

advances, but that procedure was recently altered and treasury bills are now issued to cover the funds provided until Parliament approves of the action of the Federal Treasurer, in issuing the securities on behalf of the State. The whole of the works listed in the first schedule have already appeared on previous Loan Bills, and are being carried out mainly as unemployment relief works. The second schedule refers to certain authorisations which were carried forward from previous Loan Bills, and are not now required for the purpose set out, and are being transferred to the credit of other items, in order to avoid application for a further authorisation. I move—

That the Bill be now read a second time.

On motion by Hon. J. Cornell, debate adjourned.

House adjourned at 6.10 p.m.

Legislative Assembly.

Thursday, 1st December, 1932.

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

QUESTION—BULK HANDLING, OFFER TO FINANCE.

Mr. J. I. MANN asked the Premier: Is it a fact, as reported in the Press, that the firm of Brine & Sons have made an offer to finance the erection of an orthodox system of bulk handling in the State?

The PREMIER replied: Yes, subject to certain conditions.

BILL—ROCKINGHAM ROAD DISTRICT (LOAN RATE EXEMPTION.)

Report of Committee adopted.

BILL—COLLIE RECREATION AND PARK LANDS ACT AMENDMENT.

In Committee.

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

BILL—BULK HANDLING.

Report of Joint Select Committee.

Debate resumed from the previous day on the following motion by Hon. N. Keenan:—“That the Bill, as amended by the joint Select Committee, be recommitted to a Committee of the whole House, and its consideration in Committee be made an Order of the Day for the next sitting of the House.”

HON. J. C. WILLCOCK (Geraldton) [4.38]: I do not desire to make a long speech at this stage on the report of the Joint Select Committee. The ground was covered very completely by the Committee's report and the evidence and the report have been technically criticised, if I may put it that way, by the member for South Fremantle (Hon. A. McCallum), with reference to many outstanding features. It seems to me that most of the members of the Joint Select Committee embarked upon their consideration of the Bill with preconceived ideas that, apparently, were not altered very much as a result of their investigations. That does not apply to the member for Subiaco (Mr. Richardson); I am speaking generally. As to the chairman, I do not know what his opinions were prior to the consideration of the Bill by the select committee. From my reading of the evidence and the report, I have come to the conclusion that he soon became possessed, with intense fervour, of views favourable to the proposal for the establishment of bulk handling facilities and his fervour progressed daily until at the end of the consideration of the evidence, in his preparation of the report, he made use of language that has been designated as extravagantly favourable towards the scheme. I am inclined to agree with that criticism. I have no desire to

support anything, irrespective of what it may be, the object of which is to lessen the cost of marketing and the production of wheat, if it does not take into consideration the interests of the whole State. Although the Bill does not deal with the production phase, it has everything to do with the marketing of wheat and I am prepared to support anything that will have that effect, provided the interests of the State are properly conserved. I must be convinced, without any shadow of doubt, that any such scheme will lessen marketing costs. From what I can gather from, perhaps not a superficial, but at any rate not an exhaustive consideration of the evidence and report, I cannot say I am convinced that if the principle of bulk handling be adopted, it will effectively advance the interests of the State as a whole. I desire to stress that point. I do not know that it will do much towards lessening the cost of marketing and the production of wheat. The outstanding features of the proposal—I think I remember the Premier saying something of the sort on various occasions—are that it is claimed for the scheme that it will save the use of bags representing a cost of £400,000 a year at a cost of $\frac{3}{4}$ d. to the farmers, which will involve the expenditure of £85,000, plus £175,000, expense to which the Railway Department will have to go for the conversion of trucks and so forth.

The Minister for Works: Where do you get your $\frac{3}{4}$ d. from?

Hon. J. C. WILLCOCK: That represents the charge to the farmer for the use of the scheme.

Hon. W. D. Johnson: That is correct

Hon. J. C. WILLCOCK: The farmer will have to pay $\frac{3}{4}$ d. for each bushel of wheat he puts into the scheme and that will cover part of the administrative costs and—

Hon. W. D. Johnson: No, the capital cost.

Hon. J. C. WILLCOCK: That charge will wipe off the capital cost.

Hon. W. D. Johnson: The capital cost of the scheme will represent to the farmer $\frac{3}{4}$ d. per bushel.

Hon. J. C. WILLCOCK: The administrative cost of bulk handling will not vary much from that involved in bag handling, so one can be regarded as a set-off to the other. Thus the capital cost of the scheme will be met by a charge of $\frac{3}{4}$ d. per bushel. On top of that there is the £175,000 that the rail-

way experts consider will be the extra cost to the Railway Department. There are other details for and against the scheme that could be advanced, but they do not materially alter the economic phase of the proposal. On top of the £175,000 that it will cost the Government railways, it has been estimated that bulk handling will involve the Midland Railway Company in an expenditure of £25,000. On the other hand, seeing that the Midland Company through their manager, have indicated that they will not participate in the scheme at all, the latter amount can be left out of consideration.

The Minister for Agriculture: Do you think the company realise that one-third of their wheat freight will disappear if they do not participate in the scheme?

Hon. J. C. WILLCOCK: There is something to be said from that standpoint, but I do not know that many farmers would face the cost of 30 miles extra haulage to the Wongan Hills line in order to participate in problematical savings.

The Minister for Agriculture: I would do so over a distance of 15 miles.

Hon. J. C. WILLCOCK: There is a large quantity of wheat produced on the western side of the Midland line, and it is open to doubt whether many of those farmers would consider the cost of carting their wheat 15 to 35 miles across to the Wongan Hills line, justifiable in order to enjoy problematical benefits in the direction of reduced costs under the bulk handling scheme. I do not think they would. It is said that the saving on bags will be £400,000. The saving cannot amount to that sum. Even if the proposed scheme were adopted, a considerable quantity of wheat would still have to be harvested in bags. At least one-fourth of the number of bags at present used would be required under a bulk handling scheme, and so the estimated saving of £400,000 on bags would be reduced to £300,000. What has apparently not been considered by those who make these loose statements about the saving on bags is that bags at present are paid for as wheat, and the amount paid to the farmers under that heading amounts to about £75,000 a year. Allowing for those two items the estimated saving on bags is reduced to £225,000. Further, there is the $\frac{3}{4}$ d. per bushel which represents about £80,000, as well as the £175,000 for extra railway costs, and after allowing for them, the saving on bags would

disappear. In fact the £225,000 saving would be more than covered by the extra expenditure involved totalling about £250,000. Those are the vital features of bulk handling. I have studied the report carefully, and so far as I can judge, other points are matters of comparative detail. One saving may be set-off against an expenditure and there would be very little variation in the net results of the scheme. To go thoroughly into the whole question of bulk handling would necessitate a speech of four or five hours. The member for South Fremantle criticised the report at considerable length, but even he stated that he had omitted many points that might have been dealt with. The member for Perth took an hour or two to discuss little more than the opinion of one gentleman on the question of bulk handling. If one set out to deal thoroughly with all the information supplied in the brown book, the blue book and the select committee's report, one would be unlikely to finish this side of the general elections. Consequently I shall confine my remarks to the main principles and will not deal with details, which are liable to confuse people rather than enlighten them. I wish first to deal with the railway aspect. From my experience as Minister for Railways for a number of years, and my previous experience in the Railway Department for about 20 years, I can claim to know something more than does the average person about railway administration and railway working. I have carefully perused the evidence given by railway officers, including the Acting Commissioner and the heads of departments, and I consider that the evidence is substantially correct. I would not say it is absolutely correct, because there may be some detail that is not quite accurate, but in the main the evidence appeals to me as being substantially correct.

Hon. W. D. Johnson: Did you read Mr. O'Connor's evidence?

Hon. J. C. WILLCOCK: Yes.

Hon. W. D. Johnson: Did you read what he said about the saving on Fremantle shuntings, which has not been calculated?

Hon. J. C. WILLCOCK: Yes, that is a comparatively small detail.

Hon. W. D. Johnson: You, as a railway man, must know that it is not a comparative detail.

Hon. J. C. WILLCOCK: It may not be a detail in that sense, but it would make comparatively little difference to the cost. I shall deal with that point later. The big question to decide is whether we are going to accept the evidence and opinions of railway experts, or whether we, like the select committee, are going to discount it entirely. Notwithstanding the attitude of the select committee, I consider that no course is open to this House than to accept the evidence of the railway officials, at any rate until it is contradicted by some authority.

The Minister for Works: They are not experts on bulk handling.

Hon. J. C. WILLCOCK: I am not discussing bulk handling; I am dealing with the railway aspect. The select committee discounted by about 75 per cent. the evidence of the departmental heads. Unless we can get some evidence from acknowledged experts to support the committee's view, we would be well advised to discard the select committee's opinion and be guided by the facts adduced from the railway officials. Rather long experience of railway administration has satisfied me that the estimates of the Railway Department generally prove to be correct. I know that some departments have made a practice of submitting estimates which have had to be largely exceeded before the works could be completed. The estimates for the Fremantle dock, the Peel Estate, and many other works I could mention, were comparatively low, but when the works were actually constructed, the estimates were seriously exceeded. The estimates of the Railway Department have generally been fairly close to the mark, at any rate during the last seven or eight years. We ought to bear in mind that the railway officials were not giving estimates of some proposed new works based on problematical considerations. They were giving evidence based on practical experience of work undertaken during the last few years, and they knew exactly what the cost would be. They could judge within a few pounds what expenditure the works would involve. Before the Bill be passed, the Government should state their policy regarding railway freight on wheat. That is an important consideration. The departmental officers say that under bulk handling the cost of transporting wheat will be at least 1d. per bushel extra. Who is going to pay the extra 1d.? Is it going to

be charged to the farmers who have their wheat transported in bulk? Do the Government intend to retain the present freight and require the taxpayers to bear the extra cost? What is going to happen? It appears certain that extra cost will be involved, and where is the money to come from? It cannot be saved by any reduction of railway expenditure. On the other hand, in the near future and for a considerable time to come, railway costs will be increased because the system has been starved in respect of maintenance. The Commissioner of Railways says he has kept the system in a reasonably safe condition, but he admits frankly and without any attempt to deceive anybody that maintenance is not being properly attended to, and that in the near future and for many years, enhanced expenditure will be necessary to overtake arrears of maintenance. It is impossible that the extra cost involved by bulk handling can be made good out of any economies the department are likely to effect. Consequently I repeat, who is going to bear the cost? If concurrently with authorising bulk handling we said to the farmers, "You embark on the scheme with your eyes open: it will cost an extra 1d. per bushel freight on wheat and you will have to pay it," I think a considerable amount of the enthusiasm expressed for bulk handling and fostered by circulars freely distributed all over the State would disappear. If the Government said that instead of undertaking bulk handling, with its problematical advantages, they would give the farmers a bonus of 1d. per bushel, I think the farmers would readily drop the shadow and grasp the substance.

Mr. Griffiths: You do not really think that?

Hon. J. C. WILLCOCK: After perusing all the information at my disposal, I am of opinion that the advantage to be derived from bulk handling will be nil, but that on the other hand the inauguration of such a scheme will cost the farmer or somebody else something. There will be an extra cost of 1d. per bushel freight on every bushel of wheat transported by the railways. The select committee discounted that figure. They said that Mr. Sutton told somebody, or was told by somebody, that the extra cost would be $\frac{1}{2}$ d.

The Minister for Works: That was in my report.

Mr. Patrick. The Commissioner of Railways was a member of that committee.

Hon. J. C. WILLCOCK: The House should be reassured on the question of the extra cost. The Minister for Works and the Government committee estimated the extra cost at $\frac{1}{2}$ d. per bushel, and now the railway officers estimate that the extra cost will be nearly 1d. per bushel. Which statement is correct? We have no right to pass the Bill until the serious discrepancy in the estimates of the experts has been explained. The Acting Commissioner said the extra cost would be .9d. per bushel and the Minister for Works put the extra cost at .5d. per bushel.

The Minister for Works: The exact figure was .505d.

Hon. J. C. WILLCOCK: The extra five-thousandths would not make much difference. That is a point that should be elucidated before we discuss this Bill at all. The responsible officers of the Railway Department, when giving evidence before the select committee, said that it would cost practically 1d. a bushel. The select committee say, after going into the matter, that $\frac{1}{4}$ d. a bushel should cover the cost. Where they get that figure from I do not know and I cannot find out. I intend to deal with this matter from other aspects besides the railway aspect, but first I would quote the portion of the select committee's report referred to last night by the member for Perth—

It is a somewhat staggering proposition even if only given casual consideration. In effect it amounts to a customer of a common carrier being called upon not only to pay freight for the services rendered to him by such common carrier, but in addition a further charge which will pay full interest on the cost of the plant of the common carrier, and an additional redemption charge to pay off such cost. In fact, because he employs such carrier and pays him for his services, he is obliged to buy his plant. . . .

In connection with any commercial undertaking in the world a business man makes up his costs. He says, "This is my capital, I want a return on that: these are my working costs. I want a return on them: this is the cost of maintenance, I must make a charge to cover that." The Railway Department have made such allowances as every ordinary commercial man would make. A man starting in business says, "The goods which I sell cost me so much, I have also to pay rent, taxation, wages and other expenses, and to provide for interest on capital: when all these items are totalled up, then I decide what the price of my goods

will be to the customer." That is all the officials of the Railway Department did. The instructions given by successive Governments to the Railway Department are that the railways must be run on a commercial basis, unless otherwise directed by the Minister, when it is desired to carry out a development policy.

Mr. Patrick: Do the Government do that with respect to the timber and coal industries?

Hon. J. C. WILLCOCK: Yes.

Mr. Patrick: It says not in this report.

Hon. J. C. WILLCOCK: What the select committee said is a staggering proposition, is the ordinary, commercial method of dealing with a business undertaking. You, Mr. Speaker, have had some experience in commerce—a good many years of experience—and I venture to say that if you started out on a commercial life again, you would, with the knowledge and experience which you have acquired in your rather long life, make up your costs, and having definitely ascertained them, you would say, "In order to keep solvent, I will have to make certain charges in addition to the cost of the goods which I have purchased for sale." If the Railway Department were allowed to charge freights on a commercial basis, there would be no deficit; at least, the railway system could be run in such a way as to pay costs. For many years Parliament has deliberately required the Railway Department so to regulate their charges that a considerable portion of them could be used to assist development. I can mention superphosphate and wheat, which are carried at a rate lower than the actual cost. The average charge per ton mile is 1.75d., and yet superphosphate is carried for .55d. This is done deliberately. Nobody quarrels about it. It is done in pursuance of a policy to encourage the production of wealth in the State. If the attitude of the select committee is the same towards other evidence as it is towards the evidence of the railway officials, then I very seriously question the wisdom of adopting the committee's recommendations. I do not pose as an expert on the bulk handling of wheat. What I know about bulk handling is what I have read, and that is not very much. But I do know something about railway administration. If the criticism by the select committee of the evidence of the railway officials on this question is the same as their criticism of

other aspects of bulk handling, I do not wonder that their report has been seriously discounted. Who is to find the £175,000 which will be required if the scheme is put into operation? Who is going to foot that bill? Is the amount to be raised by means of additional taxation? Will the farmers meet the bill by payment of an extra 1d. per bushel on their wheat, or will the difference be split? Only the same quantity of wheat will be carried. A declaration of policy must be made by the Government before we can arrive at a decision to adopt this method of handling wheat.

Mr. Patrick: How much extra would it be for freight?

Hon. J. C. WILLCOCK: The Deputy Railway Commissioner said .9d., nearly 1d.

Hon. N. Keenan: .931d.

Hon. J. C. WILLCOCK: I have dealt with broad aspects of the matter. To get down to details, one would have to go very fully into the matter and hear evidence in the same way as the select committee did. From my experience, I say the railway figures are not inflated. Railway officials endeavour at all times loyally to assist the Government in power to carry out their policy. Knowing the Government have introduced this Bill and that therefore they favour the bulk handling system, I am sure the officials of the Railway Department will not look at the matter purely from the point of view of the Railway Department. They will endeavour to assist the Government in every way and will furnish the absolute minimum cost which will be entailed by the introduction of the scheme. They are not out to inflate the costs. They have no personal interest in bulk handling. All they are supposed to do is to give what they consider true facts and correct figures with regard to it. Any Parliament which disregards what these officials say are the actual costs in connection with the installation of the scheme must take upon themselves a very serious and grave responsibility. It would not cost very much to verify these figures. There must be numbers of railway experts throughout Australia whose services could be obtained at comparatively small cost to check the calculations and estimates made by our railway officials.

The Minister for Works: You would have to get an expert in bulk handling.

Hon. J. C. WILLCOCK: There are experts in New South Wales who have had considerable experience in bulk handling. To get down to tin tacks, would it not be possible for the Government to ask the Government of New South Wales to recommend some expert in a high administrative position who has had the necessary experience to check the estimate? Such an expert could make an unbiased report upon the estimate. If he says the estimate is grossly inflated, then we would have something to back up what the select committee have said about it. I do not think it would be necessary to bring the expert to this State.

The Minister for Works: We already have evidence from New South Wales which is available to members.

Hon. J. C. WILLCOCK: But you have not got a criticism of our railway officers' estimate by a responsible railway official in New South Wales. Until we have that criticism, or an authoritative statement contradicting the evidence they have given, we have no option but to accept the evidence. The Commissioner of Railways should be asked if he stands to his original estimate given to the Minister that the cost will be $\frac{1}{2}$ d. per bushel, or whether he agrees that the cost will be nearly 1d. This House should not consider the Bill while there is a difference of opinion to that extent. I repeat that the Government should also make a pronouncement in regard to their policy. Those two points should be settled before we proceed with the second reading. I will leave those two very important points, but before I conclude I will deal with another aspect of the matter. If the Bill does pass, would it be possible to establish bulk handling on the zone system first? Admittedly, so far only an experiment has been made. Could not the system be carried out in the Fremantle zone, which is a rather big one? I think about 30,000,000 bushels of wheat are produced in that zone. Therefore, it is quite big enough to carry out an experiment on a scale which would give us authoritative information as to whether savings will be effected or extra costs incurred. We will know considerably more about bulk handling after one year's experience in an area such as that comprised in what is now known as the Fremantle zone.

Hon. A. McCallum: Why not Geraldton?

