

income tax amounting to £16,977, whereas in 1918 they paid £73,586. It was the wiping out of the exemptions which accounted for more than that difference.

The Attorney General: The wiping out of the exemption makes a difference in the other.

Mr. MUNSIE: These figures are very misleading, for we cannot compare them with other years. I hope that when the next table is supplied by the Commissioner of Taxation, we shall be able to find out the exact difference that the wiping out of the £200 exemption has made to the man on £204 a year. It is not fair to the working population of the State that the Government should make the statement that the wiping out of the exemption would not mean to men earning £4 a week and under more than £20,000 at the outside. The return submitted proves that the wiping out of the exemption has meant a difference, at all events, of £56,000.

The PREMIER: I will see if I can get the information the hon. member requires. I intend to go into the whole question of simplifying the payments and the making out of returns.

Mr. MONEY: When the last Estimates were before us I referred to the duplication of the Taxation Departments and the taxation assessments. I was informed by the then Premier that the matter had reached a stage when some amalgamation might be expected.

The Premier: Negotiations are still going on.

Mr. MONEY: We have expended on the State Taxation Department £23,000. As an example of the waste of public funds and the people's time, nothing could be more striking than our present system of taxation generally, for we have a State and Federal assessment for land tax and a road board assessment as well. All these returns should be furnished on the one form. In the name of the people who have suffered from this in the past, I wish to enter my protest.

Mr. SMITH: I wish to add my protest to that of the member for Bunbury with regard to the present system of conducting our taxation office. This department is responsible for providing much of the money to carry on the functions of Government. Seeing that the Government are always in such an impecunious state, it is desirable that every effort should be made to get in all possible revenue. Owing to the lax system of collecting taxes, the State is losing a considerable amount every year. Although the department has been in existence for the past 13 years, 20 per cent. of the land has never yet paid any tax. The writ list every week contains a record of cases in which the Commissioner of Taxation is seeking to recover land tax ten or 12 years old. At present the road boards and municipalities collect what is practically a land tax from every holding in the State, and there is no reason why they

should not collect the land tax for the Government at the same time. It would not cost anything like what it costs now, and the tax would be actually collected.

The Minister for Works: Why do not you go and see Mr. Owen?

Mr. SMITH: It is not my place to do so. My duty is to scrutinise these Estimates and, where possible, make suggestions. It is practicable here to save a considerable amount of money. Many land owners do not send in any returns at all, and many others get the time extended by six months. In all it takes the department about a year and nine months to collect so much as it does collect of the land tax. This delay would be saved if the collection of land tax were left to the local authorities.

[The Speaker resumed the Chair.]

Progress reported.

House adjourned at 11.20 p.m.

Legislative Council,

Wednesday, 29th October, 1919.

	PAGE
Question: Stock Routes	1079
Leave of Absence	1079
House Committee	1080
Bills: Dog Act Amendment, report	1080
Wheat Marketing, Com., Recom.	1080

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

QUESTION—STOCK ROUTES.

Hon. H. CARSON (for Hon. Sir E. H. Wittenoom) asked the Minister for Education: 1, Whether declared stock routes are Government reserves? 2, If pastoral lessees, in whose leases stock routes are declared, pay rent for the portion included in the stock route? 3, What is the recognised width of a stock route?

The MINISTER FOR EDUCATION replied: 1, Yes. 2, No. 3, One mile or over outside the South-West Division; a quarter of a mile or less inside the South-West Division.

LEAVE OF ABSENCE.

On motion by Hon. H. Carson, leave of absence granted to the Hon. J. A. Greig (South-West) for six consecutive sittings of the House on the ground of urgent private business.

HOUSE COMMITTEE.

On motion by the Minister for Education, the Hon. J. W. Kirwan was appointed a member of the House Committee in the place of the late Hon. H. J. Saunders.

BILL—DOG ACT AMENDMENT.

Report of Committee adopted.

BILL—WHEAT MARKETING.

In Committee.

Resumed from the previous day. Hon. J. F. Allen in the Chair; the Honorary Minister in charge of the Bill.

Clause 3—Authority for agency agreement:

The CHAIRMAN: When progress was reported last evening the Committee were considering an amendment moved by Hon. J. Cornell that after "agency," in line 2, the words "and distribution" be inserted.

Amendment put and negatived.

Hon. J. CORNELL: I regret that the amendment should have been put so hurriedly. The Minister might have given me a chance to convey to the Committee the terms of this agreement with Dalgety & Co., which the Minister was kind enough to make available only a few minutes ago. So far as I have had time to peruse the agreement, it is unsatisfactory in several points.

The HONORARY MINISTER: This particular agreement is not affected by the Bill. Tenders were called at the latter part of last year for the handling of inferior wheat, and Dalgety & Co. were the successful tenderers; their price being two per cent. for anything up to 100 bags and 1½ per cent. for over 100 bags. I remember that the wheat buyers, acting on a report from the general manager, stated that if they could get a quote for the handling of inferior wheat at less than 2½ per cent. for anything up to 100 bags, and for less than two per cent. for 100 bags or over, it would be wise to accept such a proposition. I mention this for the information of those members who think that the wheat scheme should dispose of the inferior wheat. The wheat buyers decided also that it would not be wise for either the acquiring agents or the millers to handle inferior wheat.

Hon. A. Sanderson: Why?

The HONORARY MINISTER: One reason was that the acquiring agents or the millers acquiring f.a.q. wheat on behalf of the Government should not be handling inferior wheat, for that would leave the way open to bad practices.

Hon. J. CORNELL: In my opinion—

The CHAIRMAN: I have allowed the Minister a little latitude in order that he might explain the position, but if the hon. member desires to discuss this question, he

must have the Bill recommitted for the purpose.

Hon. J. CORNELL: I ask that you do me the courtesy of putting the amendment again.

The Honorary Minister: Mr. Duffell's motion dealing with this question will come up for discussion at a later date.

Hon. A. SANDERSON: The Minister's interjection is a very good illustration of the way we are dealing with this clause. Of course Mr. Duffell's motion will come on for consideration next week, and will then be adjourned indefinitely, and nothing whatever will be done. That is the kind of treatment we get from the Minister. Personally, I see no necessity for the clause.

The Honorary Minister: You can deal with the whole question on the clause if you like.

Hon. A. SANDERSON: No. The Honorary Minister does not even know the rules of debate. In the interests of the country we ought to be permitted to have a clear explanation of the whole of this wheat scheme. The Honorary Minister's retort to my colleague is that a matter of this importance will come up for discussion later on. I am not inclined to waste time by discussing a clause like this, when it cannot have any effect. It would not make any difference if we struck the clause out altogether. Would not the Honorary Minister then be entitled to make any arrangement he liked with anyone in regard to the acquiring of the wheat? Why has the Honorary Minister changed his attitude from that which he took up in 1916, when he was in favour of the Government acquiring the wheat?

The Honorary Minister: I have more knowledge of the position now than I had then.

Hon. A. SANDERSON: All we are asked to do is to hand over a blank cheque to the Honorary Minister. All we can do is to make a protest. What is this contract worth to the Westralian Farmers Ltd., and what is the amount involved?

The HONORARY MINISTER: Mr. Sanderson would have us believe that I have not been open with the Committee, but my whole desire is to give all the information possible. The total amount of wheat acquired for 1917-18 was 7,509,117 bushels. The amount paid in commission to the sub-agents through the Westralian Farmers Ltd. was £26,202 19s., and the charges for roofing and screening were £3,299 0s. 8d. The head office charges for issuing certificates, supervision, etc., paid to the acquiring agents amounted to £19,554 19s. 9d. For the season 1918-19 the amount of wheat acquired was 7,609,531 bushels. The amount paid to the sub-agents in the country was £23,619 10s. 6d., and the charges for roofing and screening were £32 12s. 6d. The head office charges for issuing certificates, supervision, etc., amounted to £19,356 12s. 2d.

Hon. A. SANDERSON: I do not suggest that the Honorary Minister is hiding any information. We can always extract, in a

somewhat tedious manner, the information that we require. The answer to my question as to what this is worth to the Westralian Farmers Ltd. is most unsatisfactory. How much can the department do the work for? Does the Honorary Minister think that the cost through the department would be greater, or does he not believe the information that has been given by the department?

Hon. Sir E. H. WITTENOOM: The schedule is a very important one and deals with hundreds of thousands of pounds. The Committee should, therefore, consider it carefully. We are asked to hand over the whole of the handling of this wheat to one firm. Will the Honorary Minister tell us why tenders were not called for the work, instead of its being handed over to one firm? I am not hostile to the Westralian Farmers Ltd., although it is attributed to me that I represent some other institution. In fact, I would like to pay a high compliment to the Westralian Farmers Ltd. when I think of their astuteness and cleverness having enabled them to get a monopoly in this business. Why was this arrangement made with the Westralian Farmers Ltd. without any other acquiring agent having an opportunity of tendering? We find that tenders were called for the handling of damaged wheat, which is proportionately a small question, and that Dalgety & Co. were given the work because they were $\frac{1}{2}$ d. less in their charge than anyone else. How do we know that some other firm would not have been $\frac{1}{2}$ d. less than the Westralian Farmers Ltd.? Why were not tenders called with a view to getting the cheapest rate? We are now asked to ratify the agreement with the Westralian Farmers Ltd. without any competition having been asked for. I want a direct reply to these questions.

