

NOES.

Mr. Boyland
Mr. Broun
Mr. Carter
Mr. Collier
Mrs. Cowan
Mr. George
Mr. Lutey
Mr. H. K. Maley
Mr. Mann

Mr. McCallum
Sir James Mitchell
Mr. Munsie
Mr. Plesse
Mr. Simons
Mr. Teesdale
Mr. Underwood
Mr. Willcock
Mr. Mullany

(Teller.)

Amendment thus negatived.

Mr. A. THOMSON: I wish to move a proviso.

The CHAIRMAN: The hon. member is not in order.

Mr. A. THOMSON: I think I am in order.

The CHAIRMAN: The member for Mt. Magnet moved that the clause be recommitted for a certain purpose—the further consideration of paragraph 4—and that purpose has been served.

Mr. Troy: On a point of order, I moved that the Bill be recommitted for the further consideration of the clause, not the paragraph. The best authority for that is the Notice Paper.

The CHAIRMAN: I understood that the hon. member specified the paragraph. If I misunderstood him, I must permit the member for Katanning to proceed.

Mr. A. THOMSON: I move an amendment—

That the following proviso be added to paragraph 4—“Provided that the words ‘live stock’ shall not apply to the breeding stock used in the business of a pastoralist or farmer.”

Progress reported.

House adjourned at 11.7 p.m.

Legislative Council,

Thursday, 1st December, 1921.

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					2030

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

BILL—AUCTIONEERS.

Report of Committee adopted.

BILL—GRAIN.

Second Reading.

Debate resumed from the previous day.

Hon. V. HAMERSLEY (East) [4.33]: A proposal of this description has been before the country for some years. The farmers throughout the length and breadth of the State have desired that the bulk handling system should be adopted, and repeated inquiries have been made from time to time regarding the systems in vogue in other parts of the world. During the regime of the Labour Government, an advisory committee was appointed to inquire into the subject, and the hopes of the farmers of this State were raised by the report of the committee, which strongly urged on the Government the necessity for bringing in a measure at an early stage of the history of wheat growing in Western Australia. The system had been advocated by individual members of Parliament prior to that, the great object being that by the early introduction of a bulk handling system, we would start off with facilities which would expand with the further development of the wheat areas, and in conjunction with which the railway rolling stock could be easily adapted. It was better to inaugurate the system then, rather than at a later stage when production had increased and a large amount of rolling stock would have to be converted. These conditions practically apply to-day. I firmly believe that Western Australia is still in its infancy regarding the quantities of wheat it is capable of growing and will eventually grow, and it is not wise to put off from year to year, as we have been doing, the inauguration of the bulk handling system. The longer we postpone it, the greater will become our difficulties in altering our existing arrangements, and the greater will be the amount of rolling stock requiring to be converted. The advisory committee, to which I have referred, strongly urged the necessity for inaugurating bulk handling, and the Government in power had a Bill prepared and were about to submit a scheme to Parliament when they went out of power. Then the war intervened and the farmers had to carry on under very great stress owing to the cost of bags. As a result of this, the question of bulk handling has impressed itself more and more upon the notice of those engaged in the industry, until to-day the farmers throughout the wheat areas are clamouring for the installation of an up-to-date bulk handling system.

Hon. J. Duffell: The price of bags is fast approaching normal again.

Hon. V. HAMERSLEY: The price of bags has a direct bearing on the question as to whether any saving to the farmers can be effected by the inauguration of bulk handling. If the price of bags becomes very low, the saving to the farmers will not be great; in fact, it might become a negligible amount. The lower the price of bags, the less will be

the likelihood of any saving being effected. But there are other considerations to be taken into account. Traders have a tendency to manipulate the markets from time to time, and this applies particularly to those who control the jute market in the East. We are always in the unhappy position of not knowing what the actual cost of bags is likely to be. One matter of especial importance is that the money paid for the purchase of bags has to be sent out of the State.

Hon. J. Duffell: They are desirous of trading direct with you.

Hon. V. HAMERSLEY: Advocates of bulk handling believe it will be better for the State to be self-contained and to keep in our own hands the matter of the marketing of our produce. One of the strongest arguments in favour of bulk handling is the possibility of finding ourselves with a very large output of wheat and of bags being unavailable to move the harvest. It has been said that there is no danger on this score. The same line of reasoning was adopted with regard to the recent war which paralysed the whole of our shipping and transport arrangements. Many people ridiculed the idea of such a war occurring, but it did occur. It struck the world like a flash, and in about one week the whole of our activities were paralysed. We do not want anything of that kind to occur in connection with the shipping of our harvest. At present we are entirely dependent upon the output of bags by local labour for the handling of our harvests; but this system of bulk handling will render us more or less independent.

Hon. J. Cornell: You would not advocate bulk handling in respect to all the wheat.

Hon. V. HAMERSLEY: Owing to the conditions under which the crop is harvested, it would be impossible to handle the whole of the State's production by the elevator system, but the bulk of it could be handled in that way. If the system is inaugurated in the present early stages of the industry, the probabilities are that we shall handle practically the whole of the wheat production in bulk.

Hon. J. J. Holmes: Most of the wheat has to go into bags in some part of the world.

Hon. V. HAMERSLEY: Most ports of the world have facilities for handling the wheat in bulk.

Hon. J. Duffell: Far from it; very few ports have those facilities.

