

mortem examination. It is only in cases in other parts of the State where it is intended that we shall pay half the fees to doctors who are partly paid by the State to attend gaols and hospitals. It is proposed to do that in cases where the post mortem is ordered by the coroner. It will prove to be a great convenience and saving to the State

Clause put and passed.

Clause 5—agreed to.

Title—agreed to.

Bill reported without amendment and the report adopted.

House adjourned at 9.48 p.m.

Legislative Council,

Tuesday, 18th October, 1921.

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

QUESTION—AUDITOR GENERAL'S REPORT.

Hon. J. J. HOLMES asked the Minister for Education: 1, Will he lay upon the Table of the House the Auditor General's supplementary report or reports for the year ended 30th June, 1920? 2, Will he lay upon the Table of the House the Auditor General's report or reports for the year ended 30th June, 1921?

The MINISTER FOR EDUCATION replied: 1, No supplementary report has been prepared separately, but it is understood that one will be included in the report for 1920-21. 2, It is anticipated that this report will be ready by the end of November, and will then be tabled.

Mr. PRESIDENT: The Auditor General's report is laid on the Table, not by the Minister, but by the President.

Hon. J. Duffell: I understand that report is to hand to-day.

QUESTION—STATE TRADING CONCERNS, RETURN.

Hon. J. J. HOLMES asked the Minister for Education: Will he lay upon the Table of the House a return dealing with State Trading Concerns similar to Return No. 17 supplied by the Treasurer dealing with public utilities?

The MINISTER FOR EDUCATION replied: A return will be prepared corresponding as nearly as possible with Return No. 17.

QUESTION—WHEAT POOL, FINAL PAYMENTS.

Hon. V. HAMERSLEY (for Hon. C. F. Baxter) asked the Minister for Education: 1, The final payments on 1915-1916 wheat certificate being so small, is there any special reason why the Wheat Scheme should go to the expense of making final payments on that pool? 2, Seeing that this State has accounts in order to make final payments on all pools except 1920-1921, what action is being taken to expedite such payments?

The MINISTER FOR EDUCATION replied: 1, There is no special reason, other than the responsibility that rests on the Government to pay to certificate holders whatever residue may be left in the 1915-16 pool after provision has been made for the expense necessary in making the final payment. 2, Expedition is being constantly urged upon the Australian Wheat Board, and the various State schemes have faithfully promised to supply at the earliest moment possible any returns of State operations that may be necessary to assist in the finalisation of the respective pools.

QUESTION—STATE TRADING CONCERNS.

Hon. A. LOVEKIN asked the Minister for Education: Is it the intention of the Government to introduce a Bill this session for the purpose of amending the State Trading Concerns Act in order to permit the Government to sell any one or more State trading concern without first obtaining the approval of Parliament?

The MINISTER FOR EDUCATION replied: Yes.

ASSENT TO BILL.

Message from the Governor received and read notifying assent to the Supply Bill (No. 2) £542,000.

BILL—BUILDING SOCIETIES ACT AMENDMENT.

Read a third time and returned to the Assembly with amendments.

BILL—LAND TAX AND INCOME TAX.

In Committee.

Resumed from the 13th October; Hon. J. Ewing in the Chair, the Minister for Education in charge of the Bill.

Clause 5—Credit for payments under Dividend Duties Act, 1902:

The CHAIRMAN: Mr. Holmes has moved that the following be added to stand as Sub-section 3: "Provided that in any assessment made under this section, a deduction shall be allowed for interest or other expenditure incurred by the person in the production of the income derived from dividends."

The MINISTER FOR EDUCATION: I have gone fully into this matter with the Solicitor General and with the Commissioner of Taxation. They both assure me there is no necessity for the amendment. All that the member desires is done under the existing Act. This question has arisen in this way: In the Act of 1918 Subsection 2 of Section 5 contained the words "After all deductions allowed by law." In the Act of 1919 the subsection was identical with that of 1918, except that those words "after all deductions allowed by law" were omitted as having no meaning; because it was held by the Crown Law Department that the income must be reducible by all deductions allowed by law. However, the Taxation Department took a different view, holding that the striking out of those words deprived the taxpayer of the right of making this deduction allowed by law. The question was fully discussed, and action at law was contemplated, but it was ruled by the Crown Law Department that the omission of the words made no difference and that the taxpayer was still entitled to his deduction. In the end the Taxation Department adopted that view, and the practice continued. Since then, however, in order that there might be no question whatever about it, those words have been reinstated in the Bill. The deduction is still being made, in the same way as any other deduction.

Hon. A. LOVEKIN: The Minister is quite right in what he says, but the fact remains that the last interpretation given by the Minister is not that which was recently given by the department.

The Minister for Education: That was some time ago.

Hon. A. LOVEKIN: We should endeavour to make it perfectly clear, but I suggest that the amendment is not proposed in its right place. It should be in the Assessment Bill, where we can make it quite clear that the person who buys shares, obtaining the money by an advance from the bank, is entitled to deduct the interest he pays to the bank. We ought to make that perfectly clear in the Assessment Bill.

Hon. J. J. HOLMES: In spite of what the Minister says, and the suggestion made by Mr. Lovekin, the advice I am acting upon is, in my opinion, equally reliable with that of the Crown Law Department; and I am

advised that the place in which to make the necessary amendment is right here. The Minister says the ruling of the Crown Law Department is that the deduction shall be made. But without this amendment the allowing of the deduction will be optional with the Taxation Department. Since my amendment will compel the Taxation Department to make the necessary deductions, there can be no harm in adopting it. The way to set the matter at rest is as stated in the amendment. The taxpayer will then get what he is entitled to; nothing more and nothing less.

The MINISTER FOR EDUCATION: The only time when the Taxation Department raised any question in respect of this matter was when the words "all deductions allowed by law" were omitted. Now that these words are included, there can be no question about it.

Hon. J. J. Holmes: It does not follow that the Taxation Department makes all the deductions allowed by law.

The MINISTER FOR EDUCATION: It does do so.

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

Ayes	..	..	..	13
Noes	..	..	..	9

Majority for .. 4

AYES.

Hon. J. Cornell	Hon. J. Mills
Hon. J. Duffell	Hon. E. Rose
Hon. J. A. Greig	Hon. A. Sanderson
Hon. Y. Hamersley	Hon. H. Stewart
Hon. J. W. Kirwan	Hon. Sir E. H. Wittenoom
Hon. A. Lovekin	Hon. J. J. Holmes
Hon. G. W. Miles	(Teller.)

NOES.

Hon. R. G. Ardagh	Hon. J. W. Hickey
Hon. F. A. Baglin	Hon. R. J. Lynn
Hon. H. P. Colebatch	Hon. C. McKenzie
Hon. J. E. Dodd	Hon. A. J. H. Saw
Hon. E. H. Harris	(Teller.)

Amendment thus passed; the clause, as amended, agreed to.

Clause 6—agreed to.

Preamble—agreed to.

Bill reported with an amendment.

Recommittal.

On motion by Hon. Sir Edward Wittenoom, Bill recommitted for the purpose of further considering Clause 3.

Clause 3—Rate of income tax:

Hon. Sir EDWARD WITTENOOM: I move an amendment—

That all the words after "increase" in line 4 be struck out and "of £25 sterling of the income chargeable by .006d." be inserted in lieu.

The amendment is of the same nature as that which I brought forward last session. My object is to arrive at a comprehensive form by which to calculate the amount that would be payable under this provision. I propose to divide the hundreds into four amounts namely, £25, £50, £75 and £100, so that anyone can calculate the amount of his income tax. Last year the Minister for Education informed me that had I a little higher education—

The Minister for Education: Nothing of the sort.

Hon. Sir EDWARD WITTENOOM: I could have done decimals. To-day I was informed that this was merely a simple calculation. It is difficult, however, for anyone but an expert to estimate what the amount of his income tax is on the present basis. I propose to make it so simple that anyone can find this out for himself.

Hon. J. Duffell: Is there any precedent for this in the other States?

Hon. Sir EDWARD WITTENOOM: I think not.

The MINISTER FOR EDUCATION: The amendment would not give the same meaning to the clause. The calculations that have to be made are arrived at by the experts of the department, and having arrived at these, they send out their bill, which any taxpayer can check.

Hon. Sir EDWARD WITTENOOM: It is exceedingly difficult to check these calculations. I have brought the matter up because I have discussed it with two experts. They have told me it will take a long time to submit something which will take the place of the present method of calculation. I am told that the Federal Government brought in a matter of this kind and had a tabulated volume of amounts made out, so that anyone could find out what he owed. This table has not been circulated. I ask the Leader of the House to look into the matter between now and next year, and endeavour to have this form of calculation simplified. In the meantime I ask leave to withdraw the amendment.

Hon. A. LOVEKIN: Under the graduated tax there must be a formula upon which to make a calculation. The formula is not a difficult one to follow.

Amendment by leave withdrawn.

Clause put and passed.

Bill again reported without further amendment, and a Message accordingly forwarded to the Assembly requesting them to make the amendment, leave being given to sit again on receipt of a Message from the Assembly.

BILL—NORTHAM MUNICIPAL ICE WORKS.

Second Reading.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [5.2]: This is a short Bill to enable the Northam Municipal

Council to borrow money to construct and carry on ice works. In the past the source from which Northam has drawn its ice supply has been from the city. Last summer the Perth Ice Works could not cope with the demand and such ice as was procured in Northam was obtained from the goldfields. At a certain period of the summer, and particularly during the railway strike, the Northam people could not get ice at all. In order to assure cheap and constant supplies of ice, the Northam Municipal Council decided to construct ice works. It is proposed to borrow £4,000; the intention has been advertised and has met with the approval of the ratepayers. The Municipalities Act sets out the different works and undertakings for which municipal councils can borrow money. For most things all that is needed is the consent of the ratepayers. For some things such as the construction of tramways, electric lighting supplies and water supplies, the consent of the Governor-in-Council is required in addition to the consent of the ratepayers. At the time the Municipalities Act was passed, it was probably not contemplated that a municipality would desire to run ice works, and no mention of such an undertaking appears in the Municipalities Act. In order to enable the council to go on with these works it is necessary to have a special Act passed through Parliament. The Bill provides for the limit of £5,000. The works are estimated to cost £4,000. The building is practically completed and the plant is either on the spot—most of it is on the spot—or in transit. The works are being erected by the council's electrical engineer and will be operated in conjunction with the council's electric lighting supply which has been running for the past 15 or 16 years and has been very successful. From the point of view of the ratepayers, they have received a cheaper supply of electric light than before, and cheaper than is obtained in most other portions of the State. The private consumers are charged 6d. It has been financially successful and has been a considerable aid to the municipal finances for years past. These ice works will be operated in conjunction with the electric lighting plant and by that means they will be operated more cheaply. The Bill provides that the council may trade in ice chests for the encouragement of local consumption. These ice chests are in a cheap form and are constructed locally. Provision is made for the cool storage of butter, cheese, and eggs for shops and farmers, and the Bill also provides for the cool storage of fruit. The wholesale country trade is also provided for, and already inquiries have been received from Dowerin, Merredin, Beverley, and other places. In the past efforts have been made to run ice works but they have failed because the overhead charges have proved to be too great. These works will be run in conjunction with the municipal electric lighting supply and have been

erected on the same block adjoining the power house, enabling both to be run jointly. The cost of the power from the municipal electricity plant, the cheaper cost of supervision, and the lower overhead charges generally will enable the work to be carried on more cheaply than was found possible in the past when private attempts to carry on ice works were made on two occasions and failed. Those difficulties will thus be overcome. The Bill makes provision that the amount of money I have mentioned shall not be counted as against the council in connection with the limitation upon its borrowing powers. The remaining provisions are merely necessary to enable the works to be carried out. I move—

That the Bill be now read a second time.

Hon. A. SANDERSON (Metropolitan-Suburban) [5.6]: Not satisfied with State trading, we are now going into municipal trading, and it is just as well that we should know it.

Hon. J. Cornell: We are not finding the money though.

Hon. A. SANDERSON: I should have thought that the proper way to handle this matter would have been by way of an amendment to the Municipalities Act and thus give every municipality the opportunity to do in accordance with the law what this Bill will enable Northam to do. Surely that is the reasonable and proper way to tackle this subject. The Bill provides for a special Act of Parliament to permit Northam to borrow £5,000 for the construction of ice works. What does the passing of the Bill commit us to? We cannot escape our responsibilities in the matter. We shall find ourselves committed, if we pass the Bill, to the question of municipal trading in ice and certainly I should think with the temperature at Northam what it is in summer, it would be justified.

Hon. Sir Edward Wittenoom: It will pay well.

Hon. A. SANDERSON: I have no hostility to Northam or municipal trading so long as we clearly recognise what we are doing. I would ask the Minister, when replying, to say whether he cannot see his way without making the business more difficult to give other municipalities the right to do what Northam is seeking to do. By passing the Bill, we will commit ourselves to the approval of municipal trading. What else are we committed to? To a certain extent, we are committed in passing the measure to the sanctioning of the figures put before us. It seems to me a very small sum.

The Minister for Education: To what sum do you refer?

Hon. A. SANDERSON: The provision for £5,000. We shall probably find—I do not wish to be hostile in any way—that the sequel will be what it has been in so many places in Western Australia from time to time. When such propositions as the one before us were started, we were told a

certain amount of money would be necessary, only to find, six years or so later, that we were asked to give an approval for further funds as the money provided originally was entirely inadequate. The business people at Northam are old established and I should think that, if there was a reasonable chance for such an undertaking succeeding, they have the means and would have started a private company.

The Minister for Education: I have already said that they started twice and failed.

Hon. A. SANDERSON: For what reason? I paid close attention to the Minister's remarks, but I would like to know why the two private companies which started failed to successfully carry on ice works. Without the necessity for a parliamentary expedition, we know what Northam is like in summer. Most hon. members would say that the summer there should provide a very favourable prospect of making a success of an ice works at Northam. Yet the Leader of the House says that twice they have tried and failed.

Hon. E. H. Harris: Never mind; they may succeed the third time.

Hon. A. SANDERSON: This is not the third time. This is the first time of municipal trading and we cannot escape from our responsibilities in agreeing to this step. The hon. member cannot escape from it any more than I can.

Hon. J. Duffell: Why are you rousing at me?

Hon. A. SANDERSON: I was not referring to the hon. member but to Mr. Harris, who sits next to him. Regarding the capital value or cash, if we pass the Bill we are endorsing the information put before us, although we are told that such operations have failed before. Why did they fail? Was it because there was not sufficient capital provided? At what price do the municipal council intend to raise the money? How can they expect to make a success of such a municipal enterprise in the face of the two previous failures? The question of municipal trading is a very old one, but it has been faced and settled in different ways before this. Different methods obtained in England and New Zealand. Where a proposal of a municipal council involves the spending of money or trading or anything else, the proposal has to be referred to a central authority. The whole of the facts of the case are reviewed in England by the Board of Works, I think it is, and in New Zealand it will doubtless be by the Colonial Treasurer's Department or some other department of State. They send some qualified official to the district to find out all about the position of affairs and he makes a report to the Minister, who either approves or disapproves of the passing of the Act of Parliament to deal with, not one, but all municipalities. I hope the Leader of the House and the people of Northam will not see in my remarks anything of hostility whatever towards Northam itself. I have the most pleasant recollections of Northam both in summer and in winter,

but I think we should realise, especially in times like these, what we are doing in passing a Bill of this nature. At the risk of wearying members I would repeat the two chief points. First, there is State trading—

Hon. G. W. Miles: They are going to abolish that.

Hon. A. SANDERSON: I should have said municipal trading. We are committing ourselves to an extension of that principle. By accepting the figures placed before us by the Minister and agreeing to the Bill, we will give some kind of an endorsement to his figures as being sound. I frankly admit that in this particular instance the ratepayers are primarily responsible. We have heard from time to time of municipal councils and road boards getting into financial difficulties and I do not think we should altogether disregard our responsibilities in approving of a scheme which, it seems to me at any rate, does not make sufficient provision for capital expenses. A sum of £5,000 to-day will go a very short way towards providing ice works for Northam.

Hon. J. DUFFELL (Metropolitan-Suburban) [5.15]: Notwithstanding the remarks of the previous speaker, I fail to see any difficulty with regard to this Bill. While he was speaking, my mind reverted to the time when the municipality of Subiaco had to obtain special legislation to commence its electric lighting scheme. The result of that is well known to every member; it proved a great success. It is supplying the current for lighting purposes more cheaply than any other body in the State, not excluding the Perth City Council. The city council are engaged in certain trading concerns and the same applies to the municipality of Fremantle and those concerns are conducted very creditably. There is nothing to prevent any municipality asking for legislation to enable it to launch an undertaking which the council are satisfied they could make successful. The Northam municipality had to approach Parliament because the amount to be borrowed is not to be taken into account under Section 436 of the Municipal Corporations Act dealing with borrowing powers. This is a necessary clause. I have no objection to Northam or any other municipality, if they are satisfied they can embark upon a payable undertaking, receiving the consent of Parliament to enable them to float the necessary loan and launch the business without affecting their ordinary borrowing powers. I support the Bill.

Hon. J. NICHOLSON (Metropolitan) [5.17]: I take exception to the Bill because of its singularity; it singles out the municipality of Northam. I agree with Mr. Sanderson that provision such as this should have been introduced as an amendment to the Municipal Corporations Act, and not as a measure to deal with solely one municipality. It is unfair that one municipality should have given to it legislative power to

borrow money for this particular purpose which other municipalities are not equally free to do.