Hon. J. C. WILLCOCK: The experiment would have to be carried out on a com-

paratively large scale before its value could be determined. It would not do to carry it out on a comparatively small output of 9,000,000 bushels, which is approximately the annual harvest for the Geraldton district. The Fremantle zone, on the other hand, would provide a substantial output, pretty well equal to the amount of wheat that was first handled in bulk in New South Wales. A year's experience would be of great value in showing whether the scheme could profitably be extended to the whole State. Owing to the non-co-operation of the Midland Railway Co, there will be a serious gap in the State-wide system, anyhow. I do not know whether the Government are prepared to take coercive methods against the company to bring them into the scheme, otherwise the policy of that company, as outlined by the general manager, is that they will not face a capital cost of £127,000, or an annual cost of £25,000, to come into the scheme. Along the Midland Railway line there will be over 1,000,000 bags of wheat produced in the year, and that will remain outside the scheme unless some means is provided for dealing with them. The Minister for Agriculture says it will be carted to the Wongan Hills line. If that were done, it would eat up practically all of the 3d. a bushel that is spoken of as the saving due to bulk handling.

Mr. Patrick: It might force the hands of the Midland company.

Hon. J. C. WILLCOCK: That may or may not be so. It is questionable whether it would be profitable to cart the wheat all that way. It is also questionable whether wheat freight is payable for the railways. It certainly increases the turnover to such an extent that it spreads the overhead cost and interest payments over a wider area, but the actual carriage of the wheat itself is not profitable freight.

The Minister for Lands: They would be sorry to lose that traffic.

Hon. J. C. WILLCOCK: Whatever happens, I do not know that anyone on the west side of the Midland line or close in on the eastern side, would care to cart their wheat 40 miles to the Wongan Hills line. That would certainly cut out the problematic saving under bulk handling as estimated by this optimistic committee, of between 3d. and 4½d.

The Minister for Works: Other committees have reported optimistically too.

Hon. J. C. WILLCOCK: Many of such committees have been noncommittal in their attitude, and some have reported against it. The high priest of the Primary Producers' Association only four years ago expressed himself in opposition to it.

The Minister for Lands: The capital expenditure involved in that scheme was different from this one.

Hon. J. C. WILLCOCK: When the Western Australian Farmers were not in the scheme, the chairman of directors was opposed to it, but now they are likely to be in it, he is very favourable towards it.

Hon. W. D. Johnson: No director was ever in it. You are accusing me of being associated with the Primary Producers' Association. I am in the co-operative movement.

Hon. J. C. WILLCOCK: I understood that Mr. Monger was chairman of directors.

Hon. P. Collier: He is chairman of the Wheat Pool.

Hon. J. C. WILLCOCK: I am sorry. The matter only came up by way of interjection.

Hon. M. F. Troy: Is not Mr. Monger a large shareholder?

The Minister for Lands: I doubt if he is.

Hon. J. C. WILLCOCK: The committee say that no country that has ever established bulk handling has scrapped it. I could not imagine, after a capital expenditure of two or three million pounds had been incurred in providing plant and machinery, that, even if the scheme was showing a loss, the people concerned would ever revert to the old system. It would be advisable to confine our efforts to the Fremantle zone, if the Bill goes through, and try out the scheme on a comparatively big scale. This would prove what there was in it. We could then go ahead with more confidence than we can at present. The cost will be nearly the same as under the bag system. The only difference will be that the country will be paying away considerable sums overseas by way of interest to borrowers, instead of providing commercial employment to our own citizens.

The Minister for Lands: Already we send away considerable sums of money in connection with corn sacks.

Hon. J. C. WILLCOCK: Which is better for the State, to pay out interest overseas,

or expend the same amount of money in providing people with useful employment within the State?

The Minister for Lands: We have to send money away for corn sacks now.

Hon. J. C. WILLCOCK: I am not talking about that aspect of the question, but about the interest that is going to be sent out of the country. We might save the money which is now being spent in labour, but it would only be spent in paying interest abroad. Which is better for the State from the economic standpoint, to go on giving profitable employment to 2,000 or 3,000 of our citizens, or pay away the same amount in interest? From an economic point of view, it would be better to retain the money here. The responsibility in this matter should not be lightly undertaken by the House. I am opposed to any change just now. No change should be made without more definite information. We should certainly hasten slowly on this particular scheme, until we can definitely assure the people that some tangible benefit is to be derived from it by the whole State. We should certainly defer our approval of the scheme, about which there are so many grave doubts, until we know more about it.

THE MINISTER FOR WORKS (Hon. J. Lindsay—Toodyay [5.25]): I had hoped that the discussion on bulk handling would be confined to the report, instead of the general principles being dealt with by way of condemnation. Because of that, I now intend to reply to some of the remarks that have been made, though I should have been more pleased to have done nothing more than merely introduce the Bill. I wish particularly to refer to some of the remarks made by the member for Perth (Mr. H. W. Mann) last night. He gave us a very fine reading from very ancient articles.

Hon. J. C. Willcock: Only four years old.

The MINISTER FOR WORKS: Some of those were not correct.

Mr. Panton: They must have come out of the antique exhibition.

The MINISTER FOR WORKS: Some of the articles are so ancient that the printing must have been washed out. In the course of the hon. member's remarks he referred to Mr. Monger. I happen to have been the man who was being dealt with on that occasion. The hon. member might have

read my reply. I do not propose to go back over the years, or to repeat what I have already said on the second reading. Members may recollect that the Chamber of Commerce published almost a full-page article in the "West Australian," and many of the matters referred to by the hon. member were contained in that article. The "West Australian" also published a four-column article, representing my reply. That reply was so effective that the Chamber did not come back at me. In the course of his remarks, the member for Perth referred to Mr. Box. He said that Mr. Monger gave certain figures quoted by Mr. Box to the effect that the cost of altering the railway system in Victoria for bulk handling was £560,000. He also said that commissions in Victoria and South Australia had condemned the scheme. During the whole of my investigations on bulk handling I have not discovered one committee that was appointed by any responsible body that has ever put up a report in opposition to bulk handling. The member for South Fremantle referred to Mr. Angwin's report. I have here a copy of that report, published in 1920. On that occasion Mr. Angwin merely said that the time was not opportune for the scheme, and that we should wait a little longer. That was 12 years ago. When introducing the Bill, I gave information to the House to the effect that in 1920 the State had a 13,000,000-bushel crop. Since then we have advanced to 53,000,000 bushels. The time must surely be opportune now.

Mr. Griffiths: He brought forward the argument concerning the great price of material then.

The MINISTER FOR WORKS: The member for Perth insinuated that Mr. Box was opposed to bulk handling. He stated that this gentleman was assistant engineer to the Victorian railways. As a fact, there is no more enthusiastic man in Australia to-day than Mr. Box.

The Minister for Agriculture: Or more experienced.

The MINISTER FOR WORKS: That is so. In the report published under my direction, certain statements by this gentleman are quoted. I had a personal interview with him in Melbourne, and my secretary took shorthand notes of it. To show what he thinks of bulk handling, and to indicate his views as a railway expert, I will read

some of his remarks. The interview took place on the 3rd February, 1932. He said—

In 1900 he had first investigated bulk handling, and it always appeared to him to be a good proposition. It was very bitterly opposed by the old-established wheat merchants on the ground that it allowed an unlimited number of wheat dealers.

He was personally opposed to a privately-controlled monopoly. The Government guarantee re weight and quality was essential. An outstanding benefit from the growers' point of view was that it gave them the benefit of the primary market and did not restrict them to the merchants operating at country sidings. Under present conditions wheat is always bought under world's parity, whereas under the bulk method the grower had the delivery warrant and need not rush his sales. He estimated the saving to the grower in Victoria—bulk versus bags—at 3d. or 3½d. per bushel. The earlier objections regarding alleged dangers of shipping bulk and inability of ports to handle same has been proved incorrect. During the last two years the bulk of Victorian wheat had gone to China and Japan, and those countries took bulk wheat as readily as bagged; freight was lower for bulk wheat.

He then goes on to talk about the railway point of view, for he is a railway expert as well as a bulk handling expert.

Hon. A. McCallum: How is he a bulk handling expert?

The MINISTER FOR WORKS: Well, he has made an intensive study of bulk handling for 32 years. Also he is a railway expert, and so he must know more than the experts we have in Western Australia. He also says that bulk handling would increase railway transport efficiency by at least 10 per cent.

Hon. A. McCallum: Yet within this last month the Victorian Government have turned down the scheme.

The MINISTER FOR WORKS: The Victorian Government have not turned it down.

Hon. A. McCallum: Then the Victorian Press reports are wrong.

The MINISTER FOR WORKS: I have a confidential report from the Minister for Agriculture in Victoria. Three Ministers were appointed to inquire into the system. Two of them were in favour of it, while one opposed it. That is the position.

Hon. A. McCallum: The Victorian Cabinet will not go on with it, at any rate.

The MINISTER FOR WORKS: That remains to be seen. The member for Perth read the report of Mr. Alford, who is the manager of Louis Dreyfus Ltd. In that

report Mr. Alford says there is no comparison between our system and that of Canada, because in Canada the silos are filled more than four times in each season, and are then filled with barley and oats. The member for Perth also said that bulk wheat was at a disadvantage in China, India and Japan. That was right enough years ago, but it is not correct to-day. It is something like the ancient documents the hon. member read from. In Canada and the United States 21,000 combined harvesters were sold to the growers last year. Even the firm of H. V. McKay has gone over there and established a factory for the manufacture of harvesters. I have here a brief history of the Saskatchewan Co-operative Elevator Company. From that we find that in 1911 there were 40 elevators built and six purchased, while in 1923-24 there were 385 elevators handling 48,500,000 bushels of wheat. Since then, the company has built up reserves of £2,284,000 and paid eight per cent. dividends to its shareholders. Their elevators are of a standard size of 35,000 bushels capacity, built on the orthodox system. The company has initiated a new system, in that the bins are made so small that each farmer can get storage for his own wheat until its grade has been definitely decided. In 1917-18 the average handling per elevator was 87,000 bushels, in 1918-19 it was 68,000 bushels, in the next year it was 66,000 bushels, in 1920-21 it was 82,000 bushels, and in the final year given here, namely 1923-24, it was 127,000 bushels.

Hon. J. C. Willcock: That is an ancient document also.

Hon. P. Collier: Even more ancient than that read by the member for Perth.

The MINISTER FOR WORKS: I have used it only for the purpose of showing what is done in Canada. The alteration of harvesting machinery has set up a difficult problem for both the United States and Canada. That is why we see so many pictures of stacks of wheat lying about all over the place. The member for South Fremantle said that farmer witnesses before the select committee had been chosen by the Westralian Farmers Ltd. Actually six of them were selected by me. Mr. Leslie of Wynkatchem sent a telegram to the secretary of the committee giving six names, but it was I who in the first place got into touch with the secretary of the Mt. Marshall dis-

trict and told him to get six representative men.

Hon. P. Collier: You would be just as likely as the Westralian Farmers to select men favourable to bulk handling.

The MINISTER FOR WORKS: There are in the district 350 wheat growers, all of whom I could have brought down to give evidence in favour of bulk handling. However, I decided, in order to save the time of the select committee, to select only one from each centre. The member for South Fremantle declared that a one-man farmer would need another team of five horses to cart his wheat, and that the cost of this had not been allowed for. He mentioned an average farmer growing 350 acres of crop, cutting 50 acres for hay and stripping 300 acres. How many horses would be required for that, and how many would be required to farm 350 acres? An 8ft. harvester can be pulled by five horses, and a 10ft. harvester by six horses, and the hon. member ought to know that a 10ft. harvester is capable of stripping 1,000 acres of wheat with an extra team of horses. On the other hand, no six horses can fallow and thoroughly farm 350 acres. It requires at least 10 horses. The hon. member by way of interjection said yes, but the farmer would work them for the remainder of the year. Of course he would and, what is of the utmost importance, because he had the extra five horses he would get more bushels per acre. But that man would not require to buy horses to cart wheat over a period of three weeks. The hon. member said the farmer would employ another man for three weeks, and he put the added cost at 7d. per bushel. I say no man can farm 350 acres properly with less than 10 horses, but he can harvest that area with five or six horses.

Hon. A. McCallum: Not 50 per cent. of the farmers have that number of horses. I was told that 75 per cent. of the wheatgrowers under the Agricultural Bank are in the position that I indicated.

Hon. W. D. Johnson: Well, that is wrong.

The MINISTER FOR WORKS: The hon. member also said the farmers went out of their way to make the bulk handling experiment successful. I was for many years carting wheat, but I never yet carted a load of bagged wheat to a railway siding without finding the other farmers there anxious to get away again. What we had to do was to pull along to the weighbridge

or up to the bag scales, and then dump the wheat, one farmer helping another. That is exactly what was done this year and has always been done, for the one idea of the farmers is to get out of the siding as soon as possible. The hon. member used the figure 2.4d. as the cost of handling. That is not the cost calculated for the handling of wheat in bags. The evidence given before the Farmers' Disabilities Royal Commission showed that the correct figure was 2.772d., and at the Pool annual meeting, held last October, the chairman informed the gathering that the cost of handling was 2.65d. That was the handling cost last year. The hon. member also talked about the evidence given by the farmers, and he queried some of it. But he did agree that the saving shown was 2¼d. or 2½d. He mentioned that one farmer did not buy any bags, but used manure bags. That farmer's saving was given as 2.6d. per bushel, but in his statement the farmer allowed that he did not sell the bags, and so he had lost 2 lbs. weight of wheat, which had come out of his saving. And he also allowed ½d. per bushel less for bulk wheat as against bagged wheat, and still he made that saving. That farmer in his evidence said that if he returned any manure bags to the super factory, in which to bag his own super, the company would charge him 7s. per ton less. My information from the company is that the difference is 5s. not 7s. per ton. That man also said that he used the super bags 20 or 30 times during the year. The hon. member said he doubted whether any allowance had been made for the loss of the weight of the bags. But all the farmers who gave evidence dealt with that. One man who is farming 19 miles from a siding showed how many bags he bought, and a halfpenny deduction through not selling the bagged wheat. Later the hon. member referred to the saving of 2¼d. and then proceeded to deduct ½d. lower price received for bulk this year, whereas ¾d. on this account had already been allowed for in arriving at the 2¼d.

Hon. A. McCallum: They did not make any deduction at all.

The MINISTER FOR WORKS: That statement is not correct.

Hon. A. McCallum: It is correct.

The MINISTER FOR WORKS: The only man who gave evidence and who said that he did not allow anything for bags be-

cause he used super bags was George Dunkley.

Hon. A. McCallum: Not one of them did.

The MINISTER FOR WORKS: The chairman of the select committee will be able to reply to that. The hon. member started to tell the House of the provisions for handling wheat from the siding to the mill, and from the siding to the ships and back to the mill again with bags. He said—

But when the farmer hands his wheat over at the siding, he has to meet that capital charge of ¾d. which is to come off the 2¼d., which was shown as a saving on that charge, and so his saving will be 1¾d.

That is what the hon. member said. He agreed that the farmer would save 2¼d., and the evidence shows that in arriving at this figure they allowed the ¼d., as he knows; then he takes another ½d.—¼d. of which had already been deducted—in order to show that the farmer was not getting the saving he said he claimed. The hon. member also said that no provision was made for the loss of weight on bags. I said that every farmer made that provision, but I am not prepared to say that every farmer makes sufficient provision. All farmers have to buy cornsacks. What do they cost? Say 9d. per bag, or 3d. a bushel. The farmer has to pay freight on them, and that amounts to 3d. per dozen to his farm. The bag, after it is filled, has to be sewn, and someone has to be paid for sewing it. This costs ½d. per bushel. The farmer who gave evidence allowed for that. The hon. member also stated that there was an export duty of 1s. a ton on wheat in New South Wales and South Australia. I do not know about South Australia, but I know that the export duty in New South Wales is 9d., and not 1s. The hon. member also held up a charter party for bulk wheat to show that the first freight was 2s. 6d. per ton less than for bagged wheat, provided the stevedoring was not more than 9d. a ton. Then he quoted my report as showing that stevedoring cost 1s. 9d. In my report there are two figures, one for stevedoring bagged wheat, and one for stevedoring bulk wheat. Bagged is 1s. 9d., and the other is 4½d. Another statement the hon. member made dealt with the topping up of wheat cargoes at Fremantle. He said that last year 128 vessels had put in at Fremantle to be topped up.

Hon. A. McCallum: I said 48.

The MINISTER FOR WORKS: The report I have here shows that the hon. member mentioned 128.

Hon. A. McCallum: If you look at "Hansard," you will find that I said 48.

The MINISTER FOR WORKS: Very well; let us take the figure as 48. Where did the hon. member get his information?

Hon. A. McCallum: From the right source.

The MINISTER FOR WORKS: I, too, got my information from the right source, the Fremantle Harbour Trust, and it states that last year 25 vessels topped up, not 48 as the hon. member said. Figures supplied to me by the Fremantle Harbour Trust show that during the year ended 30th June, 1930, 30 vessels were topped at Fremantle, and during the year ended 30th June, 1931, 39 were topped, while last year the number was 25. And the hon. member stated there were 48 topped up. The position as far as shipment was concerned is that 66 per cent. was exported from Fremantle, 22 per cent. going from Geraldton, between 8 and 9 per cent. from Bunbury, 3 per cent. from Albany, and 7 per cent. from Esperance. These are rough figures. As far as Albany is concerned vessels can top up there, and they can do so even at Bunbury where they can draw 28 feet of water. I agree that that is not possible at Geraldton where the depth is only 25 ft., and that vessels loading at that port must proceed to Fremantle to top up. I hope that within the next 18 months that will not be so, and that the harbour at Geraldton will by then be dredged to a depth of 30 feet. But is it necessary to put a few thousand tons of wheat in the hold and put bags above it? Would it not be possible to fill two or three holds, and then send the vessel away to top up the other hold or holds? I agree with Mr. McCallum when he says that the Board of Trade will not allow one tier of bags to be laid above the bagged wheat; the Board of Trade regulations stipulate that there must be three tiers of bags. I have heard some hon. members say that we must not criticise the officers of the Railway Department because they are experts. In the course of his evidence Mr. Tomlinson himself stated that as far as bulk handling was concerned the railway officers were not experts. In Q. 1221, Mr. Tom-

linson said "The Railway Department are neither for nor against bulk handling; we do not know enough about it to express an opinion." In reply to a question asked by the member for Guildford, Mr. Tomlinson gave a lot of reasons why the Railway Department should gain by adopting bulk handling. As the railway officers are not experts in bulk handling, I do not propose to criticise the statements they made. Later on I shall read statements from railway experts who are engaged in the business of carrying bulk wheat to show what they think of it. Mr. Tomlinson told the select committee that there were 13,000 trucks in the present equipment. Hon. members have stated that there is a great loss by reason of the fact that many trucks are stowed away and are not being used. Those trucks have been referred to as obsolete.