Hon. J. J. Holmes: But apart from the ports, the wheat has to go into bags sooner or later.

Hon. V. HAMERSLEY: That concerns the people who purchase the wheat. They have different ways of handling it. We are concerned with the export of our wheat and with the price we are likely to obtain for it. The price which we can obtain for our wheat in bulk will be practically the same as we get for it when bagged. It has been argued that by shipping the wheat in bulk, a lower price must be expected than

if it is shipped in bags. During the war I believe that some special regulation insisting upon the use of bags was in force because of difficulties which prevailed at the different ports. But to-day that embargo has been lifted. The price to-day and the price before the war for bulk wheat is and was the same as for wheat in bags. It matters not to us whether the wheat has ultimately to be handled in bags; the question for the farmer here is the saving to be made by dispensing with bags, the cost of which is an expenditure that goes right out of the country. Coming to the Bill and the agreement attached to it, I wish to stress the point that the company has been formed entirely of grain growers. They are the people who have taken up the shares, and they have subscribed very largely.

Hon. J. Cunningham: What percentage of the shareholders are grain growers?

Hon. V. HAMERSLEY: I have not taken out the percentage. The number of shares applied for is 250,000.

Hon. A. Lovekin: On which £19,000 has been paid.

Hon. V. HAMERSLEY: That is the amount paid up; but hon. members will realise that farmers, just the same as other people, like to conserve their cash resources. The farmers are sensible enough to go on using the money in other avenues until such time as it will be required by the company.

Hon. J. Cunningham: Have attempts been made recently by the company to get the cash in?

Hon. V. HAMERSLEY: Yes.

Hon. J. Cunningham: Has the cash come in well?

Hon. V. HAMERSLEY: I am not a director of the company, and, therefore, cannot answer the hon. member's very reasonable question. But there is no doubt whatever of the cash coming along very readily as soon as this measure passes.

Hon. A. Lovekin: The company spent £3,500 to get the £19,000.

Hon. V. HAMERSLEY: The company want the authority of Parliament—

Hon. J. J. Holmes: They want a monopoly.

Hon. V. HAMERSLEY: I do not know that they want a monopoly very much. Of course, no one would be disposed to put his money into an undertaking of this kind without a reasonable assurance of getting a fair run for it. Moreover, the Bill refers only to wheat in bulk; and it is well known that the whole of the wheat of this State will not be handled in bulk. Therefore, the Bill does not give the company a monopoly of handling the whole of the wheat output of the State. It will be well for Western Australia to have the money involved in the establishment of the scheme expended here. Thus considerable employment will be provided for our people. The State, moreover, is not being asked to subscribe anything towards the establishment of the system, which will not be in any sense a State trading concern. The responsibility is being shouldered entirely by those who grow

wheat, and, therefore, they are entitled to support in this Chamber. If money is lost in the undertaking, it will be the money of the wheat growers of this State.

Hon. A. Lovekin: It might be money of the Federal authorities as well.

Hon. V. HAMERSLEY: I think they are on fairly safe ground. The Federal contribution towards the cost of the scheme is not in any way a gift. The company make themselves responsible for the repayment of the money, and for payment of interest on it while it is loaned to them.

Hon. A. Lovekin: Have they got the funds to pay with?

Hon. V. HAMERSLEY: I should be very sorry for Western Australia if her farmers could not repay that money. For that matter I see no reason why the money should be repaid so long as the company continue paying fair interest on it to the Commonwealth; the least the Commonwealth can do is to help the States to embark on primary production. In the past we have complained that the Commonwealth leave the State Governments to carry out works of this nature, while leaving them very little money to do it with. In this matter the Commonwealth Government, while recognising their obligation to the States, are running very little risk. The establishment of the scheme will mean better harbour facilities, better despatch for ships, and better working of our railway system through the more adequate use of the rolling stock. Instead of trucks, as at present, being held up at every siding for hours and days while men laboriously handle wheat in bags, the trucks will get quick despatch. The present shortage of trucks is due largely to our slow and obsolete method of handling wheat.

Hon. T. Moore: Will the trucks have to be materially altered?

Hon. V. HAMERSLEY: I do not think so. Many of the trucks at present in use will with very little additional boarding round the top be quite suitable for carrying wheat in bulk; and there will be no difficulty about emptying the trucks. Probably the greatest difficulty will be that of the farmers in adapting their wagons, and in providing at the various centres the most suitable means for putting their wheat into bulk trucks. In many instances, no doubt, bags would still be required; but the bags would be taken backwards and forwards by the farmer, and so would last a great number of years. We must realise that the present expenditure of the farmer on bags represents an enormous outlay.

Hon. J. Cunningham: Will not there be an additional cost in the reconditioning of the farmers' wagons?

Hon. V. HAMERSLEY: Those who have table-top wagons will incur some additional cost. Box wagons, on the other hand, will not require much alteration. However, that matter is entirely one for the farmer, who should bear the burden, and who has asked for the bulk handling system.

Hon. J. Cunningham: Have not a large number of farmers asked to withdraw their applications for shares?

Hon. V. HAMERSLEY: That is the first intimation I have had of anything of the kind. If any hon. member has such information, it should be made available to the House before we complete the second reading stage. Personally I have no such knowledge.

Hon. J. Cornell: Is it not a fact that the promulgators of the scheme are very largely St. George's-terrace farmers?