Hon. Sir Edward Wittenoom: They can ask for it, can they not?

Hon. J. NICHOLSON: They may do so, but why should we be called upon to consider the question of different municipalities desiring to exercise similar powers when one simple amendment to the Municipal Corporations Act would fix it. I see no objection to the principle of municipal trading. Take such towns as York and Bridgetown, which have not facilities for making ice and for storage. They would no doubt welcome the opportunity to establish similar works and provide the necessary comforts and amenities for the people of their districts if they were not compelled to ask Parliament for a special measure such as this. It is a waste of time and money to consider measures of this description for individual municipalities. Surely we should not be asked to pass similar measures for every municipality when, by one amendment to the Municipal Corporations Act, the necessary power could be given to those municipalities which desire to exercise it. I hope the Leader of the House will take time to consider this Bill. I am not opposed to the principle of it. It is wise to give municipalities a right such as this, particularly considering the climate of the State so that it can be exercised with advantage to residents at York, Bridgetown, and other places which might be enumerated. The Leader of the House should consider the advisableness of introducing an amendment to the Municipal Corporations Act making this power general instead of singular.

On motion by Hon. J. W. Kirwan, debate adjourned.

BILL—WHEAT MARKETING.

Second Reading.

Debate resumed from the 13th October.

Hon. V. HAMERSLEY (East) [5.21]: I regret that there have been expressions on the part of some who have spoken against the principle embodied in this measure. We are living in most difficult times and we must recognise the great benefit that the pooling system has been to the community of Australia during the years of war and since. We have not yet got back to normal conditions, and it is very difficult for the wheat growers scattered throughout the length and breadth of this continent to know exactly where they stand as regards the financing of their affairs. The farmers have requested that there should be a continuation of the pooling system until the financial conditions of the world become more buoyant. It is very easy to say that we should smash up the pooling system and revert to the old practice of selling our wheat to the highest bidder, but there are many growers who would not be bound to sell immediately,

whose position is sufficiently sound to enable them to hold their wheat for many months and who would not be seriously affected by any low prices which might be offered, but this would be detrimental to the larger number of wheat growers and particularly to the new settlers who have taken up land without capital and are doing a very fine work in producing that which the outer world requires and which is of such immense benefit to the State. If such men had to sacrifice their produce on an early market, the advantage accruing to the State by their production would be very small indeed. It is only by a system of pooling that we can assure the wheat growers of some relief from markets which might be very much against them if the system which has been in vogue during the last few years were discontinued. Those who oppose the measure are doubtless imbued with the idea that we should get away from the State trading. I hold the opinion that the less State trading we have the better, but the pooling of wheat should not be considered on the same footing as State trading concerns. The State itself is not growing the wheat; it is only acting as a buttress for the farmers who produce the wheat. The State is the guarantor, though strictly speaking, the wheat carries its own guarantee. Wheat, when produced, has a market value in every quarter of the globe, and the more we can encourage the growing of wheat, the greater is the guarantee that the Government will receive the necessary means for financing the country. It is the pooling system which has encouraged growers to produce the present enormous quantities of wheat which, I feel sure, would not otherwise have been grown. During the early years of the war, the price of wheat in Australia went down considerably, owing to the difficulties of getting shipping space. In no part of the world was wheat cheaper than it was in Australia. The mere fact of there being no sufficient guarantee to the farmers was the cause of the great reduction in the quantity of wheat produced.

Hon. F. A. Baglin: They produced more than they are producing now.

Hon. V. HAMERSLEY: In 1914-15 and 1915-16 tremendous areas of wheat were sown, but owing to the poor chance of marketing it at satisfactory prices—

Hon. H. Stewart: And to the enlistments.

Hon. V. HAMERSLEY: The immediate effect was a reduction in the area under crop. When the pooling system was first inaugurated, the guarantee of 3s. or 3s. 6d. a bushel was not sufficient, due to the increased cost of growing the wheat, to induce settlers to continue sowing such large areas. There was an immediate reduction in the area sown and it was not until the Government stood behind the growers that they were induced to put larger areas under wheat. This year I believe we shall almost get back to the record yield which we had a few years ago. The fact that farmers have increased the area

cropped is due to the better prices offering in the world's markets and to the control exercised by the Government, because farmers realise that they will not be forced to sacrifice their wheat during the earlier months of the year. Of late years there have been many inducements for people to come from the country into the towns, with a resultant depressing effect on wheat growing. Money has been floating around in the cities, and there has been difficulty in obtaining the labour required on farms. The Commonwealth Government have been spending money on buildings in the large centres of population, and thus many men have found a ready means of securing lighter and more congenial work than that in the country. This factor has operated detrimentally to the cropping of larger areas. I anticipate that money will not be spent quite so freely henceforth by either the Commonwealth or the State Government, and thus each year there should be a flow of population inland, with the result of a larger area being cropped year by year. It is, of course, possible that we may be able to arrange a voluntary pool, or get back to some system which would obviate the necessity for the State to stand behind the scheme; but I am convinced that that stage has not yet been reached. The compulsory pool assures to all the small growers the one control of their wheat, namely, through the railways, which prevents any individual obtaining an undue advantage by smashing the market against the growers as a whole. The sale recently reported from Victoria, at 54s. 6d. per quarter, seems to me to have been arranged by those who are anxious to see the price of wheat fall very much below the real value of the commodity. That sale would surely not have taken place had there been a Commonwealth pool. The price of 4s. per bushel which will be returned to the Victorian farmer is, I am convinced, well below the true value of the wheat. It would be very unfortunate for Western Australia if our wheat growers had to accept such a price between now and the new year. I claim that it is to the interest of everyone throughout the State that the farmer should receive a big price for his wheat. It should be realised that every additional penny the farmer is paid for his wheat means the distribution of an additional £50,000 in this State, benefiting not merely the farmer but every member of our community. The probability is that if the ordinary trader were allowed to come in, he would so arrange the market that the farmers would not get that which they are entitled to receive. Many people have complained of the contract entered into last season by which the farmers received 9s. for all the wheat consumed in Australia throughout the year. My own view is that the farmers would not have seriously objected if the matter of that sale had been reconsidered. Undoubtedly, however, at the time the arrangement was made all the State Governments and the Commonwealth Government were perfectly satisfied that wheat would rule during the year at above 9s. In the minds

of the people who arranged the price for local consumption, there was no doubt that 9s. represented less than the people would have had to pay had the price been fixed on the London parity. It was, in fact, anticipated that wheat would rule at from 10s. to 11s. on the average throughout the year. As it turned out, the price of wheat went back, and the bargain for local consumption was, perhaps, to the advantage of the farmer. The Bill before us proposes that the price of wheat for local consumption shall not rise above 7s. I dare say the price of wheat throughout the year will not average as high as 7s., but I am wondering what the position of our community would be if the price of wheat did rise above 7s., if, say, the State pool had an offer of 8s. for the whole of the wheat grown in Western Australia.

Hon. G. W. Miles: Sufficient wheat would be reserved here to meet the needs of local consumption.

Hon. V. HAMERSLEY: There is nothing in this measure providing for such reservation. What, I ask, would happen, if the Western Australian Government discovered that the whole of the wheat production of Western Australia had been sold, and that sufficient had not been retained for local consumption?

Hon. J. Duffell: The State Government would prohibit the pool from sending the wheat out of the State.

Hon. V. HAMERSLEY: The arrangement I have described is that which was entered into last year with the Commonwealth pool.

Hon. J. Duffell: It was robbery.

Hon. V. HAMERSLEY: No. At the time, it was considered a fair arrangement. The farmers believed themselves to be selling their wheat to the Commonwealth at a lower price than they might fairly anticipate would be realised. That position may occur under this measure. What is going to happen within the State if wheat rises to 8s. or 9s. per bushel, and the board are empowered to sell the whole of Western Australia's wheat production for export? The measure makes no provision for the retention by the Government of the State's wheat requirements. I feel somewhat concerned also as to the proposed number of members of the board. My own opinion is that three men would be quite sufficient to control the pool. I fail to see the necessity for increasing the overhead charges. There are those who wonder whether we would not be better off if the handling and control of the scheme were entirely taken away from the Government.

Hon. J. Duffell: It is not a Government scheme now.

Hon. V. HAMERSLEY: It is claimed by some people that if the services of the present acquiring agents were dispensed with, and the whole work of the pool, including acquiring and handling, were done by the board, a saving of from £10,000 to £15,000

would result. But the pool would have to appoint agents throughout the wheat growing areas.

Hon. C. F. Baxter: What need would there be for appointing agents?

Hon. V. HAMERSLEY: The Government would have to appoint agents if they were doing all the handling themselves.

Hon. C. F. Baxter: Local agents are appointed already.

Hon. V. HAMERSLEY: A good many people contend that the present acquiring agents should not be reappointed, that this feature of the Bill should be deleted. I have heard that view expressed very widely. Certain members of this Chamber are, I understand, averse from the handling of the harvest by the Westralian Farmers Ltd. Personally I am in favour of their handling it this season, because they have handled it satisfactorily in past seasons. It may be said that to a large extent they are handling their own wheat. I am satisfied that anyone who attempted to come in at this stage and handle the wheat would not be able to do it as satisfactorily as the acquiring agents who have had control of the business for several years past.

Hon. J. Duffell: That is questionable.

Hon. V. HAMERSLEY: The Westralian Farmers have their agents throughout the wheat areas, and know what men they can trust to handle the wheat at all the various little sidings. If the board attempted to manage that part of the business on behalf of the Government, they would signally fail, and there would not be any saving whatever, but, on the contrary, a heavy loss. As regards the agreement with the Westralian Farmers for the handling of the wheat, there are one or two discrepancies in the form of agreement proposed by the Bill. I do not know that it is necessary to refer to those discrepancies on the second reading; probably we shall be able to deal with them in Committee. I presume that the agreement will be signed as soon as the Bill goes through. It must be said of the Westralian Farmers that they are now prepared to undertake the handling of the wheat harvest, and that in the past they have handled our harvests, at better rates for the farmer than those charged in any Eastern State. Unquestionably, there has been in this State a saving in the cost of handling as compared with the cost of handling similar quantities of wheat in the Eastern States. That is a fact on which our farmers are to be congratulated. In view of the scattered condition of our farming industry, and the smaller quantities of wheat to be handled here, it is surprising as well as gratifying that the work of handling should have been done here at a smaller cost than that charged by handling agents to Eastern States farmers. I daresay those clauses in the agreement with regard to the free sales of inferior wheat will be very useful. There are

certain dangers in connection with them, but owing to the fact that there is no pool in South Australia, there will be a tendency to ship South Australian wheat to this State in much the same way as bran and pollard have been sent across recently. We have the anomaly of the Prices Regulation Commission fixing the rate for the sale of bran at £9 a ton, when bran is being imported from South Australia and sold here at about £7. I notice in the Bill there is a clause which I think certainly should find a place in the Prices Regulation Act.

The Minister for Education: It is there because the Prices Regulation Act will lapse at the end of the year.

Hon. V. HAMERSLEY: Then I should let this lapse as well. Why should there be in the Wheat Marketing Bill a clause to enable the fixing of the price of bread and the products of wheat? I am glad to learn, however, that the Prices Regulation Act will lapse at the end of the year, and we shall be doing good service if we excise the clause to which I have referred, and allow the traders to get back to normal conditions.

Hon. C. F. Baxter: If you knock out that clause you destroy the whole arrangement of price fixing from month to month.

Hon. V. HAMERSLEY: That would be done by the board in control of this.

Hon. C. F. Baxter: This power must be given.

Hon. V. HAMERSLEY: When the price was fixed in the original measure by the Australian Wheat Board from month to month, difficulties arose with the millers and the community. I have always understood that it is difficult for contracts to be entered into for any time ahead. I really do not know that there is any distinct advantage in the price being fixed from month to month. If the board are satisfied that they can make their contracts, I do not see why they should not sell direct to the miller his requirements when he makes his own arrangements with the bakers or those who may require flour. Why should he not make these purchases? In the past millers have had an undoubted advantage over the pool. They had the use of the farmers' wheat and they never had to pay for it until a month after it had been turned over. I certainly think that when the board take over control of the wheat, the State will be able to make its sales. I trust that the Bill will become law. I do not think at the present time it will be safe in the interests of the growers of wheat that they should be thrown back on the tender mercies of those who would be able to take advantage of the position. It was stressed by Mr. Sanderson that there might have been an announcement made by the Government as to whether it was their intention to continue this system of marketing wheat in future years. We should never leave making this announcement to a late stage. Whatever is decided on, the farmers and the trading community should know early.

Hon. Sir Edward Wittenoom: This Bill is only for one year.

Hon. V. HAMERSLEY: But we do not want to run into another wheat harvest before being told definitely what the intentions are, because it takes a considerable time to make all the necessary arrangements.

Hon. J. Duffell: Mr. Keys says he could make the arrangements now.

Hon. V. HAMERSLEY: It is necessary to look many months ahead so as to make shipping arrangements, and to appoint agents in various centres. It is not possible on the eve of the harvest to decide that there shall be open trading. We find agents travelling round the country and buying up wheat at break-neck prices. Farmers must sell before Christmas in order to finance their positions. We should know the attitude of the Government with regard to the position in the future. If it is the intention of the State to drop out, an announcement should be made before next May.

Hon. G. W. Miles: Why not make it now?

Hon. J. J. HOLMES (North) [5.53]: I find myself compelled to oppose the pool to the utmost extent in my power. No matter what may be said, we have before us a Bill which is responsible for another State trading concern. This is the first time that we have had a Bill before the House to authorise the State to deal with wheat. Hitherto it has been a Commonwealth matter. If I am compelled to offer opposition to the Bill, it is because there has been no announcement from the Minister to the effect that this was the first time a Bill of this description was introduced, authorising the State to deal with the matter instead of the Commonwealth, and secondly because there was no announcement that this would be the last occasion on which such a Bill would be introduced. No announcement was made by the Minister that the handling of the wheat would be done by the State or that it would be thrown open to competition. I find in the Bill however, that the wheat is to be handled by the Westralian Farmers Ltd., although we have evidence that Mr. Keys, the manager of the wheat scheme, who is undoubtedly an expert in wheat business, could handle the wheat for £15,000 less than the Westralian Farmers Ltd.

Hon. H. Stewart: He estimated that he could do that.

Hon. J. J. HOLMES: If that £15,000 can be saved it should be saved for the farmers. Mr. Hamersley told us just now that the farmers wanted a pool. Of course they do. The pool puts the farmers on the box seat. They have the State guarantee behind them. Another matter that Mr. Hamersley referred to was that the pool was the guarantee as to increased production. That was all right during the war, but it is no use guaranteeing increased production on a falling market and when there is a possibility of the wheat, when produced, not being worth the

most of production. Hitherto the wheat produced in Australia has been controlled by the Commonwealth. There was some justification for the Commonwealth pooling the wheat of Australia during the war period, and preventing competition between the States. That could not happen if the Commonwealth controlled the pool this year.

Hon. J. Mills: Why should it not control all the meat as well?

Hon. J. J. HOLMES: Surely the hon. member can see beyond his own front door step. One of the principal difficulties we are up against in connection with the pool is that we are pooling wheat in Western Australia, while in South Australia there will be free wheat, and perhaps this will also be the position in one or more of the other States. Another difficulty is that, whilst Australia produces two per cent. of the wheat of the world, Western Australia grows about one-fifth of the wheat produced in Australia. The position is that for every five bushels which we hold up, the other wheat producing countries of the world are selling 995 bushels.

Hon. R. J. Lynn: Did you say our production was only two per cent. of that of the world?

Hon. J. J. HOLMES: Yes; Australian production.

Hon. R. J. Lynn: In which years?

Hon. J. J. HOLMES: I refer the hon. member to Knibbs' latest figures. I was astounded some years ago when Professor Lowrie made the statement that Australia produced only two per cent. of the wheat of the world. I find now that that is still the position, and as far as Western Australia is concerned, we are producing about five bushels out of every thousand bushels, and that while we are holding up our five bushels for someone to buy, the rest of the world is selling 995 bushels. This is one of the problems the pool will be up against. I am speaking as a wheat grower, and I have no desire to be left at the post. I want to sell my wheat. I heard to-day of an offer of 7s. for 20,000 tons of wheat, an offer which was refused because the pool was going to be established. It is unreasonable to ask the wheat producers to hold up their five bushels while other parts of the world are selling what they grow. We with our five bushels, are like the tail attempting to wag the dog. Whilst it might be an equitable and profitable proposition for the Commonwealth as a whole to pool the wheat and control it, we find that the Commonwealth have abandoned the pool. Why have the Commonwealth abandoned the pool? One hon. member says we cannot get rid of it. It is another legacy passed on to the State. The Commonwealth evidently abandoned the pool because they saw difficulties. The difficulty I see is that the Commonwealth were prepared to pool the wheat and find a guarantee when the price of wheat was advancing, whereas we are now faced with the

necessity for putting up a guarantee when the price of wheat is falling. The Commonwealth stepped out, and the State steps in.

The Minister for Education: That is not the case.

Hon. J. J. HOLMES: The fact remains that apparently it is not a safe proposition for the associated banks to take on. They do not think the security good enough. Evidently the State does.

The Minister for Education: What authority have you for saying that?