Hon. J. C. Willcock: Out of repair.

The MINISTER FOR WORKS: I have heard different statements during the present session from members opposite on the subject of those trucks, which have been described as obsolete.

Hon. P. Collier: There were a thousand of them a little while ago.

The MINISTER FOR WORKS: Let us take that figure. The railway officers said that they required 9,000 trucks for general use, and that would leave 4,000 trucks for bulk handling. Then it was said that another 2,000 trucks would be needed and Mr. Tomlinson added that that would mean so many more thousand miles a year because those 2,000 extra trucks were going to travel around the State at the rate of 25 miles a day.

Hon. J. C. Willcock: That is the average train mileage over all routes.

The MINISTER FOR WORKS: I did not say it was not. This year the Railway Department altered 100 trucks for Westralian Farmers, and handled 1½ million bushels of wheat at an average distance from Perth of 153 miles. It was stated that those trucks could not be used for back loading. As a matter of fact they have been used for back loading, and I will give the figures. The member for South Fremantle read this statement from the report—

I have two or three concrete cases. The station-master at Kununoppin said, generally speaking, the consignees complain that the trucks are awkward to unload.

Kununoppin is a bulk handling siding, and evidently the trucks were sent there with back loading. Then he went on to say—

The traffic inspector at Merredin says that during the last season the station-masters complained of the inconvenience caused to consignees in unloading super from bulk wheat trucks.

Merredin is 80 miles from a bulk wheat centre. Again he said that the superintendent at Narrogin quoted a case at Corrigin. This town is 150 miles from a bulk centre. Next the hon. member quoted a case from Bjandring, and he said himself that when a truck was put into a manure depot it remained there for a day. I should like to refer to Q. 1195. In this Mr. Tomlinson said that the department estimated that for bulk handling, 2,000 more trucks would be required, and that the traffic branch estimated that all the 15,000 trucks would be working just as hard as the 13,000 at present in use. That is Mr. Tomlinson's own statement, and he calculated the number of truck miles per day at 25.

Hon. J. C. Willecock: That is the average.

The MINISTER FOR WORKS: Of course it is the average; the average for the 13,000 trucks. That is in the report, and the hon. member cannot bluff me off it. I am quoting Mr. Tomlinson's evidence. Mr. Tomlinson then builds up a debit of £78,000 a year. He works it out in arithmetic and shows that the average movement of trucks is 25 miles a day. He allows for the use of 13,000 trucks, 9,000 to carry ordinary goods and 4,000 for bulk wheat, and he is going to ask the farmers to pay for another 2,000 that are not going to carry backloading. A train going to Bjandring siding must go through Dowerin, on through Amery, and thus to Bjandring. That refers to bulk trucks. When the trucks are picked up by the train at Kulja, it still has to proceed to the junction and has to wait for the train into Wyalcatchem. Yet we are told that the trucks travel 25 miles a day on the road! According to the railway evidence, 100 trucks, with all their backloading and delays, were able to shift 1,250,000 bushels of bulk wheat last year. Now, under a scheme that is designed to operate without backloading and without delays, they say they require 2,000 extra trucks to carry 32,000,000 bushels, which is the quantity to be hauled, according to the proposal in the Bill.

Hon. J. C. Willecock: You are infusing a lot of heat into your remarks.

The MINISTER FOR WORKS: If the average truck in Western Australia is hauled 25 miles a day throughout the year when loaded with ordinary goods, it must be born in mind that those trucks have to go to depots: they have to be unloaded, picked up and formed into trains, hauled to the country, shunted into sidings for unloading, and then they have to be hauled out again. All this takes time and means so much delay. Yet in his calculations the Deputy Commissioner of Railways, Mr. Tomlinson, allowed for 6,000 trucks for hauling bulk wheat, travelling the same mileage daily without any backloading at all. If we allow 4,000 trucks, it means they must average 39 miles a day, and those trucks will be in trainloads and will go to the country as such empty, and will return loaded with wheat. It will not be necessary to shunt or to spend time at sidings picking up trucks here and there. Evidence was given to show what a great advantage that would be at the Fremantle end because, instead of trucks having to shunt and be delayed here and there, the full train would go right through without any delays and would be unloaded quickly at the terminal port.

Mr. Kenneally: What about when you do not get a full trainload?

The MINISTER FOR WORKS: The member for East Perth should know that when a train goes to the wheat belt, there is always enough wheat to fill up all the trucks.

Hon. J. C. Willecock: At one siding?

The MINISTER FOR WORKS: I did not say that, although it is often possible under the orthodox bulk handling system.

Mr. Kenneally: That shows what you know about it.

Mr. Withers: It shows what the Minister does not know.

The MINISTER FOR WORKS: Of course that is so.

Mr. Kenneally: The Minister does not know anything of the sort. He said that I should know that when a train went out into the wheat belt it would come back loaded. The Minister must know that that is not always so.

The MINISTER FOR WORKS: When trains are taken out to the country, there is

always enough wheat to load up the trucks, even at some single sidings.

Hon. J. C. Willecock: Sometimes.

The MINISTER FOR WORKS: I should know something about it, having lived in the wheat belt for many years. Now I come to another slight mistake that Mr. Tomlinson made. In his reply to Q. 1189, the Deputy Commissioner said that the life of a truck, based on $4\frac{1}{2}$ per cent. interest and a depreciation fund of $2\frac{1}{2}$ per cent., was 40 years. The life of a truck on this basis is $23\frac{1}{2}$ years. Despite that fact, Mr. Tomlinson in his figures charges interest and sinking fund costs against the farmer for 40 years and not for $23\frac{1}{2}$ years.

Hon. J. C. Willecock: That makes it better for you.

Hon. P. Collier: And worse from the standpoint of the railways.

The MINISTER FOR WORKS: If the life of a truck is 40 years, it means that not so much sinking fund has to be provided for as would be the position if the life were for $23\frac{1}{2}$ years only. The Deputy Commissioner based his depreciation fund of $2\frac{1}{2}$ per cent. on a period of 40 years, but the farmers will have paid for the truck in $23\frac{1}{2}$ years, but they will still have to go on paying for another 17 years, according to the railway calculations.

Hon. P. Collier: No, you are a bit mistaken there.

The MINISTER FOR WORKS: No, I am not.

Hon. J. C. Willecock: Of course you are.

The MINISTER FOR WORKS: The Deputy Commissioner charges up against the farmer the interest and sinking fund charges on the life of a truck for the extended period, whereas it will be paid off at the end of $23\frac{1}{2}$ years. That must mean that the farmers will have to continue their payments for the extra 17 years. What is wrong with that statement?

Hon. J. C. Willecock: Of course it is wrong.

The MINISTER FOR WORKS: Then the Deputy Commissioner made provision for £20,000 per annum for extra maintenance of tarpaulins and trucks, both new and converted. That is urged as a charge against the wheatgrowers because the railways claim they cannot use those trucks for backloading. Therefore, they state they must provide 2,000 extra trucks and the farmers will have to pay for them. The

most remarkable feature about it is that in my departmental report, copies of which have been distributed amongst members, the Commissioner of Railways, who was a member of the departmental committee, subscribed to the statement—

It has been represented to the committee that certain capital and other costs will be involved to the railways by the introduction of the bulk handling system.

Those costs were set out and one item was 500 new trucks at £550 each, involving an expenditure of £275,000. On the other hand, the Deputy Commissioner of Railways, Mr. Tomlinson, in Q. 1173, gave the estimated cost at £275 each.

Mr. Wansbrough: They are not single trucks.

Hon. J. C. Willecock: They are bogeys.

The MINISTER FOR WORKS: It was not long ago that the departmental report was submitted. What would the bogey carry?

Hon. J. C. Willecock: Twenty-eight tons.

The MINISTER FOR WORKS: If the bulk handling system be installed, the weight loaded will not be more than 20 tons because the load will be governed by the elevator and carrying machines, which do not deal with more than 20 tons. That is the difficulty in New South Wales. The elevators and chutes were constructed to deal with 40-ton truck lots but never have had that to deal with. In consequence of that, alterations will have to be effected. The total capital cost was represented to the departmental committee as £320,500, and that was to deal with 66 per cent. of the State's wheat crop. The departmental committee did not approve of that estimate and have never said so. That was just a statement from the Railway Department. Whereas at that stage they suggested that £320,500 would enable the department to handle 66 per cent. of the crop, now, to handle 34 per cent., they increase their estimate to £620,000. I think there is something remarkable about that position, but there are experts in connection with these matters.

Mr. Kenneally: One of them is not speaking at the present moment.

The MINISTER FOR WORKS: Let members read the departmental committee's report. They will find some statements by a man who can be classed as a railway expert. I refer to Mr. Cleary, the Railway Commissioner in New South Wales. In a

questionnaire, I asked him to state the advantages and disadvantages of bulk handling. Of course he had been associated with the bulk handling scheme for years.

Hon. P. Collier: Not at all. He had been appointed Railway Commissioner but a short time previously.

The MINISTER FOR WORKS: Yes, I apologise. That is quite correct. I made a mis-statement there. When I spoke to him, he told me that he could not give me any reliable information on the matters I referred to him, and that he would have replies furnished by his officers, who had had lengthy experience with the bulk handling scheme. The questions I asked included one relating to the advantages and disadvantages of bulk handling. I wanted to be honest about it. In his reply he pointed out that the disadvantages included the fact that nearly 1,000 trucks could not be loaded to their capacity, and he said that they would have to be altered by the construction of gunwales round them, just as we propose to do in this State. By that means, trucks will be hauled back fully loaded. When I asked what the advantages of bulk handling were, I was told that they included the following—

At silo loading points:

- (a) More expeditious loading of trucks;
- (b) When the whole of the traffic from country silos is being sent to terminal elevator (being from one consignor to one consignee), shunting operations are reduced to a minimum.

At terminal silo:

- (a) The rapid release of trucks.

Then the replies to the questionnaire proceeded to give details regarding loading operations under the bulk and bagged systems respectively but I shall not go into those details. The information supplied to me also included the following:—

On 4th January, 1932, 313 wheat "Ss" and 340 "U" trucks, aggregating 11,182 tons, were unloaded at Rozelle terminal between the hours of 7.30 a.m. and 9.30 p.m. In this period, there were two breaks of one hour each for meals. The whole of these vehicles were despatched on the same day to the country empty for further consignments of bulk wheat.

That will demonstrate that the statements made by Mr. Box were not exaggerated. What I object to in the select committee's report is that the railway witnesses do not give us a pennyworth of advantage in return for all the great assistance the railways will have through the increased employment of the de-

partment's trucks and the increased speed of the trains. We are surely entitled to some recompense under those headings.

Hon. J. C. Willecock: That is done with bagged wheat.

Hon. A. McCallum: And they made allowance in their estimate for unused trucks.

The MINISTER FOR WORKS: I do not think, from my reading of the report, that we are to be recompensed.

Hon. A. McCallum: Mr. Tomlinson made allowance in his tonnage figures, and made it quite clear.

The MINISTER FOR WORKS: We can sum up what this all means, but there is one point that I want to stress. One matter regarding which I asked for information was the cost of maintenance of trucks in New South Wales. I was told that the average cost over a period of three years was £1,819. The Railway Department here ask us to pay £20,000.

Mr. Wansbrough: What sort of trucks are they using there, steel or wooden?

The MINISTER FOR WORKS: Some of each are used. At the present time we are using all steel trucks in Western Australia. In New South Wales the haulage of bulk trucks averaged 150 miles a day and they did the round trip in four days. That meant they were hauled 600 miles, the average haulage to Sydney being 300 miles. I was informed that in Sydney they could load up a train, send it to Sydney, unload it, and send it back to the country in the same day.

Hon. J. C. Willecock: There is no railway service in the Commonwealth whose trucks average 40 miles a day.

The MINISTER FOR WORKS: I am not denying that statement; we are not talking about average mileage. The average mileage for a truck is based on what it carries full and the distance it travels empty, and includes stoppages for unloading and loading. In the instance I have referred to, there is no stoppage at all. The trains are hauled straight through to the country, loaded at the elevators and returned to the port without any shunting at all.

Hon. J. C. Willecock: That is, if the railways can run to schedule always.

The MINISTER FOR WORKS: I have seen it done day after day at Sydney. The trucks are pulled in, gangs of men empty them, an engine pulls the trucks away, and they are sent off to the country as soon as the train is complete.

Mr. Wansbrough: With no shunting or anything else?

The MINISTER FOR WORKS: The job here is so big that, for shunting at Fremantle, the Commissioner charges 9d. a ton.

Sitting suspended from 6.15 to 7.30 p.m.

The MINISTER FOR WORKS: I wish to make a personal explanation. Before tea I stated that the member for South Fremantle had said that 128 wheat ships had put in at Fremantle last year to top up. I made that statement because I had a printed pull of the hon. member's speech. However, it is now evident that I got a copy of his speech before the hon. member had had a chance to correct it, and so I apologise to him for having said something which apparently was not correct. Before tea I was dealing with the railway position and quoting from a report from New South Wales on the advantages and disadvantages of the system of bulk handling in that State. In New South Wales, the average haul of wheat is 300 miles, as compared with 153 miles in this State. In New South Wales the quantity of wheat hauled was 23,000,000 bushels, and to haul that wheat, 1,161 new trucks and 957 converted trucks were used, or say, 2,000 trucks for the hauling of 23,000,000 bushels 300 miles. And in New South Wales they do not use their trucks for back-loading, but find it more convenient to restrict their use to bulk handling during the wheat season. If only extra money were provided for the New South Wales railways to increase the height of certain trucks, the other advantages of bulk handling would greatly outweigh any losses that might be made. These figures have been compiled by experts. In New South Wales there is no difference in railway freight as between bulk wheat and bagged wheat, but they have an export tax of 9d. per ton on wheat, bagged or bulk, for overseas. The elevators are the property of the elevator department, and they do not pay any rent for the site of an elevator. Moreover, the Harbour Trust in New South Wales do not handle the wheat, so the only charge the Harbour Trust gets out of bulk handling is that export tax of 9d. per ton. I asked what other charges were made, because in Western Australia there is a switching charge of 9d. per ton in addition to the ordinary railway freight. That charge is

for the purpose of shunting trucks from North Fremantle on to the wharf and, as members will see, it is the same amount, namely, 9d. per ton, as the export tax in New South Wales. I asked the Commissioner of Railways was any switching charge made, and he replied, "No."

Mr. Kenneally: You will not take his word on other matters, but you would take it on that.

The MINISTER FOR WORKS: The hon. member cannot be following the story, for I was speaking of the Commissioner of Railways in New South Wales, not the Commissioner of Railways in this State.

Mr. Kenneally: Well, you will take the word of railway commissioners elsewhere, but not the word of our own Commissioner of Railways.

The MINISTER FOR WORKS: Mr. Tomlinson is Deputy Commissioner, not Commissioner of Railways. In South Africa they have a bulk handling system for the handling of maize. It is run by the Railway Department, and the Commissioner of Railways in South Africa is the manager of the South African bulk handling system, and so is in two senses an expert.

Hon. P. Collier: Why should he be more of an expert than our Commissioner of Railways?

The MINISTER FOR WORKS: Only because he is at once the Commissioner of the South African railways, and the manager of the bulk handling scheme in South Africa.

Hon. P. Collier: You are prepared to take the word of the Commissioner of Railways in South Africa, but you dispute the evidence of the Deputy Commissioner of Railways in Western Australia.

The MINISTER FOR WORKS: Some time ago I quoted a statement from Mr. Tomlinson given as evidence that he and the other railway officers are not experts in bulk handling. Now I am going to submit a statement by the expert in South Africa, the Commissioner of Railways there and the manager of their bulk handling scheme. In a recent letter to me that expert said—

Although, with the exception of one year, the system has shown losses since its inception, our elevators have come to be recognised as an integral part of our transportation system for the efficient and economical handling of our maize export traffic, and from the experience we have had with both bag and bulk

handling, I must say that a bulk handling system is essential to ensure efficient and economical working on any railway system which is faced with the seasonal rushes of a large volume of grain traffic requiring to be transported from inland producing areas to coast ports for shipment within a specified time. Our elevator system has also been the means of minimising cross haulage of grain traffic, resulting in substantial savings being effected in the actual ton-mileage hauled as compared with the mileage charged for, and this is an important economic factor which cannot be estimated in terms of pounds, shillings and pence.

I have been charged with criticising the report of the railway engineers of Western Australia. They have admitted they know nothing about bulk handling, but the letter I have quoted is from a man who is not only Commissioner of Railways, but also the manager of the bulk handling system in South Africa. But even Mr. Tomlinson had something to say in favour of bulk handling. He was before the select committee and was being examined by the Hon. W. D. Johnson. This was Mr. Johnson's question, No. 1196—

You spoke of the benefits to be derived from expedition in loading and discharging. Have you any figures to show what that will amount to?

And this was Mr. Tomlinson's answer—

No, not undoubtedly it will be a benefit. I cannot put it in figures because, as I say, we are controlled by the train service and again by this Mount Helena-Swan View section. Then down south we are controlled by the Collie-Brunswick section. So we cannot take full advantage of that benefit, but that is not the fault of bulk handling. The benefit would be considerable. But the greatest benefit the department would derive from bulk handling would be the ordering of trucks by one authority. It is a nightmare to us during the peak period of the harvest, this supplying of trucks. We have a score of agents asking for trucks at 50 different points. Each wants about 10 trucks, and we have possibly only 100 to go round the lot. We supply these perhaps to Mr. Hamersley's siding and to Mr. Piesse's siding, because Mr. Bolton and Mr. Johnson had trucks last week. If there were only the one authority we could say to that authority, "We have 100 trucks available. What is the best we can do with them?" The advantage of bulk handling from that point of view will be very great, and that will represent the biggest advantage the Railway Department will get. I cannot give you figures, because there is nothing to go upon. It would save us haulage of empty trucks, relieve us of a good deal of worry, and we could do the job with more expedition and satisfaction, and with a minimum of friction. Most of the agents believe we try to give them as fair a deal as possible, but the present system

could be greatly improved under the bulk handling.

Mr. Kenneally: Will the Minister take Mr. Tomlinson's word for that?

The MINISTER FOR WORKS: Yes, for that part of it I will.

Hon. P. Collier: And criticise all the rest of his statement!

The MINISTER FOR WORKS: Mr. Tomlinson, in submitting the figures that he gave, should have taken that statement of his into consideration, but he did not do so.