The HONORARY MINISTER: This matter was considered by the advisory board and, after they had given it full consideration, they came to the conclusion that, as they had an organisation which could do the work so cheaply and efficiently as the Westralian Farmers, it would not be advisable to call for tenders. They could see no advantage in doing so.

Hon. Sir E. H. Wittenoom: How do you know that?

The HONORARY MINISTER: I am giving the opinion of the board.

Hon. Sir E. H. Wittenoom: How did they know?

The HONORARY MINISTER: We have only to look at the cost of the wheat handling a year or two ago. It cost 3d. per bushel for handling the whole of the wheat, or an amount of over 1d. more than it costs to-day.

Hon. G. J. G. W. Miles: With four or five firms handling it.

The HONORARY MINISTER: Sir Edward Wittenoom refers to tenders being called for the handling of inferior wheat. That tender was accepted on almost the same lines as was the case with the Westralian Farmers Ltd. It was not so much

the fact that Dalgety's were the lowest tenderers, but the fact that they were the most suitable firm to handle the damaged wheat, as they had the organisations throughout the country.

Hon. H. Stewart: Is that the opinion of the advisory board?

The HONORARY MINISTER: Yes, and the Government must take notice of the recommendations of that board.

Hon. J. Cunningham: Are any of the members of the board connected with the Westralian Farmers Ltd.?

The HONORARY MINISTER: No. If we had an executive board we would have to act upon their decisions, but that is not necessary in this case because the recommendations of the advisory board are followed. I see no advantage in calling for tenders, but there would possibly be a disadvantage in doing so.

Hon. G. J. G. W. Miles: You only surmise that.

The HONORARY MINISTER: The acquiring of wheat last year was carried out at a cheaper rate in this State than in any other state in the Commonwealth. It has been said over and over again that the handling of the wheat in South Australia is cheaper. The service in South Australia is entirely different from ours, but when it comes to the same service as that given by Western Australia, ours is much cheaper. The handling, which costs $1\frac{1}{2}$ d. per bushel, is the cheapest in the Commonwealth.

Hon. Sir E. H. Wittenoom: How do you know it could not have been done cheaper?

Hon. J. DUFFELL: The explanation of the Honorary Minister is very unsatisfactory and has brought about a serious state of affairs. It amounts to this, that either the Advisory Board are not competent for the position which they hold or else the manager of the Wheat Scheme, Mr. Keys, is not the man he has been held up to be, and that the evidence he tendered before the Royal Commission is not reliable. We have it in sworn evidence by the manager of the Scheme, Mr. Keys, that he could handle a 10 million bushel harvest for £10,000 against £25,000 that the board were paying to an outside firm. What are we to believe—the statement by the Honorary Minister or the sworn evidence of the manager of the Scheme? Hon. members will agree with me that the explanation of the Honorary Minister is entirely unsatisfactory.

Hon. A. J. H. SAW: I would like to ask the Honorary Minister this question. Is the cost, the $1\frac{1}{2}$ d. per bushel for handling, borne by the State or is it to come out of the proceeds of the wheat pool?

The Honorary Minister: It will come out of the proceeds of the wheat pool.

Hon. A. J. H. SAW: Under those circumstances it seems to me that inasmuch as the farmers of Western Australia are mainly concerned with the handling of the pool, and inasmuch as the Westralian Farmers Ltd., in which I believe a large number of the farmers of this State have shares, are the

proper persons—other things being fairly equal—to handle the wheat, I cannot therefore see the reason for all this discussion which has already occupied three days.

Hon. A. SANDERSON: I am surprised to hear the statement just made by my colleague. Let me explain the position to him again. The point is this. Take away the guarantee, and the handling by the Government, and the responsibility by the Government, and what is the position of the farmers then? The hon. member said that the co-operative organisation is representing the farmers and that they have done their work cheaply. That is true, but who is responsible for this Wheat Pool—the farmers or the general taxpayer?

Hon. H. Stewart: How much money has the general taxpayer in the issue and how much the farmer?

Hon. A. SANDERSON: It is impossible to say. The fact remains that it is because the Government are behind the whole thing that the Pool is in existence, and that is what we are seeking to destroy. Let me answer the question asked by Sir Edward Wittenoom, by quoting what Mr. Murray stated in 1917. The Minister will remember this. It was the occasion when the olive branch was held out to him—

Regarding the calling of tenders for the coming season, Mr. Murray claimed that as the principle of co-operative handling had been submitted to the Premier for consideration as a broad matter of policy, there was no justification for the action of the Minister in asking private firms to tender and thus attempt to crush the life out of the co-operative movement. That movement had had no help from Mr. Keys and he (Mr. Murray) said unhesitatingly that he was not out to help it. Mr. Murray referred to the dispute between his company and Mr. Keys with reference to the terms of the draft agreement which the latter had sought to force the company to sign; he said he was glad to give credit to the Minister for the fact that in most particulars he had upheld the company.

Taking the statement of the Honorary Minister himself in 1916 and the evidence of Mr. Keys, it would seem to be obvious that both of them were really trying to do the best thing, and that was to give the wheat into the hands, not of the farmers, but the officers of his department. The Minister stopped it, and why was it stopped? This is the answer to my colleague, and it shows that he does not fully appreciate the position of affairs or he would not take up that attitude which is the attitude of those who have not followed closely the inception and continuance of this scheme. What happened? The Westralian Farmers threatened the Honorary Minister as representing the Country party that if he did not do their bidding he would have to go out of the party and out of Parliament.

The Honorary Minister: Do you think that threat had any effect upon me?

Hon. A. SANDERSON: I hope hon. members heard that question. They can supply the answer themselves. I am not going to supply it except to make this rejoinder, that last night we had the Honorary Minister congratulating himself that he had done twenty times more good for his constituents than Mr. Duffell had done for his.

The Minister for Education: He said sixteen times.

The Honorary Minister: More of your extravagant language.

Hon. A. SANDERSON: That is a most extraordinary remark to make. As for my comments on the situation, however extravagant they may be, they do not equal the extravagance of the Government in their expenditure. The only concern which we have been able to follow from start to finish is our old friend the jam factory. It is a mighty difficult thing to follow a big affair like the Wheat Pool. With regard to the wheat scheme, unless steps are taken now or in the future to stop it, it will be a very similar affair. I warmly congratulate the Minister on the audacity he has shown in coming here and telling us that he stands alone, the model of all Ministers.

The Honorary Minister: I said nothing of the kind; I said a threat would not swerve me.

Hon. A. SANDERSON: I leave hon. members to supply the answer to that. I congratulate the Honorary Minister on being the spokesman of the Country party in this House.

Hon. Sir E. H. Wittenoom: It is now being made a personal matter.

Hon. A. SANDERSON: It is not. It is a big public matter in which hundreds of thousands of pounds are involved. If this is a personal attack on the Honorary Minister, I do not know what the discussion on the wheat pool means. Far from being an attack on the Honorary Minister, my speech is a congratulation on his ability to get the Bill through without amendment. Hon. members have expostulated with the Honorary Minister—

The CHAIRMAN: The hon. member must confine himself to the clause.

Hon. A. SANDERSON: I cannot see any necessity for the clause at all, and if it is to be passed, then I warmly congratulate the Honorary Minister on the way he has piloted it through the House. The Minister is in the hands of the Country party and yet he has the audacity to tell us that he is entirely independent. Take away the Country party from this clause and the whole thing falls to the ground at once. My reason for making these strong remarks is that I feel convinced that the result will bring disaster to the general taxpayers.

Hon. H. MILLINGTON: Dr. Saw is under a mistaken impression with regard to the Westralian Farmers Ltd. They are merely a company and in this instance they are an agency, and they sublet the handling of the wheat. They farm out the work of handling to the other co-operative societies.

Hon. J. Cunningham: Whose statement is that?

Hon. H. MILLINGTON: It is the statement of Mr. Angwin, who was chairman of the Wheat Marketing Royal Commission, and that gentleman pointed out that the Westralian Farmers made approximately $\frac{1}{4}$ d. per bushel by farming it out—by doing absolutely nothing. Because it is such a desirable agency, they are not even asked to compete with others occupying similar parasitical positions in the commercial world. But the Westralian Farmers Ltd. expand their chest and tell us their organisation merely exists for the good of the poor farmer; in short, that it is a philanthropic institution. We have an Act of Parliament to hand over this monopoly to the Westralian Farmers Ltd. How do they treat the average farmer and his co-operative society? It has been said that in one season the Westralian Farmers Ltd. made a profit of £15,000, and that was not contradicted.

Hon. E. M. Clarke: It is absurd.

Hon. H. MILLINGTON: It is not absurd. Mr. Angwin, the chairman of the Royal Commission, said they made approximately one farthing a bushel. The farmers' co-operative societies are genuine co-operative societies. Acting on the example of the Westralian Farmers Ltd. they adopt a similar line of action. As the Westralian Farmers Ltd. sublet the work to the various farmers' co-operative societies, so the latter in turn sublet in many instances to those who actually do the work. In the first place, the Westralian Farmers Ltd. make a handsome profit at very little risk, and the co-operative societies find there is sufficient margin to sublet the work again, and the poor old toiler, who does the actual work, has to labour pretty hard for what he gets.

Hon. H. Stewart: A pound a day.