Hon. V. HAMERSLEY: Although the promulgators of the scheme may be regarded as city men, they are all largely interested in wheat. Moreover, they recognise that the farmers have put up a claim for the establishment of the bulk handling system here; and bulk handling is a plank of the Country Party. Although people may be living in the city, yet they are entitled to fair consideration, and should be given an opportunity of trying a system which has proved highly advantageous to wheat growers in other parts of the world. I personally do not believe that there will be any saving whatever from the scheme in the actual cost of handling to the individual farmer, although I have here figures showing a substantial saving to the farmer from bulk handling as against the bag system. Still, we know the difficulties which invariably arise in the establishment of such an undertaking. We know also the high cost of carrying out any work at the present juncture. Therefore I consider, notwithstanding the figures to which I refer, that no great saving will result to the individual farmer. On the other hand, I do believe that a great saving will result to the State as a whole, firstly because of the greater expedition with which wheat in bulk can be handled, and secondly, from the circumstance that the farmers' money would be conserved within the State instead of being exported for jute goods. This last feature in itself represents a most important consideration. For the various reasons which I have adduced, I have much pleasure in supporting the second reading of the Bill.

Hon. J. EWING (South-West) [4.59]: I intend to support the Bill, but I must say that some of the arguments used by the last speaker have gone a considerable way to shake my faith in the measure. The hon. member has stated that there is going to be no saving to the farmer from bulk handling as against the bag system. That point should be emphasised. I take up the same position as the Minister himself has taken up. I assume that before a large amount of money is expended on the establishment of a scheme of this kind, those who invest their money in it, and also the wheat-growers themselves, will have given the most earnest consideration to the financial aspect of the question.

Hon. T. Moore: Only wheat growers can be shareholders.

Hon. J. EWING: That may be so, but there are other financial men on the board as well.

The Minister for Education: It is confined to wheat growers under the agreement with the Commonwealth.

Hon. J. EWING: In those circumstances those on the board managing this concern must all be wheat growers.

Hon. T. Moore: We are only concerned about the wheat growers.

Hon. J. EWING: I am quite satisfied, from my knowledge of the wheat growers of Western Australia, that they would not invest their money in such an undertaking unless substantial advantages were forthcoming.

Hon. Sir Edward Wittenoom: Some of them would not join the company.

Hon. J. EWING: That was a point of interest made during the discussion. Mr. Hamersley said that while the introduction of bulk handling would be of advantage to the State as a whole, he did not think there would be any saving in connection with the bulk handling system as against the bag system.

Hon. A. Lovekin: The New South Wales reports support that contention.

Hon. J. EWING: I am sorry to hear that, because it somewhat undermines the generous support I intended to give this measure. Mr. Hamersley also said in effect that a large amount of money would be spent in Western Australia as the outcome of the introduction of the bulk handling scheme. I have looked into the figures myself and, as far as I can make out, the Federal Government are to provide £450,000.

The Minister for Education: They were prepared to do that.

Hon. J. EWING: The wheat growers themselves have taken up shares to the extent of £240,000. I do not say that they have paid for that amount, but as Mr. Hamersley has stated they are quite willing to complete their obligation when the necessity arises, we may take it that the total amount available will be about £700,000. If that amount of money is to be spent—

Hon. T. Moore: In Fremantle.

Hon. J. EWING:—in Western Australia, it must be spent in a way that will be of advantage not only to the port of Fremantle, but to the State as a whole. Mr. Hamersley said that whether the scheme was a success or a failure, the fact that that amount of money would be spent was sufficient justification for us to support the Bill. I cannot follow the hon. member there, because I would regret to think that if so large an amount of money were spent, there should be any chance of the scheme being unsuccessful.

Hon. J. Duffell: The scheme is only for one port, Fremantle, so far.

Hon. J. EWING: I cannot see that the mere fact that the spending of so much money will mean so much extra employ-

ment, and the circulation of the money only to spell failure in the end, will be anything but disastrous.

Hon. A. J. H. Saw: That is the boom and bust policy.

Hon. J. EWING: That is an aspect, however, that Mr. Hamersley did not deal with and he will probably have further opportunities of speaking later on when we are in Committee. He can then give us further information on these aspects of the bulk handling system. That hon. member did not touch on the large amount of expenditure that the Government will have to incur in improving the rolling stock in order to carry wheat in bulk. The scheme has to be proved to members of this House to be absolutely sound, before they can approve of it. It appeals to me as a sound proposition. Hon. members, however, will have to take into consideration the points I have raised regarding the scheme generally, and the fact that the Government will have to spend such large sums of money in improving their rolling stock. I think I am right in saying that there is not one truck in the railway service to-day that is capable of carrying wheat in bulk.

Hon. J. Cornell: Except it be the water tanks.

Hon. J. EWING: Unless it be the 25-ton trucks which, however, cannot be used beyond Northam. It is not proposed to erect elevators at Northam, so these trucks are out of court as well. That being so, it comes back to my original statement, that we have not the trucks to successfully carry wheat in bulk. Members must seriously consider this aspect as to the money to be spent by the Government. I hope Mr. Hamersley, when he is speaking again on this Bill, will clear the atmosphere a bit regarding that point. I take it from the Minister that the scheme has been thoroughly investigated and that it has been found to work successfully in other parts of the world. If that were not the case, these people would not be advocating the spending of so much money at the present time. In introducing the Bill, the Leader of the House mentioned the fact that last session members in this Chamber did not agree to the Bill.