Hon. P. Collier: Where he agrees with you, he is right; but where he does not agree with you, he is wrong.

Hon. W. D. Johnson: Where he disagrees, he forgot the figures.

The MINISTER FOR WORKS: They have stated in this railway report that we have 13,000 trucks averaging 25 miles per day. They also say that 40 per cent. of the trucks that left the coast were loaded, while 60 per cent. were unloaded. Obviously, the 40 per cent. that were loaded had to go somewhere to be unloaded, while the 60 per cent. were sent straight to their destinations. Although only 100 trucks were used for bulk handling last year, and did back-loading from various places, yet they were able to handle $1\frac{1}{4}$ million bushels. And if they had not taken back-loading, it follows that they would have carried a larger quantity of wheat. Yet they want 6,000 trucks to carry 32,000,000 bushels, when $1\frac{1}{4}$ million bushels can be carried in 100 trucks.

Hon. A. McCallum: But they took it only to the mills, not to the seaport.

The MINISTER FOR WORKS: I believe you are right in that. In the report issued under my authority, the average cost of cornsacks imported into Western Australia during the last 11 years was given. The figures were prepared by the State Statistician, not by me. They appear in that portion of the report by Mr. F. E. Shaw, Chief Mechanical Engineer, Public Works Department. Taking the last three years, the figures were—

	£
1928-29	655,648
1929-30	590,759
1930-31	549,732

Average for the three years, £598,713.

That was the landed cost, c.i.f.e. It did not allow for the cost of handling in Western Australia, for the merchants' profits, which might be another 25 per cent., or for

the fact that the farmers paid 3d. per dozen railway freight to get their cornsacks. The average of £598,713 was the cost to the importer. One might reasonably assume that before the farmer got the cornsacks another 25 per cent. was added to the cost, which would make the average for the three years £747,313. I am prepared to admit that the whole of the cornsacks imported were not used for wheat. Approximately 15 per cent. of the bags were used for superphosphate. Again, the farmer would require cornsacks in which to hold his wheat and convey it to the siding, and I have allowed another 10 per cent. for that. Some bags are required for stiffening purposes, and I have put that down as 5 per cent. Hence I estimate that 70 per cent. of the wheatsacks imported into the State were used for wheat and wheat alone. That means that the farmers paid an average of £523,000 a year over the three years for cornsacks. I do not think those figures can be disputed. I repeat that I have not regarded the whole of the cornsacks imported as having been used for wheat; I have allowed a deduction of 30 per cent. for the purposes mentioned. The member for South Fremantle dealt with the question of the displacement of labour by reason of the introduction of bulk handling. Who pays for that labour? The wheatgrower. After making certain deductions that 1,111 extra men would be required as horse drivers, for the one-man farms, he estimated that a total of 3,670 men would be displaced by the introduction of bulk handling. How long do those men work? Assuming that they work for 25 weeks in the year, the loss would be £275,000 per annum. We were told that the loss at the ports of Fremantle and Geraldton would represent £127,000. On that basis, accepting the estimated saving on cornsacks and the loss estimated by the hon. member from the displacement of labour, the wheat farmers of Western Australia, by adopting bulk handling, would save £798,000 a year. In spite of that the hon. member, in calculating the $\frac{3}{4}$ d. per bushel charged by the scheme and 1d. per bushel extra railway freight, etc., concluded that bulk handling would actually result in a loss to the farmers. On the figures, I cannot understand how any man could come to such a conclusion. The figures I have quoted may appear to be high, but there is

not the slightest doubt in my mind or in the mind of any independent person who has inquired into bulk handling that its inauguration would benefit the farmers. I have read to this House reports dating back as far as 1913, a report by a committee appointed by the Victorian Government. I have read reports by the committee appointed in this State. There are thousands of reports available the world over for anyone to read, and I have not seen any report that did not state there would be a very large saving to the wheatgrowers from the introduction of bulk handling. The United States Department of Agriculture dealt with the question and showed even greater savings than have been contemplated by anybody in Western Australia. From my experience as a man who handled his wheat in bulk last year and from my study of the question, I am perfectly satisfied that bulk handling will save our farmers at least 3d. per bushel, and will save the farmer who has initiative and who is prepared to do something to help himself at least 4d. per bushel. I mentioned the United States of America. Three men were appointed from the United States Department of Agriculture to report on bulk handling on the Pacific coast, and those men had no axe to grind. Their report showed that the whole of the savings would be nearer to 8d. than 3d. per bushel. I particularly refer to that report because of the railway aspect, and this is what the report stated—

Saves in railroad transportation. Cars of bulk grain are loaded and unloaded at modern bulk handling plants in much less time than it takes to load and unload cars of sacked grain at the warehouse or elevator. In moving grain from the country to the terminal in the rush season, the railroads are often hampered in their operations by a shortage of cars. Yards at terminals are frequently so full of cars of grain that an embargo is placed on the further movement of grain to the terminals until the congestion is relieved. When such a condition exists at Pacific coast points, it is often due to the slow rate at which sacked grain is unloaded. Cars of grain are loaded to capacity more easily when the grain is in bulk, than when the grain is in sacks. The breaking of sacks in poorly coopered cars brings additional losses. Efficiency of freight cars on Pacific coast railroads would be increased if all the grain were handled in bulk from the country to terminals.

I believe the weight of evidence is that the railways will not lose by the inauguration of bulk handling. I believe the weight of evidence is that the efficiency of the rail-

ways will be so greatly increased that, even if additional capital expenditure is required, they will, by reason of the increased efficiency, be able to operate more economically. In the United States and Canada bulk grain is transported long distances to the coast. It is transported from Calgary to the coast, a distance of 1,423 miles, not in the class of wagon we are talking about but in closed wagons. Yet there is no talk in America of increasing the freight on bulk grain, because the efficiency and economical handling made possible are recognised. We are dealing with the report of the select committee. In my opinion, though it will not matter very much, it will save time if the report of the select committee is adopted. If it is defeated, I shall immediately ask the House to recommit the original Bill.

Mr. Sleeman: Can you do that?

The MINISTER FOR WORKS: Yes. There are some members who are opposed to certain clauses of the select committee's report, but I appeal to them to vote for the motion and if they, when we go into Committee of the whole House, still think that the report should be amended, they will have an opportunity to move in that direction. We are asked whether the Government are honest and serious on this question of bulk handling. The Government are unanimously behind the bulk handling proposal. We believe that something must be done to reduce the costs of production. The Government believe that bulk handling is the best means to that end, and we intend, if it is possible to get the Bill passed and to get bulk handling installed, to do so. There is no doubt about the attitude of the Government. The railway problem will have to be met. The inauguration of bulk handling may lead to some slight increase in wheat freight, as the select committee stated, but it is my honest opinion from my investigation of bulk handling that the present freight will be sufficient to meet any loss that the railways are likely to make.

HON. W. D. JOHNSON (Guildford-Midland) [7.56]: This method of dealing with the report of a select committee is quite new to me. While I admit that it is in order, we have to recognise that from the manner in which it is being discussed, we are getting back to the stage of a second reading debate. Therefore we must appre-

ciate that the vote taken on this question is a vote upon the principle and not upon the detail of bulk handling. I have been informed officially that the motion dealing with the report of the select committee is to be defeated by one vote.

Mr. Sleeman: That remains to be proved.

HON. W. D. JOHNSON: If that is so, we shall not have an opportunity to discuss in detail the report of the select committee. In a general discussion of this kind, we cannot secure that concentration on detail that is essential to determine whether the methods to be employed in the installation of the bulk handling system are sound or otherwise. Again, the criticism of the work of the select committee cannot be brought forward definitely unless we go into Committee, and then members will be able to discuss the various details under the respective provisions of the Bill and display their knowledge or otherwise of the details. I am taking this opportunity to speak because, if I do not do so, there will be no chance to speak in Committee, as evidently there will be no Committee stage. I regret that exceedingly. The wise course would be to allow the select committee's report to go to the Committee of the Whole House and then, after the evidence had been analysed members might be able to mould the Bill in such a way that it would be acceptable to a majority. By voting for the adopting of the motion, we do not pledge ourselves to anything more than to give consideration to the details of the Bill in Committee. I emphasise that because I want it to be distinctly understood that the vote to be taken will be a vote on the principle of bulk handling, and will have nothing to do with the details of the scheme. The details will be subject to review and alteration if the Committee stage be reached. I have been associated with inquiries into bulk handling for quite a number of years. My first experience was at a conference of ministers of the various States some time in 1916. It was then suggested that the various wheat-growing States should combine for the purpose of installing simultaneously bulk handling facilities at each of the main ports of the four producing States—New South Wales, Victoria, South Australia, and Western Australia. Fortunately for Western Australia, the proposition was not gone on with. Negotiations continued. But it was decided—very wisely in my

opinion—that any scheme for Western Australia should be subject to parliamentary approval. After consideration by the Government of the day, it was resolved that the scheme, which was then generally known as the Metcalf scheme, should not be adopted by Western Australia. New South Wales installed that scheme with calamitous results, as members know. New South Wales plunged into it on the recommendation of the Metcalf Company, an American firm. That scheme is still proving calamitous to New South Wales. I have been continuously associated with the co-operative movement in their investigations into the possibility of installing an economical system of bulk handling in Western Australia, I propose to give some details of those inquiries in order to demonstrate that the Co-operative movement made very careful inquiries into all the bulk handling schemes known throughout the world. Like Mr. Monger, who was quoted last night, I opposed bulk handling for some considerable time, but the system that I opposed is what is known as the orthodox system. Mr. Monger opposed that system and I opposed it, on many occasions because we found that it was economically impossible to introduce it in this State and because the capital cost would not only be a burden on the farmers of the State, but also on the State itself.

Mr. H. W. Mann: Do you think with Mr. Monger that Western Australia should be the last State to instal the scheme?

Hon. W. D. JOHNSON: Certainly not. That is a silly thing to say, but I do say I agree with Mr. Monger that the orthodox scheme which has been submitted time and time again is not one we can safely introduce into Western Australia. I recall that the member for South Fremantle, after returning from a trip to Canada, was a supporter of bulk handling. As far as I remember, he stated he proposed to have a committee appointed to go into the question of bulk handling. The scheme which he suggested I opposed. It was the Canadian system and I knew it would not be suitable to the special conditions of Western Australia. The reason we do not want to go to Canada or the United States for our scheme is because our harvesting conditions are totally different from those of Canada and the United States. They have two harvests, the spring and the winter wheat. Crops there are grown under conditions totally dif-

ferent from those prevailing in Western Australia. In those countries there is danger of disease, the possibility of frost bite, the danger of sprouting. All those disabilities exist in Canada and the United States, but not in Western Australia. We experience none of those dangers or disabilities. Canada installed a system, which was adopted by the United States, to cope with their special circumstances. Associated with their storage bins are working houses containing plants for grading wheat. I have here an official journal published in Canada which states there were 59 grades of wheat in 1930 in Canada. What is the use, therefore, of our going to Canada or the United States to inquire into a system that is suitable for the special circumstances of those countries, but wholly unsuited to the conditions in Western Australia? The reason I am not deeply interested in the bulk handling system of New South Wales is because I know New South Wales adopted the Canadian system. New South Wales spent a million pounds on working houses which have never been used. New South Wales was silly enough to erect those houses simply because Canada had done so. New South Wales erected the same kind of plant for grading wheat, but has never graded any wheat since the working houses were erected.

Mr. Brown: Yes, they have.

Hon. W. D. JOHNSON: No. The working houses have never been used. If wheat was graded in New South Wales, it was graded without that machinery operating at the terminal. I have been to New South Wales and inspected the terminal at Sydney. I also visited the country districts and studied the conditions there, and I came back more than ever convinced that it was of no use for us to go to New South Wales for information on this subject. We could not adopt the New South Wales system, neither could we profit by the experience of bulk handling in that State. The members of the Co-operative movement—and I will deal with that before I finish—have gone into the question on the basis that Western Australia cannot economically adopt the practices in other parts of the world because of their unsuitableness to Western Australian conditions. The Co-operative movement has for years been trying to evolve a scheme which could be recommended as being economically possible to our farmers. I have already said that I started in 1916, as

one of a committee of Ministers of Agriculture sitting in Melbourne and elsewhere, to investigate the Metcalf system. In 1921 I was one of the directors of a company, a purely honorary company which was known as the Western Australian Grain Growers' Co-operative Elevators Ltd. We then had a proposal for a scheme of bulk handling that we thought could be adopted, but in order to acquire expert information in regard to its construction, installation and cost, we wrote to Henry Symons and Company, of Great Britain, asking them to send out an engineer to advise us. They sent Mr. Kinnonmont. We paid him a fee of £1,000 to come to Western Australia. He came at the request of the Westralian Farmers—that is the name by which the company is known to members, but members will excuse me if I refer to the company as the Co-operative movement. Mr. Kinnonmont duly arrived here and examined our conditions very closely. He visited the country and studied the bag system that then existed. He also visited the various ports. After he had gone thoroughly into the matter, he submitted figures to us showing what he thought a bulk handling system would cost. Without going into a great deal of detail, I may say the Co-operative movement discarded that system, notwithstanding that they had gone to the extent of collecting money from the farmers so that it could be installed expeditiously if the report was favourable. The scheme was abandoned and we had to return the money we had collected from the farmers. It was then suggested that we should adopt a system on the shed basis, something on the lines of the bin system which is now under consideration. It was found, however, that shed storage, associated with the removal of the grain from the shed by a suction plant, was too expensive, and, although a great deal of time was devoted to investigating that proposal, it had to be abandoned for that reason. Mr. Kinnonmont, before leaving Western Australia, suggested to us that we should abandon the idea of storing wheat at the country sidings and instead bring it down in bags to the terminal, putting up a terminal elevator for the purpose of loading the wheat at the port. After investigation, that proposal was turned down. Subsequently to leaving Western Australia, Mr. Kinnonmont was engaged by the Queensland Gov-

ernment to instal a bulk system of storage for maize and grain, maize particularly. Having gained that experience in Queensland, he again attempted to work out an economical scheme for Western Australia. He submitted it to the Co-operative movement, but again, after investigation, it was turned down on account of its high cost. Mr. Kinnonmont then went to other parts of the world and subsequently wrote to the Co-operative movement from South Africa and Argentina informing them of the further experience he had gained as an engineer in installing bulk systems. He once more tried to influence the Co-operative movement to adopt another scheme which he submitted, and which was mainly on the orthodox lines. In 1925 we decided to test bulk shipments. The Westralian Farmers experimented by bringing bags down to the port, cutting them open, and loading the wheat in bulk. It was expensive, but the idea was to see how the wheat carried, how it would be marketed at the other end, and generally to gain experience as to marketing in bulk. Our experience and investigations up to then had been with regard to the installation of bulk handling at country sidings or at the terminals. After the experience of 1925 the practice was found to be too expensive for adoption, although the experience gained was valuable. The idea of bringing down wheat in bags and shipping in bulk was not persevered with. The experiment was repeated again, however, in 1932 with respect to certain shipments. In 1928 we got from America the idea of another suction plant. It was alleged that vast improvements had been effected in the removal of grain by suction plants, and that America had perfected a system that could economically be installed and used in Western Australia. This was closely investigated, but was found to be too slow. Inquiries were then made to see whether it could not be speeded up in order to ensure faster deliveries from the storage bins. We found that the speeding up of the plant to the capacity that would reasonably be safe for this State caused it to be too costly, and it was turned down. During this period a suggestion was made to secure hulks, with the idea of putting the wheat into these vessels, and lifting it out of them into overseas ships. We found that wooden hulks were not available, and that if we purchased

at all we had to secure steel hulks, which were too costly. We tried out the idea of using boxes like those used for coal. Members have seen those boxes on trucks full of Collie coal and have seen them lifted from the trucks. That was tested out to see if we could introduce the box system of bulk storage and bulk transport with the idea of securing expeditious unloading at the terminal but it was abandoned. I have quoted these instances to show the Chamber that the co-operative movement has been devoting a considerable number of years to a very close study of bulk handling, to an analysis of the various propositions that have been submitted from time to time, and to a close investigation of the progress of systems in various parts of the world, with the idea of getting something for Western Australia. During all this time the officers who were associated with the investigations were the same officers who are associated with the scheme to-day. The inquiries have extended over a number of years, but have not been made by different men. It has been the one staff concentrating upon this question with the idea of ultimately getting something that would be sound. We have to ask ourselves whether the co-operative movement is competent to go into this question. Are the officers in a position to make a special study of it? During the whole time the officers have been investigating they have been the main handlers of wheat in Western Australia, and the principal marketers of wheat overseas. They have been definitely associated with all the activities of wheat handling and wheat marketing. They are competent because of their intimate knowledge of the business, in addition to which they have been close students of the possibility of introducing bulk handling. In quite recent times it was found that a system had been introduced of elevating loose materials by means of mechanical appliances. Members have seen at the bottom of Parliament House grounds in George-street an elevator working, pushing into a sand cut, and elevating the sand and depositing it into wagons. Under the old system ordinary shovels were used, but by the new system the sand is elevated from the dump or cut into trucks. The officers were keen on their jobs, and seeing this appliance in use came to the conclusion that if it were possible to elevate and remove sand

and gravel by a mechanical process, it should be a practical proposition if applied to wheat. That is how they started with the present system. After Mr. Thomson and his officers had gone closely into the matter, and made inquiries and investigations, it was suggested to the movement that we should give them an opportunity to try out the idea of elevating wheat into bins, and taking it out of bins again by the same elevator. The idea was to elevate the wheat into a big room, and remove it therefrom as sand and loose gravel was being removed from pits, thus finally to use it for depositing the wheat into railway trucks. In order that this system might be tested the movement agreed to put up about £1,000 to finance the installation of an experimental plant at Rocky Bay. A bin was erected there. It was built on a flimsy basis for the purpose of testing the strength that was required for the holding of grain. Various experiments were conducted and various trials made to find out the kind of bracing that would be most effective to strengthen the walls sufficiently to resist the pressure of the wheat. This went on until they got a storage bin and they felt justified in recommending a practical proposition. They then started, by arrangement with the Railway Department, with a bulk truck. They began by loading a bulk truck and unloading it into hoppers, bringing it back again and reloading the truck, and again putting the wheat into the bin. A perfect system was ultimately evolved at Rocky Bay. It was changed as experience dictated that it ought to be changed, until ultimately the officers were able to say to the movement, "We have here something that is economically sound. It is going to be effective and it is something that will revolutionise the handling and marketing of grain in Western Australia." At last we had arrived at what we were struggling to get for some years. We ultimately adopted something because of its comparative cheapness. Having directed the experiments at Rocky Bay, we then decided to endeavour to prove the system by installing it on a larger scale. We installed a working plant, with bins and elevators, at the five sidings in the Wyalkatchem area. The experiments at Rocky Bay had been conclusive so far as we were concerned, but we wanted to demonstrate

the new system to the farmer and try it out under actual working conditions. The result was wonderfully successful. The five bins were erected to cope with an estimated harvest of 500,000 bags. That would have been the quantity of wheat that under the bag system would have reached those five sidings. The system proved so popular that a number of farmers carted their wheat from outside the actual zone comprehending those five sidings. They went past other sidings to this particular zone so that they might get the advantage of the bulk system, and save money in the purchase of bags. As a result of so many farmers using the system beyond the ordinary carting distance, the quantity of wheat handled was increased from 500,000 bushels to $1\frac{1}{4}$ million bushels. The whole system was strained 100 per cent. beyond the estimated capacity. The experiment, however, proved that even under these conditions the scheme was capable of meeting the demand. There was difficulty in railing the wheat. Members have heard a good deal of criticism as to the delivery of wheat to the mills. There was a lot of anxiety and a good deal in the way of negotiation. In this respect we had the hearty co-operation of the mills, otherwise we would have suffered very grave disability and incurred a fair amount of loss.

