Bill a money Bill, and this House will be unable to make amendments in Committee.

Hon. J. CUNNINGHAM: I am concerned in this matter in the interests of the timber hewers, not only soldiers but men who have been allowed to learn the art of timber hewing and who, perhaps, have put in the greater part of their lifetime in that industry. In the interests of the timber hewers we should press the amendment. An agreement cannot be arrived at, apparently, but let us give the Conservator of Forests additional time in order that he may suggest means out of the difficulty we have got ourselves into. It remains for members of this House to say whether they are prepared to see the timber hewer go out altogether. I appeal to hon. members to see that the amendment made by this Chamber is pressed.

Hon. J. NICHOLSON: This stage may be regarded as the parting of the ways. Whilst recognising the claims of the hewers, one also recognises the measure of conservation provided by the Bill. The Committee might suggest a conference on this vital clause of the measure.

The CHAIRMAN: No conference can take place at this stage.

Hon. J. NICHOLSON: Can any communication take place between this House and the other at the present stage?

The CHAIRMAN: If a disagreement occurs at this stage between this House and the other House, and if the other House then recognises what it has on some previous occasions done, a conference might be arranged; otherwise, not.

Hon. J. NICHOLSON: Surely the other House will have regard for the circumstances. I would be sorry to see the Bill wrecked.

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

Ayes	..	..	..	..	6
Noes	..	..	..	..	13
Majority against					7

AYES.

Hon. C. F. Barter
Hon. H. P. Colebatch
Hon. J. A. Greig
Hon. G. W. Miles

Hon. A. Sanderson
Hon. J. J. Holmes
(Teller.)

NOES.

Hon. H. Carson
Hon. E. M. Clarke
Hon. J. Cornell
Hon. J. Cunningham
Hon. J. Ewing
Hon. V. Hamersley
Hon. J. W. Hickey

Hon. J. W. Kirwan
Hon. R. J. Lynn
Hon. H. Millington
Hon. E. Rose
Hon. A. Sanderson
Hon. J. Mills
(Teller.)

Question thus negatived; the request pressed.

No. 9—Clause 24, add at the end of the clause the following:—"Notwithstanding the provisions of this section it shall, subject to the provisions of Section 76 of this Act, be lawful for any person holding an active service discharge from the Australian Imperial Forces who satisfies the Conservator that prior to the passing of this Act he followed the occupation of a sleeper hewer in this State, to hew timber for railway sleepers on the area of any timber concession, lease, or permit granted before or after the commencement of this Act but no such permit shall be granted within any virgin forest. For the purpose of this section, virgin forest means forest from which no timber has been drawn":

The COLONIAL SECRETARY: For the reasons already given, I formally move—

That the amendment be not pressed.

Hon. A. SANDERSON: I do not know whether members take this amendment as consequential on the other. If so, they have only themselves to thank, in the event of a conference being allowable. The Bill has not been discussed, and the opportunity is gone.

The CHAIRMAN: The hon. member must not say that he has no opportunity of discussing this amendment.

Hon. A. SANDERSON: I understand the opinion held by the leader of the House that

the particular question under discussion is a consequential amendment. But we have not had a discussion on the previous clause. Let us fully discuss this clause, and see whether a right is given.

The COLONIAL SECRETARY: The attitude I take up in regard to the clause is that the last division has created a situation between the two Houses in which the other House will have to say whether or not it is prepared to hold a conference, or whether it will regard our pressing the amendment as having a bearing on the fate of the Bill. That being so, it is not of much use bothering further about this clause just now. If we can go through the rest of the clauses and reach the stage where there will be only this clause between us and another place, we might then ask for a conference.

Hon. C. J. G. W. Miles: Is it not possible for us to amend the clause?

The CHAIRMAN: Yes. Our Standing Order gives practically the same right of amending money Bills as in other Bills, with the exception that the method of amending is different. We have to request another place to make whatever amendments we wish to have made.

Hon. G. J. G. W. MILES: I suggest we amend the definition of "virgin forest" by inserting, say "four loads to the acre." If that be done, another place might agree to the whole amendment.

The COLONIAL SECRETARY: If the hon. member wishes to move a modification, I will withdraw my motion that the amendment be not pressed, and will accept the modification of the hon. member.

Motion by leave withdrawn.

Hon. G. J. G. W. MILES: I move a modification of amendment No. 9—

Strike out the definition of "virgin forest" and insert in lieu, "for the purpose of this section 'virgin forest' means forest containing more than four loads of round timber suitable for sawmilling purposes per acre."