The Minister for Education: Not this Bill.

Hon. J. EWING: It was not a bad thing for the farmers that the House rejected that measure, for it probably saved them a large sum of money. On several occasions the Premier and the member for North-East Fremantle have also stated that the action taken by this House last session was in the interests of the farmers, and saved them something like £100,000. We may be perfectly satisfied that some good was done when we rejected the measure last session, particularly seeing that it was brought in towards the closing hours of the session. There is no doubt that the Premier has done wonders so far as wheat production

is concerned in this State. Everyone, no matter, on which side of the House he sits or what his politics may be, will give full credit to the Premier for his policy in developing the wheat areas. It was only recently that he stated that he intended to go much further in this direction. There are enormous areas of land which require to be opened up for wheat production. The Premier is going to open up these portions of Western Australia and I commend him for it. These large areas are lying idle to-day and only require short lengths of railway to open them up so that they may be developed. It is in the interests of the State, therefore, that those areas should be developed, and if that be done, I think I am safe in predicting that Western Australia will be one of the greatest wheat-producing States in Australia. I believe it can be done, and it appears to me that, with the prospect of increased production, the bulk-handling scheme in Western Australia will be in the interests of the farmers. I understand that this is entirely a co-operative movement and that everything in connection with it is for the benefit of those who are producing wheat. That is a very laudable position, indeed. If hon. members read the Bill through, they will find that there is only one thing to which exception can be taken. I shall try to prove that the exception taken by Mr. Sanderson to the monopolistic aspect of the proposal is not so serious as people would at first suppose. There is one pleasing feature that appeals to me, and it is that every port is to receive that trade to which it is entitled by reason of its geographical position.

Hon. J. Cornell: Yes—on paper.

Hon. J. EWING: It is provided in the Bill that within four years elevators shall be erected at Fremantle, and that within five years elevators shall be erected at the outer ports of Geraldton, Bunbury and Albany, and that all the wheat available within those areas shall be taken to the port the geographical position of which entitles it to the trade.

Hon. J. Cornell: That is the sugar in the cane.

Hon. J. W. Hickey: Never judge the mar-malade by the label on the jar.

THE PRESIDENT: Order!

Hon. J. EWING: There is a clause in the Bill that empowers the Government to inflict heavy pains and penalties on the company if it does not carry out its contract. A large quantity of wheat is handled at Bunbury, probably from one to one and a half million bushels per annum. That is a very large trade, and as wheat production increases in those parts, a still larger proportion will come to Bunbury, so that by the time the elevator is erected there, we may reasonably anticipate that between three and four million bushels will be handled at Bunbury.

Hon. T. Moore: That is, if the harbour is not silted up by that time.

Hon. J. EWING: I believe that an alteration was made in the Bill after its introduction in the Lower House, and it has now been made perfectly clear that the undertaking by the company to erect the elevator at Fremantle within four years, and the elevators at the outer ports within five years, is obligatory upon the company.

Hon. F. A. Baglin: That does not compel the company to send the wheat through Bunbury.

Hon. J. EWING: I did not expect such a remark from the hon. member because I should have thought he would realise that the farmers would send the wheat to their nearest port and so save freight.

Hon. F. A. Baglin: Why do the farmers not send the wheat to Bunbury to-day?

Hon. J. EWING: Farmers will not send all their wheat to Fremantle, a further distance of 100 miles or so over the railways, when they can send it to a port nearer at hand. I wish to state definitely that, in my opinion, the port of Bunbury is not at present in a condition suitable for the erection of elevators. The Government must recognise that fact. If they give the company the right and take power to compel them to erect an elevator at Bunbury within five years, the Government must realise that they must put the harbour into such a condition that will enable the elevators to operate successfully.

Hon. F. A. Baglin: There is further cost again.

Hon. J. EWING: It will be no use this company coming along later on and saying that no facilities are provided for the erection of elevators at Albany, Bunbury or Geraldton and that those ports are not in a position to permit the elevators to be erected there and the bulk-handling trade carried on. We must realise that if this company is to satisfactorily handle wheat at the outports, the responsibility I have indicated is cast upon the Government to see that the harbour facilities are adequate. The Bill under consideration was introduced and is endorsed by the Government, and the Government say, in effect, that the company shall erect elevators under the conditions set out in the Bill.

Hon. A. J. H. Saw: What will be the cost of the improvements to the harbours?

Hon. J. EWING: I am merely putting the position before hon. members, and I ask them to realise that it is not only the expenditure that the Government have to incur in altering the rolling stock so as to handle wheat in bulk, but also the expenditure to be incurred in making these harbours available for the shipping side of the bulk-handling scheme.

Hon. J. Duffell: That is so.

Hon. J. EWING: I hope members will realise that aspect and that the Government too will realise it. If the responsibility is cast on the company to do something, a responsibility is also thrown upon the Government. If the Government do not carry out their obligations, they cannot enforce the penalties against the company.

Hon. F. A. Baglin: Under the Bill, you intend to give these people a monopoly for 25 years.

Hon. J. EWING: I will come to that point if the hon. member will give me time.

The PRESIDENT: Order!