Hon. J. J. HOLMES: Fairly good authority. The Commonwealth Bank has now come in and agreed to guarantee. We know that pressure has been brought to bear on Mr. Hughes through Federal politics, and probably the Commonwealth Bank has been told to finance the wheat harvest of Western Australia because the associated banks will not do so. We are trying to break down the economic law that the only factor which can control the price of a commodity is the demand as against the supply. Under the Bill we are trying to get away from that. There is in the Bill nothing saying what the guarantee shall be. Surely that is a dangerous position! Some Minister must be in charge of the pool, and Ministers represent certain parties. In consequence the guarantee must be what a certain party wants. We have an ex Honorary Minister sitting behind us. He went out of the Cabinet because he would not comply with the dictates of a certain party. That has never been disputed. Now we have another Minister in charge of the wheat pool, and if he will not make the advance demanded by the party behind the Government, he also must leave the Cabinet. We must not overlook the power behind the throne. Because of that there should be in the Bill some limitation to the advance. Assuming that the harvest be 16 million bushels and the guaranteed price 3s. plus 8d. charges, there will be something like three millions of money involved. The State has to find that money. This is merely another trading concern, with this difference, that if there be a profit it will go to the farmer, whereas if there be a loss the State will foot the bill. The other trading concerns were embarked upon with the object of making a profit. Had they been handled properly they might have shown a profit. Here however, if there be a profit, it will go to the farmer, and if a loss, the State must stand it. Assume that Tom Jones and Bill Smith both put wheat into the pool. The pool does not realise as much as was expected. In the meantime Bill Smith fails. Nothing can be got out of him. If there be a deficit on the pool, is it expected to get it all out of Tom Jones? If there be an advance which is not justified, and if there be a loss on the pool, then, as I say, this will prove to be a new trading concern, with the profit going to the farmers and the loss to the State. We do not know what the markets of the world will be. Yet I know what happened in the wool

market. People thought the price of wool would go up with the conclusion of the war. Men were buying sheep stations in all directions. One big firm in Australia, supposed to know the wool market better than any other firm, bought out a number of businesses immediately before the collapse of the wool market. The firm was practically ruined. That is what happened in the wool market, where the best expert advice proved to be a fallacy. We know that the New South Wales Government guaranteed wheat up to 7s. 6d. Everybody thought that was a safe margin.

Hon. J. A. Greig: So it was.

Hon. J. J. HOLMES: The people of New South Wales, and the farmers of that State, thought it was a safe bargain, but the result has been that the New South Wales Government have lost approximately three quarters of a million through that guarantee.

The Minister for Education: What guarantee?

Hon. J. J. HOLMES: The guarantee to the farmers of New South Wales.

The Minister for Education: Last season?

Hon. J. J. HOLMES: Yes.

The Minister for Education: Where did you get that information?

Hon. C. F. Baxter: That loss was made on the 1916 pool.

Hon. J. J. HOLMES: And that guarantee was given when the price was advancing. Now we are asked to give an unlimited advance on a falling market. If we pool 16 million bushels of wheat and hold up our five bushels, while the other wheatgrowers of the world are selling their 995 bushels, we shall have involved in the pool approximately three millions of money. I do not know whether the Government have arranged for a three million guarantee.

The Minister for Education: The Government have no intention of holding up the wheat.

Hon. J. J. HOLMES: I am pleased to hear that. They have no intention of handling it. They propose that the Westralian Farmers Ltd. shall handle it, and be paid £15,000 more than the State authorities say it can be handled for. My particular objection to the Bill is that it introduces a new State trading concern. If the guarantee be high and the price falls, there will be only one thing to do, namely, the State to hold the wheat until the price advances. If the State holds the wheat, the State must pay for it, and so it will be easy to find ourselves involved in an expenditure of three millions of money, if the guarantee is as already mentioned, and considerably more than that if the guarantee is increased. Then we have in the Bill the brilliant idea that the price for local consumption should be fixed monthly on the world's parity. I entirely agree that the clause fixing the price for local consumption at 7s. is as absurd as the rest of the Bill. There is only one honourable course to pursue in arriving at the price for local con-

sumption, and that is to accept the world's parity, whatever it may be.

Hon. T. Moore: Even if the war created it?

Hon. J. J. HOLMES: The farmer is entitled to what his wheat is worth, whether it be 2s. or 10s. We have heard a good deal of the 9s. for local consumption fixed by the pool. There was only one of two things to be done, namely, either to adopt the world's parity month by month, or to fix the price for the whole year. When they fixed the price at 9s. for the whole of the year it was a fair and equitable proposition. At the time they could have got a lot more, but since then the price has fallen. A contract is a contract, and the contract was that the price of wheat for local consumption should be 9s. For my part, there will be no departure from that. But to say that up to 7s. a bushel the farmer shall get world's parity, and after that he shall get nothing more, seems to me a contradiction in terms. Another brilliant idea in the Bill is that of fixing the price from month to month, and fixing the price at which the miller shall sell his flour and the baker his bread. We are doing under the Bill something which it is admitted cannot be done under the price-fixing legislation.

The Minister for Education: There is no admission of the kind. It is done to-day under the Prices Regulation Act.

Hon. J. J. HOLMES: And the Prices Regulation Act is to be repealed because it has been found to be an unworkable proposition. What will happen is this: During, say, January of next year a price will be fixed for local consumption. The miller will stock up with wheat, and the baker with flour based on that price. During February there will be a revision, and perhaps the price will be reduced. What position will the miller and the baker then be in? If the miller is stocked up with flour at a high price, it will be an invitation to the free wheat people in South Australia to step in; and they will step in with wheat that will supply our flour market at a price with which our local millers will not be able to compete, especially if the market be falling.

The Minister for Education: Are millers likely to stock up if the market is falling?

Hon. J. J. HOLMES: How are they to carry on; how are we to have our trade with the Far East, which the "Kangaroo" is to capture? Is the "Kangaroo" to wait at Fremantle while the miller sees whether the price of wheat or flour is going to drop?

The Minister for Education: You say they will stock up for local consumption.

Hon. J. J. HOLMES: I said nothing of the kind.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. J. HOLMES: My statement as to what was happening in New South Wales was challenged this afternoon. I have be-

fore me a report from a newspaper of last Saturday, which reads as follows:—

The wheat position: A Sydney rumour: Sydney, Oct. 14. A rumour was prevalent to-day that the banks had definitely declined to stand behind the Government in regard to making advances to enable it to pay the farmers' first instalment of 3s. per bushel should the compulsory wheat pool be established for the coming harvest, and although no definite announcement has been made either by representatives of State, the bankers, or others there is reason to believe that the statement is not all invention. The amount desired to enable the Government to acquire all the wheat was £5,000,000, and the matter has been the subject of delicate negotiations for many weeks. The State Treasurer (Mr. Lang) declined to discuss the matter to-day, but would not deny the truth of the rumour. He said that the matter had not reached the stage at which a definite announcement could be made. However, one Minister said to-day that the farmers will lose at least 2s. per bushel if there be no pool.

The Minister for Education challenged my statement as to what was happening with the associated banks here. These are only sub-branches of the larger institutions in the Eastern States, and we know what is happening there. The Minister tells us our credit is good. We know, however, that our credit is only good to the extent that the best credit we can get in London to-day is on six months bills in connection with our overdraft.

Hon. R. J. Lynn: Sometimes the banks are convenient.

Hon. J. J. HOLMES: The hon. member will have an opportunity of speaking later on. Before tea I was dealing with trade at home and abroad and with what would happen when the wheat in South Australia was free, and ours was held under the pool system in Western Australia. A scheme was evolved in order that Western Australia might capture the flour trade of the East, for getting a reduction in the price of freight of 10s. per ton. As a result of that brilliant scheme the other steamship companies reduced their freights and the scheme has failed. If we get an advance made by the banks on a Government guarantee upon the wheat in this State and the market falls, the Government, who guarantee the money, will have to hold it up in order to make an effort to clear this State of its liabilities. South Australia will come in presumably with wheat at a reduced price and with freight at the same rate as our freight, and the free wheat from that State will capture the overseas and local trade. So far as we know, out of every 20 bushels of wheat produced within Australia five bushels will go into the pool in Western Australia, and there will be 15 bushels of free wheat in Australia competing with our five bushels of pooled

wheat. Then we have the question of fixing prices from month to month. There is the price of wheat to the miller and the price of flour to the baker, and the price at which the baker will sell his bread to the public. I presume all these people will have two lots of commodities at their disposal. There will be the commodity which is bought on a high market and the commodity which is bought on a lower market. I can imagine the Prices Regulation Commission chasing the bakers all around Perth to ascertain which loaf of bread was made out of the high priced flour and which out of the lower priced flour. It is to be assumed that the baker will never have a loaf of bread made out of the lower priced flour, but that all his bread will be made out of the high priced flour. At least he will tell his customers so. The only way to regulate prices is through the law of supply and demand. This fictitious proposal of pooling is an absurdity, and it is time the Government realised it. We have heard a great deal about the buyers of wheat not coming to Western Australia. I will tell the House why they do not come. The buyers would have been here during the war, when the price of wheat was going up on the world's market, but the Commonwealth controlled the pool and kept the buyers out. The Federal Government said, "This commodity has risen in value, and if anyone is to get a profit out of it during the war it must be the man who is growing it." To-day we are faced with a falling market and buyers will not come to this State. There are no buyers in Western Australia, although there are in the other States. They do not want to buy on a falling market. Strange to say these buyers that used to operate in wheat are now engaged as agents in selling all the wheat. It is a much better position for the buyer to act as agent on a falling market, because he is assured of his position. If he buys wheat now on a falling market he may lose money. He is, therefore, quite satisfied to allow the wheat to go into the pool to be sold, and then act as agent and make his commission. I have no hesitation in saying that if it went forth to the world to-morrow that this Bill had been thrown out, the buyers would come here and offer cash prices which would probably be satisfactory. Mr. Hamersley this afternoon said that the Westralian Farmers Ltd. should handle all the wheat, and the Government ought not to come into it at all. To allow the Westralian Farmers Ltd. to operate and control the State's wheat would be a very dangerous policy. If anything happened to them and they could not stand up to their obligations it might mean a national calamity. If anyone is to be responsible for the proceeds of the wheat under the pool, it must be the Government. If there was a collapse on the part of the Westralian Farmers Ltd. there would be a collapse of the entire farming industry. Let me point out what has happened in regard to one

branch of that institution. One does not like to mention firms or corporations as a rule.

Hon. F. A. Baglin: Why not?

Hon. J. J. HOLMES: There comes a time when in the interests of the community attention must be drawn to these things. I have here an extract from a report of the Westralian Farmers Ltd. published a week or two ago. It is on the question of insurance, and states that last season the policies issued by that company to the Industries Assistance Board clients for the insurance of those settlers who nominated the Westralian Farmers Limited to transact their business, amounted to £694,982. That was the insurance that the Westralian Farmers Limited had for these settlers under the board. What would have happened if there had been big fires or serious loss? We find from the balance sheet of the Westralian Farmers Limited last year that a sum of £160,000 represented the gross profit and £5,000 the net profit. We find too from the Auditor General's report that the Westralian Farmers Limited, who were supposed, like other companies, to pay up £5,000 before they could operate in this State, were allowed to pay it up in two instalments of £2,500 each. Would £5,000 in the hands of the Government, and £5,000 representing the net profit of the company, carry the Government insurance of approximately £700,000?

Hon. A. Lovekin: Most of that is reinsured.

Hon. J. J. HOLMES: I do not know that they do reinsure.

The Minister for Education: Do you know that they do not?

Hon. J. J. HOLMES: I will tell the House why they do not reinsure. Whenever a company is dealing with little lots of wheat, plant, stock, etc., here, there and everywhere, and with small risks generally, they do not reinsure. On, say, a Hay-street property of £50,000 they do reinsure. With these I.A.B. farmers and other small insurances the Westralian Farmers Limited carry the lot. It would be their business to do so.

Hon. J. Duffell: Give them their dues; they do not do that.

Hon. J. J. HOLMES: I am only speaking on matters as I find them. In my opinion their financial resources would not be sufficient to enable them to meet their obligations to the Government if they were called upon to do so. I only refer to this because of Mr. Hamersley's remarks.

Hon. H. Stewart: You are not certain he made them.

Hon. J. J. HOLMES: Under this Bill the Westralian Farmers Limited will handle the wheat, will be allowed to trade in wheat with the consent of the Minister, and if there is a surplus it goes to the pool.

Hon. H. Stewart: The pool is not the State.

Hon. J. J. HOLMES: The hon. member will keep on interjecting that this is a pool and not the State. I said this afternoon that this was a State pool and the position was challenged by the hon. member.

Hon. H. Stewart. Absolutely.

Hon. J. J. HOLMES: The State has to guarantee the money to the Commonwealth Bank, which is finding it. The hon. member has not spoken yet but when he does, he can say what he thinks, provided he keeps within the four corners of the Standing Orders. In the meantime I have the floor of the House and these silly interjections should stop.

The PRESIDENT: Order!

Hon. J. J. HOLMES: The Westralian Farmers Limited are to trade in wheat if this Bill passes and the surplus wheat will go into the pool.

Hon. J. Cornell: They have been doing that for years.

Hon. J. J. HOLMES: I do not know what is the position but I guarantee that nine out of 10 companies operating with the right to trade in wheat would see that there would be no surplus. They would see that the wheat that went into the pool, went out of the pool. Any surplus would be their own. I am no authority on the wheat question, but I am told by Mr. Lovekin, who has looked into the matter and who has grown wheat, that there is a half per cent. increase in the weight of wheat from the time it is shipped until it reaches the point of discharge. That, in itself, when we are dealing with a 16-million bushel harvest, runs into some thousands of pounds. Whatever we do in connection with the Bill, one particular firm is singled out to trade and that is an objection in itself. We should see that that objectionable clause is deleted from the Bill. It allows one company to trade in wheat with the consent of the Minister and no other company can trade in wheat at all. There is one important matter regarding which the Minister should give us some information when he is replying and that is the extent to which the Commonwealth Bank proposes to finance this wheat pool on the Government's guarantee. If the anticipations regarding the harvest are realised, the value, with wheat at 3s. 8d. or 4s. per bushel—3s. advance plus 8d. for charges—

Hon. H. Stewart: Is there any advance without a guarantee?

Hon. J. J. HOLMES: Of course there can be an advance without a guarantee, and an advance with a guarantee. In this State, I presume, the pool is being financed by the Commonwealth Bank upon the guarantee of the State Government. On the basis I have quoted, with a 15 or 16 million bushel wheat harvest, it would represent about three millions sterling. Suppose the bank authorities say—I believe some mention of this

point was made in the other House—"We will guarantee $1\frac{1}{2}$ million pounds"—that is 3s. on the first eight million bushels. Suppose the price of wheat falls in the world's market and the bank authorities say, "We will have to stop this advance; you have not sold your wheat. We guaranteed to advance $1\frac{1}{2}$ million pounds conditionally upon the sales proceeding, so that the proceeds of the sales would come back to us and relieve us of the guarantee." We then find ourselves in the position that the bank has advanced up to $1\frac{1}{2}$ millions and no sales have been effected. Has the bank agreed to finance the pool to the extent of $1\frac{1}{2}$ millions or three millions? That is information to which this House is entitled. If the world's market falls and the bank does not like the position—one bank has been singled out to finance the pool—the institution will probably say that the advances cannot go on. The Government may be told that if they want another $1\frac{1}{2}$ million pounds they must go to some other bank. It is extremely difficult to say what the value of the wheat will be. We know what everyone thought it would be a year ago. We thought that 9s. a bushel was a fair price for local consumption. We found we were out in our calculations and 9s., it seems, is not a fair price. We are told, too, that a guarantee of 3s. is a fair thing. What do we know about the world's markets in which we produce 2 per cent. and the other countries produce 98 per cent. of the wheat marketed? To give the House an instance within the State, I would mention pearl shell pool at Broome. The Minister knows something about the subject. We spent days, and I might almost say weeks, on this subject with regard to pearl shell. We had behind us this knowledge, that we in Western Australia produced about four-fifths of the high class pearl shell of the world. It was thought that because we produced four-fifths of the world's output, we could control the position. However, the condition of the industry at Broome is more serious than ever. The Government guaranteed last year £180 per ton for pearl shell. As soon as the Government fixed the price the Broome shell was not sold at £180 per ton, but, on the contrary, buyers, who had been holding stocks of pearl shell in London and America during the war period, sold at the advanced price and the Broome shell was not disposed of. The fact that the Government agreed to advance up to £180 per ton has not had the anticipated effect there. That is the position regarding pearl shell, although we control four-fifths of the world's supply. I had two men in my office to-day and I told them that there was only one solution of this difficulty and that was to shut down on pearling in Broome for the next year. They have gone on fishing this year regardless of the state of the world's markets, and we can shut down in Broome for a year because no ship can fish without a license.

Hon. J. Cornell: Pearls are a luxury; wheat is a necessity.

Hon. J. J. HOLMES: I am not talking about that. I could give a biblical quotation to meet the hon. member's interjection; something about pearls being cast before animals that I dare not mention.

Hon. J. Cornell: You are a judge of them at any rate.