Hon. H. MILLINGTON: And he earns it. It has been contended that if the Westralian Farmers Ltd. make this profit, it goes back into the pockets of the farmers.

Hon. G. J. G. W. Miles: They are not all shareholders.

Hon. H. MILLINGTON: No. The profits made by the Westralian Farmers Ltd. do not go into the farmers' pockets. Those who have shares are not handed the cash, but are given bonus shares which they cannot dispose of during their lives. The company simply issues scrip and retain the money to carry on the business. Mr. Angwin, who is noted for his reliability, has made the statement and it has not been denied. The Westralian Farmers Ltd. are on all-fours with any other trading concern, and it is not a fact that the individual farmers get the benefit of the enormous profits made out of handling the wheat. The Honorary Minister has said there is no other organisation in the State that has the machinery to acquire the wheat. What machinery have the Westralian Farmers Ltd. which other firms have not? They commandeer the services of the co-operative socie-

ties throughout the State. These societies I certainly favour. If they make something out of their pickings from the leavings of the Westralian Farmers Ltd., that surplus does go to the man who produces the wheat. I can quite understand how the case has been presented to mislead Dr. Saw. As this arrangement continues year after year, and it becomes recognised that the Westralian Farmers Ltd. are the only people who can handle the wheat, it will not be long before we have a permanent Act on the statute-book empowering the Westralian Farmers Ltd. to handle the wheat. When the next elections come round, I believe a Labour Government will be returned to power, and probably they will want to hand the work over to the A.W.U. The Labour party are as much entitled to put their policy into operation as are the Country party. If a Labour Government came into power and found a permanent Act to give this work to the Westralian Farmers Ltd., they would have to repeal it. The A.W.U. have much more to do with the handling of wheat than have the Westralian Farmers Ltd.

Hon. Sir E. H. Wittenoom: But they do not get the profits.

Hon. H. MILLINGTON: No. The Country party, by means of political influence, have brought things to such a position that they expect the wheat handling as a matter of course to be handed over to their pet trading concern, and that is what I object to. This measure should have been brought down earlier. The Royal Commission objected that the terms were being negotiated at the time they were sitting, but the excuse at that time was the same—that time was limited and negotiations had to be entered into straight away. The evidence given before the Commission showed that there is one other way at least to acquire the wheat, which way would be more in the interests of the State than handing it over to the Westralian Farmers Ltd. Some say the only liability in this matter rests upon the farmers themselves. I have a lively recollection of the time when it would have been impossible to dispose of the wheat crop, and the credit of the Commonwealth had to be placed behind the wheat pool. It is all very fine to say that everything is well now, and that there will be no loss. The fact remains that the credit of the Commonwealth had to be pledged at a time when it was problematical whether the crop could be disposed of.

Hon. Sir E. H. Wittenoom: It is pledged now.

Hon. H. MILLINGTON: Yes, but we are told that everything is all right. Who took the risk when the risk had to be taken?

Hon. G. J. G. W. Miles: The Westralian Farmers Ltd.!

Hon. H. Carson: For whom was the risk taken?

Hon. H. MILLINGTON: I am pointing out that the credit of the Commonwealth was pledged in the interests of the farmers. If there had been an open market in 1915-16 and the law of supply and demand, of which we

hear so much, had operated, wheat would not have brought 2s. a bushel. It was practically unsaleable until the Commonwealth and States by means of legislation, stood behind the scheme. It is as well for those who to-day say there is no liability on the State to remember that fact. With the more favourable conditions now prevailing and the natural rise in price, the farmers are going to take full advantage of the position. They do not now want any artificial restrictions. They want the London parity.

Hon. R. J. LYNN: Why not? They are producers.

Hon. H. MILLINGTON: It was not always so. They were not prepared to take it when it was necessary for the Commonwealth to pledge the credit of the country and carry a very big overdraft.

Hon. V. HAMERSLEY: Who pays the interest on the overdraft?

Hon. H. MILLINGTON: I am merely referring to the time when the success of the wheat pool was very problematical, and then undoubtedly the Commonwealth stood behind it. There should be some consideration now for the people who stood behind the farmers at that time. We are not committed for all time to the Westralian Farmers, Ltd. There are other methods of handling the wheat than through that firm, and better methods; and those methods may in future be adopted. I heartily support the various farmers' co-operative societies throughout the State, but I have yet to learn that the money made by the Westralian Farmers, Ltd., eventually finds its way into the pockets of the individual farmers. Let me remind hon. members of Mr. Angwin's uncontradicted statement that nothing of the kind takes place. All that happens is that the holder of shares in the parent company receives bonus shares, which may not be realisable until after the holder's death. The Westralian Farmers, Ltd., should be regarded as a trading concern, and not as almost a philanthropic society.

Hon. J. J. HOLMES: The clause authorises the Government to enter into an agreement with the Westralian Farmers, Ltd. From the speeches of some hon. members, it would appear as though the Westralian Farmers, Ltd., accept all the responsibility in connection with the wheat. I remember the glad news being given to the farmers by the Premier on the recent trip that they were to get 5s. per bushel for their wheat at the siding. By whom was the money to be paid? By the Westralian Farmers, Ltd.? No. By the taxpayers of this country. It is the country that stands behind the wheat, and not the Westralian Farmers, Ltd. That being so, surely it is our duty to see that the wheat is handled in the most economical manner. If by calling tenders we could get it handled at one farthing per bushel less than the Westralian Farmers, Ltd., are prepared to do the work for, it would mean a saving of £10,000; and a reduction of one halfpenny per bushel would mean a saving of £20,000. Thus, if the wheat does not

realise the 5s. per bushel which we guarantee, then we may increase any eventual loss to the State by £10,000 or £20,000 unnecessarily paid to the Westralian Farmers, Ltd. The previous pools are not yet cleared up. According to the Honorary Minister, the necessity for this Bill lies in the fact that there is so much of the old wheat on hand that its sale must be protected. Undoubtedly a business man having work of this nature to be performed would call for tenders. As to the profits of the Westralian Farmers, Ltd., going back to the individual farmers, and the Westralian Farmers, Ltd., being run on philanthropic lines, let me point out that apart from the remuneration which the Westralian Farmers, Ltd., receive for handling the wheat there is a very important indirect benefit, one which any ordinary trading concern would take into consideration in fixing the handling charge. I had occasion to put wheat into the pool, and in due course I received from the Westralian Farmers, Ltd., a notice that unless they heard to the contrary by a certain date they would allocate me so many bonus shares. That was establishing a connection between myself as a wheat grower and themselves as wheat handlers. I did not reply to their offer of bonus shares, and I have never been near the premises of the Westralian Farmers, Ltd., since. There is a liability attaches to the bonus shares. One gets those bonus shares on condition that one puts all one's business, wheat and otherwise, through the Westralian Farmers, Ltd.

Members: No.

Hon. H. STEWART: When last year I outlined the co-operative system under which the Westralian Farmers, Ltd., work, Mr. Holmes interjected that he had wheat in the pool and had got no bonus shares. I said then that if he had wheat in the pool he would get bonus shares or the offer of them. My prophecy, therefore, was absolutely correct. Mr. Millington has said that the profits of the Westralian Farmers, Ltd., from wheat handling have been stated in another place at £15,000 for one year, and that the statement has not been contradicted. But the net profits of the Westralian Farmers, Ltd., in 1916-17 from the whole of their business were only £13,000, and in 1917-18 only £14,400. Either amount is less than the £15,000 mentioned by Mr. Millington. In general merchandise the turnover of the Westralian Farmers, Ltd., for last year was £200,000 more than for the preceding year. Mr. Millington has drawn a wrong inference from estimates quoted by Mr. Duffell as to the cost of handling the wheat through a Government department. I said at the time that that estimate, like so many other Government estimates of the cost of work, might not be realised in fact. An estimate put up by a Government department is not by any means a guarantee that the work can be carried out for that cost; and on that ground alone a great many members will

be unwilling to build up another Government department merely on the strength of an estimate given by Government officers. Mr. Sanderson also dealt with the profits made by the Westralian Farmers, Ltd., and wanted to know how much of the profits of the company came from wheat handling. I do not know what amount of profit was made from the wheat handling, but I do know that the profits made from the big turnover in general business render it certain that nothing like 50 per cent. of the amount can possibly have been earned from wheat handling. Mr. Millington estimated that probably the Westralian Farmers, Ltd., received one farthing per bushel for doing nothing. I do not know whether he means that the issuing of certificates and the whole of the clerical work can be done on a remuneration of a farthing per bushel.

Hon. J. J. Holmes: Do they not cover up their profits?

Hon. H. STEWART: No. The profits are clearly shown in the statement of accounts. The profits are allocated in this way: five per cent. is paid to the debenture holders and seven per cent. to the shareholders, the balance of the profits being distributed amongst all those people who have done business with the company, who have the option of taking either bonus debentures or bonus shares, the latter being transferable with the approval of the board. What other firm doing business with the farmer has ever offered such an inducement?

Hon. J. Nicholson: They might offer a bigger price for the wheat.

Hon. H. STEWART: The wheat has gone into the pool.

Hon. G. J. G. W. Miles: On a point of order: has this anything to do with the clause before the Committee?

The CHAIRMAN: Yes. The hon. member is in order, but I wish he would address the Chair and take less notice of interjections.