Hon. J. W. EWING: We must absolutely have an assurance from the Government that there is no misunderstanding in the matter, that Fremantle is not the one port to which all wheat is to be sent, because if the Government are not able or willing to spend the money on harbour improvements in the outer ports—

Hon. A. Lovekin: If not, the Government should drop the Bill.

Hon. J. EWING: The Government have to do it. It is no use our dealing with this Bill in a half-hearted manner and saying that at Bunbury, Geraldton, and Albany certain things have to be done within four years, and find later that the Government are not prepared to spend money at these ports to enable the company to carry out their obligations. If I thought that was the position I would vote against the Bill without any hesitation. But I am satisfied that the Premier and his Government are desirous of doing all they can to advantage every portion of Western Australia, including the wheatgrowers, and realise their responsibilities in the matter, and that the necessary harbour facilities will be given to those ports I have mentioned so that the company may carry out their obligations.

Hon. J. Cornell: It would be good reasoning if they had the wherewithal.

Hon. J. EWING: The only thing I can see in the Bill that can be brought against it is the granting of a monopoly for 25 years to one company. There is, however, a proviso in the Bill by which the flour mill owners may have access to bulk handling facilities should they so desire. Every wheatgrower in Western Australia, if the Bill is put into effect, can have his wheat sent through this company.

Hon. A. Lovekin: What about those who do not want to do it?

Hon. J. EWING: With the large amount of money which this company will have at its disposal—£400,000—from the Commonwealth immediately, a further £200,000 later, a matter of £300,000 from the farmers, and the other resources they will have, which will amount to practically a million of money—they can carry out with great effect the scheme they have in hand. It is provided in the Bill that it does not matter whether a wheatgrower is a member of the company or not. Any person desirous of sending his wheat to the company can do so under the same conditions as a shareholder in the company. There is no obligation on the part of any wheatgrower to take shares in it. The desire, of course, is to get them all to take shares so as to have a co-operative company in its entirety. If half the wheatgrowers said they did not wish to take shares in the company, they would still

have the right to send their wheat to the company, and enjoy all the facilities and advantages which accrue to the shareholders.

Hon. A. Lovekin: You do not advance that seriously.

Hon. J. EWING: I do. There would be no use in any other company or the Government carrying out a bulk handling system in opposition to a co-operative scheme, backed up by the farmers of the State. The company in question is entitled to the most favourable consideration of the House. If the Bill stated that those who were not shareholders in the company were treated differently from those who were, I should object at once.

Hon. A. Lovekin: So it does.

Hon. J. EWING: The hon. member will find it clearly stated in the Bill that it does not matter whether a wheatgrower is a shareholder or not.

Hon. A. Lovekin: Read the articles of association.

Hon. J. EWING: They have nothing to do with me. There are laid down in the Bill the conditions under which the company shall work. They have to answer to Parliament and the Government of the State if they infringe any of these particular clauses. The non-shareholder gets the same consideration as the grower who is a shareholder. That is what has made me view with greater consideration this 25 years' monopoly. After all, it is not a monopoly at all. A monopoly is a totally different thing.

Hon. F. A. Baglin: It shuts out everyone else.

Hon. J. EWING: It shuts out no one.

Hon. F. A. Baglin: It does.

Hon. J. EWING: No hon. member who has read this Bill fairly can tell me that any man who grows wheat in Western Australia has not the same privilege as a shareholder in the company.

Hon. F. A. Baglin: No one else can start on the same business.

The PRESIDENT: Order!

Hon. J. EWING: The hon. member might just as well attempt to start an opposition railway from Perth to Bunbury.

Hon. F. A. Baglin: Would you advocate a State monopoly?

Hon. J. EWING: I do not want any State monopolies.

The PRESIDENT: Order! I shall not call the hon. member to order much more.

Hon. J. EWING: I am not in favour of monopolies. No fair-minded man reading this Bill, and seeing the conditions under which the wheat farmer is to be treated, can honestly say that this is a monopoly in the ordinary sense of the word. If the Bill said that a person who did not take a share in the company—no one is forced to take shares—was prevented from receiving the advantage accruing from the operations of the company, I should undoubtedly vote against the Bill. But no hon. member can point that out to me. The real meaning of the word monopoly is not found in this Bill.

Hon. J. W. Kirwan: What is the meaning of the words "sole right" in Clause 3?

Hon. J. EWING: It is a monopoly. I am always ready to bow to the views expressed by Mr. Kirwan, for I know he speaks in a fair-minded way, but I am sure he cannot say that this is a monopoly in the true sense of the word. If any injustice were to be done to any wheat grower I should say it was a monopoly. Provision is made by which only 8 per cent. can be paid in dividends, and there is a certain reserve fund to be built up at the discretion of the directors. After that, all the people who are ordinary shareholders or suppliers will benefit in the distribution of profits.

Hon. A. H. Panton: Can there be any competition in the matter of bulk handling if this company is in existence?

Hon. J. EWING: According to the Bill there can be none for 25 years. Can the hon. member say there is any likelihood, after this company has got together a large sum of money, built elevators and brought everything into working order, of anyone else putting money into a similar scheme?

Hon. A. H. Panton: You are not saying that.

Hon. J. EWING: I have nothing to say in favour of State trading concerns, and I am opposed to monopolies.

Hon. A. H. Panton: What is the alternative to competition; is it not a monopoly?