Hon. J. J. HOLMES: That is the position regarding pearl shell. What will be the position of Australia, which only controls 2 per cent. of the world's market for wheat, and of Western Australia which only contributes one-fifth of that 2 per cent.? These are points I am making for the House to consider and it rests with hon. members to say what they will do. The principal difficulty confronting Australia to-day is its great distance from the world's markets. Every primary product that we produce has to be sent to the world's markets and we are feeling that distance to-day to a greater extent than ever before. During the war, when shipping was cut off and the Federal tariff, which has since been amended, was in force, these combined to make Australia practically self-contained. We were importing tens of thousands of tons of goods from other parts of the world, and to-day we are manufacturing them in Australia. The result is that ships have to come empty over a distance of 16,000 miles to get cargoes or charters and then return over a further distance of 16,000 miles. The effect of that is that the primary products are faced with the necessity for freight on not 16,000 miles but on 32,000 miles. That is one of the problems we are up against, and that is one of the problems the Government will be up against regarding the wheat pool and the disposal of the wheat in the world's markets which are such great distances from Western Australia. Some members told the House that they are supporting the pool because the farmers want it. Of course the farmers want it. All farmers would want a pool like this.

Hon. J. A. Greig: Every sensible man in the State wants it.

Hon. J. J. HOLMES: It is a question of heads the farmer wins and tails the State loses. I think the better solution would be to face the world's markets and take the world's price for our commodity.

The Minister for Education: That is what we propose to do.

Hon. J. J. HOLMES: The Minister does not propose to do anything of the kind. The Minister proposes that the wheat shall go into the pool. The Commonwealth Bank will make the advances, and the State in turn will guarantee the bank. I am not going to be misled by the statement that the farmers want the pool. They want to be in a safe position. If there is a profit in the wheat they will get it; if there is a loss the State will pay. In such circumstances can members be surprised that the farmers want the pool? Other members say

that we have allowed things to drift for so long that it is too late to face the position. This is the same old story we get each year—"too late, too late." I will not be put off the track by side issues like the statement that it is too late to make any alteration. There is plenty of time. There are wheat merchants in the State who can put in a price to handle the wheat. Someone has said that they could not get sub-agents in the country. The sub-agents are there. The co-operative companies who deal with the Westralian Farmers' wheat are there and if the Government decide to handle the wheat instead of the Westralian Farmers, all they have to do is to step in with their board, with Mr. Keys at the head, and carry on with the co-operative companies throughout the State as their agents, and so the thing could go on. I will not be gulled by the statement that it is too late to make any alteration.

Hon. J. A. Greig: Do you favour State handling?

Hon. J. J. HOLMES: I do not, but State handling is better than what is proposed in the Bill. If the hon. member listened and understood what I said at the outset he would know that I said there were three principal objections to the Bill. The first was that, so far as the farmers were concerned it was a case of heads they win, tails the State loses. The next was that the Westralian Farmers were handling it and then again that it was a new State trading concern brought before the House for the first time. Formerly it was a Federal matter but this time it is a State trading concern, with this difference, that if a profit were made the farmers would get it and if a loss were realised the State would have to bear it. Regarding the loss to the State, I understand that wheat has been sold in Australia at 4s. 6d. per bushel at the present time. If we guarantee the pool and we do not know what the guarantee is to be, as it is not mentioned in the Bill, to fix 3s., plus 8d. for charges, is making the margin pretty narrow. The harvest has not yet been reaped. Members can see for themselves that it is a very narrow margin for buyers to operate on at this stage. It is all right for a buyer who turns himself into a commission agent and gets the commission. These are problems that I find myself faced with in connection with this Bill. One of the principal objections is that there is no fixed guarantee. Another serious objection is what will be the State's position if the wheat market collapses as the wool market collapsed, especially as we are given to understand from the debates in another place that it will take three millions of money to finance the wheat, and, so far, the advance that has been arranged with the bank is not for three millions but for one and a half millions on the State guarantee. This is a matter of serious import to me, and I deemed it my duty to place the facts before members. In view of what I have said, I have to oppose the second reading of the Bill.

Hon. R. J. LYNN (West) [8.1]. I am just as anxious as Mr. Holmes to put an end to State trading concerns, and if I have an opportunity at any time to do so; I shall avail myself of it and I hope then to range myself on the hon. member's side.

Hon. J. J. Holmes: Do you know the business motto, "Do it now"?

Hon. R. J. LYNN: I am reluctantly compelled to support this measure for more reasons than one. Had I required any further information in any direction to assist me to arrive at that judgment, the arguments of Mr. Holmes would have supplied it. The hon. member said it would be a calamity if the State supported this pool and lost on the 3s. guarantee. It would be not only a calamity to the farmers but a grave calamity to the State if we do not realise 3s. a bushel during the coming season.

Hon. J. J. Holmes: May I be permitted to correct a misrepresentation by the hon. member?

THE PRESIDENT: The hon. member must not describe it as a misrepresentation.

Hon. J. J. Holmes: I said that if Mr. Hamersley's proposal that the Westralian Farmers Ltd. should handle and finance the whole of this wheat were adopted, and anything happened, it would be a national calamity. The hon. member now says that I referred to the State. I was referring to the wheat being financed and handled by the Westralian Farmers Ltd.

Hon. R. J. LYNN: I took a note of the remarks of the hon. member and this is what I have: "It would be a calamity if controlled by the Westralian Farmers. It would be a calamity for the State if our wheat is of no more value than 3s. a bushel." It would be a great calamity for the State irrespective of the farmers or any other section of the community. I am unable to agree with the hon. member, because he is opposed to State trading concerns, and yet he advocates to-night that the State should control the wheat pool! The difference of opinion between the hon. member and myself is this: I am opposed to State trading concerns, but I realise that it will be much easier to dispose of the wheat pool in future under a Bill authorising the Westralian Farmers Ltd. to acquire the wheat, than it would be if we established a State wheat pool in Western Australia. I think every member knows full well that immediately the State takes up any department of trade or enterprise, we have the greatest difficulty indeed to pass legislation to cancel it.

Hon. J. J. Holmes: There again I must point out that what I said was it would be preferable to have the State handling the wheat instead of the Westralian Farmers. I never advocated that the State should do it. I said it would be preferable. If the hon. member wants to be fair, let him criticise the remarks I made and not attribute to me statements which I did not make.

Hon. R. J. LYNN: I gave the words just as the hon. member uttered them, without any qualification or reservation. No member of this House opposed the first Bill, providing the control and acquiring of wheat, more than I did. I opposed it because I considered we were diverting business from the right channels into other channels, that unfair competition would result and that monopolies would come into existence. I am just as anxious to-night as I was on that occasion to bring about the abolition of a monopoly at present existing in this one wheat acquiring firm, but I realise that to bring about the object which I seek would result in what the hon. member has been aiming at, and that is direct control by the State. As against direct control by the State, I prefer to support the Bill in order that the wheat may be acquired by the Westralian Farmers Ltd. It may be argued rightly that if this Bill is passed, considering it is the first measure for State control after de-control by the Commonwealth, it will create a precedent for the State to bring down similar Bills every year in future. I do not propose to support any such Bill in future unless the conditions financially and generally warrant it. We are already past the middle of October and the end of the month will be with us before this Bill is passed and, if the Bill were rejected, it would be practically impossible for any other organisation to be brought into existence to handle the forthcoming harvest.

Hon. J. Duffell: The organisation is already in existence.

Hon. R. J. LYNN: I admit that the wheat board is in existence, but I am not disposed to allow the wheat board under the present administration to handle the wheat of this State. If the hon. member is prepared to do so, well and good. I am not disposed to cast a vote for State control with the wheat board under the present administration. I hold no brief for the Westralian Farmers Ltd., but I say that Mr. Holmes was not justified in many of the attacks he made on that organisation. The hon. member referred to the insurance department controlled by the Westralian Farmers Ltd. It is ridiculous to assume that, without some reciprocity agreement or arrangement with other large companies, the Westralian Farmers Ltd. would accept such a risk. The risk that the hon. member would have us believe exists is not really involved.

Hon. J. Cornell: It would be criminal if it was so.

Hon. R. J. LYNN: A point which has been stressed is that our wheat represents only 2 per cent. of the world's production. One would imagine that the 2 per cent. of wheat produced by Australia was of no value to the world. Take India with its production of 400 million bushels; that country is unable to feed its own people. There are countries with huge productions unable to feed their own people. The position in Australia is vastly different. We produce not

only sufficient wheat for our own consumption, but we have a large exportable surplus.

Hon. J. Duffell: And our own people have to pay more than outsiders for the wheat.

Hon. R. J. LYNN: It is the exportable surplus that is of so much value to our State. There are large countries producing ten times the quantity of wheat that Australia produces, but unfortunately they are unable to produce sufficient for their own requirements.

Hon. F. A. Baglin: Would it not be better if we could consume all we produce?

Hon. R. J. LYNN: I would very much like to see such a population in Australia, because it would mean that ever so much more wheat would be produced. If we figure it out on the analysis of the actual exportable quantity from every country, we find that instead of having 2 per cent. of the world's total, we have the largest percentage of exportable wheat to help to feed the multitudes of other countries.

Hon. H. Stewart: No. What about Canada?

Hon. R. J. LYNN: Take India with its production of 400 million bushels as against Australia's production of 80 million bushels: India produces five times as much wheat as Australia, and yet last week a steamer loaded 7,500 tons of wheat for Bombay from this comparatively small producing State of Western Australia. This is an aspect which evidently did not present itself to members. Assuming that we have a 10 million bushel harvest this year, and it is a reasonable assumption, it will mean that, at 3s. a bushel, the State will be guaranteeing 1½ millions of money to the producers for this wheat. We can afford to run a deficit of nearly that sum per year, and if we as a State cannot afford to back our primary producers—the people who are the backbone of the country—to the extent of our annual deficit, it is time that we as a State went out of existence. A good deal has been said about Australia being so far away from the world's markets and of freights being against us. The freight rate from Western Australia is 52s. 6d. per ton, which is 1s. 5d. per bushel. In pre-war days an average low rate was 35s. to 37s. 6d. In other words rates can be secured for December, January, and February shipments at approximately 5d. per bushel more than pre-war rates. If any risk was involved in the State guaranteeing this amount, I should hesitate to quote the figures I am giving in order to influence any vote in this House. Take the statistics of wheat from the year 1861. In no year since then—a period of 60 years—has the world's market, from an Australian point of view, been below 3s. a bushel. Taking the figures from 1902 to 1914, the 12 years immediately preceding the war, the average price was 3s. 10½d. f.o.b. Now I ask, Should not we be guided by experience? Here we have 60 years' experience behind us.

Hon. T. Moore: Where did you get those figures?

Hon. R. J. LYNN: From the Federal "Hansard."

Hon. T. Moore: From a speech delivered by someone?

Hon. R. J. LYNN: Yes.

Hon. T. Moore: They are not correct. I recollect myself when the price was lower than that.

Hon. R. J. LYNN: The hon. member was in another world before he came here—we know that by his view—and I expect his memory carries him back there. I have these figures showing that in 60 years wheat has never been lower than 3s., and I have yet to learn that the authority which I am quoting is not reliable. The House appears to be of the opinion that there must be a pool. Boiled down, the question is whether the State should control the pool, or whether Parliament should authorise the Westralian Farmers Ltd. to acquire the wheat. The Royal Commission which investigated the wheat question after the first year of the war reported as follows:—

The Commission is strongly of opinion that the present system of dual control should not be continued, and that in future agreements the agents should be held responsible not only for the acquiring of the wheat from the farmer, but also for its care and protection up to and including delivery and stacking into sheds at depots. The work of stacking, checking of weights, and sampling of wheat should devolve upon the agent, and be carried out under the supervision, and to the approval of, the scheme officials.

Hon. J. Duffell: What page of the report are you quoting from?

Hon. R. J. LYNN: I do not know. It is an extract I am reading. After taking evidence from every quarter, the Royal Commission agreed upon that conclusion. I ask hon. members in all fairness to say whether since 1914-15 there has happened anything whatever in connection with the transactions of the Westralian Farmers to create any suspicion? Have their dealings not been manifestly fair? Have not their rates been the lowest in Australia for the work? Did they not pay their labourers a minimum of £1 per day whilst under their agreement they were not called upon to pay more than 16s. per day? Have they not been fair in every direction? Have they mismanaged the business of the wheat pool in any way? It must be said, to the credit of those controlling the company, that they brought that organisation into existence at a time when it was very difficult indeed to get the special men required for the work.

Hon. J. Duffell: You are holding a brief.

Hon. R. J. LYNN: If I hold a brief, it is only because I have a sense of justice and of equity. I say these things because I believe them to be correct. I am not actuated by consideration of some "tuppenny-ha'penny" thing that happened in days gone by. In fact, no one can accuse me of really holding any brief whatsoever. If a Wheat

Marketing Bill comes up next session under similar circumstances, and if then we have an early opportunity of blocking the measure, I shall vote against it; but to-night I cannot vote against this Bill, because I know that course would not be in the interests of the State, because I know that the rejection of the measure would mean disorganisation of trade and commerce throughout Western Australia.

Hon. J. Duffell: We have been told the same thing every year.

Hon. A. J. H. Saw: You will never have the opportunity of voting against another Wheat Marketing Bill.

The PRESIDENT: Order!

Hon. R. J. LYNN: Let me remind the last interjector that I have three years yet to go, and therefore shall enjoy the opportunity alluded to. It is questionable, however, whether the hon. member will get such an opportunity. We are told that if the whole of the work in connection with the wheat pool is done by the scheme officials, Mr. Keys will be able to effect a saving of £15,000; but the remuneration for all the work done by the Westralian Farmers in connection with a 10 million bushel crop only amounts to £10,000. Then how is a saving of £15,000 to be effected? If I could stick to all the money I pay into the bank, I would be a millionaire. If these people could stick to all they debit, paying nothing for labour and expenses, they would, naturally, make £10,000 or £15,000. By doing a little pinching, they could even make a little more.

Hon. J. Duffell: Last year they made a profit of £164,000.

Hon. R. J. LYNN: If this Bill is rejected, what is the alternative?

Hon. J. Duffell: That the board will handle the harvest.

Hon. R. J. LYNN: I would like to be clear on that. What authority have we for the statement that Mr. Keys can control this business any better than it is controlled by the existing organisation?

Hon. J. Duffell: That is shown in his evidence.

Hon. R. J. LYNN: Mr. Duffell said that if Mr. Keys controlled the whole system, he would immediately have all the local co-operative companies flocking in to create an organisation for him in opposition to their parent body; but I do not believe that.

Hon. T. Moore: They do not get on too well with their parent body.

Hon. R. J. LYNN: That is not to be wondered at, since children are frequently unruly. If the State is to control the wheat and bring into existence a new organisation to compete successfully with the Westralian Farmers, still I want to know what genius does Mr. Keys possess that will enable him by a wave of the hand to call into being such an organisation in the course of a few weeks? The thing is impossible. Here is an instance which occurred yesterday in my own office, and of which I can give every

detail. The Westralian Farmers acquire wheat from the growers, stack it and load it, and send it to Fremantle to be shipped. When the wheat has been loaded at Fremantle, Mr. Keys steps in with his supervision, and takes control of the documents. The ships are consigned to him, and all the shipping business is regulated by him. The steamer "Ethelfrida" came to my firm's agency, and she loaded 7,589 tons of wheat. She finished at 12 o'clock noon, and the accounts in connection with the ship were placed on the table. It was found that the board had loaded the ship within the specified time, and were entitled to a certain number of despatch days. That is to say, for giving quick despatch to the ship the board were entitled to an allowance of some £60 per day. A little after 12 o'clock one of Mr. Keys's clerks came on board and said to the captain, "You have 30 tons too much wheat on board this ship." Thirty tons too much in a shipment of 7,589 tons! The clerk further said, "I want to take those 30 tons out." The captain replied, "All right; you can take it out." The 30 tons of wheat were taken out of the ship. When the accounts were being settled up, one of my firm's staff at Fremantle deducted one day's despatch, £60 odd. Mr. Keys's people said, "Why do you deduct that?" They were told, "You did not finish the ship before noon, and so you are not entitled to despatch money for the last day." They took out 30 tons of wheat, and lost some £60 despatch in order to do so. That is just one item; I could give many others illustrating the business methods of Mr. Keys and his staff. I hope to give them at some future date. There can be no disputing that the wheat must be controlled this year. It is infinitely better that we should allow the control to remain in the present channel, which is the least costly in Australia, and which has given more satisfaction than any other organisation of the kind in the Commonwealth. I support the second reading, and when the Bill is in Committee I shall support it as printed.

Hon. Sir EDWARD WITTENOOM (North) [8.28]: After all the eloquence which has been displayed, and the smart repartee that has been indulged in, I feel there is little left for me to say on this subject, beyond that I shall support the second reading of the Bill. It may be within the recollection of some members that in speaking on the Address-in-reply I said I would support a wheat pool for this year, because the organisation had been carried on for a number of years and I felt that the effect might be bad if we gave it up straight away without allowing the wheatgrowers and farmers an opportunity of learning to rely upon themselves a little more. I then said that if they were thrown on their own resources, without any organisation, smart buyers might go around among them and take advantage of them in a way that would be detrimental to the interests of farming

generally. In the circumstances, I said, I felt compelled to support a Wheat Marketing Bill of some description. The measure was then in embryo, and I did not know whether we were to have a Government pool or an organisation of farmers. Whatever form the control of wheat may take, I shall support the Bill in that respect.

Hon. J. W. Kirwan: Will the hon. member support a similar Bill next session?