Hon. J. J. Holmes: Does anybody get any cash, instead of shares and debentures, out of this concern?

Hon. H. STEWART: Yes. When the amount due to a man, under the profit-sharing plan; is less than £1, it can be collected in cash. This company has done very much more than any other firm to help the agriculturist. Mr. Millington last session said he would like to see the State, instead of the Westralian Farmers Ltd., handling the whole of the wheat. He said it was the treatment meted out to the farmers by the agents which compelled the farmers to do the work themselves. He went on to say that the satisfactory position of the co-operative societies was due to the start which the Labour Government had given them. He stressed the point that the policy of Labour had been of advantage to the farmers. Mr. Millington's present construction is that, now the responsibility is over, the farmers want to have everything their own way and are prone to be inconsiderate to the rest of the community. Hon. members seem to lose

sight of the fact that it was chiefly to support the various vested interests that the wheat pool was inaugurated.

The CHAIRMAN: The hon. member cannot discuss the pool, but only the proposed agreement.

Hon. H. STEWART: Those interested in the handling of wheat realise the great boon that has been conferred on them by the inauguration of the present system.

Hon. J. DUFFELL: Last year's Bill provided for the handling, not only of the 1918-19 harvest, but also of the 1919-20 harvest, and this House struck out the reference to the 1919-20 harvest as a protest against the irregularities of the Honorary Minister, which have been repeated. Mr. Holmes has drawn attention to the statement made by the Premier a few weeks ago when we were all touring the wheat belt. The Premier received an intimation from the Honorary Minister that, this year, the farmers would receive 5s. per bushel in a lump sum against their certificates at the siding, less the freight. There is another irregularity. Who authorised the Honorary Minister to enter into that arrangement when there was no pool in existence, when Parliament had not considered anything in the nature of an agreement? Unfortunately,

the statement which the Premier made on that occasion does not hold good in connection with the Bill. I would draw the attention of hon. members to Schedule B, wherein it is provided that when the certificates are presented the sum of 3s. will be paid, and not 5s. as stated by the Premier. What concerns me most is the fact that arrangements have been entered into and completed with the Westralian Farmers Ltd. for the handling of the harvest without Parliament having been consulted, and it only remains for the Honorary Minister to affix his signature. In another place the Westralian Farmers Ltd. have no fewer than 13 representatives, and one can well realise the danger of bringing forward Bills of this nature to be ratified by Parliament. In this Chamber the Westralian Farmers Ltd. have six representatives to further their interests, and it is not their fault that they have not a seventh.

Hon. H. Stewart: On a point of order! I rise to take exception to the remarks of Mr. Duffell when he says that the Westralian Farmers Ltd. have six representatives in this Chamber. If he classes me as one of these, I must ask him to withdraw.

Hon. J. DUFFELL: I have mentioned no names, but as the cap seems to fit the hon. member I am not going to ask him not to wear it.

The CHAIRMAN: The hon. member would be wise to withdraw the words to which exception has been taken.

Hon. J. DUFFELL: I accept your suggestion and withdraw the statement. I will make further reference to the seventh representative at a later stage. Mr. Stewart stated that the Westralian Farmers Ltd. had made a profit of £14,500 for the year 1917-

18. He stated also that their turnover for that year was £200,000 more than for the previous year.

Hon. H. Stewart: It was the next year to which I referred.

Hon. J. DUFFELL: If only a profit of £14,500 was made on that turnover, what must the overhead expenses of running that concern have been? It is a serious position for us to hand over the handling of our harvest to such a company, when that harvest means so much to the toilers of the City and the large towns of the State, who have indirectly to pay for the concessions which are being given to this company. I am no party to any scheme which has not received the approval of Parliament.

Hon. G. J. G. W. MILES: I take exception to the fact that the Government are making this agreement with the Westralian Farmers Ltd. without first having called for tenders for the work. It is quite possible that the Government would have received a lower tender from someone else. All the farmers of the State are not shareholders in the Westralian Farmers Ltd., and yet they are to be compelled to put their wheat through this scheme. Why should people who are not shareholders have to put extra profits into the coffers of this concern? To become a member of it, it is not necessary for a man to be a farmer.

Hon. H. Carson: It is open to all land owners.

Hon. G. J. G. W. MILES: Without calling for tenders, the Government gave the work to this company. In the schedule there is a limitation as to liability. Why is this put in? The limit is one farthing per bushel on the quantity of wheat to which the agreement relates. The agreement really is a protection for the Westralian Farmers Ltd., and not for the wheat growers who are not members of the company.

Hon. R. J. LYNN: One would think that the Westralian Farmers Ltd. was an octopus bleeding every section of the community. It is the parent body of the co-operative societies in existence in this State. The subsidiary co-operative societies were brought into existence and nourished by the Westralian Farmers Ltd., who in turn have been brought into prominence because of the loyalty of these subsidiary bodies. When the company commenced operations they came into competition with the country store-keeper and the merchant. The necessity for bringing the Westralian Farmers Ltd. into existence arose from the fact that there were companies operating in the State which were not giving the farmers the deal to which they considered they were entitled. Why all this outcry because the Westralian Farmers Ltd. are getting one farthing a bushel for supervising the handling of the harvest, issuing certificates and bringing into existence an organisation which permits of the subsidiary bodies carrying the scheme into effect? What was the amount paid in 1916 to the other companies doing exactly the same work? Was it not the same amount, or was it more?

Hon. H. Stewart: It was more.

Hon. R. J. LYNN: Did hon. members complain then about the price that was being paid for the handling of the wheat? What if the Westralian Farmers Ltd. are able to make a little profit out of the one farthing a bushel that is allowed them for managing this organisation? The profits resulting from the wheat business will enable the subsidiary bodies to get a service which perhaps they would not otherwise be able to get. I consider that this is a legitimate profit, because a lower rate is being paid to-day for services rendered than was paid previously.

Hon. H. Stewart: And lower than in any other State.

Hon. R. J. LYNN: What if the parent body does obtain a certain profit through the services performed by these subsidiary companies, which are the off-spring of the parent body? These subsidiary companies are not only allied with the parent body, but by their votes very largely control it.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. R. J. LYNN: It is safe to say that at least 75 per cent. of the farming community are associated with the movement.

The Honorary Minister: Ninety per cent.

Hon. R. J. LYNN: I shall take 75 per cent. and be on the conservative side. Why are members so anxious to have tenders called for this work? If three years ago the cost of handling wheat was higher than it is to-day, it cannot be advanced as a reason that the cost of handling to-day is too high. In 1916 some complaints were made by the Government in connection with the handling by the company, but last year they were congratulated by Mr. Keys because of the excellent methods they had adopted and the business acumen they had shown in connection with the work. If that is the case, and they are handling the wheat to-day at a cost lower than that at which it was handled three years ago, what good can result by the calling of tenders? A combine could be brought about and they could decide to quote such a price to practically crush out of existence the co-operative societies or the Westralian Farmers Ltd. If tenders were called to-morrow, the work would have to be done at a rate higher than that which was quoted in 1916. So it must be admitted that if it is to be done at a lower rate, it will be for the express purpose of crushing the Westralian Farmers Ltd. Let us assume that the maximum derived from this source by the Westralian Farmers Ltd. is £10,000 and that 50 per cent. of it is profit. Does not that amount go back to the people who are producing the wheat? There was a risk attached to this in 1916, because we had then accumulated harvests. To-day most of the difficulties have disappeared, there is a guarantee, and there are facilities at the disposal of the country, such as shipping and insurance. We must take into consideration also that there is a world scarcity of wheat, and that for at least two years the scarcity will continue,

and that the 5s. guaranteed to the farmer on the London parity to-day and for the next two years will be a very small percentage of what the wheat will realise. I fail to see that any sound argument has been advanced why the Westralian Farmers, Ltd., should not be given this wheat acquiring right for the next 12 months. Probably next year or the year after the pool will be abolished. We hope normal times will be restored and that wheat merchants will again have the opportunity of stepping in and competing with the Westralian Farmers, Ltd. But for the Government to-day to call tenders and pass over the Westralian Farmers, Ltd., in order to crush them and compel the producer to deal through other channels would be a wrong policy to adopt. The Government this year, in giving the work to the Westralian Farmers, Ltd., have done the correct thing. If there be a risk the action of the Government offers to us as taxpayers additional security, inasmuch as the people producing and growing the product are also handling and marketing it.

Hon. J. J. HOLMES: The hon. member who has just sat down stated that the Westralian Farmers, Ltd., were getting £5,000 a year out of this concern.

Hon. R. J. LYNN: I did not say that; I said assuming they did.