Hon. J. CORNELL: I hope the modification will not be agreed to. We are being asked to send to another place a modification which, on a previous occasion, we decided not to adopt. Rather than see the modification carried, I should prefer to see the soldiers left out altogether. I see no harm in sending back Clause 24 as we forwarded it previously. It is a sign of weakness to make a modification in respect of returned soldiers. I hope the Committee will agree to press the amendment.

Hon. A. SANDERSON: I agree that this amendment is not good. We must stand or fall now by the present position of affairs.

The COLONIAL SECRETARY: The reason I favour the amendment proposed by Mr. Miles is that it has been suggested that the Government are unwilling to do anything towards finding a compromise. Surely this is a middle course. If we agree to Mr. Miles's amendment and send it back in that form it will indicate that we are willing to compromise. It should be an inducement to another place to ask for a conference.

Hon. J. NICHOLSON: I do not want to see the Bill wrecked, but I want to see this considered. The clause is not fair to the other parties concerned, but for the sake of the industry it would be to the advantage of all if a conference can be held with another place. I will on this occasion support the amendment with a view to bringing about a compromise.

Hon. J. W. KIRWAN: It is not right to say that this Chamber has not given any indication of a desire to meet another place. We have already agreed to two out of the three amendments, and there are others to come. Standing Order 244 particularly deals with the question of amendments on money Bills. It is as follows—

If the Bill is returned to the Council by the Assembly with any request not agreed to, or agreed to with modifications, any of the following motions may be moved: 1, That the request be pressed; 2, That the request be not pressed; 3, That the modifications be agreed to; 4, That the modifications be not agreed to; 5, That some other modifications of the original request be made; 6, That the request be not pressed or be agreed to as modified, subject to a request on some other clause or item which the Committee may order to be reconsidered being complied with.

I am going to vote against Mr. Miles's amendment, because if carried it would place the returned soldier at a disadvantage as compared with other hovers.

Hon. G. J. G. W. MILES: I think it would be better to recommit the other clauses.

The CHAIRMAN: That could be done when the Message has been dealt with.

Hon. G. J. G. W. MILES: We should agree to the compromise and if possible have a conference. We do not want to wreck the Bill.

Question put and a division taken with the following result:—

Ayes	6
Noes	10

Majority against	4
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AYES.

Hon. C. F. Baxter
Hon. H. P. Colebatch
Hon. V. Hamersley
Hon. G. W. Miles

Hon. A. Sanderson
Hon. J. Nicholson
(Teller.)

NOES.

Hon. J. Cornell
Hon. J. Cunningham
Hon. J. Ewing
Hon. J. W. Hickey
Hon. J. W. Kirwan
Hon. R. J. Lynn

Hon. H. Millington
Hon. J. Mills
Hon. E. Rose
Hon. H. Carson
(Teller.)

Question thus negatived; the modification of the Assembly's amendment not made.

The COLONIAL SECRETARY: In view of the division I do not think it is worth while bothering any more about Clause 24.

The CHAIRMAN: We shall have to make some progress with the amendments.

No. 9. Clause 24.—Add at the end of the clause the following:—“Notwithstand-

ing the provisions of this section it shall, subject to the provisions of Section 76 of this Act, be lawful for any person holding an active service discharge from the Australian Imperial Forces who satisfies the Conservator that prior to the passing of this Act he followed the occupation of a sleeper hewer in this State, to hew timber for railway sleepers on the area of any timber concession, lease, or permit granted before or after the commencement of this Act, but no such permit shall be granted within any virgin forest. For the purpose of this section ‘virgin forest’ means forest from which no timber has been drawn”.

The COLONIAL SECRETARY: I move—

That the amendment be pressed.

Question put and passed; the Council's amendment pressed.

No. 10. Clause 24.—After the words inserted in the last amendment add the following proviso:—Provided that no person shall be entitled to enter on the area of any concession, lease, or permit without first obtaining the consent or approval in writing of the owner thereof:

The COLONIAL SECRETARY: I move—

That the amendment be pressed.

Question put and passed; the Council's amendment pressed.

No. 14. Clause 41, Subclause (2).—Strike out the words ‘one-half’ and insert ‘three-fifths’:

The COLONIAL SECRETARY: I move—

That the amendment be not pressed.

I do not think there is any great difference financially between the two proposals, this being absolutely a money clause. If the Committee decided to press the amendment it would prejudice our chances of getting a conference with the Assembly on other matters. I do not think it makes much difference whether the department gets half of the total revenue or three-fifths of the net revenue. The difference is not such as would justify us in pressing the amendment.

Hon. J. W. KIRWAN: This amendment was proposed by the Colonial Secretary himself.

The Colonial Secretary: In deference to the wishes of the House.

Hon. J. W. KIRWAN: It is most important that the expenditure of the department should be a first charge upon the revenue of the department. That is in accordance with good business principles.