Mr. SPEAKER: I would remind the hon. member that the motion before the Chair is that moved by the chairman of the select committee, namely, that the House should go into Committee to receive the report and deal with it. It appears to me that the hon. member is traversing the whole system connected with the adoption of bulk handling. He has not once mentioned the word "committee" since he began.

Hon. W. D. JOHNSON: When I rose I said I realised it was an extraordinary thing but evidently was in order. It is a little late now in the debate to suggest we should be restricted in our remarks.

Mr. SPEAKER: Am I not right in saying that the House is considering a motion submitted by the chairman of the Bulk Handling Committee, that the House should go into Committee, and deal with the report? His motion did not deal with the principle of bulk handling, but with the report drawn up by himself and his colleagues in connection with the proposals outlined in the Bill.

Hon. W. D. JOHNSON: Had that been the decision at the start of the debate, it might have been adopted by all members. I submit in all reasonableness that it is not fair to impose such a restriction now after allowing the debate to proceed as far as it has gone. All I am trying to do is to demonstrate whence the organisation that submitted the scheme to the select committee, which is under discussion now, obtained their experience and their knowledge. Therefore that phase of the bulk handling question should not be restricted during the present discussion.

Mr. SPEAKER: Every other speaker has mentioned time after time various questions put to witnesses who appeared before the select committee, and dealt with their answers. The hon. member has not once alluded to a single statement made by a witness, nor has he dealt with one point associated with the work of the select committee. He has based his argument wholly on the question of whether or not bulk handling is required. That question is not before the Chair.

Hon. W. D. JOHNSON: It would be quite simple, Mr. Speaker, for me to make reference to questions and answers in connection with the select committee's proceedings, were it not superfluous. All I desire to convey to the House is the standing of the organisation that desires a Bill to be passed by Parliament dealing with bulk handling. To convince the House of the competency of the organisation to submit the scheme that is outlined in the Bill, I am endeavouring to trace the development of their education on bulk handling matters, to show members that their knowledge is sound and that they were competent to submit the bulk handling scheme. Whatever may be said regarding a review of the investigations of the committee, it cannot be said that I am out of order in referring to that phase, which relates to the experiments at the five sidings, from which we got all the evidence from witnesses who had actively participated in such a scheme. I was proceeding to point out that owing to the popularity and savings that were effected as the result of delivering wheat to the bulk sidings, the receipts aggregated 1,250,000 bushels as against an estimated total of 500,000 bushels. To get rid of the wheat, we had to make special and hurried arrangement with the mills,

which were practically the only establishments equipped to receive grain in bulk. The mills, however, were not equipped to handle the large quantities we were forced to ask them to take because of the huge tonnages we received. Possibly the arrangements made might not stand investigation from a business point of view. I am prepared to admit that we were inexperienced in dealing with bulk grain in this State, but the difficulties that arose were overcome. The capacity of the five bins established was strained to the fullest extent, but during the whole delivery period there were no delays of any description. It has been said that there are alternative constructional schemes. I do not propose to go into the relative merits of the various schemes submitted to the committee. They were not different in actual design from those that had already been investigated by the co-operative movement. The scheme proposed by Brine and Sons is the orthodox type, based largely on that adopted in New South Wales. It is exactly the same as the scheme that had been inquired into previously. It embodied nothing new. It has been suggested as being more worthy of consideration than the less expensive scheme advanced by the Westralian Farmers Ltd. There is a good deal more one would like to say regarding the report of the select committee, but I think we can deal with it best in Committee. It is not advisable to go into the whole of the details in a speech such as I am delivering now. On the other hand, I want to know exactly where we stand regarding the proposition, and I shall refer to some remarks by the member for South Fremantle (Hon. A. McCallum) to find out where the Labour movement stands in regard to the installation of bulk handling. That system should not be considered from an engineering point of view, because it is essentially a marketing proposition. Unfortunately, because of the intricate machinery and enormous plant required in other parts of the world, it has been regarded as an engineering problem, and engineers have made a close study of it. Much profit has been gained as a result of their work in installations, but in Western Australia it does not involve an engineering problem at all. It is so simple that an ordinary building contractor is quite capable of expressing an opinion regarding its strength, resistance, and so on,

for the storage of grain. Thus the problem in Western Australia is one that does not necessitate engineers being invited to assist us, but rather those who have some knowledge of handling grain and marketing it. I emphasise the fact that there is only one organisation in this State that really markets grain. There are firms that acquire wheat, but they are branches of organisations in the Eastern States or overseas. They acquire grain in Western Australia, but the actual marketing of the product is not done by the West Australian agents, it is directed and controlled from a central head office outside of this State. There is a pool to carry out the whole process; we handle and market the grain. There is no outside assistance or direction. The work is actually done by the co-operative movement on behalf of the farmers themselves. There are no vested interests in regard to the pool marketing and handling of grain. Many people seem to think because we speak of the Westralian Farmers Ltd. that we are referring to a proprietary concern, or a limited liability company, the directors of which gain great rewards and the shareholders of which are paid huge dividends. That is no feature of the co-operative movement at all. Messrs. Thomson, Monger, Braine and Teasdale are simply paid officers. They are employees of the farmers of Western Australia. They are chosen as the servants of the farmers. The results of their work are not paid away in dividends to private shareholders, or in fees to directors. They are merely the farmers' representatives on the board, and they are purely shareholders in the co-operative movement. In other words, the shareholders of the co-operative movement—that is, the Westralian Farmers Ltd.—are not paid in respect of shares like ordinary shareholders throughout Australia, but the capital invested in the shares of the co-operative movement is paid for on the basis of what the money is actually worth and the distribution of profits is on the basis of business done. So we have to appreciate that the Westralian Farmers Ltd. have submitted the bulk handling scheme in conjunction with the Wheat Pool. The work has been done by the representatives of the farmers under the direction of farmers, and any results that are achieved will benefit the farmers directly and no one else. I have been working for many years now

to improve the methods of marketing and handling of wheat. The member for South Fremantle said that if the report of the select committee were given effect to, it would mean a revolution in the business of wheat merchandising. If it does not revolutionise the methods of wheat marketing and wheat merchandising, I do not want it. That is what I am after; that is what I stand for. The Labour movement is in existence to further that work. That is the task before the Labour movement. They do not stand for maintaining the existing system. They are out to better the marketing of the commodities the producers have to dispose of. It is their desire to economise by cutting out the middleman and the profits that go to private individuals, in order to give the farmers the full results of their labour. Therefore, if the scheme will revolutionise existing practices, that is what I desire. I shall support it with my whole heart because it will provide, according to the member for South Fremantle, that which I have been working for over a period of many years.

Mr. Withers interjected.

Hon. W. D. JOHNSON: I do not care. The fact that the farmers do not come round to my way of thinking does not necessitate sacrificing my principles. I have been educated in the Labour movement. The trades union movement taught me my work. The objective of the movement is to reform various activities. We find the toilers and the producers are being exploited to-day. In order to rectify that, we strive to economise so that the middlemen will no longer obtain the profits, but that the producer shall get the full reward for his toil, which he does not under conditions obtaining to-day. The member for South Fremantle says this will interfere with the whole of the vested interests. When did the Labour Party commence to exist to protect vested interests? If the bulk handling scheme will interfere with vested interests, and reduce the power and profits of those interests, then I want to know where the Labour movement stands. Is the Labour movement behind vested interests or behind the co-operative movement? The farmers are organised on a co-operative basis. I challenge contradiction when I say that it is an honest co-operative movement properly based, properly officered. If that movement is to be sacrificed by the Labour Party for vested interests,

it is time we had a stocktaking. Then he says it will put out of the business people who have spent hundreds of thousands of pounds in building it up. Of course John Darling put in hundred of thousands of pounds, but also he took out millions. He died a millionaire. Although he put in hundreds of thousands of pounds, he saw to it that the producer went on producing, while he himself marketed the wheat at a huge profit. He put money into the industry, but he took out of it an amount out of all proportion to that which he had put in. If Darling was justified in taking that money out, surely it cannot be wrong for me to try to get for the farmers that which vested interests have been taking out of the producers for so many years.

Mr. Parker: Will there not be middlemen if the Bill goes through?

Hon. W. D. JOHNSON: No, because the system will be owned by the farmers, and the only middlemen will be the servants of the farmers. The trust will be elected by the farmers and paid by the farmers. The trust will not get any personal result for the actual operations of the scheme; all they will get will be the salary agreed to by the Minister or arranged by regulation. There is no middleman in this system. It is purely an organisation to permit the farmers to conduct their own business in their own way. But, unfortunately, they have to come to Parliament to get the right to instal the system at the various sidings and provide against any overlapping. Next the hon. member said the system would throw thousands of men out of employment. Unfortunately certain men will be displaced, but as to whether it is going to throw thousands out of employment there are very grave doubts. I am not prepared to endorse the contention that thousands of men will be permanently thrown out of employment. Men will be displaced; there will be a reduction of men in one place and an increase in another place. It will take some little time to adjust it, and I have no hesitation in saying that during the period of adjustment there will be on the Government a responsibility to see that those men are protected. I subscribe to that. I have always stood for that and worked for it. I have no desire to displace any one man to his permanent injury, but when it is a question of introducing a reform that is going to benefit tens of thous-

ands of people and injure only a few hundred, then I am forced by my principles first to protect the tens of thousands and then to devote attention to getting some consideration for the few hundreds that will be displaced. I sympathise with their position, but I am not going to allow it to blind me to the advantages to be gained in other directions. Then the hon. member said it will fasten on to the farmers an unpayable proposition which will mean that their second position will be worse than their first. The farmers of this country have tested this out. When Mr. McCallum, of Dalgety's, came before the select committee I explained to him the difficulty we were experiencing in getting men who had used the bulk handling system to say there was any weakness in it, or adversely to criticise the system of handling and storage in bulk as practised at those five sidings. I asked him if he could, through his organisations at the various sidings, assist us in getting some other point of view. The select committee were anxious to have the other point of view if it were possible to obtain it. Mr. McCallum agreed to assist us in that regard. He did not convey that he would be successful, but he promised to endeavour to get evidence against the bulk handling system, or at all events to criticise it. Mr. McCallum did not succeed in getting one witness to come forward. The evidence we got from those centres where the five bins were in operation was favourable to the system, and each of the farmers testified that he had made a profit from it, had saved money through it, and they all advocated its extension. So what is the use of saying it is going to be prejudicial to the farmers? We put in the installations at the five sidings. The farmers financed them. It was farmers' money that paid for them. And they were put in to test out exactly what has been contended, namely, that the thing would prove successful. And we did prove it to be successful. We installed the system for the purpose of proving that it was a practical proposition. I appeal to members to appreciate that this scheme is the farmers' own scheme, that the opposition to the scheme has come from vested interests. Is it right that we should say that Dreyfus, a foreign company, Bunge, a foreign company, Darling, an Eastern States firm, and Dalgety's, an overseas company, should continue to make their profits

under the bag system? I am not prepared to admit they are going to be injured under the bulk handling system. I believe they will operate just the same. They may not get the same profits out of bulk handling that they have been getting out of bagged wheat, but at all events they will not be injured to any great extent. Is the Labour movement out to protect the interests of private concerns as against the interests of co-operative concerns? Is private enterprise to have the support of Labour members as against the co-operative movement, adopted by the Labour Party as part of its platform? Is it to be sacrificed and private enterprise placated? I want members to realise that bulk handling is an honest proposition, that it has come from the farmers, that the farmers are asking Parliament to pass a scheme that will enable them to pay for its installation. They are getting the money for the purpose, and are going to pay it back.

Mr. Withers: That will be something new.

Hon. W. D. JOHNSON: They are going to do it. The co-operatives of the South-West installed their butter factories and are paying for them. If those co-operatives can run butter factories and pay for them, so can the co-operatives on the wheat belt run their handling system and pay for it. Farmers are not inclined to repudiate their obligations; indeed if they were to repudiate in this instance they would be taking each other down. It is true the Government come in as guarantors, but the guarantee is only in the event of absolute disaster. It is inconceivable that a position should arise in which the Government would be called upon to pay. If we can get the Bill into Committee, it will be possible to so amend the Bill in conformity with the select committee's recommendations as to make the danger of the State ever being called upon to contribute to the scheme very remote indeed. It is the farmers' scheme. They recognise that they have to pay a toll of 5/8d. per bushel in order to finance the scheme. They paid 1/2d. per bushel last year at the five sidings, and are willing to pay 5/8d. per bushel this year. They know what it means, and they have agreed to do it in order that they might have the right to deposit their grain in bins controlled by themselves, to load their own grain into railway trucks for

transport to the coast and assist to load it into their terminal elevators so that it may go into overseas vessels. That has been the ambition of the Labour movement, namely, to see the producer of a commodity in charge of that commodity from the time he puts the seed into his farm, reaping it, carting it to the siding, controlling it at the siding, and by his own organisation seeing it safely sent overseas and marketed by his own organisation when it reaches the overseas market. I am a supporter of the Bill to that extent. But I want the Bill amended. I do not like it as presented, because it is not exactly the Bill adopted by the co-operative movement. There are in the Bill features which were not adopted by the co-operative movement when they were framing the scheme for presentation to the Government. So we are favourable to an amendment of the Bill, and I should like to see sufficient members vote for the Bill to go into Committee, because it will give opportunity for trying to put it into shape, trying to give the farmers something by which they can use their organisation to protect their homes, to reduce the cost of production by from 3d. to 4½d. per bushel, which will make all the difference to them. This scheme will do that, and I appeal to members to afford an opportunity to put it into effect.

MR. BROWN (Pingelly) [8.57]: As one who has been a strong advocate of bulk handling, I want to say a few words tonight. I wish to congratulate the select committee on their very exhaustive and comprehensive report. They have gone to considerable trouble and examined many witnesses, and their report is very illuminating and instructive. I regret that the report is not unanimous. Three members of the select committee are not altogether in favour of it as it stands, notwithstanding which two of them are strictly in favour of bulk handling. The other one, of course, is lock, stock and barrel against it. Nevertheless he said that bulk handling, if it does come into existence, ought to be controlled by the railways and the Fremantle Harbour Trust. What sort of control would that be? Failing that, the hon. member advocates an independent trust altogether. I wish to congratulate the Minister for Works on the very comprehensive and able address he gave to the House this afternoon. He has gone very thor-

oughly into the pros and cons of bulk handling, and his remarks should convince everybody that bulk handling is in the interests of the farmers of Western Australia. The interests of the member for South Fremantle seem to lie in the direction of the wharf lumpers. If bulk handling is to be instituted, it is certain to hurt somebody, and the lumpers are only a small section of the people of Western Australia.

Mr. Panton: They are a pretty important section.

Mr. BROWN: Yes, but not so important a section as are the farmers. If there were no farmers, obviously there would be no wharf lumpers. So if somebody is going to suffer it should be the few, while the men who to-day are producing wheat at a loss should receive a benefit. The member for South Fremantle dealt with other matters and the Minister for Works has effectively replied to them. One of the points made by the hon. member was that farmers would need a second team. Most of the farmers have a second team, and those who use horses are within a reasonable distance of a siding. Most of those beyond a reasonable distance are using motor trucks, and the men with motor trucks will be the ones most greatly benefited by bulk handling. I should like to refer to the speech of the member for Perth, who read an article written four or five years ago. It appeared that he was speaking to his constituents rather than considering the welfare of the State. We know that the member for Perth has many Labour constituents and many merchants in his electorate, and so it did not matter what might be said in favour of the proposal, he was heads every time when the penny came down. The principal objection raised has been against the granting of a monopoly. Whatever form of control might be adopted, a monopoly must be granted. What does it matter whether the Wheat Pool or an independent trust has the monopoly?

Mr. Withers: There is no monopoly in New South Wales.

Mr. BROWN: I do not know how bulk handling is controlled there, but a monopoly is necessary in Western Australia. Otherwise the installation of the scheme cannot be proceeded with. The matter of finance has to be considered. If we do not accept this scheme, I am afraid that

bulk handling will be lost to Western Australia for a considerable time. If we appointed a trust to control bulk handling, who would compose the trust? Would the Government have nominees on it? If they would, the farmers would object. I was surprised at the references made to Western Farmers Ltd. They have nothing to do with the bulk handling scheme; the pool is responsible for it. The trustees of the pool have nothing to do with Western Farmers Ltd. The trustees of the pool are elected by an advisory council of the growers, and many members of the council have no association with Western Farmers Ltd. I do not see why there should be such antipathy to the scheme, or why Western Farmers Ltd. should be brought into it. There is a chance of getting the money to finance the scheme. If we had an independent trust which must be under the control of the Government, the responsibility of raising the money would devolve upon the Government. Could they raise the money at the present time?

Mr. Panton: They would have to guarantee the money under this scheme.

Hon. S. W. Munsie: You are on poor ground there. The pool trustees could not raise the money without the guarantee of the Government.

Mr. BROWN: They could raise the money.

Hon. S. W. Munsie: Yes, with the guarantee of the Government.

Mr. BROWN: The money is available.

Mr. Corboy: But with the Government guarantee. Could they do anything without the Government guarantee?