Hon. J. J. HOLMES: And he followed it up by saying that they were entitled to that because of the organisation they had created. If the hon. member looks at the Notice Paper of another place he will see that an hon. member there is asking for the appointment of a Royal Commission to inquire whether compensation should be paid to the wheat buyers because of the promises made by the Prime Minister and accepted by the Government regarding their trading in wheat after the war, not being put into effect owing to the continuance of the wheat pool. If this work is worth £5,000 a year to the Westralian Farmers, Ltd., the organisations which were in existence before the war are surely entitled to some compensation for having had their businesses disorganised. We are told that we are getting the same services to-day at a lower price. Why? Because one company is handling the wheat instead of six. But that is not the point. The point is that those six companies, plus the Westralian Farmers, Ltd., should be asked to submit tenders to handle the whole of the wheat. Then the result would possibly be far more satisfactory than the agreement which is attached to this Bill. Apart from the remuneration received for handling the wheat there are many other considerations in connection with a concern of this magnitude. It is safe money to begin with, and those who have had to start business without capital and battle through know it is a very satisfactory thing to have lump sums guaranteed coming in on given dates on which one can finance and satisfy his engagements. We are told the Westralian Farmers, Ltd., had

a turnover last year of £200,000 more than in the year before. From their balance sheet, I find that the subscribed capital of the company is £14,000. The nominal capital is £60,000. Added to that is 8,793 bonus shares of £1 each, representing £8,793. I presume that is money made and due to the shareholders, but, instead of the shareholders getting the money, they have bonus shares for the amount. To that is added calls paid in advance £4,384 18s. 5d. I do not know what that means. It is most unusual procedure; calls are seldom paid in advance. That brings the paid up share capital to £27,285. Thus we find the total funds of the company, including bonus shares, amounts to £34,000 and their turnover on general merchandise last year was £200,000. This is the company which had the handling of the whole of the wheat products of the State and which were handling a considerable sum of money belonging to the wheat pool.

The Honorary Minister: Nothing of the sort, and you know it.

Hon. J. J. HOLMES: We are told that £18,000 was paid over to the company.

The Honorary Minister: Commission for handling. They do not handle the wheat money.

Hon. J. J. HOLMES: They handle a considerable amount of money for the wheat pool for which they are reimbursed. Is not that so?

The Honorary Minister: No, they handle the commission they earn.

Hon. J. J. HOLMES: Apart from the commission, do they not handle the nine million bushels of wheat and pay out a considerable sum for which they are reimbursed?

The Honorary Minister: They are paid moneys only for the services they render.

Hon. J. J. HOLMES: The total funds of the company amount to £34,000 and the turnover last year was £200,000 on general merchandise. I venture to suggest that, while we encourage a company of this kind to handle the whole of the wheat products of this State, a company doing such business on such a capital would not be allowed to trade at all in some parts of the British Empire. If we should reach a stage when anything went wrong with that company—and companies do go wrong, no matter how well they are managed—it would be nothing less than a financial calamity to the country, because we are told that 75 per cent. of the farmers are involved in it.

Hon. H. Stewart: You know the company can call up another £40,000.

Hon. J. J. HOLMES: Apart from the business in general merchandise of £200,000 last year more than the previous year, the Westralian Farmers Ltd. have now embarked on insurance of every description bar life insurance. Insurance is a very risky business, fire insurance particularly, and the company might at any time get a hit, owing to a big fire, which would put the farmers in a very awkward position. These are pos-

sibilities likely to arise with any company doing a big business on a small capital. The exception I take is that this company is handling the whole of the wheat products of this State. Under the agreement, the company's liability in connection with the wheat is limited to one farthing per bushel. I do not know why the company should be protected to that extent. Probably the Honorary Minister can tell us. Further, I see no guarantee that the contract shall be carried out in a satisfactory manner. I should like to know what the guarantee is. Provided the company deliver the quantity of wheat they receive, they are relieved from any further obligation. Wheat increases in weight enormously from the time of leaving the field until it reaches the seaport and, in handling nine million bushels of wheat, the increase in weight would be considerable. Perhaps the Honorary Minister will tell us what that would represent. Provided the company deliver the quantity of wheat received, that is to be sufficient discharge. What will happen to the other wheat?

Hon. H. CARSON: The Government have control of it once it is in the stacks.

Hon. J. J. HOLMES: That is further information.

The Minister for Education: The hon. member is just beginning to understand what he is talking about.

Hon. J. J. HOLMES: Mr. Carson is in a position to supply information which the Minister cannot supply.

The Minister for Education: Information which everyone but the hon. member understood.

Hon. H. CARSON: Look at the schedule.

The CHAIRMAN: Order!

Hon. J. J. HOLMES: Mr. Carson is supplying information which is certainly interesting to me and possibly to other members. Had tenders been called for handling this wheat—

Hon. H. STEWART: As in 1916.

Hon. J. J. HOLMES: Yes, the possibility is we would have got a much better contract and agreement than that set out in the Bill. Neither the leader of the House nor the Honorary Minister has told us what advantage there will be to the Government, the farmer, or the State by making this contract and excluding all other people capable of handling the wheat if an opportunity had been given them.

Hon. R. J. LYNN: Mr. Holmes has made one of the most astounding statements ever made in this House, that a company with £34,000 capital would be prevented from trading in other parts of the British Empire.

Hon. J. J. HOLMES: Trading to this extent.

Hon. R. J. LYNN: One of the finest financial institutions in this State, which has helped to build up and develop Western Australia as no other financial institution has done—the Western Australian Bank—started with less capital than £34,000

Hon. J. J. HOLMES: Did they have this turnover?

Hon. R. J. LYNN: Undoubtedly, and today their turnover runs into some millions of money.

Hon. J. CORNELL: They have done better for themselves than the Westralian Farmers have.

Hon. R. J. LYNN: If the Westralian Farmers Ltd. can only assist in the development and prosperity of this State as the Western Australian Bank has done with a smaller capital, we shall be glad that they started business here. It is surprising that the hon. member should refer to a business concern with a capital of £34,000.

Hon. J. J. HOLMES: I was referring to the turnover in contrast to the capital, and you know it.

Hon. R. J. LYNN: I know of dozens of businesses in this State with a capital of £5,000 and a turnover of a quarter of a million per annum.

Hon. J. J. HOLMES: Are they handling all the wheat of the State?

Hon. R. J. LYNN: They are handling large quantities of produce in a fairly large commercial way. Any business concern with £34,000 and the security of this company, has sufficient capital behind it to handle all the wheat in Western Australia. There is no credit established for the Westralian Farmers Ltd. to ship the wheat. The Government provide the finance after the wheat is stacked, and the amount of money disbursed by them is comparatively small because it merely represents the commissions they earn in dealing with the wheat. I would be inclined to agree with the hon. member if the Government handed over to the Westralian Farmers Ltd. the whole of the wheat of the State and if they had the disposal of it and the marketing of it in London or on the Continent. Such a small capital would not be sufficient to finance it. Other wheat merchants in this State had a capital of less than £34,000 at their disposal. They were working on letters of credit and, immediately the wheat was shipped and the bill of lading was handed into the bank, they were reimbursed for their expenditure.

Hon. J. J. HOLMES: Did any one firm ever handle the wheat of this State?

Hon. R. J. LYNN: I think there were four firms. The Westralian Farmers Ltd. are not marketing the wheat or dealing in millions. They are dealing in a few thousands represented by commissions which they earn in connection with the handling of the wheat in accordance with the terms of the agreement.

The HONORARY MINISTER: Mr. Sanderson has referred to a threat, but hon. members who know me are aware that I would allow no threat to coerce me into doing anything that I do not consider right. The discussion has drifted from the clause to the financial standing of the Westralian Farmers Ltd., and to their business

methods, and to the profits they make. We have now had three years' experience of them as acquiring agents. They have been congratulated on their work by the manager of the Wheat Scheme and by the board controlling the scheme, and I join in those congratulations. Mr. Holmes does not understand the subject under discussion. There is even evidence that he has not read the Bill. He said the Westralian Farmers Ltd. were in a position to gain advantage in the matter of weight. But their responsibility ends when they have received the wheat from the farmer and weighed it and put it on the truck. The farmer gets any benefit accruing in the matter of weight.

Hon. J. J. Holmes: The Westralian Farmers' responsibility is limited to one farthing per bushel.

The HONORARY MINISTER: A farthing per bushel affords ample margin in that respect. The private acquiring agents, I may mention, were paid for services which they never rendered. The Westralian Farmers Ltd. do not handle the wheat right to the ship, but only to the depot. Mr. Holmes said that the Westralian Farmers Ltd. had the handling of money, but they handle no money at all. If the hon. member had only read the schedule which he has criticised so much, he would have seen that it provides for a bond of £10,000. Tenders are unnecessary in this case. We know that we cannot get the work done at a cheaper price.

Hon. J. J. Holmes: Mr. Lynn thinks you would have got a cheaper price.

The HONORARY MINISTER: Mr. Lynn has not said anything of the kind. The manager of the Wheat Scheme also recommended the reappointment of the Westralian Farmers Ltd. Mr. Millington made a great deal of the fact that the Westralian Farmers appointed sub-agents. It is new to find that hon. member ranging himself on the side of the old acquiring agents.

Hon. H. Millington: You are making a big mistake.

The HONORARY MINISTER: Mr. Millington said that the Westralian Farmers appointed sub-agents. That is quite correct. So did the old agents appoint sub-agents, and the sub-agents sublet the work again. Under this Bill all agreements made by the Westralian Farmers with their sub-agents, and agreements made by the sub-agents in their turn, are subject to review by the Minister.

Hon. J. Nicholson: Sub-agents are not made liable. They ought to be made liable.

The HONORARY MINISTER: But the principals are liable. We do not recognise sub-agents at all.

Hon. J. Nicholson: But you have to take full responsibility for the acts of the sub-agents.