Hon. J. EWING: We all know that. I am viewing this matter in the light in which it appears to me. So fair a deal is to be given to those who are producing wheat that I cannot call it a monopoly. By straining a point here and there as to the actual meaning of the word monopoly, it may be difficult to answer hon. members on that point. If I were permitted to refer to the Bill I could read clauses which would substantiate every word I have said.

Hon. J. Cornell: It will be the only firm in Western Australia to handle wheat in bulk for 25 years.

Hon. J. EWING: If this company had an unconditional monopoly, what would happen to the wheatgrowers of the State? They could not live. Within the covenant of the Bill it is laid down what the company shall do. They shall do certain things and not do other things. They cannot do what a monopoly could do. No member of the House can compare this so-called monopoly with an ordinary monopoly. If the hon. member had a monopoly no doubt he would make as much money as he could out of it.

Hon. A. H. Panton: We are agreed on that point.

Hon. J. EWING: So would I. No doubt if members had the opportunity they would even go so far as to take their profits out of the wheat farmer, just as anyone else might do. That is what is in the mind of some hon. members.

Hon. A. H. Panton: Oh no!

Hon. J. EWING: If that is not in the hon. member's mind, he must agree that this is not a monopoly in the sense of the word as I use it. I read the Bill to mean that everyone who grows wheat, no matter whether he is a shareholder or not, would derive benefits from this company and be entitled to share in the distribution of profits. I should like to see an amendment moved in Committee that will ensure that the wheatgrowers who send their wheat in to the company do benefit in this way.

The Minister for Education: The shareholders get their distribution in proportion, not to the shares they hold, but to the wheat they send in. Anyone can become a shareholder.

Hon. J. EWING: I understand from that remark that those who are not shareholders do not participate in the distribution of profits.

The Minister for Education: They can become shareholders if they like.

Hon. J. EWING: I had thought that they would receive the same consideration as shareholders, but I stand corrected. I understand now that non-shareholders do not participate in any distribution of profits in the way of dividends such as would accrue to shareholders. That does not appeal to me. It is not the way I read the Bill. It is the only weak link in the chain, but it is within the province of members to alter that, in Committee. It will be recognised as a fair thing by those who are endeavouring to build up the company and help the wheatgrowers of the State. I hope some member will move in that direction when the Bill is in Committee.

Hon. V. Hamersley: They ought to become shareholders.

Hon. J. EWING: At the end of the Bill there is a copy of a lease by which certain land has been granted to the company by the Government, I suppose subject to ratification by Parliament. I have read this through carefully and congratulate the Government, and those who have had anything to do with the company, on the fairness of the agreement. The lease is not given to the company, for they have to pay on a valuation of 5 per cent., on a capital value of £5,000, namely, £250 a year, and the land has to be reappraised after 10 years. Every possible condition to protect the public is contained in this lease. I do not think anyone can take exception to it. The only thing that appeals to me is that the area of the land is somewhat small. If this State is to become such a wonderful wheat producer, a larger area will be required, otherwise the company will not be able to carry out their operations successfully.

Hon. F. A. Baglin: The lease is for ninety-nine years.

Hon. J. EWING: I wish again to emphasise the fact that this company is compelled under the Bill to erect an elevator at Fremantle within two years, and in Bunbury,

Geraldton, and Albany within four years. The obligation is on the wheatgrowers of the State, through the company, and if they do not successfully carry out this work, the Government may confiscate all the advantages which accrue under the Bill. We must not forget that if the company are to carry out certain things the Government also have an obligation cast upon them to improve the harbours to enable the company to work within the four corners of the Bill. I congratulate the wheatgrowers of the State upon the establishment of this big co-operative concern. I hope they will be successful. I trust hon. members will give greater consideration to the clause, called a monopoly clause, than has been given to it hitherto, and will look at it in the light in which it appeals to me.

Hon. J. CORNELL (South) [5.30]: No member can accuse me of not extending every consideration to the requirements of the farmer. Nevertheless the attitude I intend to take up on the Bill may appear to be contradictory to the sympathy I have expressed with previous Bills relating to the farmers. I have given some consideration to the question of bulk handling, and I propose to save the farmer from himself. I intend to confine my remarks to two principles, the first being the handing over of bulk handling in this State to any company, and the second as to whether or not bulk handling will assist the farmer. To-day our railway system handles wheat in bags from the siding to the ship. The proposed agreement contemplates the introduction of another party into the handling of the grain. At the siding the company will take charge of the wheat and put it in the silos. Then the railway authorities will take it to the terminal point, where the company comes in again. I am utterly opposed to that. Bulk handling is, or should be, part and parcel of our railway system. What will be the position under dual control? Those who control the silo at the siding will be at the mercy of the Railway Department or, alternatively, those who control the railways will be at the mercy of those with jurisdiction over the silos. Again, there will have to be conversion of our rolling stock to make it suitable to carry wheat in bulk. I am given to understand by the authorities in the only State of Australia which has adopted bulk handling—not as a principle, but as a means of carrying over—New South Wales, that the trucks necessary for the conveyance of wheat are of necessity one way trucks; that is to say, they carry loads one way and one way only, returning empty. Another consideration: Have we any assurance that with the silos under the control of the company, and the rolling stock under the control of the Railway Department, there will be any community of interest and continuity of service, that the two authorities will not be continually at sixes and sevens? If bulk handling were to be made part and parcel