Mr. BROWN: The Government guarantee will become operative only in 10 years' time, and as we are likely to have 30,000,000 or 40,000,000 bushels of wheat going into the silos, there is no possibility of the Government being called upon to pay one penny. Otherwise, it will be a bad lookout for the State. With the land we have available, the production of wheat should increase year by year. I, as a representative of the farmers, must do my best to enable them to reduce production costs. From the New South Wales Year Book I learnt that it costs 3s. 11½d. per bushel to make wheatgrowing profitable on a 17-bushel average, while for a 15-bushel average the cost is something over 4s. I think we in Western Australia can grow

wheat a little cheaper than it can be produced in New South Wales because the cost of our land is not so high. Something must be done to keep the wheat-growing industry going. What would Western Australia be without its wheat production? If we have a monopoly, does it not stand to reason that the work can be done more cheaply than if 12 different firms are handling it? And if one authority can handle it more cheaply, who is going to get the benefit? Undoubtedly the wheat-grower will get the benefit. The Pool is not a profit-making concern; it operates in the interests of the growers and is exerting efforts to reduce production costs. Our wheat in England is worth 26s. per quarter. The price in Western Australia to-day is 2s. 4½d. on a 4d. freight. What is the margin for the handling of the wheat? I have not worked it out, but I think it ranges from 5d. to 7d. per bushel. Is it not feasible that a monopoly could handle the wheat much more cheaply, and that the grower would get the benefit? If the wheatgrowers can be made prosperous, the whole of the people of Western Australia, merchants and everybody else, will benefit. It has been suggested that we should try bulk handling in one zone. I do not know that I favour that proposal. My electorate is one of the largest wheat-producing centres in Western Australia, and at one time Kulin sent away more bags of wheat than any other siding in Western Australia.

The Minister for Works: I will not have that.

Mr. BROWN: At one time that was so, and the district is still one of the largest producers of wheat. We now have a new district in Karlgarin. If bulk handling has proved beneficial to the great wheat-growing centres on the Dowerin line, it will be beneficial to other districts in the wheat belt. I regret having mislaid some figures I intended to quote to prove that the district I represent is as good a wheat-growing centre as any part of Western Australia. I am anxious that the committee's report should be considered, and I hope members will realise that bulk handling will prove beneficial to the State. I support the motion.

MR. J. H. SMITH (Nelson) [9.10]: I do not propose to support the select committee. I wish to point out a danger that

will exist to other industries if we accept the committee's report. I do not intend to go further than the evidence tendered by the Acting Commissioner of Railways, Mr. Tomlinson, in which he spoke of 6,300 trucks having to be converted solely for the purpose of transporting wheat in bulk. The former Minister for Railways could have told the House of the difficulties experienced in the past, more especially when the timber industry was flourishing, to get sufficient rolling stock to meet requirements. This difficulty has been a nightmare to timber millers and contractors during the wheat season. We look forward to the time when the timber industry will brighten up considerably, and what is going to be the result if 6,300 trucks which were utilised for timber and other industries are converted for the carriage of bulk wheat? The cost of converting the trucks is estimated at £76,000, and there will be 6,300 fewer trucks on the road. Immediately a revival occurs, the Government will have to come to light and construct another 5,000 or 6,000 trucks to meet the needs of other industries. I think that point has been overlooked. We cannot live on wheat alone. All industries must be considered. I realise that the wheatgrowers are having a bad time; I realise, judging from the evidence, that the farmers desire bulk handling; I realise that the Minister in charge of the Bill is an ardent advocate of bulk handling because he considers it will reduce costs. The Minister incurred enormous expense in appointing committees to investigate the question and he put up a scheme to the Government. Westralian Farmers Ltd. sent their general manager, Mr. Thomson, to the Old Country, and he arranged to secure finance to instal bulk handling. The select committee have recommended that the promoters of the scheme be granted a monopoly. If an independent trust were to control the scheme, probably I would support it, but to ask for a monopoly for a certain section of the community is not right. In years past many merchants have been buying wheat and giving the farmers a little better price than the pool, and are those merchants to be wiped out of existence? Such a thing will not be done with the aid of my vote. We ought to consider the country storekeepers and what they have done for the farmers. Therefore I say it is wrong. The member for Guildford-Midland exposed the whole

thing just now in his speech. He went so far as to say that it would be creating a monopoly. The farmers could appoint the board and they would have the whole thing in their own hands.

Member: Why should they not handle their own wheat?

Mr. J. H. SMITH: They should, but I do not propose to give any section of the people, or any trading concern, a monopoly. If the wheat pool were a compulsory pool, there might be some argument in favour of it, but it is not. There is no legislation on the statute book to provide for a compulsory pool. The farmers can please themselves whether they pool their wheat or sell it to outside buyers. How is the trust to be appointed? It will be appointed entirely by the farmers, it is said. I say it will not. All the farmers will not be circularised, but only those who pool their wheat. It is absolutely wrong for this House to do anything like that, to put this scheme into the hands of a trust, which, after all, will not be appointed by the wheatgrowers of the State. I therefore propose to vote against the Committee's report.

MR. PARKER (North-East Fremantle) [9.18]: If I had any doubts about my views on this matter, they have certainly been dispelled by the member for Guildford-Midland (Hon. W. D. Johnson). He has put my mind at rest, because he has shown clearly that the report of the select committee is in favour of the creation of a monopoly. Personally, I have always objected to monopolies, and I object to a monopoly for the marketing of wheat. I always understood that bulk handling was a question of transport of wheat, but the member for Guildford-Midland said it was a marketing question. It is not. It certainly strikes me that the handling of wheat means the transportation of wheat, and the question of transportation is one for engineers. This matter vitally concerns the railways. I cannot see why one particular body should be granted a monopoly, thus putting out of business all the merchants who have been operating here so long and to the benefit of the farmers.

The Minister for Lands: Merchants have not been operating solely for the purpose of handling wheat.

Mr. PARKER: No. They buy wheat. Theoretically, the scheme will not put them

out of the business, but practically it will. If the suggested Bill is passed, a tremendous advantage will be given to the pool. The pool will have an advantage of between $\frac{1}{2}$ d. and 1d. a bushel, over the merchants. To that extent the merchants will be handicapped; in effect, they will be put out of business. The member for Guildford-Midland gave us clearly to understand that was the object. He said he was brought up in the Labour Party, one of whose objects is the marketing of wheat. He said that was his idea. Therefore, I think we are at one in agreeing that it is proposed to create a monopoly for the marketing of wheat, and I say I object to it. I am in favour of bulk handling, if we have a trust or a board—call it what you like—consisting of proper people who simply handle the transport of wheat, but let us give a free hand to the merchants or anyone else to buy and sell wheat. That obviously would be to the advantage of the farmer. A general idea prevails that there is a world parity for wheat. I understand that is not so. There is the London-Baltic market, the Indian market and the Eastern market. At present merchants who have chartered ships are experiencing difficulty in getting the necessary cargoes. In order to avoid payment of demurrage they have to spring the price a bit to the farmer to get the wheat. That often happens. Merchants are not infallible in their business methods. They frequently have to find cargoes, and, in order to secure them, pay a little extra to avoid demurrage. If a monopoly is created, surely the farmers will lose that benefit. Will not the farmer also lose the benefit of the financial assistance afforded him by the merchants to obtain the necessary commodities to enable him to grow his wheat?

Hon. W. D. Johnson: The merchants tie him up.

Mr. PARKER: Of course they do, but they give the farmer a chance. We do not expect Dalgetys or anybody else to finance the farmer without some consideration.

Hon. W. D. Johnson: The $4\frac{1}{2}$ d. a bushel will help him.

Mr. PARKER: When will he get it?

Hon. W. D. Johnson: As a result of the economy in handling the wheat.

Mr. PARKER: But when will the farmer get it? He wants it before he puts his crop in.

The Minister for Lands: Do not put these notions into the heads of the merchants.

Mr. PARKER: I am putting very good notions into their heads. The farmers would be at a very serious loss if the merchants went out of business. The various wheat merchants are doing an excellent thing for the farmers by financing them.

Hon. W. D. Johnson: You know the merchants take at most only 40 per cent. of the wheat. Sixty per cent. is free wheat. The farmers are not tied.

Mr. PARKER: I thought the member for Guildford-Midland had suggested the merchants had the farmers tied up.

Hon. W. D. Johnson: Do you suggest the wheat industry would not flourish unless the farmers were tied to the merchants?

Mr. PARKER: I say the farmers would not flourish unless the merchants assisted them financially.

The Minister for Railways: They do not do it as philanthropists.

Mr. PARKER: Of course not; but if the farmers could not get the money they required they would have to go off the land.

The Minister for Railways: Where do the merchants get their money from? They arrange with the banks.

Mr. H. W. Mann: Many farmers would be without superphosphate were it not for the merchants.

Mr. PARKER: If the banks finance the merchants, it is the same thing; but I think the merchants are a little more liberal than the banks when it comes to dealing with a commodity like this.

Hon. W. D. Johnson: Why do you want a middleman?

Mr. PARKER: Why does the pool want a middleman?

Hon. W. D. Johnson: We have not got one.

Mr. PARKER: Who does the chartering?

Mr. Kenneally: Who does the stevedoring?

Mr. PARKER: Yes. As I say, the member for Guildford-Midland has convinced me that we should not have monopolies. We must try to give employment, and, when all is said and done, the middleman is the very man who does assist the farmer. The farmer is a very estimable person, but he has not business acumen.

The Minister for Lands: That is a new thing.

The Minister for Railways: He would not have been taken down for donkey's years if he had.

Mr. PARKER: It is necessary to find the best market for the farmers. I defy any farmer to find a consumer to purchase his wheat.

Hon. W. D. Johnson: Sixty per cent. of the wheat is marketed by the farmer to-day.

Mr. PARKER: To whom?

Hon. W. D. Johnson: To the world's markets.

Mr. PARKER: Who are the world's markets? Are they a direct consumer? Who finds the markets for those free farmers?

Hon. W. D. Johnson: The farmers.

Mr. PARKER: No, they do not. The Wheat Pool does.

Hon. W. D. Johnson: That is their organisation.

Mr. PARKER: Is not the Wheat Pool acting as a middleman, although it is a very excellent proposition for the farmer, because he gets his own money back. He does not pay it away to a middleman.

Hon. W. D. Johnson: The trustees are paid a salary. That is all.

Mr. PARKER: Call it what you like, the Pool is a middleman. The farmer himself does not find his market. There is no doubt about that.

The Minister for Railways: Have a look at the dividend lists of some of the merchants and then look at the farmers.

Mr. PARKER: Have a look at the bankruptcy lists of some of these merchants.

The Minister for Railways: And of the farmers.

Mr. PARKER: Yes.

The Minister for Lands: In a little while they will all be bankrupt.

Mr. PARKER: I am opposed to the elimination of the middleman and the merchants, because I think they are very necessary to the country. They find the markets for our produce.

Hon. W. D. Johnson: That is where you and I differ.

Mr. PARKER: Most decidedly. I say you have convinced me. I am not suggesting that all middlemen are useful. Many could be eliminated.

Hon. W. D. Johnson: Take my advice and start with the merchants.

Mr. Panton: Why not the lawyers?

Mr. PARKER: I think it would be very much better than the job I have now. It is necessary, of course, for a wheat merchant to be possessed of considerable capital, and I have always understood that is what we require in this country. We are calling out for money all the time.

Hon. W. D. Johnson: The farmers want finance.

Mr. PARKER: Who gives it to them? The merchants. I do not propose to take up much of the time of the House, but my desire is to make my position perfectly clear. I believe in bulk handling, but I do not like this report. I shall certainly vote for bulk handling, but not for the report.

HON. N. KEENAN (Nedlands—in reply) [9.27]: In view of the lengthy reasons that were set forth in the report to justify the conclusion at which the committee arrived, and in view also of the voluminous remarks that have been made in this House by various members who have spoken to the motion, it was not my intention to take part in this debate beyond a formal part; but as the debate has developed, it seems I have a duty to discharge in answering certain matters that have been raised in criticism of the work of the committee. To deal first with minor matters, may I reply to the observations of the members for Nelson and North-East Fremantle?

Mr. Marshall: You don't bracket them together, do you?

Hon. N. KEENAN: Temporarily, just as I find temporary alliances existing between certain members on one side of the House whose views, as a rule, are not in favour of capital, and also between certain members on the other side of the House whose views are on all occasions behind capital. The fact still remains that it is a very unholy alliance. To deal with the member for Nelson first, his trouble apparently is that if the bulk handling scheme is adopted there will be a large number of trucks specially earmarked for the service of the wheatgrowing industry. That will, he conceives, create some danger of a shortage of trucks in the timber industry. Now, he cannot have read the report or even the evidence, because the trucks which will be constructed for the purpose of carrying out this scheme will be new trucks, additional trucks. They will relieve the position. There will be more

trucks for the member for Nelson, if he has any timber to put into them.

Hon. P. Collier: He has not.

The Minister for Lands: He would not, if he had his own way.

Hon. N. KEENAN: I hope the member for Nelson will reconsider his opinion of the report of the committee. So far as I listened to him, he could not find any other reason for objecting to it. Dealing with the member for North-East Fremantle, apparently he is troubled with the idea that bulk handling, as recommended by the select committee, is based on a monopoly. Of course it is. Who on earth would imagine that any corporation or any body of persons would erect a plant of the magnitude that is necessary to carry out this scheme unless they were assured that they alone would be given the right to work it? That position was put to Mr. H. D. McCallum who, although in some respects hostile to the proposals, is a man of great experience, and can express an opinion that is worth listening to on a matter of this kind. In reply to questions which were put to him—I refer to Q. 844 in the notes of evidence—members will find that Mr. McCallum said a monopoly was necessary. He said this again in reply to Qs. 968 and 969. He was not speaking of a monopoly in the purchase of wheat, but a monopoly in regard to plant. That is only common sense. Even the ordinary school-child would understand that no people could be expected to put up a plant, and be left at the mercy of someone else who could put up another plant alongside them, more especially as the erection of such plant would involve a colossal expenditure. The expenditure of over half a million of money is very considerable. The scheme does not involve a monopoly in the purchase of wheat. The only monopoly granted is one for the working of silos and the handling of wheat. The right to purchase wheat remains open to all persons, merchants, farmers and others. If any study had been made of the evidence given before the select committee, it would have been found that the almost inevitable result of the establishment of the scheme would be to create many more buyers than exist to-day. Mr. C. W. Harper, one of the witnesses, pointed out that in New South Wales, immediately bulk handling came in, many more buyers came into existence than were in evidence before. They bought orders.

The Minister for Lands: They bought scrip.

Hon. N. KEENAN: Yes. Any member of the House, if he thought he would like to have a flutter in wheat, could purchase this scrip, entitling him to delivery at the terminal of the quantity of wheat described on the face of the scrip. It will mean that instead of there being fewer buyers, there will be a great many more. The important part is that it will not in any way restrict the right of those who are at present buying wheat to buy it in the future. These are the few observations I intend to make concerning the criticism of the member for North-East Fremantle.

Mr. H. W. Mann: Do they buy wheat or certificates

Hon. N. KEENAN: They are the same things.

Mr. H. W. Mann: You have not made that clear.

Hon. N. KEENAN: The hon. member ought to know they are the same. If a person buys an order for the delivery of something, it is the same as buying the commodity set out in the order. I now desire to make some observations upon the speech delivered by the member for South Fremantle (Hon. A. McCallum). In that speech he has given a version of the facts, and of the inferences to be drawn from the facts as furnished in the evidence which, in my opinion—and I hope to convince the majority of members of the House—is seriously erroneous. It is much to be regretted that the hon. member did not, when he was sitting in consultation with his fellow committeemen, allow them to know the reasons for his dissent. Had he done so, I feel sure that every member of the committee could have pointed out to him the errors into which he has so unwittingly fallen. No one questions the right of every member of the House to make known on the floor of the House his views on any subject. That is the privilege of every one of us. At the same time, I have no hesitation in saying that everyone will regret that, serving on the committee with others members of this House and of another place, who were all desirous of helping one another to arrive at a conclusion on a matter of extreme importance in a way that would preserve the interests of the State, the hon. member did not take his colleagues into his confidence. This joint committee considered

the questions which were entrusted to their care and inquiry under five heads. Although it may occupy a short time, it is necessary I should point out to the House what these heads are, and the evidence they received in respect to them. The heads were—

(a) Whether the institution of bulk handling of wheat would be of advantage to the wheat-growing industry of Western Australia, and if so to what extent?

(b) Whether the bulk handling of wheat would involve the State Government or Governmental or semi-Governmental activities in any loss either in capital moneys or by way of revenue, and if so, to what extent?

(c) Whether the balance of gain or loss warrants the adoption or rejection of the scheme of bulk handling of wheat?

(d) All other considerations having any relevant and important bearing on the adoption of a scheme of bulk handling of wheat, and in particular the question of displacement of labour arising therefrom?

(e) The Bill now before Parliament to carry out a scheme of bulk handling—

(1) in the matter of the general principle underlying same;

(2) in the matter of all its detail provisions.

The reason for addressing ourselves to the inquiry we were charged to make in the manner I have indicated was, that if the first head were answered in the negative, as has been the case with the member for South Fremantle, it would have been unnecessary to go any further. If the committee came to the conclusion that the bulk handling of wheat would not be of monetary advantage to the wheat growing industry, any further inquiry would have been entirely superfluous. The finding of the select committee on that issue appears on page 7 of the report, in paragraph 7 as follows:—

Balancing all the gains and losses, it is impossible for your committee on the evidence adduced before it to come to any other finding than that the handling of wheat in bulk will be of material advantage to the wheat-growing industry of Western Australia. The extent to which this advantage would accrue in money's worth depends on a number of factors. Any serious decline in the volume of the harvest would necessarily force an increased charge per bushel for the purpose of obtaining moneys sufficient to pay interest and the necessary redemption figure on the capital cost of the plant installed. Moreover, the figure of $\frac{1}{4}$ d. per bushel might not be accepted as sufficient to compensate the Railway Department for its increased expenditure.

That was the finding of the committee. The conclusion was arrived at as a result of the

examination of the cost of the marketing of wheat under the system of bulk handling from the farm to the market. It is convenient to divide this entire transaction into separate stages. The first stage is that from the harvester to the siding, the second stage is the cost incurred at the siding, the third stage is the carriage of the wheat from the siding to the port, the fourth stage is the cost incurred at the port, and the last stage is the cost of carriage by sea to the market. There remains the question of the price of the commodity in the market, but that is somewhat independent of the inquiry as to the cost of marketing. I will deal with the first stage; that from the harvester to the siding. We had before us the evidence of 11 farmers, all of whom gave evidence under that head. Except for the member for Subiaco and myself, who are not farmers, every member of the committee, including the member for South Fremantle, is a practical farmer. Naturally, one would expect in the circumstances that the evidence given by the farmers on this question would be very thoroughly sifted, and would be perfectly reliable for the purpose of framing the report.