The HONORARY MINISTER: The principal agents have to take that responsibility. The sub-agents are receiving from

the Westralian Farmers Ltd. far better conditions than they ever received from the old acquiring agents, notwithstanding that these were always in a position to make profits. Members have spoken about the liability of the State in connection with the advances which are to be made. Not in any case has it been decided to give a guarantee in respect of any harvest until it has been clear that the State and the Commonwealth are fully protected. Suppose that during the war there had been a guarantee of 4s. per bushel, and the wheat had realised only 3s. 6d. In such circumstances every hon. member would have said that it was quite a right thing to give the guarantee, so that the wheatgrower might be kept going. The Government are reasonably free of their guarantees in respect of previous seasons. For the coming season the guarantee is 5s. per bushel at the siding. There is safety in sight now as regards that guarantee of 5s. per bushel. The markets ahead are assured, more especially for the current season. Mr. Duffell and another hon. member mentioned that the schedule speaks of an advance of 3s. per bushel. But it has not yet been definitely decided that the 5s. will be a first payment.

Hon. G. J. G. W. Miles: The Premier has announced that the first payment would be 5s.

The HONORARY MINISTER: It has never yet been stated that the first payment will be 5s. I have every reason to believe that that will be arranged, but it has not yet been finalised.

Hon. G. J. G. W. Miles: The Premier has said it.

Hon. J. Nicholson: I understood the price was to be 5s. minus railway freight.

The HONORARY MINISTER: That was stated in error. The Premier received a telegram which did not read too clearly, and he was very guarded. The price, however, is 5s. at the siding. We cannot put the 5s. into the schedule until we have something very definite; and that cannot be, at all events, until after the next meeting of the Wheat Board. Clause 3 gives the Government power to enter into an arrangement which has already existed for two years and which has proved very satisfactory.

Hon. G. J. G. W. Miles: Satisfactory to the Westralian Farmers Ltd.

The HONORARY MINISTER: I have shown that the State does not risk losing anything. Even if ocean freights became exorbitant, those freights would come out of the pockets of people with whom we have no concern. The Westralian Farmers Ltd. represent an undertaking established by the wheatgrowers; and a co-operative company of that kind, which means so much benefit to the farmer, should receive encouragement. However, no special encouragement is given to the Westralian Farmers under this Bill. They are doing

the work at a lower rate than it has ever been done for in Australia previously.

Hon. J. J. Holmes: They get a monopoly of the business.

The HONORARY MINISTER: It is far cheaper for the farmer of this State to carry one concern on his back than to carry five. It keeps the whole of the money in the country. The Westralian Farmers, Ltd., have handled the wheat very creditably, and we can safely trust them with the work again. I cannot understand the objections of hon. members. The farmers have every confidence in the firm, and the general manager of the scheme strongly recommends the employment of these agents again this year.

Hon. J. J. HOLMES: I confess that I honestly expected a satisfactory answer to my question of why the liability to the company was limited to one farthing per bushel. The Minister told us there was really no liability, that they took delivery at the siding, handed the wheat over to the Government, and there their responsibility ended; yet I find that Clause 10 of the Schedule provides that the responsibility of the agents shall extend to any loss of wheat in transit on railway. I can only say that a much wiser man than I once remarked that where ignorance is bliss 'tis folly to be wise.

Hon. A. SANDERSON: My interest in this matter is wholly confined to the taxpayers' responsibility. The Minister has told us that the State is running no risk of losing any money. Does the Minister really believe that there is no risk whatever in this pool? What does the guarantee of a minimum price of 5s. mean?

The CHAIRMAN: The hon. member can only discuss the advance so far as it applies to this agreement.

Hon. A. SANDERSON: I want to see the Westralian Farmers wiped out of the plan altogether and the Government undertake full control. Mr. Angwin, who was chairman of the Royal Commission on Wheat Marketing, told us that if the Government collected the wheat they would save one farthing a bushel. The Government ought to do the work and keep that farthing a bushel as a reserve against possible loss. The Westralian Farmers ought to be swept out of it until they can secure the work in open competition. The guaranteeing of 5s. per bushel undoubtedly throws a responsibility on the finances of the country. We know what happened in regard to the Agricultural Bank and in regard to the jam factory, and we know that the wheat pool is a much more important proposition than either the jam factory or the Agricultural Bank. The large issues at stake in this matter certainly deserve the time and attention of hon. members. Instead of handing this over to the Westralian Farmers, why cannot the department undertake it, as recommended by the Minister himself when a private member, by the officers of the department, and by the chairman of the Royal Commission?

Hon. A. J. H. Saw: I thought you were opposed to State enterprise?

Hon. A. SANDERSON: The hon. member has been nobly doing his duty on active service, and so has not had either time or opportunity to follow closely West Australian local affairs.

The CHAIRMAN: The hon. member will confine his remarks to the clause.

Hon. A. SANDERSON: Despite the remarks of the Minister it is unquestionable that there is very serious possibility of considerable loss in this matter. We are not in a position to stand any more high finance of the kind we have had. I hope the Minister will appreciate the fact that there is grave risk of the State being saddled with a very considerable responsibility.

Hon. H. Carson: You are advocating State control.

Hon. A. SANDERSON: We have it! The whole issue of the clause is State control. The intimate connection between the Wheat Marketing Scheme and the finances of the country makes it a very delicate matter to handle.

The CHAIRMAN: I must ask the hon. member to confine himself to the clause.

Hon. A. SANDERSON: I must explain the position as it appeals to me. I represent a large number of people in the community, and I have connected most closely every remark I have made with this particular clause. Until we get rid of the Westralian Farmers, Ltd., we shall be putting this country into a most difficult and dangerous position. If we pass the clause and hand this business over to this company we shall be taking a dangerous step.

Hon. J. Cornell: Will the hon. member vote against the clause?

Hon. A. SANDERSON: Yes.

Hon. J. Cornell: That is logic.

Hon. A. SANDERSON: We are trustees dealing with the money of the public. It is not our own money, and we are not shareholders in this affair. In handing this business over to the Westralian Farmers, Ltd., we are not acting as trustees should.

Hon. G. J. G. W. MILES: The more I look at this agreement the more convinced I am that if the Westralian Farmers, Ltd., had drawn it up themselves their own interests could not have been better protected. What I should like to know is whether the Government are representing the country or the Westralian Farmers, Ltd. I intend to vote against the clause.

Hon. J. CORNELL: Under the old system different firms purported to act apart from each other, but as a matter of fact there was an honourable understanding between them to act together against the farmer. To-day there is an organisation consisting purely of farmers or country workers, and it is proposed to hand over to them that which was previously handed to different agents of world-wide reputation. Later on the business may indeed be handed over to the State. The profits made by the Westralian Farmers Ltd. have been men-

tioned. I ask hon. members what profit John Darling & Sons, James Bell & Co., Dreyfus & Co., and other agents made out of the farmers of Australia? John Darling died worth two millions of money, made out of the farmers, and the pastoral community. If the Westralian Farmers Ltd. went out of business to-day worth two million pounds that money would be distributed amongst the farmers of the State, whereas, in the case of Mr. Darling, the money did not go in that direction. The conditions set out in the schedule in connection with the Westralian Farmers Ltd. are infinitely better than any that ever were granted by the old acquiring agents. There is a clause in the agreement stating that when an agent acquires wheat and pays an f.a.q. price for it, and it is not to the satisfaction of the board, and he has to find the difference, he has recourse to arbitration. The buyer buying for the old acquiring agents that I have referred to had no such safeguard. When they blundered in the buying of wheat they had to pay the difference and had no redress. I do not know why hon. members are opposed to this. Do they think they are likely to revert to pre-war conditions?

Hon. J. J. Holmes: Who is asking for that?

Hon. J. CORNELL: The trend of the argument is all in that direction. Who do hon. members think should conduct this business?

Hon. J. J. Holmes: The lowest tenderer.

Hon. J. CORNELL: Would hon. members consider more favourably a private firm than an association of farmers in this connection? I would rather trust an association of farmers handling their own produce than I would an individual who made it his business. I will vote for the retention of the clause as it stands.

Hon. J. J. HOLMES: The clause makes it clear that the Westralian Farmers Ltd. are handling the wheat, but who guaranteed the amount running into 2¼ millions and what authority was there for guaranteeing it?

The Minister for Education: The guarantee has been given by the Federal and State Governments.

Clause put and passed.

Clause 4—Charge for cornsacks supplied in 1918-19:

The HONORARY MINISTER: Last year we had authority to make advances on cornsacks. A small parcel was carried over and therefore it is desired that we shall have the power to take the money out of this season's wheat to pay for those.

Clause put and passed.

Schedule:

Hon. J. NICHOLSON: With regard to Clause 7 of the schedule it is provided that the agent will engage and provide employees, servants and workmen fully skilled to carry out the various duties and take full responsibility, but there is no privity of contract existing between the sub-agent and the Government. The consequence is that the Govern-

ment will not be able to proceed against a sub-agent, and it is questionable, in view of the fact that the Government have given their consent to the appointment of sub-agents, whether there will be room for defence. In order to prevent any difficulty arising, I move an amendment—

That the following words be added to Paragraph (b): "The agent shall take full responsibility for all acts and omissions committed or made by every sub-agent and shall indemnify the Minister and the Government from and against any loss and damage that may occur in or about or be incidental to the dealings with the said wheat due to any cause whatever.

Those are the words which appear in the preceding paragraph of that clause.