Hon. Sir EDWARD WITTENOOM: I am not prepared to say that I will not, but I am equally unprepared to say that I will. I must safeguard myself in exactly the same way as the last speaker did. Unless a pool is necessary, I intend to vote in favour of allowing the wheat harvest to be dealt with in the open market for the future. At any rate, those are the views I hold at present. When I stated that I would be in favour of a Wheat Marketing Bill, my idea was that the measure would be confined entirely to the matter of the sale of wheat for export. My idea was that buyers should not be permitted to come here and exploit small farmers and others by buying their wheat and speculating with it for export. In the circumstances, I shall have to take a different view of certain clauses when the Bill comes into Committee. Just let me refer to one of these matters. The short title of the Bill is "The Wheat Marketing Act," but the full Title refers to certain powers to be conferred on the Government of Western Australia in regard to the marketing of the wheat harvest of the season 1921-22 "and for other purposes." My first objection is to Clause 4 which deals with the appointment of an advisory committee of five. In my opinion a committee of three should be sufficient, but in any case I am opposed to the appointment of committees of this description. If we go on much longer as we are doing appointing Royal commissions, advisory committees, and conference bodies, we shall have everybody in Western Australia working for the Government. I took a trip to Wyndham in the "Bambra" a little while back and of 15 passengers 13 were "dead heads" who were going up in the interests of the Government. Everybody seems to be working for the Government, and when we come to think of the vast multitude employed on boards and different committees, it is remarkable to think how on earth taxation is met. I think a committee of three would be just as good as a committee of five. Clause 5 refers to the marketing of the products of the wheat, and the Minister is to be allowed to deal with those products. That is a matter which requires careful consideration because whilst he is dealing with wheat for export, the products of the wheat should be dealt with locally. Clause 6 should be amended. The clause reads—

During such time as the Governor shall by proclamation declare that this section shall have effect, no person in Western Australia shall, except as prescribed, sell wheat to or buy wheat from any other

person in Western Australia for delivery in Western Australia except to or from the Minister or persons authorised by him.

The words "for export" should be inserted after "or buy wheat" in the fifth line of the clause. There is no reason why they should not sell it amongst themselves. Of course I shall wait until we get to the Committee stage for someone to give me better advice. With regard to the price to be charged being fixed on the first day of each month by the advisory committee, and also the question of determining the maximum price for bread, I propose to submit an amendment to sub-clause 2 to terminate the matter on the 31st December, when I understand the Prices Regulation Act will lapse. Then there is the question of the agreement and I am absolutely opposed to the conditions contained in Clause 3 for private dealing except with the consent of the Minister. I think that should come out. In connection with the wheat certificates there should be an appeal against deductions. I have had some little experience in this where they take off a penny or two-pence from so much a bushel on account of the wheat not being of good quality, and I know that in one case where a man complained that they were taking off too much, though he did not tell it to the inspector, it was intimated that if he said too much a good deal more would be taken off. There should be an appeal of some sort so that whatever inspectors may do they should not be allowed to have it all their own way. Subject to the amendments which I intend to move in Committee I support the second reading of the Bill.

Hon. J. A. GREIG (South-East) [8.35]: With several members I regret that it has been necessary to again introduce the Wheat Marketing Bill this year. I had hoped that as soon as the war was over, we as growers would be able to get clear of Government control. Personally I am opposed to Government trading concerns because my experience in the past has taught me that they are not as well managed as privately controlled affairs. I may inform the House that this will be the last year that the wheat growers of Western Australia will ask for a Government pool. I go so far as to say that at the present time the growers are considering a scheme for handling, pooling, and financing their own wheat crop next year. I hope they will be able to do so. I do not see any reason why they should not.

Hon. C. F. Baxter: It would be a voluntary pool.

Hon. J. A. GREIG: Yes.

Hon. C. F. Baxter: It would break down with its own weight.

Hon. J. A. GREIG: If people can sell to a local buyer and get a better price than the pool, it will prove that pools are not good. I believe they should go where they

can get that better price. I believe with Mr. Holmes, that the law of supply and demand should be allowed to operate wherever possible, but I realise to-day that the law of supply and demand has been entirely upset by legislation for the past 20 years to my knowledge. One of the greatest things that has upset that law in this State has been the protective tariff and our price fixing. If it were not for protection we in Australia could grow wheat cheaper than any other country in the world, and without the assistance of the pool we could compete with any other nation. Most people to-day under existing circumstances will agree that the State wheat pool is in the interests of the consumer as well as the producer. There have been objections raised in some quarters to the Westralian Farmers Ltd. handling the wheat. I should like hon. members to cast their minds back to about five years ago when the Westralian Farmers secured the handling of the wheat in open competition.

Hon. Sir Edward Wittenoom: There was nobody else to do it.

Hon. J. A. GREIG: The older firms should have been ready to do it. They had been in existence for many years and had all the necessary machinery; the Westralian Farmers Ltd. had never bought or acquired a bag of wheat before. In that year the Westralian Farmers Ltd.—if my memory serves me correctly—received about five-eighths of the whole of the wheat of the State. In the next year tenders were called, and the Westralian Farmers Ltd. got the whole of the wheat because they were the lowest tenderers. It has been pointed out that they handled the wheat cheaper than any other State in the Commonwealth. Mr. Keys declared in evidence before the Royal Commission that he could save £10,000 or £15,000 in the handling of the wheat. I would point out that that was the opinion of one man who had previously been acting as manager for a private firm, but he had never had the control of a big concern such as the handling of the whole of the wheat in Western Australia, and at that time there was no organisation to carry out the handling. I ask hon. members to think of how many instances they can quote where a Government department has kept within its estimate. That is one of the objections I have to State trading. The Government estimate that they will do a certain thing at a certain price and my experience is that they always exceed that price.

Hon. T. Moore: So do private contractors.

Hon. J. A. GREIG: The Westralian Farmers Ltd. can do it at the price they quote. I would like to refer to the result of Government handling in South Australia. I mention one town, Warrabarra, where there were five acquirers securing under the same terms and conditions as the people bought in this State in the first year. It will be remembered that the liability of the acquiring agents ended on the 30th September. That is, they were not responsible for damage done by mice or flood after that date. A mice plague oc-

curled in South Australia and the mice got into the wheat stacks in millions. The farmers' union who had the same agreement as the other acquiring agents represented the union of growers—occupying practically the same position as the Westralian Farmers in this State. They put a galvanised iron fence around their stack and then hung curtains to fall outside the galvanised iron. The result was that in less than a week practically all the mice had got out of the stack. In the nights the mice ran out in millions, and could not get back, and when I saw the stacks they looked as well as a number of ours did. The other stacks under Government control and which were not similarly treated had fallen down. The roofs had parted because they were not on timber, and the rain had got in and the whole of the wheat became a fermenting mass. The stench was something terrible and almost made me vomit while the train remained at that station for about ten minutes. I saw truck loads of this rotten wheat being burnt. That was a sample of State handling as compared with co-operative handling. I do not mean to say that the same thing will happen here, or that it would have occurred if we had had a mice plague, because we had representatives of the wheat growers in Parliament who knew how to handle the position. Mr. Holmes said that this was another trading concern. Compared with other trading concerns there is this difference, that if there is a profit from those concerns it goes to the Government, but with regard to the guarantee they are making, if there is a profit from the wheat pool it goes to the growers. There is another difference. With a Government State trading concern the Government have to buy the whole of the material that is used in that concern. In the case of the pool they simply borrow the money and make an advance of about 50 per cent. of the value of the wheat and take the whole of the wheat as security. Mr. Holmes also said "Suppose the wheat should fail to realise 3s. a bushel?" If that should happen, it will not matter very much what follows; the State will be absolutely bankrupt and it will not be possible for industries to carry on.

Hon. T. Moore: You would not leave it, you would carry on.

Hon. J. A. GREIG: We would continue to grow enough for our own use. Mr. Holmes also said that Western Australia, as compared with the whole of the Commonwealth, grew only five bushels out of 20. Those figures are about correct. He was trying to show that our little bit would practically make no difference, and that the other States could sell their wheat more cheaply than could we. Well, so much the better for our consumers. Also if, through having the pool, we can get a better price by exporting our wheat, it will be a good thing for consumers and growers alike. There has been considerable objection to the pool because during last year the price for

local consumption was 9s., notwithstanding which the wheat pool sold some wheat overseas at 7s. To let members see just how the consumers have been treated through the pool, I will quote some figures taken from the Commonwealth pool by the Hon. L. O'Loughlen, ex-Minister for Lands in South Australia, and another member of the wheat board whose name I cannot think of just now. The Western Australian Wheat Board takes the season, whereas Mr. O'Loughlen and his colleague took the figures for the year. In 1916 the price for local consumption was 4s. 9d. and wheat sent overseas averaged 4s. 10d. In 1917 the price for local consumption was 4s. 9d. and the wheat sent overseas averaged 4s. 11½d. In 1918 the price for local consumption was 4s. 9d. and the wheat sent overseas averaged 5s. 10½d. In 1919 the price for local consumption was 4s. 9d. for one month, 5s. for eight months, and 5s. 6d. for three months, while the wheat sent overseas realised 6s. 3d. So it will be seen that in that year the local consumer got his wheat at 1s. a bushel below the market value. In 1920 the price for local consumption was 6s. 6d. for one month and 7s. 8d. for 11 months, while the average price realised by the wheat sent overseas was 11s. In that year the local consumer got his wheat at about 3s. 4d. below the market value.

Hon. T. Moore: You say the average price was 11s.

Hon. J. A. GREIG: Yes, for the wheat sent overseas. As growers we have had a lot of abuse. We have had the newspapers complaining that the farmer got 9s. for local consumption, yet sent his wheat overseas at 7s. But last year, when he was getting 7s. 8d. for wheat for local consumption, and the price overseas was 11s., we did not hear any complaints.

Hon. T. Moore: How much did the farmer get for the whole of it?

Hon. J. A. GREIG: He got 11s. for all wheat sold overseas. Some was sold up to 16s. per bushel.

Hon. T. Moore: But what was returned to the farmer for the whole of his wheat?

Hon. J. A. GREIG: I have not made it up, but he got 7s. 8d. for wheat for local consumption, representing about two million bushels, and 11s. for about eight million bushels.

Hon. C. F. Baxter: Over the whole of the season it works out at about 9s. net to the farmer.

Hon. J. A. GREIG: Over 9s. I think. However, I have not worked it out. I know that all our export wheat averaged 11s. per bushel, whilst wheat was sold for local consumption at 7s. 8d. In other words, of every three mouthfuls of bread which the consumer ate last year, he paid for two, while the farmer gave him one for nothing. During the last five years the farmer has handed to the consumer over £500,000. During this year the boot has been on the other foot. I do not think the overseas sales have averaged

quite 9s., but it will not be very far short of that, somewhere about 8s. 11d. for what was sold up to a month ago. A certain quantity is still on hand. I repeat that the farmer was compelled to keep a certain quantity on hand in case of a drought. Because of that he could not sell the whole of his wheat when the price was high, and now probably the balance will have to be sold at about 6s. So, taking an honest view of the matter, it will be found that the farmer has given the consumer a fair deal, in spite of all that has been said. I will support the second reading. In Committee I may have something further to say.

Hon. J. NICHOLSON (Metropolitan) [8.53]: The Bill deserves the gravest consideration. The question is, should we perpetuate in times of peace a system introduced through the exigencies of war? I am reluctantly forced to the conclusion that we are wrong in continuing the wheat pool now that the war has ended and the conditions which necessitated the introduction of the original pool no longer exist. The principle is an important one, since it affects not only the consumers in the towns but also the producers. As legislators we are concerned with the interests of all sections of the community. We have, on the one hand, the producers of wheat, and on the other the consumers. For whose benefit is the Bill intended? There can be only one answer, namely that the producer of wheat will be protected and benefited to the fullest extent. As between producer and consumer there should be the open market, the fullest freedom of contract. This measure will have the effect of preventing freedom of contract. I hesitated at first as to the advisability of deciding against voting for the measure, because I recognised that the short period still to elapse before the crop is harvested does not afford much time to prepare for any marked change of system. I have always given the fullest consideration to the man on the land because I recognise that his interests are identical with those of the man in the city. But in the Bill protection is being given to the producer which is unfair to every other section of the community, particularly when we hear in mind that, in the event of the crop not realising expectations, the rest of the community will be required to bear the loss. Clause 5 provides that the Government may arrange for financial accommodation, and guarantee repayment of the advance with interest and bank charges. That means that there can be only one outcome in the event of losses, namely, that the community as a whole will be required to bear that loss. Assuming a loss of 1s. a bushel on the estimated 15 million bushel return—

Hon. H. Stewart: Do you think there is any chance of that?

Hon. J. NICHOLSON: I should be sorry if such a loss were sustained, but in these days one can hardly tell. Are we justified in charging to the rest of the community the

loss which would be sustained, even if it were only 1s. a bushel? On a 15 million bushel crop such a loss would represent three-quarters of a million.

Hon. H. Stewart: What would happen in the event of such a loss?

Hon. J. NICHOLSON: The rest of the community would have to foot the bill.

Hon. F. A. Baglin: The farmers would be required to carry part of the burden.

Hon. J. NICHOLSON: Yes, but only a part. If a pool has to be arranged for the producers of wheat the other producers on the land are also entitled to similar protection.

Hon. F. A. Baglin: So they are.

Hon. J. NICHOLSON: If that system of pooling were extended to every other form of production, the result would be bankruptcy for every other member of the community, because the country could not stand it.

Hon. F. A. Baglin: Why?

Hon. J. NICHOLSON: It is impossible for us to interfere with market rates. What dominates the price of wheat and other products is the question of world's parity.

Hon. F. A. Baglin: What about the middle man?

Hon. J. NICHOLSON: I do not care what the hon. member does with him. If he chooses to dispose of the middle man I am quite in agreement with him. Something has been said about the middle man who comes into this question namely, the Westralian Farmers Ltd. I am not going to quarrel with the farmer as to whom he selects for the purpose of marketing and attending to the acquisition of his wheat. If the farmer chooses to say, "I prefer the Westralian Farmers Ltd. to some other body"—

Hon. F. A. Baglin: The Government have said that.

Hon. J. NICHOLSON: It is a matter for the farmer himself to determine.

Hon. F. A. Baglin: The farmers do not determine it.

Hon. J. NICHOLSON: I do not know whether the farmer has determined it or not. I believe that the farmers through their particular body have determined in some way or other, otherwise the name of the Westralian Farmers Ltd. would not have been introduced into the Bill.

Hon. J. J. Holmes: This Bill does not give them any option.

Hon. J. NICHOLSON: I recognise that. The name of the Westralian Farmers Ltd. must have been introduced, because of certain recommendations from those interested in the farming industry.

Hon. G. W. Miles: The Government represent them, as they did last year.

Hon. J. NICHOLSON: Represent the Westralian Farmers Ltd.?

Hon. G. W. Miles: Yes.

Hon. J. NICHOLSON: There may be something in that. Probably the Leader of the House will enlighten us on the subject.

The Minister for Education: I do not know what the hon. member means.

Hon. J. NICHOLSON: The orchardist is as much entitled to this protection as is the wheat producer.

Hon. F. A. Baglin: Would he be better off if he had it?

Hon. J. NICHOLSON: I doubt if the country would consent to it. Other sections of the community would say, "If you are going to protect the wheat producer, the orchardist, the pastoralist, the man who is producing pearl shell, and the miner, then you must also protect the merchant and every other member of the community."

Hon. H. Stewart: The merchant is already protected.

Hon. J. NICHOLSON: If the principle is to be admitted, and it is a matter of principle in one case, then it ought to be admitted in other cases.

The Minister for Education: Is it, not already admitted in the case of the manufacturer?

Hon. J. NICHOLSON: There may have been certain protection afforded to the manufacturer through the protective tariff.

Hon. H. Stewart: Fifty per cent.

Hon. J. NICHOLSON: I have never advocated such a high tariff as this. I believe more in freedom of contract than in undue protection. I do not believe in extending protection which will unduly harass the public. Protection is already given up to a point, but instances have come before us where these protective tariffs have worked evil instead of good. I look upon this Bill as practically giving the Government an open cheque. Clause 5 places no restriction whatever upon them as to the guarantee, and it destroys that which the farmer himself should have and should enjoy, namely, freedom of contract. The open market is something which would be beneficial I believe to both the producer and the consumer. It would enable them to trade and carry on their operations in a way which would probably result in mutual benefit. I noticed the other day that the Premier of South Australia, when challenged in regard to the attempts which were stated to have been made there to run down the price of wheat, remarked that to suggest for one moment that South Australian wheat or even Australian wheat could influence the world's market was ridiculous, and that all the latest information proved the wisdom of the Government's policy to have the open market, and to that decision it would adhere. It was the duty of the Western Australian Government to have followed the policy which seems more consistent with the interests of all sections of the community, and to have insisted here upon the open market. If the farmers had desired a pool they could have had a voluntary pool. I heard one member say that the voluntary pool would have broken down by its own weight. That is a bad argument against pools generally. If they are going to break

down by their own weight, and have to be sustained by Acts of Parliament, then we had better be without them. Mr. Lynn quoted comparisons to show that over a long period of something like 60 years a sum of not less than 3s. per bushel:—

Hon. C. F. Baxter: It was 3s. 10d.

Hon. J. NICHOLSON: Of 3s. 10½d. per bushel, had been secured in any year. This is the best evidence I think which may be advanced for continuing the open market. Throughout that long period there were no pools in existence, and there is no reason for the farmers to fear that the position will be any worse in the present year than it was in that period of 60 years.

The Minister for Education: You know the farmer very frequently did not get the 3s. 10d.

Hon. J. NICHOLSON: I am only going by what the hon. member said.

Hon. C. F. Baxter: They got as low as 2s. 2d.

The Minister for Education: The farmer did not get it.