Mr. Wansbrough: Were they all wheat farmers?

Hon. N. KEENAN: I understand so, with the exception of the member for Subiaco and myself. I am led to make the observations I have made, that the evidence would be sifted by a committee of that character, because the report was based on the evidence that was tendered to the committee. That evidence was given in chief, and again in reply to questions addressed by each member of the committee to each farmer. If members will be good enough to look at the notes of evidence as printed, they will find nothing that stands out more prominently than that not one single farmer was asked any question which would suggest the state of affairs depicted by the member for South Fremantle. Every farmer witness first of all gave his evidence in chief. He was then placed in the hands one by one of the members of the committee. There was no suggestion of his not being asked all the questions that any of the members of the committee desired to ask. Until each member of the committee had finished with the witness, no other member of the committee was

allowed to interfere. Only when every member had finished with a witness was he allowed to leave the witness stand. I am, therefore, justified in saying that the evidence was sifted in a manner that leads only to the one conclusion, namely, that it is thoroughly reliable. Farmers on the committee were asking farmers questions. Surely under those conditions it is not for a moment to be suggested that anything was left out that was material to the issue in order to arrive at the true state of affairs. It has been said, as some sort of criticism by the member for South Fremantle of the evidence that was tendered by the 11 farmers, that ten of them were witnesses chosen by the Westralian Farmers. The member for Guildford-Midland has referred to that matter, and I desire also to refer to it. In the course of the inquiry, Mr. H. D. McCallum was asked if, at the sidings where the experimental bulk handling plant was erected, any farmers in those districts were discontented. It was necessary to obtain evidence from every possible aspect, and to be sure that the discontented farmers, if any, were also represented. His reply, to Q. 947, was that he knew of none, but would make inquiries. The committee sat for many days after that, and not a discontented farmer came forward. Indeed, as far as any evidence before the committee was concerned, the only evidence was, and it will be found in Q. 1532, that not one single farmer was opposed to bulk handling. It was the duty of the committee to make this report according to the evidence, and not according to some imaginary state of affairs, or to any prejudice members of the committee might have had, and the evidence was that not one farmer was opposed to bulk handling. As I understand the criticism of the member for South Fremantle to the report presented by the select committee, it is levelled against the statement which appears on the top of page 6 of the report on the right hand column. It is in these words—

In other words, in the case of these farmers—

—those are the 11 to whom I have referred—

—the change-over from delivery in bags to delivery in bulk was a gain of approximately 3d. per bushel after every charge which such change involved had been fully provided for.

The member for South Fremantle says that is not justified. I propose to show that it

is fully justified, by a short examination of the evidence tendered by those farmers. The first witness was a man named Vincent, who had a farm 13 miles distant from the siding. He carted wheat 13 miles to the siding. He was at least an average distance from a railway siding.

Hon. W. D. Johnson: He was more than that; ten miles is the average.

Hon. N. KEENAN: To make the position clear as I proceed, I intend to state the numbers of the questions I shall refer to. That witness, in his reply to Q. 701, said that he carted his wheat a distance of 13 miles. He presented a balance sheet, which will be found in the reply to Q. 677. With the leave of the House, I shall call attention to the items included in that balance sheet. He set out that the number of bushels he carted to the siding totalled 6,254. He paid the special charge of $\frac{1}{2}$ d. per bushel on all the wheat that he put through the silo to be dealt with in bulk. He set out the loss of weight of 174 dozen sacks, which he fixed at 2s. 9d. per 60 lbs. weight, which was the full price of wheat at that siding. He also includes wire skewers, and the whole of those represent a charge of £22 11s. 2d. For the purpose of conveying the wheat from the farm to the siding, he used a number of second-hand super bags and wheat bags, and allowed 2s. a dozen for them. I would point out that that is the full price that can be obtained from dealers for such second-hand bags. That represented an additional cost of £2 10s, bringing the farmers' total cost to £25 1s. 2d. On the other hand, he had charges to set off against that expenditure by taking into consideration the savings effected. Under the bag system he would have required 174 dozen bags and as he did not have to use any bags that year, he took into account £64 13s., as the saving under that heading. Then there was the saving on account of sewing by contract, which expense he would have had to incur if he had handled his wheat in bags. He gives the cost of sewing 2,085 bags by contract at 10s. 6d. per 100, as £10 18s. 5d. On top of that he allowed six balls of sewing twine at 10s. 6d. each, which accounts for an additional £3 3s., so that he reckoned his savings at £78 14s. 5d. Thus, on the figures supplied by that witness he showed a saving of £53 13s. 3d., even after paying the special charge of

½d. per bushel for putting his wheat through the silos. That is the witness's balance sheet, and I ask: Is there any single item left out?

Hon. A. McCallum: Yes, in respect of the bags.

Hon. N. KEENAN: What is that?

Hon. A. McCallum: He has charged only 2d. for his second-hand bags.

Hon. N. KEENAN: I shall refer the hon. member to the evidence regarding prices, as tendered by dealers. In reply to Q. 676, the witness said that he put that price upon the bags because was offered 2s. a dozen for them by the dealers. Regarding the fancy price of 7s. a dozen that was referred to by the member for South Fremantle, no one else ever raised that point. Apparently the price the hon. member quoted was one offered as an inducement to purchase super from a particular company.

Hon. A. McCallum: But you had that statement made in evidence.

Hon. N. KEENAN: I do not think any witness told us that he received that price except under the conditions I set out.

Hon. A. McCallum: A witness told you how he got the price.

Hon. N. KEENAN: I shall refer to that matter later on. It was not stated by the witness I am dealing with. The witness the hon. member has in mind merely said that if you sent an order to a super company and returned bags that they approved of—it was merely a gamble—they might take them or they might not.

Hon. W. D. Johnson: Those were the conditions under which the member for South Fremantle got his price.

Hon. N. KEENAN: The 7s. a dozen was allowed by the super company, so we are informed, on account of bags sent in when orders were given. However, I am dealing with the witness's statement as it appears in answer to Q. 676.

Several members interjected.

Mr. SPEAKER: Order! It is only fair to allow the member for Nedlands to make his speech without interruption.

Hon. N. KEENAN: I am perfectly certain, Mr. Speaker, it is unnecessary to do more than simply ask members to listen to me. I have already pointed out that the witness told the committee that he had placed that price upon his bags because he was offered 2s. a dozen for them by the dealers. In subsequent evidence that I shall refer to

later on, in reply to Mr. J. I. Mann, the witness said that 2s. a dozen was all the farmer could get from the dealers. It is apparent that not last year, but two or three years ago, no doubt due to competition between rival superphosphate companies, inducements were held out by firms that if the farmers purchased their superphosphates from them, if they approved of the bags delivered, they would allow a discount of 7s. a dozen off the price of the super. It will be seen that that discount amounted almost to the price of new wheat bags, which demonstrates that it was merely a trade advertisement, something like the coupons that one gets with a box of cigarettes and by sending that coupon in, one gets more cigarettes. It is beyond question that the price the dealers paid to farmers was 2s. a dozen. Therefore that amount was allowed by the witness, and included in his balance sheet. I ask the House, in the circumstances, if there is any charge left out that was involved in the change over from handling in bags to handling in bulk. Everything is provided, and, in fact, something more than is necessary appears, because the bags that are allowed for at 2s. a dozen lasted for more than one year. In answer to Q. 662 the witness made it clear that the bags would last for two seasons. In those circumstances, the charge should be divided and the actual amount that should be accounted for is, 1s., and not 2s. a dozen. That is the position, and can anyone reasonably say that that farmer left out a single item from his balance sheet that should be a reasonable charge under the change-over? That particular farmer had a motor lorry. In Q. 684 Mr. Mann asked the witness in effect whether, if he did not have a motor lorry, and had had to use a horse team and wagon, bulk handling would have been a payable proposition. The witness answered in the affirmative. In the next question Mr. Mann asked him how would bulk handling apply to him if he had only one team for harvesting and carting. The witness replied that he would take the wheat from the harvester and dump it on the ground, and handle it from there. As members will see in a moment, that was actually done by a farmer who had no second team or motor lorry. He allowed his wheat to accumulate because he completed harvesting operations before commencing to cart the wheat to the siding. The next witness was a man named Naugh-

ton who was farming 15 miles from the siding, and carted his wheat into the silo. He carted his wheat by motor truck, to which he attached a bin. No doubt that will be the method adopted by all the farmers if the bulk handling scheme is introduced. They will not convey their wheat to the silo in bags of any description, but will construct a bin on their lorry or wagon and convey it in that way. The member for South Fremantle agrees with me and the committee that that will represent a considerable saving. In his evidence, Naughton did not allow anything on account of the second-hand super bags used by him, but, in reply to Q. 739, he said that he used 100 second-hand super and wheat bags, which, at 2d. each, would represent 16s. 8d. Assuming, as the witness did—other farmers agreed with the contention and it seemed to be generally accepted—that the bags lasted for more than one season, what was the result? He carted 3,483 bushels of wheat for which purpose he used 100 bags valued at 16s. 8d., which bags could be used for a second season. On the basis of the bags being available for two seasons, those bags represented a cost of one-fortieth of a penny per bushel, and it has been suggested that this witness vitiated his balance sheet because he did not include a charge of one-fortieth of a penny per bushel!

Hon. A. McCallum: Now you are making more extravagant statements than the West-Australian Farmers did.

Hon. N. KEENAN: The hon. member has a pencil and he has brains. If he works it out he will see that that is correct.

Hon. A. McCallum: You do not want me to take that seriously?

Hon. N. KEENAN: I do not know that the hon. member takes this matter seriously. I do not know that he takes his own existence or his duty seriously. I have stated the facts; he can work it out for himself, and he will find that the arithmetic is correct. What was the criticism of this witness by the member for South Fremantle? It was that he employed labour and according to the hon. member his labour costs would far outweigh the cost of bags. The witness told the committee that if he had had to use bags for his crop of 3,483 bushels, it would have cost him £50 16s. 2d. That statement appears in the reply to Question 744. Actually, the labour employed was that of a lad who milked the

cow and chopped the wood and between whiles assisted the farmer on the field and in taking the wheat to the siding. The member for South Fremantle asks the House to believe that the labour of a lad to chop the wood and milk the cow and do a little work on the property is to be estimated at £50 for the short period of the harvesting season. The lad would get not more than £50 for his work throughout the whole year. Can it be seriously suggested that any substantial charge incurred by that farmer is not included in his expenditure?

Hon. A. McCallum: It is not seriously suggested that other farmers will follow that witness's example.

Hon. N. KEENAN: I am not suggesting that at all, but I want the member for South Fremantle to remember that when I did interrupt him during his speech for one moment, I immediately apologised.

Hon. A. McCallum: Yes, and I apologise to you now.

Hon. N. KEENAN: The next witness was a man named Diver, who carried on farming operations 19 miles from his siding. For the purpose of conveying his wheat in containers from the farm to the siding, and from another farm that he had 15 miles out, he told us that he bought one bale of new sacks and debited 50 per cent. of their cost against the savings he made on the bulk handling of his wheat. He delivered 3,000 bags and carted all the wheat from 15 to 19 miles to the siding and used the bags backwards and forwards. Seeing that he allowed 50 per cent. only as a debit in respect of the bags, can it be suggested that he left out any item that should be included in the cost of his change-over from bag handling to bulk handling? Yet he was able to net a profit in excess of 2d. per bushel. The member for South Fremantle said that the comment of the select committee on the statement by the Perth Chamber of Commerce, that farmers living some distance from the siding would require 66 per cent. of their bags under the bulk handling system was not justifiable.

Hon. A. McCallum: I did not say it was not justified.

Hon. N. KEENAN: Then I misunderstood the hon. member. I thought he said that if the statement were justified it must refer to farmers operating at 19 miles or more from the siding.

Hon. A. McCallum: Yes, I said that.

Hon. N. KEENAN: How many farmers live 15 miles away from the siding and cart their wheat in as the hon. member suggests?

The Minister for Works: Not too many of them.

Hon. N. KEENAN: We can regard the hon. member's statement as referring to 20 miles or more because we had the evidence of one witness who was carting for 19 miles and delivered 3,000 bags of wheat with a single bale of new sacks and 400 or 500 second-hand bags. Therefore the member for South Fremantle's comment that the criticism of the statement of the Perth Chamber of Commerce was not justified is absolutely incorrect. The next witness was named Reilly. He is a farmer who gave his evidence by producing the actual article he used. He brought down a super bag which he said had been to the siding six times. If the exhibits were here, members would see that that bag is still in excellent order. It is true he did not allow in his account for the use of his old second-hand super bags. Apparently they can be used at least six times. I am by no means strong on arithmetic, but on my computation the charge works out at one-sixtieth of a penny per bushel. What charge has that witness omitted which he should have included to arrive at a correct balance and show the difference between bag handling and bulk handling? He made a saving of considerably over 2d. per bushel. Then there was a witness named Threlfall. His figures—they were all worked out in fractions—showed, after making an allowance for bags, a saving of approximately $2\frac{1}{2}$ d. per bushel. It is impossible to suggest that he omitted any charge which should have been included in the changeover. The next witness was one Thiel. He used old bags and super bags, and made a net saving of 2-7/10d. In answer to Q. 1651 he said that even second-hand bags will not be required soon as the farmer learns to carry his wheat in bulk from the farm to the siding. The next witness was Dunkley. His balance sheet was put in in evidence, as will be seen under Q. 1683. He made a saving of 2.6d. per bushel. He bought no bags. He is within half a mile of Wyalkatchem, where he could have delivered his wheat in bags. But there was no silo at Wyalkatchem, and so he carted his wheat all the way to the silo at Korrollocking, and made a profit of 2.6d. per bushel. This was

the witness who gave evidence which showed conclusively that these bags are of no value, since farmers during the last three years have retained their bags. They would not have retained them if they could have got 7s. per dozen for them. During the last three years farmers have been exceedingly hard up, yet this witness said the farmers had retained their bags during the last three years.

The Minister for Lands: They would be super bags, not wheat bags.

Hon. N. KEENAN: Well, possibly he was referring to super bags. His evidence in that respect will be found under Q. 1710. The next witness was named Morton. He lives 11 miles south of Trayning and works single-handed, except at harvest time. He is the witness on whose evidence the member for South Fremantle built up that glorious theory of his as to the number of horses it will be necessary for a farmer to purchase, and the cost of feeding them and driving them and grooming them, and which would put the farmer in the position when he arrived at the siding of losing 7d. per bushel. This man had to get the use of an extra horse. That would be necessary whether he carried his harvest in bags or in bulk, because if he wants to take it to the siding he must have the means of doing so. He did buy an extra horse because, although he had two horses to spare, he had no use for them since he required three horses for his dray. And on the figures mentioned by the Minister for Works to-night, it is clear that, from the point of view of a practical farmer, there must be at least one spare horse, in order that the harvester may be kept clear. According to the evidence given in answer to Q. 1597, the smallest plough team means eight horses, and the largest harvester team six horses, so if you never have a spare at all, you must have two horses idle.

Mr. Kenneally: You could sell a horse now.

Hon. N. KEENAN: Yes, you could sell a horse. I want to point out that there is no basis for criticising the bulk handling scheme on the ground that it necessitates, as suggested by the member for South Fremantle, the purchase of a complete team by a farmer who goes in for bulk handling as against a farmer who continues to use bag handling. The member for South Fremantle says that if farmers are to do all

their stripping, they must purchase 100 per cent. of their bag requirements. But, as I have said, we had two witnesses to show that it is not so. In one instance the farmer made a small dump of his wheat on the ground and left it there, and so avoided all risks of fire, instead of leaving it in the paddocks where it is always liable to be destroyed by fire. That is the position put before the committee by all those witnesses. As I have said, those witnesses were all present before the committee, and were examined by the farmer members of that committee. They submitted their figures, and not one of those figures was challenged. They left without having any opportunity given to them to explain any matter that might arise from a challenging of those figures. The committee, like a jury, were bound to find a verdict according to the evidence, to find that the story placed before them by those farmers was wholly in favour of bulk handling. They had no option. That ends the criticism made by the member for South Fremantle of the statement that the change-over from bag handling to bulk handling involved no charge that was not allowed for by the farmers who gave evidence before the committee. The member for South Fremantle then fell back upon a new allegation. He said he had not got the balance sheets of costs of working the bulk handling plant submitted to him, the cost of working the silos at the sidings. It is true he did ask for them and they were not supplied. But what has that to do with the cost to the farmer? The first inquiry of the committee was as to the cost the farmer incurred in moving the wheat from the farm to the siding. What has that to do with the cost of working the silos at the sidings? Every single penny was charged which otherwise would have been charged to the farmer if he had brought his wheat in bags. It was not only the half-penny, but whatever the charge was for the bagged wheat, the silos got that in addition. Is it to be suggested that with that large sum they were run at a loss? I know that under the scheme it has to be done at 1.5d. and they were getting one half-penny per bushel and at least 2.4d. in addition. That entirely disposes of the whole of the criticism of the stage between the farm and the siding. Turning to the next stage, from the farmers' wagons to

f.o.b. Fremantle, the member for South Fremantle said that the report put down the cost of that stage of marketing in bulk at 1.875d. per bushel whereas the figure stated in the Wheat Pool scheme was 2.125d. I may remind him in passing that the figure set out in the Wheat Pool scheme includes maintenance and alterations. On page 8 of the blue book it is clearly set out that the .625d. per bushel includes interest and repayment of loan, maintenance and renewals, while working expenses and acquiring are set down at .50d., a total of 2.125d. It was said by the member for South Fremantle that the report erred in putting down the figure of 1.875d., and for that reason all subsequent figures based on it were incorrect. If it were so, the criticism would be justified, but the report does not put down that figure at all. Far from it. It is extremely difficult to understand how the member for South Fremantle misled himself in the matter because, if the committee had adopted the Pool figure of 2.125d. to cover all the handling charges from the time the wheat arrived at the siding until it was f.o.b., then as against the figure of 2.4d. given by Mr. Fethers as the charge by the merchants and the Wheat Pool at present, there would be a gain to the farmer of the difference of .275d. If members look at the report, they will find that at that stage the farmer handling his wheat in bulk would suffer a loss of .1d. On page 6 will be found the following—

This means that, after allowance is made for the sum of $\frac{1}{2}$ d. English currency (equal to .625d. in Australian currency) to meet the interest and redemption charge on the capital cost of the bulk handling plant, both at the sidings and at the terminal, the farmer delivering in bulk will lose .1d. of the gain made by him in conveying his wheat from the farm to the siding.