The COLONIAL SECRETARY: The administrative expenditure will come up annually for review by Parliament, and if there is extravagance, Parliament will have an opportunity of discussing it. If the Committee press the amendment on a purely financial clause like this, it will show that we have very little desire to compromise.

Hon. A. Sanderson: I feel inclined to press all these requests so that a conference may discuss them later.

The COLONIAL SECRETARY: The Assembly are not likely to grant a conference if we insist on an amendment like this.

Hon. A. Sanderson: It is true that on a financial clause we would have to give way, but the difference is between giving way in conference and giving way in Committee.

The COLONIAL SECRETARY: If we press this amendment, we are insisting on the right to press an amendment to a financial clause. However, if it is the wish of the Committee to destroy the chance of a conference taking place, I am entirely in their hands.

Hon. J. NICHOLSON: If hon. members will consider the position, and recognise these amendments as being the important amendments, they will agree to allow this to go. This would have the effect also of reducing the time to be taken up by the conference, if a conference is appointed. It is only fair that we should try to lighten the labours of the conference.

The CHAIRMAN: The difficulty is that we are proceeding quite rightly under our own Standing Orders, but wrongly under the Standing Orders of the Assembly.

Hon. G. J. G. W. MILES: If we insist on our amendment, the Conservator will have £24,000 to spend, while if we adopted the views of the Assembly the Conservator would have £26,000 to spend. In view of the constitutional difficulties I think it would be well to relinquish our amendment.

Hon. R. J. LYNN: I think we should press the amendment, irrespective of what the Colonial Secretary has said. When he said that we had an opportunity of considering this on the Annual Estimates, it reminded me that we have not yet got the Annual Estimates, and we have only to-morrow left of the present session. If we had passed similar amendments on previous occasions we should not have some of the State trading concerns in the unfortunate position in which they are to-day. I remember that on a previous occasion this House successfully pressed an amendment in regard to a sum of money to be spent in the purchase of a steamer. If we could do that then, we can do this now.

Question (that the amendment be not pressed) but and a division taken with the following result:—

Ayes	8
Noes	9

Majority against ..	1
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AYES.

Hon. C. F. Baxter
Hon. H. P. Colebatch]
Hon. J. Ewing
Hon. G. W. Miles
Hon. J. Nicholson

Hon. E. Rose
Hon. A. Sanderson
Hon. V. Hamersley
(Teller.)

NOES.

Hon. H. Carson
Hon. J. Cunningham
Hon. J. A. Greig
Hon. J. W. Hickey
Hon. J. W. Kirwan

Hon. R. J. Lynn
Hon. H. Millington
Hon. J. Mills
Hon. J. Cornell
(Teller.)

Question thus negatived; the amendment pressed.

No. 15. Clause 41, Subclause 2—Before "revenue" in line 1 insert "net":

The COLONIAL SECRETARY: I think this can be regarded as consequential, that it can be pressed, consequent on the decision we have just arrived at. However, in conformity with practice, I move—

That the amendment be not pressed.

Question put and negatived; the amendment pressed.

No. 21. Clause 65—Strike out the clause:

The COLONIAL SECRETARY: It is considered important that the Forest Department should have control over such matters as these. I move—

That the amendment be not pressed.

Question put and passed; the amendment not pressed.

No. 22. Clause 66—Strike out the clause:

The COLONIAL SECRETARY: I move—

That the amendment be not pressed.

The clause makes it incumbent upon the Forest officer to prove his bona fide and anything that he does in good faith in the discharge of his duties should not subject him to personal penalty or liability.

Question put and passed; the Council's amendment not pressed.

No. 23. Add a new clause, to stand as Clause 75, as follows:—"The area comprised within the boundaries of the Greenbushes State forest, excepting any area within such boundaries the subject of any timber lease or permit, is hereby excluded from the provisions of this Act, and shall be subject to the Mining Act, 1904":

The COLONIAL SECRETARY: I move—

That the amendment be not pressed.

One of the reasons why this amendment was disagreed with by another place was that it was pointed out by the legal advisers of the Government that the clause would not have the effect desired and would probably have effects which were not contemplated. The Crown Solicitor says that the effect will be that, under the Land Act, regulations can be made authorising, on such conditions as may be thought fit, or forbidding, cutting of timber on the area, and under the Mining Act holders of mining rights will have the right to take timber for personal use. The Greenbushes State forest will now come under the Lands Department, which will, doubtless, with a view to protecting the assets of the State, advise that regulations should be made regarding the cutting of timber. If regulations are not made, there will be no control over the area whatever, and any sleeper cutter, or even the neighbouring milling company, the Timber Corporation, whose mill is situated on the boundary of the State forest, will be at liberty to send men in and take out the timber. The control, therefore, will be merely shifted from the Forestry Department to the Lands Department, and, since the Lands Department have no officers to advise them on timber matters, it will merely mean that the Conservator of Forests will advise the Lands Department as to what regulations should be made. The reference to the Mining Act at the end of the amendment is of no importance. The holder of a mining right anywhere in the

State has always a right to the timber for his own personal and domestic use, and this Bill in Clause 5 preserves this right. No regulations will be drafted by the Forest Department without consultation with the Under Secretary for Mines and the State Mining Engineer. That assurance will be placed on the file.