Hon. J. NICHOLSON: The position is perhaps capable of some explanation. Every protection has been extended in Clause 7 to the Industries Assistance Board. Where wheat is delivered to the Westralian Farmers Ltd., as acquiring agents, provision is made that if the settler to whom advances have been made under the I.A.B. is indebted to the I.A.B., that board is protected, but in the event of a private person having advanced money and occupying the same position as the board, there is no similar provision in that clause to protect him.

Hon. H. Stewart: There is elsewhere.

Hon. J. NICHOLSON: In the form of agreement it is provided that where wheat is subject to a mortgage—there is nothing in the Bill binding the farmer to this—or lien, charge or other encumbrance, of which the Minister shall have received due notice, the certificates will be issued in the manner instructed by the Minister. The Leader of the House should take particular notice of this. If it is good enough for the Government to protect the I.A.B., it is only right that similar protection should be given to those who make advances in a private capacity. There are banks and other institutions and private individuals who have advanced money on crops under lien. Practically the same provision should be made in the body of the Bill protecting these institutions and private persons as is made in favour of the I.A.B. It is not sufficient protection to say that these certificates in the case of a private individual would be issued in such manner as the Minister may think fit. The private individual should not be at the mercy of the Minister. I hope this matter will be remedied. It may appear in some of the old measures and may have been overlooked.

Hon. C. F. Baxter: Is he not sufficiently protected under Clause 8?

Hon. J. NICHOLSON: No.

Hon. C. F. Baxter: It was thought sufficient in the past.

Hon. J. NICHOLSON: That may be so. Clause 8 requires the holder of a mortgage or lien or charge to give notice to the Minister, but it does not say that the holder of the lien or charge shall have a preferential right to the money. I also object to the provision with regard to the fixation of the price of wheat and bread. I regret that the Bill should have been considered necessary by the Government, seeing that the question of the pool was the subject of a serious discussion by other States producing bigger crops than we do. These other States have in their wisdom decided that in the general interests a wheat pool is unnecessary, and that has weighed with me very considerably in deciding that I cannot support the second reading of this Bill.

Hon. J. MILLS (Central) [9.15]: Whilst I desire nothing that savours of State trading concerns, I intend to support this Bill believing as I do it is the only means by which the farmers will obtain anything like a fair price for their wheat this year. A lot of capital has been made both in this Chamber and in another place out of the fact that the pool has been financed by the Federal Government, and that we are now asking the State Government to do the same thing here, and the farmer has never done anything in return. During the war the farmer fed the Australian people with the cheapest loaf in the world at the cost of production or thereabouts, and with what amounted to pecuniary loss to himself. The overseas parity at the time was about 14s. If there has been any backing, to my way of thinking, it has been the farmer who has backed the people in that act. He was at great loss for that period. I intend to support the second reading of the Bill.

Hon. F. A. BAGLIN (West) [9.15]: I support the second reading of the Bill. I have listened to the able speeches of hon. members with deep interest, seeing that they discussed the principle of State control. The fundamental principle underlying the Bill is State control, and we find it being supported by many hon. members who are bitterly opposed to that principle. How they can reconcile some of the statements they have made during the course of the debate on the Bill before the House with other statements they have made, is more than I can understand. We find the Bill being introduced by a Government whom we know are entirely opposed to State control. From this we realise that a pernicious system has grown up, whereby the Government is dominated by another party.

Hon. C. F. Baxter: Which party?

Hon. F. A. BAGLIN: The Country Party.

Hon. C. F. Baxter: If there is any, I think it is the party you are connected with.

Hon. F. A. BAGLIN: It is the party in another place, which has a greater majority

than those directly behind the Government. The Mitchell Government are being dominated by the policy of another section of the Lower House. I think that if the Government had had their own way, the Bill would not be before us to-night. That is a feature of the position that should be remembered. I am sorry to know that such a position exists. We are told by people who should know, namely, by the representatives of the wheat-growers in this Chamber, that State control of wheat is good for the wheatgrower. I cannot join issue with that statement. One would gather from the speeches of the representatives of the farmers in this Chamber that the men on the land are clamouring for State control of their particular product. If the principle of State control is good for the wheatgrower, surely this gives us food for reflection. The farmer is not the only producer in the State. Mr. Nicholson has referred to the fruitgrowers. We know that the fruitgrowing industry in Western Australia has been hampered for a long period and that it has practically been crippled. It has not made the progress that should have been recorded during latter years. We should consider whether the principle that is apparently satisfactory to the wheatgrower, should not be extended to other primary industries and be applied, for instance, to the fruitgrowing industry. For the past five years the farmers have been selling their products under State control. They know that the system is a good one and want it to be continued. If that is the case, why should not the Government apply the principle to fruitgrowing and let the orchardists come under State control regarding the sale of their products? If that were done, in five years' time we would find the fruitgrowers clamouring for the continuance of State control. Regarding the coal industry, if I may refer to that—

The PRESIDENT: I do not think the hon. member can refer to coal under this Bill.

Hon. F. A. BAGLIN: There may be other industries which could be fostered and developed by the Government if the principle of State control were applied. Regarding the question of handling, I am in favour of State control, but I do not think the State has gone far enough. We have had bad State control and while many State trading concerns are condemned, it is because of mismanagement and bad administration and not because of the principle. That has been the experience in the past. Much of the condemnation heaped upon the State trading concerns is due to the fact that they have not been sympathetically administered and, as with those concerns, so it will be with the State control of marketing of wheat. If there is no sympathetic administration, we cannot expect success. I believe the farmer should go further and ask the Government not only to take control and have a compulsory pool for the acquiring of wheat but to handle it as well. If that were done it

would represent a great saving to the farmers. Mr. Lynn mentioned that the records for the past 60 years showed that the world's parity for wheat stood at 3s., although it was 3s. 10d. for the three years preceding 1914. I remember that wheat was sold for 2s. 6d. a bushel in connection with the 1913-14 harvest.

Hon. Sir Edward Wittenoom: There was very little wheat though, that year.

Hon. F. A. BAGLIN: No, there was a record harvest for that season. While it may be true that the world's parity during the three years before the war was 3s. 10d., the grower did not get that full amount because the middlemen stepped in and secured a great deal of the money that should have gone to the farmers. That is likely to happen again unless the farmer has some protection against these unscrupulous people. Sir Edward Wittenoom mentioned the fact that if the Bill were not passed, possibly the agents would come along and buy wheat and afterwards sell it at an increased rate. It was mentioned that the farmers would not have any protection at all if the Bill were not agreed to. The Government have decided to come to the protection of the farmers and have guaranteed so much per bushel for wheat. If the Bill is defeated, the farmers will be left to the mercy of the agents or the middlemen. Whilst we have heard a good deal during the course of the debate regarding the possibility of a loss, in which direction a dismal picture has been portrayed, the arguments used have been weak. It is not likely that there will be a loss. We should look on the other side of the picture and contemplate what will happen if wheat realises a greater price than is contemplated at the present moment. Should the price be greater the farmers will reap considerable benefit. Without the protection of the pool, if a greater price is realised on the wheat, it will go to the agents and not to the farmers. I am not representing a farming constituency and consequently I may be credited with taking a fair and wide view of the position. Every penny extra per bushel that is secured for wheat overseas will go to the farmer and indirectly the whole community will benefit.

Hon. J. Duffell: As a matter of fact, they are not fixed up for the 1915-16 harvest yet.

Hon. F. A. BAGLIN: That does not affect the principle of the pool. That can be put down largely to bad administration and mismanagement.

Hon. J. Duffell: But it was a pool.

Hon. F. A. BAGLIN: It does not affect the principle of the pool. I want to impress upon hon. members that this scheme will protect the farmer. We should do everything possible to afford him that protection.

Hon. Sir Edward Wittenoom: That is what it will do.

Hon. F. A. BAGLIN: Under the old conditions if the agents bought, they received the benefit of whatever increase was realised.

Hon. J. Duffell: You pay 3d. per lb. more for bacon to-day than under the old system.

Hon. F. A. BAGLIN: That may be so.

Hon. J. Duffell: It is so.

Hon. F. A. BAGLIN: The Bill, however, should go further. I cannot understand in connection with a compulsory wheat pool scheme, why it should not be a wheat pool in its entirety. Why the Government should require persons to sell wheat for them and why certain persons should be receiving commission, I cannot understand. It was stated that the old agents wanted the wheat pool continued because the buyers of 1914 are the agents of to-day and they receive commission without any risk.

Hon. H. Stewart: So they did under the wheat pool and it hurts too.

Hon. F. A. BAGLIN: If the Government accept the responsibility of taking over the wheat, they should market it as well and cut out the commission agents. If they did that, a considerable sum would go back to the farmers.

Hon. C. F. BAXTER (East) [9.28]: For another year we have a Bill before the House to give the Government power to acquire and market wheat for the season 1920-21. The Leader of the House, in introducing the Bill, stated that it had been brought before the House much earlier this year than in any previous year. I could not help thinking when he made that statement that members might think that I was responsible for the delay in connection with similar Bills in the past. No one knows better than the Leader of the House that I was not responsible for any delay and if I had had my way, the Bills would have been introduced five or six weeks earlier than they were presented to the House. Like other members I regret the necessity for this measure again this year, but, unfortunately, we are in that position that we cannot say we are yet clear of the troubles arising out of the war. We have had ample evidence of that during the past few weeks when we consider the sales made in the other two States where there is no wheat pool in existence. Different hon. members have put forward the two sides of the question. We have had the two extremes—the pessimistic forecast by Mr. Nicholson that wheat may be sold at 2s. 8d. per bushel f.o.b. and long speeches by other members who are afraid that the maximum price will exceed 7s. a bushel. I wish I could feel with those hon. members that there is a likelihood of the world's market price for wheat reaching anything like 7s. a bushel. Unfortunately, I am afraid we will not get anywhere near that figure. At the same time it is ridiculous to state that there is a likelihood of the Government making a loss of 1s. per bushel on an advance which practically means 3s. 8d. per bushel. One member stated that the average price received for wheat during the past 12 years was 3s. 10½d. per bushel. That was the average price re-

ceived for the sale of Australian wheat, and not the price received by the farmer. I remember sales as low as 2s. 2d. to 2s. 6d. per bushel to the farmer which netted to the buyers 3s. 1d. per bushel. In another year when the sales were 2s. 4d. to 2s. 8d. a bushel, the buyers realised 3s. 6d. to 3s. 8d., and, in some instances, 4s. per bushel. Unfortunately we are in a worse position to-day, because in one State which is operating free the buyers have to make forward sales safe, more so than they had to do before, on account of the financial position. It would be nonsense to say that we are in a sound financial position. We know how difficult it is to finance anything. There is no better commodity to finance at present than wheat; therefore it comes back to the question raised by those who stated that the Government are risking the taxpayers' money. Suppose the estimate given were correct, that wheat was sold at 2s. 8d. per bushel, which would mean 2s. a bushel to the farmer, there would be fewer members of Parliament because those of us who are wheat growers would have to face the Bankruptcy Court and there would be fewer professional men in Perth. Let us hope the day is far distant when the price of wheat to the farmer falls lower than 4s. per bushel. Under present expenses, I do not think any farmer, no matter how economically he farmed his holding, could do it at less than 4s. per bushel counting on a 12-bushel average. Reference has been made to reasons why the Commonwealth pool was not continued this year. It was a most difficult matter to get the Commonwealth and the different States to continue the pool of 1920-21. Members will agree that, had that pool not been continued, it would have been a calamity, not only for the wheat grower, but for the whole of the Commonwealth. Members should realise that the wheat-growing industry plays a very important part in the finances of the Commonwealth. In fact, it plays the most important part at present, because all other products are subsidiary owing to the fall in their value. Though there are pessimists from whom we have heard to-night, I say from experience and after following the markets closely that with careful sales—not rushing the market—wheat in this State should net to the farmer somewhere in the neighbourhood of 5s. per bushel.

Hon. J. Duffell: Do not you think the wheat board could handle the business?

Hon. C. F. BAXTER: I have not come to that point yet. Just prior to the arrangement last year the Prime Minister, the Premier of South Australia (Mr. Barwell), and the Minister for Agriculture in New South Wales (Mr. Dunn) were all very strongly opposed to a continuation of the pool, and it was only after much consideration that the position was realised by the representatives of the States. Even then the Prime Minister was not at all keen on continuing the pool. He chafed a good deal under the criticism and the abuse levelled not only at the Commonwealth Government, but at the State Govern-

ments. There is no question that that criticism—a lot of it unfair—has had much to do with the different Governments strongly opposing the continuance of the pool. The present position is rather critical, and it will be interesting to see how it works out. It appears that New South Wales will have a compulsory pool—the Government and their supporters are determined on that. Victoria is to have a voluntary pool, which as I stated by interjection, will break down of its own weight. Certain farmers will put their wheat into the pool. Those outside will take every advantage to dispose of their wheat, and the result will be that with one lot cutting against the other, the pool will be in a very bad way before the end of the season. The fact of there being many farmers not putting their wheat into the pool must mean that the price of wheat will be reduced, and they will do as the farmers of South Australia are doing to-day—accept a lower price. I have been informed, and I think the information is reliable, that sales have taken place in South Australia at 4s. 3d. upwards. This will occur where there is a voluntary pool. If there is to be any pooling of wheat or of any other product, it must be a compulsory pool. Only in this way can success be achieved.

Hon. J. J. Holmes: Will not those conditions affect the pool here?

Hon. C. F. BAXTER: The fact that there have been sales in South Australia and in Victoria must affect the Western Australian pool. It is regrettable that the Commonwealth pool was not continued. I do not see that it is possible now for the different States to come together, however desirable it might be. Seeing that the South Australian Government went to the country on the question of discontinuing the wheat pool, I have very little hope of them coming into line and agreeing to a Commonwealth pool. Mention has been made of the fact that the pools have not been wound up. This is the most regrettable feature in connection with the pooling business. Right back to the 1915-16 pool, final settlement has not been made. I asked a question whether it was reasonable to go to the expense of making final payments in connection with the 1915-16 pool, and I was informed that there was no special reason other than the responsibility that rested on the Government to pay to certificate holders whatever residue might be left in the 1915-16 pool.

Hon. Sir Edward Wittenoom: What would you do with it if you did not pay it?

Hon. C. F. BAXTER: The Minister for Agriculture stated through the Press some few weeks ago that the residue of the 1915-16 pool was a farthing a bushel. It is going to cost a fair amount of money to distribute the farthing, and I want to know where is the reasonableness of wasting money—it amounts to nothing else—to distribute that small sum, because it is of practically no value to the certificate holders. It would be

far better to wait until the board are in a position to pay the whole of the pools. I exonerate the Government in this matter, but I say that this idea, coming from the wheat board, is merely camouflage, because they want to hide up the position and extend the time for settling the remaining pools. I asked another question as to what was being done with regard to the payment in respect of the other pools, and the reply was—

Expedition is being constantly urged upon the Australian Wheat Board and the various State schemes have faithfully promised to supply, at the earliest moment possible, any returns of State operations that may be necessary to assist in the finalisation of the respective pools.

There has been a lot of delay. The main reason for the delay in the past was that the board could not arrange the apportionments of profit owing to the transferring of different shipments of wheat during the war. In the early part of this year we had everything finalised in that direction. Naturally enough it was expected that we could make the final payments in connection with those pools. When I left office I saw no reason whatever why the whole of those back pools should not have been cleared up in August last. I know that Western Australian and Victorian accounts have been cleared up, and that payment could have been made during July or August. The other two States were back in their figures and it is quite possible they have not been supplied yet. I want the Government to consider this position. The farmers have a lot of money in these different pools. Regarding the 1915-16 pool it does not matter much if it is not wound up, because the payment is so small, although I cannot understand how the present Minister made the valuation as low as a farthing. I think there is more money than that in the 1915-16 pool. If the other States cannot arrive at a solution of their difficulties regarding the accounts of the different pools and the apportionment of profits, it behoves the other two Governments to force matters and have the payments made in their respective States. To urge the Australian Wheat Board means very little, because the board simply turn round and send a request to the State which has not yet supplied the necessary information. I would ask the Leader of this House to impress upon the Government the necessity for forcing the matter to some conclusion. The Minister for Agriculture, I understand, it going to attend a meeting of the Australian Wheat Board on the 28th of this month. My experience of the position in the East impels me to request the Government, on behalf of the wheat growers of this State, to instruct their Minister for Agriculture to lay down definitely that there must be a settlement one way or the other; that if any State cannot come into line as regards apportionment of the pool, then the Australian Wheat Board should make arrangements for the States that can

come into line to make their final payments. Whilst it is to be regretted that we find ourselves in the position of having to continue the wheat pooling system, without a Commonwealth pool being established, yet there are certain advantages in a Western Australian State pool. The greatest advantage is in the matter of shipping. Not only will there be a saving in sea freights, but boats will not be forced on the hands of the scheme at inconvenient periods, as has happened time and again. The freight advantage represents at least 5s. per ton, which represents a very nice figure in view of the fact that some of the steamers carry as much as 7,000 to 7,500 tons.

Hon. G. W. Miles: How do you get at the 5s.?

Hon. C. F. BAXTER: From the fact of our being nearer to the markets, by reason of our geographical position. Under the pooling system it was a matter of give and take.

Hon. V. Hamersley: We have given a lot.