What the committee did was this: To be absolutely on the safe side, instead of taking the figure of 2.125d., which appears in the pool estimate, we took 2.5d. By our taking 2.5d. the farmer was at a loss of .1d. as compared with the figure given by Mr. Fethers, 2.4d. The Minister for Works asked how we arrived at that figure. The reason we put down 2.4d. was to be absolutely safe. We knew that the figure in the reports was 2.75d., but Mr. Fethers gave evidence that he had handled and was prepared to handle, in consequence of reduced

labour costs, at 2.4d. and so we took the lower figure. Taking that figure of 2.5d. as the cost that the farmer conveying wheat in bulk from the siding to f.o.b. would incur, we set out in our report that at that stage he would lose .1d. Yet the member for South Fremantle confused himself into thinking that we were basing it on 1.875d. for that section of the journey.

Hon. A. McCallum: You say that in future that is what the farmer is to be charged for bulk handling.

Hon. N. KEENAN: If the hon. member adds 1.875d. and .625d., he will find it makes 2.5d. Does the hon. member complain of our increasing the cost to be on the safe side?

Hon. A. McCallum: You had nothing to base it on.

Hon. N. KEENAN: Does he complain of our putting the case for bulk handling in the worst light? Does he complain because we put down a figure which we conceived would be a conservative estimate and would allow an amount of £70,000 per annum for his wheat merchant friends to use for acquiring charges and other purposes? Of course not. What he meant was—

Hon. A. McCallum: I know what I meant and so do you.

Hon. N. KEENAN: The hon. member meant to say that we had not put down enough.

Hon. A. McCallum: You have made a mistake.

Hon. N. KEENAN: I must remind the hon. member once more of my apology for interrupting him.

Mr. Kenneally: But when you refer to his wheat merchant friends, you are inviting criticism.

Hon. N. KEENAN: I should not have said that. The committee erred on the side of caution. They set down a charge which would present the case for bulk handling not in a favourable light, but in an unfavourable light in order to be quite safe. Therefore they allowed the figure of 2.5d. instead of the figure of 2.125d. The committee reported that when the wheat arrived at Fremantle it was impossible to say what saving could be made in the handling at the port. It is true that the evidence given set down a total of £80,000 as being the loss that would be incurred by the lumpers, while there would also be a serious loss to

the harbour authorities. One might reasonably say that one man's loss must be another man's gain. Mr. Fethers was candid enough to say (Q. 2749-52) that that was the case and that the farmers would be the gainers. The committee, to be absolutely on the safe side and not to paint the picture for bulk handling in any undue colours, did not allow a single penny for that. Although there would be a loss to the lumpers of £80,000 and a considerable loss to the harbour authorities on account of berths not being occupied and in other ways, the committee did not allow a fraction of a penny for it. Was not that cautious? Was not that putting the case in an absolutely safe light? That, I conceive, is a complete answer to any criticism of the figures the committee have submitted to the House. Before dealing with the question of the harbour and the effect of bulk handling on the finances of the harbour, I desire to return for a moment to the railways. I wish to make my position and the position of the committee very clear as to the finding in regard to the railways. The Railway Department put forward a claim for £175,000 a year representing 7 per cent. interest on the capital cost involved, and included every item of loss the department would suffer as the result of the installation of bulk handling. The report characterises that as an astounding figure, wholly unjustifiable. That has been challenged, not only by the member for South Fremantle, but by the member for Nelson. Let me explain the position clearly, because I want the House to understand it, and I hope the House will concur in the explanation. The Railway Department is a common carrier, just as much a common carrier as is the Midland Railway Company or any other common carrier. Of course the freight fixed by any common carrier takes into account working expenses, depreciation of plant, renewals, and interest on capital. That is how he fixes his freight. The member for South Fremantle surely does not imagine that is news to anybody. That is how a common carrier arrives at his freight and that is paid by all his customers. It is spread over all his customers. But in addition to that freight, all these charges are sought to be super-imposed. That is what I want the House, and particularly the member for South Fremantle, to grasp.

Hon. A. McCallum: You have to grasp that you are asking for an increased amount.

Hon. N. KEENAN: Will the hon. member allow me to try to convert him, instead of him trying to convert me? It is not the freight to which objection is taken. That is based on those factors I have mentioned, but it is asked that this £175,000 per annum be superimposed on the freight. That proposition is intolerable. It is not as if the trucks would be used solely by wheat-growers and solely in the wheat industry. They would be capable of use for any customer. Mr. Shaw gave evidence that in New South Wales, in the off-season, the trucks were used for ordinary goods; they were used for any customer. If every customer of the Railway Department was to pay not merely the freight, but this enormous superimposed charge, then, instead of the railways being, as they are to-day, losing concerns, they would be veritable gold mines.

The Minister for Railways: They would not exist.

Hon. N. KEENAN: Nobody could stand up to that, but if the railways could get freight on those lines they would be gold mines. That is what the select committee wanted to make clear. They said that it was an intolerable proposition that freight should be charged which would not only reimburse the common carrier depreciation of his plant, and interest on his capital, but also pay him for his services and that then there should be super-imposed on that freight the colossal sum of £175,000. Whatever may be the opinion of business men that the member for South Fremantle has met, I have met other business men and discussed the matter with them, and none of them asserted that the proposition I put forward was unsound. They said there was no possible justification for super-imposing on the freight, which takes into account all the items I have mentioned, this colossal sum. Let me deal shortly with the claim for £78,000 for haulage of empty trucks. This claim is based solely and entirely on the assumption that the trucks could not be used for carriage of any other goods. With the leave of the House, I propose to read Q. 1248 addressed to Mr. Tomlinson, and

his reply thereto, which make that matter clear—

The whole of the hypothesis depends upon the assumption that you will use the trucks especially designed for carrying wheat in bulk for that purpose only?—Yes, I mentioned that point in my evidence yesterday.

That is the position. The whole of the £78,000 loss for empty haulage depends on the assumption that these trucks will not be capable of being used for any other purpose. That, the report says, is a purely imaginary disadvantage. That that is so is clear from the fact that the trucks were used for carrying super not merely back to the stations at which the silos are erected but, as the Minister for Works reminded the House to-night, to other stations where there were no silos. Mr. Shaw, when before the committee, gave evidence that in New South Wales they put wooden frames in the trucks in the winter-time, and use them for the carriage of ordinary goods. Therefore, that is a purely imaginary disadvantage. That is what is referred to in the report when it speaks of the real and imaginary disadvantages which the Railway Department have assessed at this huge figure. Of course, the report does not question for a moment that there are real disadvantages which the Railway Department will suffer. It has even gone so far, in a passage which I have read to the House, as to admit that $\frac{1}{4}$ d. per bushel, or 9d. per ton, might not be sufficient to meet the loss. The report admits there are real disadvantages, but this is a purely imaginary one. I turn to the Midland Railway Co., in respect of which Mr. McCallum says the report states that the sum of £25,000 represents all capital outlay and all loss. I ventured to interrupt him when he said that. It was the only interruption I did make. I asked him if that were not per annum. The hon. member would not agree that it was per annum. I quote from Q. 2327. Mr. Poynton, who was giving evidence, said—

I go further than that; if I were asked to-day to take on bulk handling of wheat at an increase of 2d. per bushel in freight, I would say, No, I would not do it.

The Midland Railway Co. handles 3,000,000 bushels of wheat per annum, and 2d. per bushel would mean an increase in freight of £25,000 per annum. Seven per cent. on the whole capital outlay involved in adapting the railway trucks to bulk hand-

ling would amount to only £10,000, or 7 per cent. on £150,000. His position was this: "If I get interest at 7 per cent. on every penny I spend, if I get it twice over and half over again, I would still not take on bulk handling." Can any member defend that position? A common carrier, a man obliged to serve the public if he is paid to do so, takes up that position. In obedience to the wishes of the other members of the committee, portion of the draft report which I submitted on this point was deleted. I wish it had been left in, because it dealt with Mr. Poynton in a manner he deserved to be dealt with. Unfortunately, or perhaps fortunately, it was deleted. I propose now to refer to the harbour. I do not intend to speak on any matter that the member for South Fremantle himself did not refer to. He characterised as puerile the reference in the report to the loss of revenue or wharfage the harbour would sustain by reason of the non-importation of corn sacks. He said that nobody ever put forward such a ridiculous idea as that such a loss could be claimed by the Harbour Trust, and that it was preposterous. The hon. member should have addressed himself to the whole of the evidence, and he would have seen that not only is that claim put forward in the case of the Harbour Trust, but that a similar loss is included in the figures of the Railway Department. The Railway Department put forward a claim of £35,000 for loss of freight on bags and twine.

Hon. A. McCallum: You asked for the loss, and they gave you the figures. They did not say they claimed it. Why not be fair?

Hon. N. KEENAN: Will the hon. member allow me to remind him that every matter put forward was put forward as some consideration why bulk handling should or should not be adopted.

Hon. A. McCallum: It was not. You asked the Harbour Trust to show you how much they would lose.

Hon. N. KEENAN: Exactly the same as the railways.

Hon. A. McCallum: The figures were given to you, and now you are accusing the Harbour Trust of wanting the farmers to pay for that loss.

Mr. SPEAKER: Order!

Hon. A. McCallum: The hon. member ought to be a little fair.

Hon. N. KEENAN: I think the member for South Fremantle will allow me to claim that the view I take is this: We were inquiring into what would be the effect on certain Governmental and semi-Governmental utilities of the introduction of bulk handling. One of these was the railways, and the other was the Fremantle Harbour Trust. The railways brought forward a claim for £35,000 loss of freight on bags and twine carried by them, which they would lose if there was no more carriage of wheat in bags. The Harbour Trust gave evidence that there would be a loss of wharfage on bags and twine. Surely it amounts to the same thing, and the hon. member will acquit me of any nefarious design when I say it is the same. If the Railway Department and the Harbour Trust show it as a loss, that must be taken into consideration if the matter of bulk handling is to be determined. I remind the hon. member of it, because if it was ridiculous and preposterous in the case of the Fremantle harbour it would be equally so in the case of the railways. Apparently he does not concede that that is so. That is the only comment I desire to make on the remarks of the member for South Fremantle on the principle involved. He dealt with many other matters of considerable importance, but they did not touch upon the principle of the scheme that it is proposed to give effect to. Those matters can properly be dealt with more fully in Committee. I also admit that he gave expression to matters which are purely matters of opinion, as he was perfectly entitled to do. All I have attempted to question are the facts which unfortunately he did misconstrue. At present I do not propose, especially as the House has been addressed at some length by other members, further to trespass upon the indulgence of the House. Before resuming my seat, however, in spite of the interjections, which might be mistaken as not being courtesies between both of us, I desire to congratulate the member for South Fremantle on his very excellent fighting speech. My only regret is that it did not rest on any solid basis of fact.

The Minister for Railways: He was fighting with aeroplanes.

Hon. N. KEENAN: He has been good enough in his remarks to say that the re-

port was the work of what he described as a highly skilled lawyer. It was not so. It was merely a condensation of the views of the members of the committee. They were not the views of any one member, or the views of myself, or in many regards the views of any particular member of the committee. As nearly as I can judge, within the limits of my capacity, from conversations I had with members of the committee who were good enough to give me their confidence, the report represents a fair compromise of all their views. That is what it was sought to accomplish. It does not, in many respects, represent my personal views. I waived my personal views to the extent that it was possible to do so in order that we might arrive at some common end. I would again express regret that the member for South Fremantle did not think me worthy to receive his confidence, or I should have attempted to incorporate some of his views in the report. The desire of all members of the committee was to pool their wisdom, to judge the evidence before them in that light, and to arrive at a conclusion which would be warranted by the evidence. I am a man who has spent his life in a vocation in which one is able to learn to judge men, their actions and their intents. I can say of all members of that committee, not excepting the member for South Fremantle, for a moment, that they addressed themselves in the committee room to the matter before them with a desire to help one another, to discharge their duty in the most efficient manner possible, and to bring down a report which would put before this House a course of procedure that would be for the benefit not merely of the industry of wheat growing, but for the benefit of the State.

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

Ayes	..	..	..	..	16
Noes	..	..	..	..	20
					—
Majority against	..	..	..	..	4
					—

AYES.

Mr. Brown	Mr. McLarty
Mr. Church	Sir James Mitchell
Mr. Ferguson	Mr. Patrick
Mr. Griffiths	Mr. Piessé
Mr. Johnson	Mr. Sampson
Mr. Keenan	Mr. Scaddan
Mr. Latham	Mr. Thorpe
Mr. Lindsay	Mr. North

(Teller.)

NOES.

Mr. Barnard	Mr. Millington
Mr. Collier	Mr. Munzie
Mr. Corboy	Mr. Panton
Mr. Cunningham	Mr. Parker
Mr. Hegney	Mr. Sleeman
Miss Holman	Mr. J. H. Smith
Mr. Kenneally	Mr. Wansbrough
Mr. H. W. Mann	Mr. Willcock
Mr. Marshall	Mr. Withers
Mr. McCallum	Mr. Wilson

(Teller.)

PAIRS.

AYES.	NOES.
Mr. Wells	Mr. Richardson
Mr. J. I. Mann	Mr. J. M. Smith
Mr. Angelo	Mr. Coverley
Mr. Davy	Mr. F. C. L. Smith
Mr. Doney	Mr. Raphael
Mr. Nulsen	Mr. Troy

Question thus negatived.

The MINISTER FOR WORKS: I move—

That the Bill, as originally introduced, be recommitted to a Committee of the Whole House, and its consideration in Committee made an order of the day for the next sitting of the House.

Question put and a division called for.

Remarks during Division.

Mr. Wilson: The member for Canning and the member for Beverley are paired; and the member for Kanowna has paired with the member for Mt. Magnet.

Mr. Wells: No, not on this question.

Hon. W. D. Johnson: Of course not. Don't let them bluff you. The pairs were on the first division.

Mr. Corboy: This is a shuffle.

Mr. Sleeman: Rotten tactics.

Hon. W. D. Johnson: It is quite all right.

Mr. Sleeman: It is the biggest shuffle ever.

Hon. W. D. Johnson: It is in keeping with your attitude; you ought to be an authority on tactics!

Mr. Sleeman: It is just shuffling; you know more about such tactics.

Mr. Speaker: Order! Will members address the Chair, and keep order.

Mr. Sleeman: If you say that—

Mr. Speaker: Will the member for Fremantle obey the Chair?

Mr. Sleeman: Yes, Sir.

Division resulted as follows:—

Ayes	..	..	..	..	20
Noes	..	..	..	..	18
					—
Majority for	..	..	..	..	2
					—

AYES.	
Mr. Barnard	Mr. McLarty
Mr. Brown	Sir James Mitchell
Mr. Church	Mr. Parker
Mr. Ferguson	Mr. Patrick
Mr. Griffiths	Mr. Piesse
Mr. Johnson	Mr. Sampson
Mr. Keenan	Mr. Scaddan
Mr. Latham	Mr. Thorn
Mr. Lindsay	Mr. Wells
Mr. J. I. Mann	Mr. North
	(Teller.)
NOES.	
Mr. Collier	Mr. Millington
Mr. Corboy	Mr. Munale
Mr. Cunningham	Mr. Pantou
Mr. Hegney	Mr. Sleeman
Miss Holman	Mr. J. H. Smith
Mr. Kenneally	Mr. Wann-brough
Mr. H. W. Menn	Mr. Willcock
Mr. Marshall	Mr. Withers
Mr. McCallum	Mr. Wilson
	(Teller.)
PAIRS.	
AYES.	NOES.
Mr. Angelo	Mr. Coverley
Mr. Davy	Mr. F. C. L. Smith
Mr. Doney	Mr. Raphael

Question thus passed.

BILL—SECESSION REFERENDUM.

Second Reading.

Debate resumed from the 22nd November.

HON. P. COLLIER (Boulder) [10.43]: The Bill is different from that introduced last year.

The Premier: It is largely the same.

Hon. P. COLLIER: It is very different. Last year's Bill embodied one question only, that relating to secession. The Bill now before us provides for an alternative question relating to the calling of a convention to deal with the amendment of the Federal Constitution. Thus, the objection that I raised against the second reading of last year's Bill has been largely met this time. The second objection I raised last year was on the score of the cost of the referendum. I understand the intention of the Government is to have the vote taken at the general election, so that the question of cost does not enter into the matter materially because it will be very little in addition to that involved in the holding of the general election itself. I agree with this proposal, particularly to allow the people of Western Australia to take a vote on the question whether a convention should be called in order to deal with the amendments to the Federal Constitution. It was never contemplated that a Constitution adopted 30 years ago represented the last word with regard to the Federation of the Australian States. Although fault has been found with the

of the working of the Constitution, justifiably so in many directions, we have to remember that we have been a federated people for 30 years only, and that period in the life of a nation is, so to speak, a mere moment. It may seem a long period to those who have lived throughout that time but, viewing it in its relationship to the life of a nation, it is but a moment. In those circumstances, I do not think we are justified in saying that Federation has proved a failure because it has not achieved everything contemplated by the framers 30 years ago. It was never contemplated or imagined by those attending the original conventions that framed the Federal Constitution that the result of their work was the last word regarding the Constitution or the Federation. Indeed, it was understood and expressly stated by the leaders of the convention that the form of the Constitution would require amendment as the years went on. It was not thought for one moment that it would be a permanent, unalterable Constitution, but that, as difficulties arose, amendments and alterations would be made. Therefore, I think the proper move is to hold a convention to review the working of the Constitution during the 30 years it has been in existence. I have no objection to the Bill. The people may well be allowed to express their opinion on these two important questions. I would have opposed the Bill had it contained the single proposal to ask people to declare "yes" or "no" on the question of secession alone. But inasmuch as it does contain a satisfactory alternative which I think is the right one and which was contemplated by the framers of the Constitution, namely, that amendments would be necessary as our experience of its working went on, I think that is the way out. So I do not propose to offer any objection to the Bill since it is giving the people the right to vote on two specific questions, namely, secession or calling a convention to review and amend the Federal Constitution. On those two points I think the people of the State are entitled to be consulted, and inasmuch as it will not involve the State in any additional expenditure, I offer no objection to the Bill.

Question put and passed.

Bill read a second time.

House adjourned at 10.55 p.m.