The HONORARY MINISTER: The words which already appear in the clause are sufficient to meet the position. The matter received full consideration at the hands, not only of the Crown Law Department, but the solicitors representing the company. With regard to Paragraph (b) the reason for its inclusion was that it was found necessary to insert it owing to many complaints that sub agents were letting the work out at a cheaper rate and taking a profit. This matter, too, was threshed out by the Crown Law authorities and they are quite satisfied that the clause will afford the Government every protection against the sub-agent.

Hon. J. NICHOLSON: If that is all the Minister has to say against the inclusion of the words I have submitted, he can have no objection to the amendment. The clause provides that the agent shall be responsible for all acts and omissions committed by the employees or workmen of the agent, but it has been held that a sub-agent is not an employee and is not a workman, nor is he a servant; he is an independent contractor. It will be far safer to include the words which I have suggested.

Amendment put and negatived.

Hon. G. J. G. W. MILES: Clause 8 provides that the agent must deliver to the Minister wheat equal to the total weight on certificates issued by him, failing which he shall make good the difference on the basis of 4s. 9d. I move an amendment—

That the figures "4s. 9d." be struck out and "5s. 6d." inserted in lieu.

The HONORARY MINISTER: When this agreement was framed the f.o.b. price of wheat was 4s. 9d. In any case those figures in the Bill would not have been allowed to go through.

Hon. G. J. G. W. Miles: You could not have altered this agreement if Parliament had passed it.

The HONORARY MINISTER: We had not signed it.

Hon. J. CORNELL: What has the agent to pay the farmer at the point of delivery? If a farmer delivers wheat at 5s. at a siding, why base the price of any shortage on 5s. 6d.?

Hon. G. J. G. W. Miles: That is at the port.

Hon. J. CORNELL: Does that mean that the farmer is going to get 5s. 6d. f.o.b.?

The HONORARY MINISTER: No.

Hon. J. CORNELL: Then why the difference?

The HONORARY MINISTER: This is based on 5s. 6d. a bushel f.o.b. There are certain charges to come out of that. There would be different railway rates, according to the sidings.

Hon. J. Cornell: Is this agreement the same as the previous one?

The HONORARY MINISTER: Yes, pretty well the same.

Hon. J. CORNELL: Is it competent for this House to increase the charges likely to fall on the general taxpayer?

Hon. G. J. G. W. Miles: We are here to protect the taxpayers.

Hon. J. CORNELL: If there is anything wrong with the amounts, I think it is for another place to make the alteration.

Amendment put and passed.

Hon. G. J. G. W. MILES: I move a further amendment—

That in Clause 19 the words "one farthing" be struck out and "one half-penny" be inserted in lieu.

The object is to protect the interests of the taxpayers.

The HONORARY MINISTER: I oppose the amendment. It is unnecessary. The farthing a bushel is more than sufficient to cover any loss that might occur. The agents take delivery at the sidings and they are responsible for the wheat only as far as the depot.

Hon. G. J. G. W. Miles: Why object to the amendment?

The HONORARY MINISTER: The agents are receiving a very small rate of commission and the hon. member wishes to impose a halfpenny a bushel on them.

Hon. J. Cornell: In New South Wales before the war they got only a halfpenny for acquiring and putting the wheat on the trucks.

The HONORARY MINISTER: Yes, before the war, and those were the unfortunate men working under the acquiring agents. We had a good deal of bother over this last year. The advisory board say that a farthing is more than sufficient to meet any losses.

Hon. G. J. G. W. MILES: The forthcoming harvest is estimated at nine million bushels and, on that basis, the agents will receive £51,562 gross for handling it. It has been stated that they made a profit of a farthing a bushel net, amounting to £9,375; therefore the State should not limit the liability to a farthing.

Hon. H. Stewart: It was not an authoritative statement.

Hon. G. J. G. W. MILES: That was the evidence given before the Royal Commission and it has not been contradicted. The agree-

ment protects the agents but not the growers or the taxpayers.

Hon. V. HAMERSLEY: The agents have to pay out the greater proportion of the money, and whatever profit they are likely to make over and above the costs should be the limit of their liability. They stand to lose a farthing a bushel, and that is equivalent to the whole of the profit they have any possibility of making. It would be unfair to put them under a greater liability.

Amendment put and negatived.

Schedule as amended—agreed to.

Title—agreed to.

[The President resumed the Chair.]

Bill reported with an amendment.

As to recommittal.

The HONORARY MINISTER: I move—

That consideration of the report be made an order of the day for the next sitting of the House.

Hon. J. CORNELL: I move an amendment—

That the Bill be recommitted for the purpose of reconsidering Clause 2.

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

Ayes	..	..	..	..	9
Noes	..	..	..	..	9
A tie	..	..	..	..	0

AYES.

Hon. H. Carson	Hon. J. W. Kirwan
Hon. J. Cornell	Hon. G. W. Miles
Hon. J. Ewing	Hon. H. Stewart
Hon. V. Hamersley	Hon. A. Sanderson
Hon. J. J. Holmes	(Teller.)

NOES.

Hon. J. F. Allen	Hon. J. Nicholson
Hon. C. F. Baxter	Hon. A. H. Panton
Hon. E. M. Clarke	Hon. E. Rose
Hon. H. P. Colebatch	Hon. A. J. H. Saw
Hon. C. McKenzie	(Teller.)

The PRESIDENT: In order to permit of further consideration, I give my casting vote to the ayes.

Question thus passed.

Recommittal.

Hon. J. F. Allen in the Chair; the Honorary Minister in charge of the Bill.

Clause 2—Extension of Acts to wheat harvested in 1919-20:

Hon. J. CORNELL: I move an amendment—

That the following be added to the clause: "Provided also that on the expiration of any existing agreement, no one other than the Wheat Marketing Ad-

visory Board shall be authorised to dispose of wheat either of milling quality or of inferior quality."

I am desirous that the whole of the handling of the wheat shall be between two parties, instead of between three—that is to say, between the Government and the Westralian Farmers Ltd., instead of between the Government, the Westralian Farmers Ltd., and Dalgety & Co. I have no desire to repeat my arguments of last night. The Honorary Minister has said that it is impossible to abrogate the agreement with Dalgety & Co. until the end of this year. But the Honorary Minister, as head of the scheme, has power under the agreement with Dalgety & Co. to terminate the agency on one week's notice if the work of agency is not carried out to the satisfaction of the general manager of the scheme. From the minutes of the Wheat Marketing Advisory Board it appears that the board asked the general manager to nominate certain firms who were to be asked to tender for the agency for the disposal of inferior wheat during a period of 12 months. The Honorary Minister stated that the present agreement with Dalgety & Co. in that connection ran from the beginning of 1919 to the end of 1919. But from the board's minutes it appears that on the 12th September, 1918, there was a recommendation that Dalgety's agency be extended for a period of three months. In view of the Honorary Minister's statement, what necessity could there be for such an extension? From the minutes it further appears that on the 10th October, 1918, eleven firms shown on the list submitted by the general manager at the request of the board were invited to tender for the sole selling agency for inferior wheat on existing conditions, subject to the agent providing, if required, a bond to be approved by the general manager, and subject to the agent being debarred from private dealing in wheat. On the 8th January, 1919, after considering a report by the general manager, the board agreed that if quotations were received lower than $2\frac{1}{2}$ per cent. for sales under 100 bags, and of $2\frac{3}{4}$ per cent. for sales over 100 bags, no advantage would be gained by the work being done by the scheme's officers. Advantage to whom?

The Honorary Minister: Advantage to the scheme.

Hon. J. CORNELL: But there is no consideration for the great mass of consumers. Eventually the board recommended that the tender of Dalgety & Co., being the lowest, be accepted for the ensuing 12 months. There is no reference made as to what price any other firm tendered at. We are not in a position to know whether any other firm in closer touch with the poultry grower and the hog raiser were within measurable distance of the price submitted by Dalgety & Co. As regards the agreement, I asked the Honorary Minister last

evening whether the price paid to Dalgetys by way of commission was on the basis of the invoice turnover. It appears that the remuneration which they receive is in the form of a selling commission on the value of wheat invoices, for lots not exceeding 100 bags two per cent., and for lots over 100 bags $1\frac{1}{2}$ per cent. Thus Dalgetys are within half a per cent. of the general manager's recommendation. In each case Dalgetys have met the position by half a per cent. I asked the Honorary Minister whether or not the distributing agents had any say in fixing the price of the inferior wheat. I could not get that information last evening. Clause 4 of the agreement with Dalgety & Co. says—

The value of the wheat is to be determined by the agents except when the general manager or other officer of the scheme authorised for that purpose has fixed a reserve price.

Why not one or the other? Why not let either Dalgetys fix the price or the board fix it? The board have fixed the price for fair average quality wheat, and why could they not fix it for the inferior quality? There is not room in the matter for both the board and Dalgetys. Next, let us see how the unfortunate purchaser fares under this agreement. Clause 6 says—

Neither the agent nor the Government shall be held responsible for any damage or claims regarding the quality of damaged wheat, but all sales shall be made under and subject to the following conditions which shall be set out on the invoices and sale notes:—"This wheat is sold with all faults, and neither the Government nor the agent will be responsible for any loss or damage of any kind whatsoever arising out of its use."