Hon. C. F. BAXTER: I do not know that we have given so very much. As regards the Australian Wheat Pool, Western Australia has kept up its end very well. On the question of freight, as many boats are coming out in ballast, they will look for Western Australian freight; and I have little doubt that the advantage to us will work out at a little better than 5s. per ton, seeing that these boats will not have to do the double distance. This is of special importance as they are coming out in ballast; if they were carrying cargo, it would be a different thing. Then as regards sales of wheat, a State pool would carry with it the great advantage of sales not being under the control of the Australian Wheat Board. The worst feature of the Commonwealth pool has been that the sale of our flour has been controlled by the Australian Wheat Board in Melbourne and by a selling committee in London. Had the millers of Western Australia, or of the whole of Australia, been allowed to secure their own export business, a great deal more flour would have been exported from the Commonwealth, and especially from Western Australia. It is all very well to say that we must control the markets and control the freights. If we say to the miller that the price of wheat for Singapore, or Java, or Egypt, or any other State, is 9s. per bushel, that is all the safeguard needed. The milling people have their brokers in each port, and these brokers are alive to the fact that they must earn their living; and they are far keener on doing business for the individual flour miller than the London selling agents are likely to be.

Hon. J. J. Holmes: You are making a good speech in opposition to the Bill.

Hon. C. F. BAXTER: No. I am drawing attention to the necessity for not tying the hands of the flour millers beyond the price of wheat. For the good of the wheat growers, and for the good of the State as a whole, let the flour miller do his own business without interference from either the Australian

Wheat Board or any local wheat board. Let the millers get their own organisations going again, and the result will be to benefit this State greatly, even in the matter of increasing the supply of offal.

Hon. J. J. Holmes: Why not allow the growers to sell the wheat?

Hon. C. F. BAXTER: During this debate various members have urged that the wheat grower should be allowed to sell his wheat. I consider that every opportunity is given to the wheat grower under Clause 6.

Hon. J. Duffell: No.

Hon. C. F. BAXTER: Indeed, I do not know whether that clause does not go a little too far. If we are to have a pool, we should give those controlling it the power to do the best they can. I do not know what more is wanted for the grower than is contained in paragraphs (a), (b) and (c) of Subclause 4 of Clause 6. Under paragraph (a) there is no restriction whatever as regards one farmer selling to another for seed purposes. Paragraph (b) represents an extension of the existing Act, inasmuch as it removes any restriction on a wheat seller selling his wheat to those who will use it for personal requirements.

Hon. G. W. Miles: But under that paragraph the grower cannot sell direct to the poultry raiser?

Hon. C. F. BAXTER: Yes, he can. Previously he could not sell f.a.q. wheat.

Hon. G. W. Miles: Having regard to Clause 11, how is he going to sell it?

Hon. C. F. BAXTER: The Minister may exempt; and, if he exempts, he will give permission for the railing of the wheat.

Hon. J. Duffell: After his previous actions, we cannot trust the Minister.

Hon. C. F. BAXTER: I do not know of any action of the present Minister for Agriculture that warrants a remark of that kind.

Hon. J. Duffell: I refer to the speech he made at the conference.

Hon. C. F. BAXTER: Were I the Minister controlling the scheme, I would have fought against the inclusion of paragraph (b) in Clause 6. That clause will make it very difficult indeed to dispose of inferior wheat, which is likely to become a drug on the market.

Hon. J. Duffell: Not at all!

Hon. C. F. BAXTER: There is a reference to wheat below milling quality, which means inferior wheat. Even those who opposed the Bill last year from the standpoint of the poultry raiser and pig raiser need have no fear in that respect this year, because Clause 6 empowers the Minister, who will no doubt exercise the power, to grant permission to supply all needs.

Hon. A. J. H. Saw: Do you say "may" means "shall" to the Minister?

Hon. C. F. BAXTER: "May" usually is taken to mean "shall."

Hon. A. J. H. Saw: It did not mean "shall" in connection with the extension of the Millars timber leases.

Hon. C. F. BAXTER: Mr. Hamersley stressed the necessity for deleting all power to fix the prices of bread and of offal. If that is done, the whole structure of price fixing falls to the ground.

Hon. G. W. Miles: It should fall to the ground.

Hon. C. F. BAXTER: That would mean going back to the old idea of the Government of the State having to purchase at the commencement of each season the whole of the State's requirements for local consumption during 12 months.

Hon. G. W. Miles: Why?

Hon. C. F. BAXTER: If that were not done, how should we arrive at a valuation?

Hon. V. Hamersley: It could all be fixed on London parity.

Hon. C. F. BAXTER: Quite so; but assume that the measure is passed this week and that in the following week the wheat scheme sell a large quantity of wheat to the miller, enough to carry them over three months, say. Assume further that that sale is made at the present market value of 4s. 3d. per bushel. There is every possibility of another 6d. per bushel going on to the price of wheat during that period. How can the price be controlled in the absence of this power? As regards the measure generally some hon. members have said that they will vote against the Bill. But what is the alternative to the Bill?

Hon. J. Duffell: The local wheat board.

Hon. C. F. BAXTER: Mr. Duffell refers only to the acquiring of wheat. I am speaking about the whole Bill.

Hon. J. Duffell: The schedules refer to the acquiring agents.

Hon. C. F. BAXTER: But I am referring to the entire Bill, and not to the schedules; and I am addressing myself to those who oppose the second reading.

Hon. A. Sanderson: Do you wish to make this a permanent affair?

Hon. C. F. BAXTER: No; not any more than does the hon. member interjecting. Like other members, I am opposed to State trading; but this Bill does not represent State trading. Even if it did, the present position is such that we should be forced to continue the pool, unless we want to bring about a state of financial chaos amongst the producers. Rejection of this Bill will have that effect. I support the second reading.

Hon. A. J. H. SAW (Metropolitan-Suburban) [9.58]: I oppose the second reading of the Bill, and I do so as a protest against the charge for wheat which has been made to the local consumer during the past year. By the action of the Commonwealth and State Governments certain machinery was established which was calculated to enhance the price of wheat to the farmer. That, no doubt, is a laudable object, but the machinery in question was diverted to grind, not wheat, but the faces of the consumers. There can be no question whatever that during the past

year the consumer has been paying considerable in excess of London parity.

Member: What about this year?

Hon. A. J. H. SAW: During the previous year the farmer enjoyed the benefit of the guarantee of the State and of the Commonwealth standing behind him; that is to say, the guarantee of the whole people. As one representing something like 50,000 human beings who consume wheat, or about one-sixth of the wheat consumers in this State, I have to enter a protest in their behalf. I also protest as one who, in the words of the Minister for Mines, represents a few of the fowls and pigs that have been eking out a precarious existence because of the high prices ruling for the products of the farmer. Much as I sympathise with the farmer and would like to see him get the best deal possible from the overseas market, I cannot at present support a Wheat Marketing Bill.

Hon. T. MOORE (Central) [10.0]: I move—

That the debate be adjourned.

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

Ayes	..	..	..	8
Noes	..	..	..	16

Majority against .. 8

AYES.

Hon. F. A. Baglin	Hon. J. Ewing
Hon. C. F. Baxter	Hon. A. Lovekin
Hon. J. Cornell	Hon. T. Moore
Hon. J. Duffell	Hon. J. W. Hickey
	(Teller.)

NOES.

Hon. H. P. Colebatch	Hon. G. W. Miles
Hon. J. A. Greig	Hon. J. Mills
Hon. V. Hamersley	Hon. J. Nicholson
Hon. E. H. Harris	Hon. A. Sanderson
Hon. J. J. Holmes	Hon. A. J. H. Saw
Hon. J. W. Kirwan	Hon. H. Stewart
Hon. R. J. Lynn	Hon. Sir E. H. Wittenoom
Hon. C. McKenzie	Hon. R. G. Ardagh
	(Teller.)

Motion thus negatived.

Hon. T. MOORE [10.5]: I had hoped that the House would have allowed me to secure the adjournment so that I might have been able to resume the debate at the next sitting when I would have been much fresher than I am at this late hour of the night. It was rather an unfair move on the part of those who have already spoken to vote against my motion. I am in favour of the Bill because I am one of the party who believe that we should have much more say in the marketing of our commodities than we have at the present time. The Labour Party originally introduced this measure and I am pleased to see through its introduction many of those who were opposed to such a thing in days gone by are now well behind it. This is a principle for which we have fought for many years

and I hope it will be retained. Even in the debate that has taken place it has been interesting to note in the comparisons that have been made, that in the past when everything was open to competition, and when private enterprise had all the sway, those who were dealing in wheat, did not get good treatment. At all events we find to-day that the farmers are not satisfied to be taken down as they were taken down in days that are gone, by good old private enterprise. Many extravagant statements have been advanced by those in opposition to the Bill regarding some of the clauses. One, with regard to the Westralian Farmers Ltd. was as to why that body should be the sole purchasing and acquiring agents. Extravagant statements have also been advanced with a view of boosting that institution. Mr. Lynn who wanted to make out a good case for the farmer, perhaps thinking it would appeal to those associated with the party to which I belong, referred to the fact that the Westralian Farmers paid their employees £1 a day. I saw most of the work done by the men who were engaged in wheat lumping and I can tell the hon. member that 90 per cent. of that work was done by contract. The men were paid so much and worked long hours to suit the convenience of the farmer, and if, as has been pointed out, the Westralian Farmers were able to land our wheat cheaper at Fremantle, it was because of the fact that the men in the country worked hard. I hope hon. members will take that into consideration. My friend thought that £1 a day was a great wage to pay. What the Westralian Farmers actually paid was 16s. I was out amongst the men and know what took place. To my mind even £1 a day is not too much to pay those who lump wheat in the heat of the burning summer sun. If my friend did that kind of work I think he would chuck it just before dinner time.

Hon. R. J. Lynn: Is that what you did?

Hon. T. MOORE: I never did any wheat lumping. It seemed to me that the hon. member was trying to mislead the House as to the exact way in which the Westralian Farmers carried on. The statements I have made are correct, because I was amongst the wheat lumpers. When they earned £1 a day they did it by contract. The men were there from early morning until late at night. Farmers often came in with their wheat early in the morning and sometimes as late as six or seven o'clock in the evening, and the men were always there ready to unload. Therefore, credit should not be given to the Westralian Farmers but to those who worked hard for them.

Hon. H. Stewart: Mutual help.

Hon. T. MOORE: Yes, for which the farmers took the most money, those farmers who live in St. George's Terrace from where they carry on their operations. A clause which has given rise to some comment is that relating to the fixing of the price. I am one of those who believe that there should be a minimum fixed for the wheat which we our-

selves consume. It is a very haphazard thing for us to do to leave it to the farmers to put in sufficient wheat for our own consumption. I know that at one time farming was given up except for the production of sufficient wheat for local consumption because the overseas price fell so low. People should always see that there is a reserve from the harvest when it comes in. Those who framed this measure should have gone further, after having fixed the maximum price for wheat for local consumption. They should have set about fixing a minimum price, and the Bill then would have been a good one. Mr. Greig was also extravagant in his statements whether intentionally or otherwise, I do not know. He told the House that in the 1920 season the wheat which was sold overseas brought 11s., and he led the House to believe that that was the parity price. Let us see how it works out. Approximately 10 million bushels went into the pool. Out of that, there was retained less than two millions for local consumption. If, as Mr. Greig said, the wheat sold overseas totalled eight million bushels, and was disposed of at 11s., and we paid 7s. 8d. for our two million bushels, the farmer received 10s. 4d., but did he get that? We know he did not. Therefore, Mr. Greig's figures were not correct. What the farmer got was 8s. 11d., which is very different. The figures quoted were misleading, and it is not necessary to mislead the people in order to look after the interests of the farmers, which, after all, are the interests of the community generally. I am prepared to treat the farmers as fairly as I would treat every other section of the community. Many statements have been made which I should have liked to look into. I have taken only one or two points, to show that there has been a certain amount of boosting. I will support the second reading, but when in Committee I will endeavour to amend several of the clauses. The outstanding feature with which I disagree is the giving of a monopoly to the Westralian Farmers Ltd., a body which stands not very high in the estimation of the farmers themselves. Even the co-operative societies are not at all pleased with the Westralian Farmers Ltd., while the farmers now realise that the Westralian Farmers Ltd. consist of men who farm in Perth and make a good living out of the people working farms.

Hon. A. LOVEKIN (Metropolitan) [10.17]: I will oppose the Bill on principle. My political creed is against all pools, all combines, and all monopolies, which while benefiting sections of the community are inimical to the masses. On that ground I must vote against the Bill. I see no danger to the State in the guarantee, because for many years past the price of wheat to the farmer has not been much below the 3s. per bushel which the Government propose to guarantee.

Hon. J. J. Holmes: What is the guarantee in the Bill?

Hon. A. LOVEKIN: I take it that it is as stated by the Minister, namely, that the Government have arranged with the Commonwealth Bank to pay 3s. per bushel. The overdraft, I understood him to say, would not be sufficient to cover the whole of the crop, but it was not expected that the bank would be called upon to pay on more than a percentage of the crop because certificates to I.A.B. holders could be held up.

Hon. Sir Edward Wittenoom: If no Bill, there will be no guarantee.

Hon. A. LOVEKIN: That is so. Still, I do not oppose the Bill on the score of any risk involved in the guarantee. On the same ground I think the farmers might well take the risk themselves, because there is but a remote chance of their getting less than the 3s. guaranteed by the Government if they market their own wheat. Still, as I say, I object to any pool, combine, or monopoly.

Hon. J. Duffell: Are you a wheatgrower yourself?

Hon. A. LOVEKIN: I am.

Hon. J. Duffell: Then you are about the only one opposed to the Bill.

Hon. A. LOVEKIN: Rather than go into any pool or combine with others I should prefer to work on my own, believing as I do that I would come out much better than if I had anything to do with pools or combines.

Hon. F. A. Baglin: There is a difference between a pool and a combine.

Hon. A. LOVEKIN: May be, but I do not see it. Mr. Holmes remarked that the Westralian Farmers Ltd. had a very large amount of insurance cover outstanding. I do not think we should endeavour to harm any company or individual. It must be obvious that the company would not carry that cover itself. As a matter of fact, the Westralian Farmers Ltd. has the agency of another large insurance company, and the bulk of the risk taken by the Westralian Farmers Ltd. is re-insured with that large company. So there is not very much risk left for the Westralian Farmers Ltd. If the Bill passes the second reading I, like Mr. Moore, will endeavour to effect some amendments in Committee. One will be the striking out of the clauses relating to the acquiring agency. I have no time for State trading concerns, but I prefer to see the crop handled by the Government rather than by any company having a monopoly. If I do not succeed with that amendment, I shall endeavour to strike out or amend Clause 3 of the Schedule, which enables the acquiring agents with the consent of the Minister to trade in wheat. The Minister in another place said it was intended to limit that trading to the sale of seed wheat. If that be the intention, then let us put it in the Bill and so make sure. We are all aware of the constitution of parties in another place, and it is quite possible for a certain party to put the acid on the Government and force the Minister to permit the company to trade in wheat other than

seed wheat. In all the Canadian and American wheat measures it is especially provided that the acquiring agency shall not directly or indirectly trade in wheat whilst they are handling it. We should make that provision very clear in the Bill and so prevent the company from trading in wheat, except seed wheat.

Hon. J. W. HICKEY (Central) [10.25]:
I move—

That the debate be adjourned.

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

Ayes	..	..	..	6
Noes	..	..	..	17
				—
Majority against	..	..	..	11
				—

AYES.

Hon. F. A. Baglin	Hon. T. Moore
Hon. J. Ewing	Hon. J. Cornell
Hon. J. W. Hickey	(Teller.)
Hon. A. Lovekin	

NOES.

Hon. R. G. Ardagh	Hon. G. W. Miles
Hon. H. P. Colebatch	Hon. J. Mills
Hon. J. A. Greig	Hon. J. Nicholson
Hon. V. Hamersley	Hon. A. Sanderson
Hon. E. H. Harris	Hon. A. J. H. Saw
Hon. J. J. Holmes	Hon. H. Stewart
Hon. J. W. Kirwan	Hon. Sir E. H. Wittenoom
Hon. R. J. Lynn	Hon. J. Duffell
Hon. C. McKenzie	(Teller.)

Motion thus negatived.

Hon. J. W. HICKEY (Central) [10.28]:
I was quite prepared to speak on the Bill to-night until certain other members made statements which I should have liked to inquire into. Because of that, I, like Mr. Moore, would have preferred to see the debate adjourned. Mr. Moore asked for the adjournment, but was refused. It then seemed to me that some members were under a misapprehension. At this stage I have nothing to add to what has been said. I support the second reading of the Bill, but am sorry that members are not given an opportunity of dealing with the remarks that others have made.

The PRESIDENT: The hon. member must not debate the adjournment.

Hon. J. W. HICKEY: I do not think I am doing so.

The PRESIDENT: It sounds like it.

Hon. J. W. HICKEY: I regret that the debate was not adjourned. I will take my chance in Committee, and have a word or two to say at that stage.