Hon. J. EWING: No real effort has been made to meet the situation. The State Mining Engineer was consulted previously and a policy was carried out which was detrimental to the mining industry at Greenbushes. The industry is heavily handicapped and the wages that are being paid for sluicing make it difficult to carry on. I should like to press the amendment. The tin-mining industry in Greenbushes is of more value to the State than the timber existing on that area. As those engaged in the timber industry are seriously handicapped through the regulations that are enforced, surely I am right in asking the Committee to endeavour to find a solution of the difficulty.

The COLONIAL SECRETARY: The State Mining Engineer says that it is necessary that the State forests should be placed under skilled supervision, in order that the best may be made of them, not only for present but for future mining requirements and, therefore, it would not be advisable to remove them from the operations of the Forest Department altogether. The Minister for Forests has given an undertaking that the administration of the Forests Bill would be carried out subject to the concurrence of the Minister for Mines.

Hon. A. SANDERSON: The assurance of the State Mining Engineer is worth something. We should press this request, I think, and I hope when the conference is held there will be a reasonable spirit shown. I do not accept the Government's assurance because it is comparatively worthless. For the present I support the request in order to support it at the conference, if one takes place.

Hon. G. J. G. W. MILES: I do not think it matters whether we press the request or not. We shall be having a conference.

Hon. J. W. KIRWAN: With the greatest respect for the opinion of the State Mining Engineer, in this instance I accept the view of two mining men deeply concerned, Mr. A. E. Morgans and Mr. Frank Moss.

Question put and negatived; the amendment pressed.

No. 24—Add a new clause, to stand as Clause 76, as follows:—"The provisions of Section 24 of this Act in relation to the issue of hewing permits shall have effect from the commencement of this Act until the thirtieth day of June, one thousand nine hundred and twenty-three, and no longer."

The COLONIAL SECRETARY: I propose to treat this as consequential, and I move—
That the amendment be pressed.

Question put and passed; the amendment pressed.

Resolutions reported, the report adopted, and a Message accordingly returned to the Assembly.

House adjourned 2.50 a.m. (Friday).

Legislative Assembly,

Thursday, 19th December, 1918.

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

[For "Questions on Notice" see "Votes and Proceedings."]

QUESTION—RAILWAY CROSSING KEEPER WOOLTORTON.

Mr. GREEN (without notice) asked the Minister for Railways: Is he aware that Railway Crossing Keeper, H. S. Wooltorton, of Kalgoorlie, concerning whom the union cited a case before the Arbitration Court, with the result that the court decided that a breach of the award had been made by the Commissioner of Railways, has been notified by the Railway Department that unless he signs an agreement to work below the standard rate he cannot resume work?

The MINISTER FOR RAILWAYS: No, I am not aware of it; but I will make inquiries.

BILL—VERMIN.

Request for Conference.

Message received from the Council agreeing to a conference on the alternative proposed by the Council to No. 7 of the amendments originally made to the Vermin Bill to which alternative the Assembly had not agreed, though agreeing to the other requirements of the Council; and notifying that Hon. C. F. Baxter (Honorary Minister), Hon. V. Hamersley, and Hon. J. J. Holmes had been appointed Managers for the Council at the conference.

BILL—ROADS CLOSURE.

Read a third time and transmitted to the Council.

BILL—WATER BOARDS ACT AMENDMENT.

Second Reading.

Debate resumed from the 6th December.

Hon. P. COLLIER (Boulder) [4.42]: As explained by the Minister for Works in moving the second reading of this Bill, the principal Act fixes a maximum amount of rate that can be levied by the board in any district in respect of any water undertaking at 2s. In some districts mentioned by the Minister—Broome is one—it has been found that the maximum of 2s. does not suffice to enable the board to carry on and meet obligations. Accordingly this Bill seeks to remove the 2s. limit. The objection I have to the Bill is that, whilst giving the power necessary in the town indicated by the Minister, the measure also gives unlimited power to all the water boards of the State to increase their rates as much as they please. The Bill provides no limit, and I do not think it desirable that the House