of the railway system, the system could be more economically managed under single control than is possible under dual control. It has been urged that the agreement will apply for only 25 years. I venture to say that if the scheme becomes a success—at present it is only in the air—the 25 years will mean perpetuity or, alternatively, the Government will buy out the company. It may be said that in Canada and in the United States bulk handling is the prerogative of private companies. We know that in Canada and in the United States the railways also are the prerogative of private companies. Consequently, the argument is not analogous. It would be just as logical to say that those who produce butter should form a company to take charge of it when it reaches the siding and to take charge of it again when it reaches the terminal point, and so take it out of the hands of the Railway Department. I will vote against the second reading, if for that reason alone. Bulk handling is a necessary adjunct to the railway system. In New South Wales the system is in the hands of the Government. There, as I say, the scheme was adopted merely as a carry over; as a result of the mice plague the authorities came to the conclusion that it was safer to store wheat in silos than in bags. However, it is a sad commentary on those authorities that although the country silos have been available for operation for the past two years, not more than 50,000 bushels of wheat have gone into the two principal structures. Why? I do not know. Agents who acquire wheat there tell me it is a better paying proposition to put it into the silos than to handle it in bags; the fact remains that it does not go into the silos. The Leader of the House said the New South Wales authorities are desirous of handing over the silos to co-operative companies. I venture to say there is valid reason for that desire, namely, that the cost of reconstruction and alteration of those silos would equal their original cost. As at present constructed, all that can be done with those silos is to discharge grain into them one bag at a time, which practically makes the overhead charges so great that the scheme cannot be made a profitable proposition. That is one of the reasons why the Government want to unload them on to co-operative companies. Coming to the question of whether or not bulk handling will confer on the farmers the benefit expected of it by the promoters of the Bill, it must be remembered that for many years to come at least 45 per cent. of the Australian wheat exported must leave Australia in bags. That is accepted by men in a position to know. Therefore, the introduction of bulk handling to Western Australia will not obviate the necessity for farmers garnering their wheat in bags and exporting it in like manner. How far, then, will bulk handling actually help the farmer? Glorious pictures have been painted of the benefits conferred on the Canadian farmer

by bulk handling as against the handling of wheat in bags. Recently I met a Canadian farmer from Manitoba who confirmed my conception of the Canadian methods of harvesting. The climatic conditions of Canada, and of most of the wheat growing portions of the United States, preclude the use of Australian methods of harvesting. Consequently the methods in Canada to-day are those which I well remember as a very small boy in Australia. That is to say, the wheat is cut, either by a reaper followed by binders, or by reapers and binders, and stooked, and threshed by the orthodox method. That was the Australian practice when I was a boy, and is the Canadian practice to-day. To-day a threshing machine is almost as great a curiosity in Australia as are the ancient mammoths whose remains may be found in the inland lakes of Australia. One can traverse the length and breadth of the wheat area without seeing an old orthodox threshing machine. Possibly 95 per cent. of the Western Australian harvest is garnered by stripper, by reaper-harvesters, or by the old-fashioned harvester. As a result, instead of there being an aggregation of the out-turn at a given point, as in Canada, it is distributed all round the field. The Canadians either thresh from the stook or from the stack.

Hon. J. J. Holmes: They want straw for winter feed.

Hon. J. CORNELL: No, the straw does serve the purpose of supplying winter feed, but the actual reason is that the climatic conditions of Canada do not permit of the introduction of the reaper-thresher which we know so well in Australia. In Canada they thresh either from the stook or from the stack, and in most cases the horses that the farmer uses are free, and he can then cart from the threshing machine direct to the country siding, or he can stack in bulk in the orthodox manner. This is the position so far as the farmer in Western Australia is concerned, that while he is harvesting his wheat in the field he must of necessity either put it all in bags or have a team of horses carting from the field direct to the siding.

Hon. J. Nicholson: Unless he has a silo.

Hon. J. CORNELL: The hon. member knows that the best method to adopt in garnering wheat is to get it off as quickly as possible. Will there be a benefit under the proposed system in the saving of bags? I say there will not. Here is another interesting fact. It has been pointed out to me by a man in New South Wales, and this has the confirmation of the Canadian to whom I have referred, that the man upon whom bulk handling is going to confer the greatest boon and benefit, is the farmer who is in close proximity to the railway siding. I say to the Leader of the House and to the supporters of the Bill, how far and to what extent will bulk handling assist the farmer who is eight miles from a railway siding. In his case it will mean a 16-mile journey. He has two harvesters going in the field and those two harvesters, if he de-

sires to do away with bags, will practically keep two teams going in carting.

Hon. C. F. Baxter: Two teams would not do it.

Hon. J. CORNELL: All that the farmer has to do is to put his wheat in bags or else build a silo on his holding. A farmer who is worth his salt and who knows his business, will not cease garnering his wheat for the purpose of carting to the silo or to the siding, because by so doing he is taking the risk of damage by hail or anything else. I repeat the farmer is not going to benefit. Promulgators of this scheme have instanced the success which has attended it in Canada and the United States. But the climatic and other conditions in those countries are entirely different from ours. I have it on the best authority that for many years to come 45 per cent. of the wheat we export from Australia must of necessity be exported in bags. If we look thoroughly into the question we will find that the close proximity of the markets and the quick turnover have been responsible for the success of the bulk handling in the United States and Canada. I have no fault to find with those who desire to assist to bring about bulk handling, but my object is to endeavour to save the farmers from themselves. The specious plea that the Commonwealth Government will advance a certain sum of money, and that the farmers themselves will put into the proposal another large amount, will not appeal to me. I venture to remark that if the operation of this measure is delayed for, say, ten years, the farmers of this State will live to say, "Thank God we have a Legislative Council."