The interests of the agent and of the Government are conserved, but not the interests of the purchaser. There is no competition. He has to purchase what is offered, and he pays the same price for dirt as for wheat. There are certain limitations on the acquiring agents, but if the purchaser buys pure dirt from Dalgety & Co. he has no redress. My only object in moving the amendment is the protection of the consumer. The farmer is not getting a just proportion of the price charged for damaged wheat.

Hon. J. J. Holmes: In what way are the consumers of f.a.q. wheat protected by the clause?

Hon. J. CORNELL: I will admit that in all probability the baker is making more than a reasonable margin of profit; but the disparity is not comparable with that existing in respect of damaged wheat.

The HONORARY MINISTER: I oppose the amendment. The hon. member referred to the fact that tenders were not called. Actually the advisory board selected all the firms competent to handle inferior wheat, eleven in all, and invited them to quote. The hon. member said that Dalgety & Co. were liable to inflate the price of wheat

because their commission was based on the price. Does he think the firm would not realise that high prices restrict sales? We are working on very sound lines. The hon. member said that the consumer pays, but the pool does not get it. If any profiteering in damaged wheat is going on, the amendment will not prevent it. The wheat is sold on its milling value.

Hon. J. Cornell: Who fixes it?

The HONORARY MINISTER: Dalgety & Co., under the supervision of the scheme's experts.

Hon. J. Cornell: Who fixes the f.a.q. standard?

The HONORARY MINISTER: The different bodies concerned, such as the Chamber of Commerce.

Hon. J. Cornell: Could not they fix the value of damaged wheat?

The HONORARY MINISTER: How could they meet to fix the price of every truck of wheat?

Hon. G. J. G. W. Miles: Why will you not allow the consumer to have damaged wheat at a reasonable price?

The HONORARY MINISTER: The price is based on the milling value. Poultry farmers and pig farmers are complaining about having to pay a reasonable price. In view of the harvest they themselves have had they ought to be the last to complain. The amendment will not relieve the situation. The advisory board does not sell wheat; that is in the hands of the Australian Wheat Board. The hon. member wants the scheme to handle inferior wheat. I am opposed to that. We should require to appoint agents throughout the State, appoint inspectors, and take the trading risk. I hope the Committee will not agree to the amendment, because it would put the Government in an impossible position. I cannot understand hon. members who are opposed to State trading concerns attempting to foist impossible conditions upon the Government in this matter. The amendment will not relieve the position. If there is profiteering going on with inferior wheat, we cannot check it by this proposal.

Hon. G. J. G. W. Miles: I do not believe in the Government handling anything. The less they have to do with our commodities the better. I do not see why tenders should not have been advertised for in order that other people might have a chance of handling this damaged wheat. Surely there are men as capable of doing the business as Dalgety & Co., if given the opportunity. It is another indication of the inability of the Government to deal with any question on business lines. The only method of dealing with this matter on business lines is to call for tenders publicly. The price of poultry wheat is 5s. 6d., and it is about time the consumer had some protection as well as the producer. The scheme ought to be able to evolve some arrangement by which the poultry man and the pig raiser can get wheat at a reasonable

price. Up to the present only the producer is being considered. Other members of the community should also be considered.

Hon. A. SANDERSON: I do not know that the amendment would carry out the intention that the hon. member has in mind, which is to assist the poultry farmer and the pig raiser, and that a Government Department should distribute the damaged wheat. I would feel inclined to throw upon the Government the responsibility of handling the damaged wheat, and enable the purchaser to get it at a reasonable price. We do not know how much is involved, or how much damaged wheat there is.

The Honorary Minister: This measure does not deal with damaged wheat.

Hon. A. SANDERSON: The Honorary Minister said that the sale of damaged wheat had been handed over to Dalgety & Co.

The CHAIRMAN: The hon. member can only speak to the amendment before the Chair.

Hon. A. SANDERSON: The reason for this deplorable waste of time is that we have not the facts of the case before us. The Honorary Minister should have all the facts and figures with which hon. members can legitimately expect to be furnished.

The Honorary Minister: What else do you want? There are 767,000 odd bushels for the two years that Dalgety have acted as agents, or roughly 375,000 bushels a year.

Hon. A. SANDERSON: I know that these poultry farmers have been discussing with interest the question of damaged wheat, but no reference is made to it in the annual report. Cannot the purchaser of damaged wheat communicate with the Minister? This wheat is put up to auction.

The Honorary Minister: Some of it.

Hon. A. SANDERSON: How much is put up to auction?

The Honorary Minister: What cannot be sold at auction is only a trifling quantity.

Hon. A. SANDERSON: The wheat is sold in Perth. If a person in the metropolitan-suburban area desired to purchase a bag of wheat, how would he set about it? Has it to be bought at auction, and is he at the mercy of these agents? When the Government had control of the wheat they ought to have been able to regulate the price and give everyone a fair deal. I feel inclined to throw on the department the responsibility of giving a fair deal to the people who are interested in the damaged wheat.

Hon. J. CORNELL: The sad part of this business is that the Government once having had control of the wheat have parted with it to some agents to put it on the market, and in that way have the buyer at their mercy. The Government should bring forward some machinery whereby the price can be fixed to the public and so that they might know what they would have to pay wholesale for this damaged wheat. The Honorary Minister says the Government could not take the

risk. Dalgety's must have taken a risk in this matter, but the risk must surely have turned out a profitable one. It appears to me that the good concerns are handed over to other people while the State has to carry those concerns from which there is no chance of any profit accruing. One of the largest pig raisers of the State operates in and around Boulder. One can imagine what that man pays for his wheat when I have to pay 5s. 6d. in Perth. If some of the inferior wheat I have seen sold is worth 5s. 6d. on its milling value, then f.a.q. wheat based on a fair milling value would be worth from 15s. to £1 a bushel.

Hon. J. EWING: There is a great deal in what Mr. Cornwell is striving to do. I have had numerous complaints with regard to the high price which is being charged for inferior wheat. Only this afternoon, coming up in the train from the South-West, I was approached by several people who asked what members of Parliament were doing to permit that kind of thing to go on. I understand that this inferior wheat is mostly sold to the mills, where it is graded and the rubbish is disposed of for poultry feed. I do not thoroughly understand the position myself and I think, therefore, that the Minister might explain it. The millers are the largest purchasers and, as I have stated, they dispose of the rubbish after they have graded the wheat. This is a matter that the Government should certainly deal with because it is a form of profiteering. I consider we should report progress so that the matter might be placed properly before us. I want to see the wheat producer get all that he is entitled to, but we find that a profit is being made and that it is going to someone outside of the pool. It is a peculiar thing that the subject should have been mentioned to me coming up in the train from the South-West this evening and on my entering the House, I should find it was the very matter that was under discussion.

Hon. A. SANDERSON: I have just had a file placed in my hands dealing with the whole matter.

The Honorary Minister: I laid it on the Table this afternoon.

Hon. A. SANDERSON: How can members attempt to follow the business that is going on when information like this is held back? One of the first things that I noticed on this file is a report of a deputation of produce merchants which waited on the Minister, dealing with the question of the disposal of inferior wheat. This is the answer of the Minister as it appears on the file—

Mr. Baxter, in his reply, stated that it had been found that, through competition in the selling of inferior wheat, the Scheme, and through it the farmer, had suffered.

Just consider the position of affairs! Unfortunately, both my colleagues are absent and I know that Mr. Duffell is particularly interested in this question. To expect us to discuss the situation properly until we have

thoroughly gone through this file is asking too much. I have quoted enough from the file to show that it is worth studying. If I had made such a statement in reply to a deputation, I think I would have kept it off the file. The mover of the amendment is out to throw the responsibility back on the Government and see that the consumer gets a fair deal, which I think is perfectly right.

Hon. J. EWING: I move—

That progress be reported.

Motion put and passed.

[The President resumed the Chair.]

Progress reported.

House adjourned at 10.18 p.m.

Legislative Assembly,

Wednesday, 29th October, 1919.

	Page
Questions: Hampton Plains, Geologist's report ...	1095
Wheat buyers, compensation ...	1096
Wheat sales, Western Australia's quota ...	1096
Papers: State steamship "Eucla's" itinerary ...	1096
Return: Pastoral leases ...	1097
Motions: Base metals, smelters ...	1097
Wheat production, price guarantee ...	1104
State Smelting Works, treatment of ores ...	1108
Bills: Coolgardie Goldfields Water Supply Loan Act Amendment, 1a ...	1098
Treasury Bonds deficiency, 1a. ...	1098
Constitution Act Amendment Bill, (No. 1) Order discharged ...	1108
Municipal Corporations Act Amendment, Com. ...	1108
Sale of Chaff, 2a. ...	1115

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

QUESTION—HAMPTON PLAINS, GEOLOGIST'S REPORT.

Mr. DUFF asked the Minister for Mines: In view of the very strong opposition to the Government Geologist's statement that the recent gold discoveries on Block 50, Hampton Plains, are not on a continuation of the Boulder, Horseshoe, and Ivanhoe line of lode, will he state (a) on what geological data Mr. Maitland bases his opinion? (b) Did he devote sufficient time in his examination of the field to justify the expression of such opinion?

The PREMIER (for the Minister for Mines) replied: (a) The Geological data upon which the Government Geologist based the opinions set out in his recent report were based upon a personal inspection of the area, together with investigation of the data in the