Hon. H. STEWART (South-East) [10.30]:
I would not have spoken at this late hour but for the fact that it is apparently desired to get the second reading stage finished to-night. Mr. Holmes made a number of statements which required to

be answered, and assumed that if the price of 3s. per bushel was not realised certain things would happen. Mr. Lynn and Mr. Lovekin having already dealt with these statements, it is unnecessary for me to cover the ground again. Certain members who have expressed opinions in opposition to this measure are not, with the notable exception of Mr. Kirwan, in their places to hear the arguments against their views. One cannot expect to alter the opinions of hon. members by speaking to empty seats. I should have liked to have seen Dr. Saw here, having heard him say that he represents 50,000 consumers of wheat and therefore would oppose the Bill. The wealth production of the metropolitan area is a mere flea bite compared with the contribution made by people outside the metropolitan area. Mr. Holmes says the pool amounts to State control. Anyone looking at the Bill and possessing fair judgment must admit that it is not a matter of State control, except that the State is standing behind the scheme and guaranteeing the first advance that is made. That is the limit of the liability of the Government. For this advance the Government will possess an asset in the shape of the wheat, which can be stored. Wheat can be dealt with satisfactorily in a pool like wool. We know what happened in regard to wool when the pool came to an end, and there was no provision for safeguarding the large stocks on hand. It represented a financial calamity to Australia, because our product had to be realised at a low value. It has now been found necessary to adopt other means of stabilising the market. The State will not be called to pay any money in connection with the wheat unless it fails to realise the amount of the guarantee. The Bill contains provision for the appointment of public servants to work in connection with the scheme. There is also a provision whereby the remuneration that is paid even to the consumers' representative on the board is paid by the farmers.

Hon. J. A. GRIEG: The farmer pays for all of it.

Hon. H. STEWART: No one can say this is a matter of State trading. What it will do is that it will protect from exploitation the man who is responsible for the production of so much of the wealth of the State, and enable him to market his produce in such a way that he will get a fair return for it.

Hon. J. W. Kirwan: Would the hon. member favour a pool for all products produced within the State?

Hon. H. STEWART: A State pool is required because conditions are still abnormal. In the opinion of the Federal Parliament the time is not yet ripe for doing away with the wheat pool. Mr. Hughes was asked to establish a pool in April last. He took no steps to do so because he said he would have to consult Cabinet, and would make an announcement later on. I do not know

that any announcement has yet been made by him.

The Minister for Education: He will establish a pool if the States wish.

Hon. H. STEWART: On July the 22nd last, when Mr. Hughes was away, the House of Representatives by 28 votes to 12 carried a resolution favouring the establishment of a Commonwealth wheat pool. One of the wheat producing States, South Australia, will not, however, come into the pool. The arguments that have been put up against the establishment of a State pool have been put up year after year. People are afraid that the amount of the guarantee will not be realised. There has so far been no justification for that assumption. Those members who are opposing the Bill should have quoted figures to prove that because of the actual supplies of wheat available there must be a drop in the price, but they have not done so. If there is a drop in the price of wheat in Australia it will probably be due to the competition of agents handling it and to adverse financial conditions which prevail. The same objections that have been raised against the Westralian Farmers Ltd. as acquiring agents have been raised on many occasions before. It has been shown that the Westralian Farmers, in open competition with firms of long experience and with full equipment, were able in the first year of the pool to acquire more wheat than any other firm. Later on the Westralian Farmers quoted a lower price for acquiring the wheat than any other firm, and are doing the work at a cost of £25,000 less than similar work has been done in the Eastern States where open competition exists. Mr. Duffell said that when giving evidence before the Royal Commission Mr. Keys stated that he could effect a saving of £15,000 on a 10,000,000 bushel harvest. The firm with which Mr. Keys was associated before joining the Government scheme is now in open competition with other firms in the Eastern States, and under the pool in past years had been acquiring wheat at a higher remuneration for services than is being paid to the Westralian Farmers in Western Australia. That being so, if the firms in the Eastern States were to secure the handling of the wheat in Western Australia they could afford to lose a little on it. If Mr. Keys is right in saying that the scheme could handle the wheat cheaper than the Westralian Farmers can do it there must be something wrong when so much is charged for the handling in New South Wales, Victoria, and South Australia. Mr. Kirwan referred to the action of the Boulder town council in opposing the establishment of a State pool. If the people of Boulder who are dependent for their bread upon the production of wheat knew the facts, and the conditions which have rendered the pool necessary, a motion such as that passed by the Boulder council would never have seen the light of day.

Mr. Holmes said it was a case of either accepting this Bill or facing the world's market. It is not a question of facing the world's market at all; it is a question of facing competition amongst buyers, reverting to the conditions which operated prior to the formation of the farmers' co-operative company in this State. That movement was necessary in order to protect the farmers' interests, for the competition they had to face led to a fall in prices. From a perusal of statistics, I do not think there is any reason to anticipate a fall in prices except through competition forcing producers to realise on their wheat in order to secure cash to carry on their work. Mr. Moore seemed hurt because the Westralian Farmers Ltd. were given credit by Mr. Lynn regarding the question of the remuneration of those actually handling the wheat for them. For my part, I say all the more power to the agents who achieved such good results, and I think the same should be said whether the work was done by day labour or under the contract system. The work of the agents enabled the handling of the wheat to be carried out without cause for complaint, and it represented a saving to the farmers, as compared with the condition of affairs in the Eastern States, of some £25,000. Mr. Greig was taken to task regarding the figures he submitted to the House. Hon. members fully realised the position and Mr. Greig's figures and statements in this Chamber generally carry full weight with the House. Mr. Greig pointed out that, in giving figures dealing with overseas parity and local consumption, he gave them for the Australian Wheat Board and not the State only, and the figures related to the calendar year and not to the harvest year, whereas Mr. Moore's deductions dealt with one State only. That explanation makes a considerable difference in the application of the statistics he quoted, and in those circumstances the brief calculations made by Mr. Moore had no application to the period covered by Mr. Greig's figures. It is quite useless for me to proceed any further. I have said more than it was my intention and more than is desirable considering the state of the House at the present moment. I have plenty of material in my possession with which I may enlighten members during the Committee stage. There is one additional point; members made a good deal of capital out of the clause which empowers the Minister to give permission to the agent to trade. That provision has been in every Bill of this character which has been presented to the House, with one exception. The object of the clause is to enable clean wheat to be supplied to the farmers for seed purposes, instead of necessitating the wheat being railed down to the metropolitan area, stored for some considerable time, and finally railed back for seed purposes. The operation of this clause was very necessary in the early stages of the pooling system, and it is still essential that the far-

mers should be able to get clean wheat for seed purposes. That being so, I do not think there should be any objection to the provision I have mentioned. There may, perhaps, be certain departures from previous Bills, but such as there are are in the interests of the pig, poultry and other producers. The inclusion of those provisions will do away with the complaints which arose in connection with earlier pools. I support the second reading of the Bill.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East—in reply) [10.51]—I do not intend to detain the House for more than a few minutes in replying to the debate for the reason that the objections raised by various hon. members have been so completely answered by other members who followed them. In the circumstances, and in view of the undoubted urgency of deciding this matter one way or the other, I do not think it can be stated that the Bill has been unduly rushed. The two divisions already taken on the question of the adjournment of the debate show what the opinion of the House is on that point. I would object to any hon. member thinking he has not had ample opportunity for discussing the measure. After thinking the matter over very carefully, I do not see what relationship Mr. Sanderson and Mr. Kirwan find between this proposal and State socialism. There is not one socialistic element in the Bill. I have been asked to make a declaration—Mr. Miles said, "Make it now"—as to what the Government will do next year. It is impossible to state what the condition of affairs throughout the world will be at the end of 12 months or so, and it is, in the circumstances, impossible for me to state what the Government will do next year. If those hon. members are in a position to answer the question they put to me, their knowledge of the position is wider than that which I possess. I confess I do not know what the position will be, and the position has been clearly stated by Sir Edward Wittenoom and Mr. Lynn when they said that we will have to wait and see what the conditions may be, at the end of that period. It is absurd to suggest, although the war is over, that we are back again to a state of normal trade conditions. Everyone knows that that is not the case. It will depend on circumstances as they develop early in the year what the attitude of the Government will be. Early in the present year, careful consideration was given by the Government to this Bill and it was decided that it would be best if we could arrange for a Commonwealth pool. It is not the fault of the State Government, nor yet of the Federal Government, that the Commonwealth pool has not been continued this year. Speaking at Bendigo recently the Prime Minister, Mr. Hughes, expressed regret that, in the interests of the farmers and the people of Australia generally, the Commonwealth pool had not been continued. With his knowledge of the world's affairs, the Prime Minister

may be regarded as a good judge upon this question. Sir Edward Wittenoom expressed dread that if speculators were allowed to operate again at the present stage, the smaller men might be forced into the position of having to sell their wheat at a disadvantage. There is a tremendous danger that the small farmer may be stampeded into selling his wheat at less than he should receive for it. I have lived in a wheat-growing district for many years and I know what happens there. Year after year, in the early part of the season, before the wheat is reaped, the buyers are out buying from the weak men who have to sell their product. Mr. Lovekin said he would like to operate on his own account without the assistance of any pool, and doubtless the position of the strong man is different to that of the man who is not in such a fortunate position. If the farmers were all fairly well-to-do people and could afford to wait, there might not be so much to be said in favour of the pooling of wheat. But from the point of view of the weak man, the man who has to sell, there is everything to be said in favour of it. And that is the experience, not only here, but the world over. In America legislation has been proposed and schemes are being devised in order to stabilise the market in the interests of the producers. It has been pointed out that in America last year the entire crop was sold on the Chicago exchange 14 times before a bushel of it was reaped. In other words, there were 14 profits, and the farmer was the victim all the way through. It has been the practice everywhere that before the harvest comes in prices are depressed, the weak man has to sell, and after the harvest the prices are tightened up and the consumer has to pay the difference. Some members have spoken as though the abolition of the pool would do away with combines and monopolies. We shall not be free from combines and monopolies because we cease to pool the wheat. If the information supplied to the Government be correct, the chances are that if there be no pool, we may find a bigger monopoly than ever handling the wheat.

Hon. G. W. Miles: How do you account for the different advice received by the Government of South Australia?

The MINISTER FOR EDUCATION: I do not attempt to account for it. We shall see how they pan out. At present there are but very few farmers in South Australia who do not regret that they will not have the same opportunity for pooling as the farmers in Western Australia. It has been contended that it is unfair to give this opportunity to one section of the community to the disadvantage of others. What is the disadvantage, and why therefore the necessity for an immediate declaration by the Government as to their future course of action? Who is suffering, who is being hurt by the Bill? What section of the community is being hurt by the assurance to the farmer that he will get the full market value of his wheat?

Hon. A. Sanderson: The consumer.

The MINISTER FOR EDUCATION: The consumer is not being hurt.

Hon. G. W. Miles: How long will you continue it? You are not going to continue it for ever!

The MINISTER FOR EDUCATION: I have already told Mr. Miles that I am unable to forecast what the condition of affairs will be 12 months hence. If the conditions be such as to suggest that the pool is the only means by which the farmer can be assured of the full market value for his product, the Government will favour the establishment of a pool once more. And I shall not be surprised to find the different experiences of the States during the present harvest lead to the establishment of another Commonwealth pool. But why all this excitement, all this anger? Who is being hurt? What trouble is there? One hon. member says the consumer has suffered. It is true that during the present season the consumer has paid more for his wheat than probably he would have done without a pool. But last season he paid a great deal less, and on the two seasons the consumer is considerably ahead. If there had been no pool this season a good deal of the wheat might have been bought at the prices which prevailed at the beginning of the season. But under the Bill the consumer cannot suffer, because he will get his wheat at London parity. Mr. Nicholson said he wanted an open market and freedom of contract between producer and consumer. That is what we have in the fruit industry, and if anybody can devise a method by which the fruit crop can be marketed equally to the advantage of the producer and the consumer, as in the case of the wheat pool, he will be a benefactor to Western Australia. The present position is that a great deal of prime fruit drops from the trees because it does not pay the producer to gather it, whereas in the shops consistently high prices prevail. The purpose of the Bill is to bring the producer and the consumer into close touch with each other. It has been suggested that the clause fixing the price is unnecessary, because of the Prices Regulation Act. But that Act may not be in force after the end of the year, and if it be not in force, it will be necessary that there should be some provision in the Bill for dealing with the matter. Because the Government do not intend that, in respect of a pooled article, an article in connection with which the miller does not take any risk, does not require to provide any capital, but simply takes from the pool the wheat he wants from time to time and pays for it as he takes it—the Government do not intend that he should be allowed to make an undue profit out of it. There has been a little criticism of the 9s. fixed for local consumption when the export parity was lower, but there has been remarkably little outcry. The public has accepted it with very little protest. Why? Because the public knows that it has been a straight deal between the pro-

ducer and the consumer. The public would not have tolerated it for a moment but for that fact. The public knew that the whole of it was going to the producer, and the public never grudges the producer a fair return. If there were no provision in the Bill under which the price could be fixed from month to month, we might easily find a condition combining cheap wheat to the grower and dear bread to the consumer.

Hon. G. W. Miles: Was that clause in the Bill as originally introduced?

The MINISTER FOR EDUCATION: Of course it was. The only provision not originally in the Bill is the maximum of 7s. objected to by Mr. Moore. That was inserted against the wish of the Government by the leader of the party to which Mr. Moore belongs.

Hon. G. W. Miles: Do the Government approve of it?

The MINISTER FOR EDUCATION: Certainly not. Almost every point made by Mr. Holmes has been replied to by other speakers. Mr. Holmes talked about our holding up the wheat. We have no intention of holding up the wheat. He or some other member declared that we could not influence the price of wheat in the world's market. We have no such intention. All that the Bill intends is that the farmer shall get the value of his wheat, whatever it may be. I do not know what warrant Mr. Holmes had for saying that we are going to hold up the wheat. He said that if we had a harvest of from 15 million to 16 million bushels we would probably require three million pounds. The hon. member never hesitates to exaggerate the position in order to bolster up his argument. There is no warrant for the suggestion that we shall want three millions from the bank. In the first place it is unlikely that the pool will receive 15 million bushels. A 15 million bushel harvest would be magnificent. Of that, perhaps 13 millions will come into the pool. Before it all comes in some will have been sold, and a large percentage of it will be from I.A.B. farmers, so probably something less than a million will carry us through. Why Mr. Holmes should have made such a suggestion I do not know. I suppose his statement was equally reckless with that which he made in regard to the Westralian Farmers Ltd. It is incredible that a man of Mr. Holmes' standing should get up in his place and tell the people insuring with the Westralian Farmers Ltd. "You are on a very risky wicket. They could not pay you if your place got burnt." That is practically what Mr. Holmes told the public from his place in the House to-night. In my opinion it was a very improper thing to do. Nobody should attack the credit of any trading concern or corporation without knowing what ground he is on.

Hon. G. W. Miles: Have the Government fixed the advance they intend to guarantee?

The MINISTER FOR EDUCATION: The present intention is to advance 3s. a bushel.

Hon. G. W. Miles: But you can make it what you like.

The MINISTER FOR EDUCATION: It was suggested by Mr. Holmes that millers and bakers would stock up in one month on a falling market and the next month would be undersold by South Australia. Is not it ridiculous to suggest that millers and bakers, knowing they could get their requirements from day to day and week to week at a fixed price, are going to stock up on a falling market? This only shows the class of argument the hon. member is prepared to put up in support of any proposition he wishes to urge. Not only to-day, but ever since the pools have been in operation, all through the period of the war, members have been talking as if they thought this method was right in war time, but not otherwise. Still they used to fight the principle as bitterly in war time as they do now. All the time there has been a desire to kill in its infancy the farmers' co-operative movement, and this is at the bottom of much of the present opposition. Mr. Baglin spoke of the Government being dominated by some other party. That is entirely foreign to the position. The Government are comprised of two parties about equally balanced, one-half being the Country Party, and not only the Country Party but the other half of the Government are just as earnest that the farmers and all other producers should get the full value for their products. The section of the Government who do not belong to the Country Party are just as favourable to co-operation as the Country Party themselves and will fight just as hard to maintain it. I am confident that more than half of the opposition to this Bill is merely opposition to the co-operative movement of the farmers, and I hope this opposition will fail.

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

Ayes	..	..	..	13
Noes	..	..	..	8

Majority for .. 5

AYES.

Hon. R. G. Ardagh	Hon. J. W. Hickey
Hon. C. F. Baxter	Hon. R. J. Lyne
Hon. H. P. Colebatch	Hon. C. McKenzie
Hon. J. Ewing	Hon. H. Stewart
Hon. J. A. Greig	Hon. Sir E. H. Wittenoom
Hon. V. Hamersley	Hon. J. Mills
Hon. E. H. Harris	(Teller.)

NOES.

Hon. J. Duffell	Hon. J. Nicholson
Hon. J. J. Holmes	Hon. A. Sanderson
Hon. J. W. Kirwan	Hon. A. J. H. Saw
Hon. A. Lovekin	Hon. G. W. Miles
	(Teller.)

Question thus passed.

Bill read a second time.

BILLS (2)—RETURNED FROM ASSEMBLY.

1. State Children Act Amendment.
With amendments.
2. Coroners' Act Amendment.
Without amendment.

BILL—SUPPLY (No. 3), £1,047,000.

Received from the Assembly and read a first time.

PARLIAMENTARY TOUR OF SOUTH-WEST.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [11.14]: The Premier has asked me to acquaint members of the fact on Thursday of next week a special train will leave for a tour of the South-West, extending over some eight or nine days. Full particulars will probably be published in the morning. The Premier desires to extend an invitation to all members of this House to take part in this expedition. I shall be pleased if those members who intend to make the trip will advise me so that the necessary arrangements can be made.

House adjourned at 11.15 p.m.

Legislative Assembly,

Tuesday, 18th October, 1921.

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

ASSENT TO BILL.

Message from the Governor received and read notifying assent to Supply Bill (No. 2) £542,000.