Hon. E. H. Harris: And you will justify your existence.

Hon. J. CORNELL: I am always endeavouring to do that. I have read the Bill through. The matter we are now considering is one of principle, whether we should surrender certain undoubted rights which belong to the railways and whether or not the proposal will help the farmers. When the Minister replies I would like to know who will get the natural gain in the wheat after the farmer has delivered the wheat to the co-operative company. That gain should not belong to the co-operative company. Here is one of the advantages of the present pool. Who, under the proposal, will get the natural gain after the wheat has been delivered into the pool? I understand in connection with the present harvest in Western Australia that the natural gain means something like £70,000 to the wheatgrowers. That is a very important point to be considered by the farmer, and it is a very important point for the company. I do earnestly wish that I could record my vote in favour of the second reading of the Bill, but in the interests of the farmers, I do not think that the proposed legislation will help them one scrap. Therefore I intend to vote against the second reading.

Hon. J. J. HOLMES (North) [5.55]: I also desire to offer a few remarks on this

Bill, and my reason for speaking at this stage is that I want information in connection with bulk handling, information which is not now before the Chamber. At the first blush bulk handling appeals to one as an economical and up-to-date system, but when we come to analyse it, it presents obstacles and difficulties which do not appear on the surface. The first difficulty is that we limit the field of operations. If we have wheat to sell we want to sell it in any part of the world and in the best market. If we ship wheat in bags we can send it to any port in the world. If we ship it in bulk, the only ports to which we can send it are those where the bulk-handling system is in operation. During my 25 years' experience in Fremantle as a ship's providore, I came into contact with wheat ships from all parts of the world, and my experience was that not one in ten of the masters of those ships who left Australia with his cargo knew his ultimate destination until he got somewhere off the Channel, where he would pick up his instructions. I understand that it often happened that the wheat was sold two or three times over before it reached its destination. Limiting the field of operations, as I have already said, is the difficulty. Another difficulty is that only certain vessels can carry wheat in bulk. Let us leave these obstacles now and come nearer home. If bulk handling is to be of value at all, it surely must be carried out from the field to the ship. That means that the farmer must have a silo at his farm and have someone engaged in carting wheat to that silo, and when harvesting is finished he must remove the wheat from that silo and cart it to another silo at the railway siding, provided of course that a silo has been built at the siding. Should there not be a silo there he must of necessity keep his wheat at the siding until the railway people come along with their trucks. Knowing the railway department as we do, we can imagine the delay and loss and inconvenience to the farmer that will follow. The farmer is working with two sets of horses putting his wheat into bags and getting it off. When the harvesting is finished the horses are taken out and put into the wagons, and the wheat is carted to the siding where it is ready for any port in the world to which a ship can go. Reference has been made to the expenditure of Federal money. That does not appeal to me. If the Federal Government or any other Government choose to squander money, in this, or in any other direction, it will not appeal to me. What have we done at Wyndham? Are we now to spend another half a million of Federal money—I say "we" because we are all part of the Federation and it is still our money—at Fremantle to remain idle—

Hon. J. W. Kirwan: And afterwards find that bulk handling is a failure.

Hon. J. J. HOLMES: If the company wish to go on with this proposal, I see no reason why they should not do so without the assistance of legislation. They have the lease

and they have the money. What do they want to come to us for? The company will have a monopoly. If they establish themselves at Fremantle and it suits someone else who is capable of managing the business better to start in competition with them, why should the second party be denied the opportunity? Why should we grant a monopoly? The company, I believe, have secured the only site on the north side of the river at Fremantle from which they propose to elevate the wheat to the ships. If this State progresses as we hope it will, there must be a complete rearrangement of the Fremantle harbour facilities. The two bridges will have to go, and there must be a bridge erected higher up the river. The railway will have to follow the south side of the river. In the vicinity of East Fremantle there might be a gravitation system which will knock the elevator company out. If the wheat can be gravitated instead of elevated, why should not the farmer enjoy the advantage of the cheaper system? Why should this elevator company have a monopoly to the exclusion of anyone else? We have been told of the money subscribed by the shareholders. I understood that 200,000 shares have been taken up at 10s. which will return £100,000. According to the balance-sheet, £19,000 has been subscribed. It has been stated that smart salesmen have gone around the country and succeeded in talking farmers into buying shares. The farmers have paid a deposit and subsequently someone else has gone along and told the farmers the real and true story. Now that these farmers are in the net they are kicking; they want to get out. The company have got £19,000 of the farmers' money, but if reports are true, they will have some difficulty in raising the other £81,000. These are difficulties which I foresee. I will gladly support this Bill if any member of the House can show me that it will be of advantage to the farmers and the country. Such information is not before me at the present time and, in the absence of it, I must oppose the Bill. If this information is forthcoming and the points I have raised are cleared up, I will be prepared to do what I seldom have done, namely, change my mind, but reliable information on these points must first be forthcoming.

On motion by Hon. J. A. Greig, debate adjourned.

House adjourned at 6.4 p.m.