

Mr. SLEEMAN: I move an amendment—

That at the end of paragraph (a) the words "provided that such employee shall have received over £52 in that year" be added.

Surely we will not require a man who has earned, say, £30 in a year to pay the tax.

The MINISTER FOR HEALTH: The hon. member knows that his amendment is quite impossible. I would like to see something done so that the tax shall not be taken from a man who gets a job casually. At the same time I think the benefit such an individual will receive will more than compensate for the deduction of the tax. I hope that the difficulty such people find themselves in now will not continue for long and while I sympathise with the object the hon. member has in view, I am afraid his amendment is impracticable.

Mr. SLEEMAN: If it is impracticable, why set out in another part of the Bill that those who receive less than £52 will be exempt. I hope the Committee will agree to the amendment and thus assist the poor wretches who are in casual employment only.

Mr. PANTON: I hope the Minister will agree to this. He must realise that to-day a number of men are called upon to work out their sustenance. Many of them for two or three weeks have only 2½ or three days per week. Those men working out their sustenance have to pay hospital tax.

Progress reported.

House adjourned at 11.12 p.m.

Legislative Council,

Wednesday, 12th November, 1930.

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

BILL—ROAD DISTRICTS ACT AMENDMENT.

Introduced by the Minister for Country Water Supplies and read a first time.

BILL—INSPECTION OF SCAFFOLDING ACT AMENDMENT.

As to Message.

HON. A. LOVEKIN (Metropolitan) [4.34]: I desire to raise a point on which I should like to have your ruling, Mr. President. I understand that a message from another place relating to the Inspection of Scaffolding Act Amendment Bill was passed through this House under some misapprehension. Really there were two amendments covered by one, and the amendment was passed without its being observed to involve a second amendment. A message has been sent to another place intimating that the amendment has been approved by this House. According to the procedure I have been able to consult, if a Bill contains an error, a message may be sent to the other House asking for the return of the message. This not being an amendment to a Bill, I should like to know whether the practice in regard to a Bill sent on in error would prevail and whether we could request another place to return the message. There is a precedent in Blackmore's "Practice of Legislative Council," page 144. It states—

If a Bill be carried to the other House in mistake, or if any error be discovered, a message is sent requesting the return of the Bill.

Blackmore cites two Bills, the Ocean Dock Bill and the Largs Bay Railway Bill. The procedure laid down by Blackmore is—

In this case on receiving the Bill back, the resolution for the third reading and passing is rescinded, the Bill recommitted and passed through the usual stages and again sent to the other House.

The authority for that is the minutes of the Legislative Council, 1882, pages 156, 160, 178 and 179. I should like your opinion whether we can ask for the return of the message. Perhaps you would like to have time to consider the point.

The PRESIDENT: It is the first I have heard of the matter. I shall look into it. No one reported to me that any error had been made.

Hon. A. LOVEKIN: It is no error on the part of the Clerks; it is the fault of the House. Members agreed to one amendment that really involved two.

The PRESIDENT: And the hon. member wants the message back?

Hon. A. LOVEKIN: I should like to ask whether we can pass a motion requesting the return of the message through there being an error in it. I would have advised you before but I have only just found the authority.

The PRESIDENT: I understand the Bill has been passed through all its stages in another place and is no longer in possession of another place.

Hon. A. LOVEKIN: I understand that, but the message could have gone down only last night and it will be pretty quick work if the Bill has already been forwarded for assent. Could we send a message to another place requesting the return of the message? It is not for us to imagine where the Bill is at present but to ask for the message to be returned. Under the authority of Blackmore I think it is clear that, if it were a Bill containing an error, we could request its return. Does that also apply to a message?

The PRESIDENT: Unofficially we only know that the message has been finally dealt with and that the Bill has passed out of the hands of the Legislative Assembly.

Hon. A. LOVEKIN: That does not meet the point. The point I raise is whether it is competent for us to send such a message to another place.

The PRESIDENT: I cannot answer a difficult point like that straight away. I shall look into the matter.

Hon. A. LOVEKIN: I thought you might like time to consider it. Wherever the Bill is at present, it might be held up until you have given a ruling.

Hon. E. H. Harris: It should be on the scaffold.

The MINISTER FOR COUNTRY WATER SUPPLIES (in explanation): The amendments referred to were on the Notice Paper for all members to read, and I think everyone thoroughly understood the position. I am at a loss to understand why any move should be made to belittle myself and members of the House by saying that we did not understand what we adjudicated upon yesterday afternoon. I trust Mr. Lovekin will not persist.

Hon. J. Nicholson: I do not think he meant that, or suggested it.

The MINISTER FOR COUNTRY WATER SUPPLIES: Had the amendment not appeared on the Notice Paper, the hon. member's action would be excusable, but every member had an opportunity to study it and I do not think anyone can say he did not realise what we were discussing.

Hon. A. LOVEKIN: Has the Minister's statement anything to do with the point I have raised? We are all liable to make a mistake and there is no reflection on one who does so. When the Minister made a mistake regarding the first reading of another Bees Bill, an entry was made on the minutes, but it was a mistake that reflected upon nobody. It was purely an accident. The point I have raised affects the procedure of the House. Is it competent for the House to ask for the return of the message?

The PRESIDENT: I shall consider the matter.

BILL—METROPOLITAN MARKET TRUST ROAD.

Read a third time, and *passed*.

BILL—STIPENDIARY MAGISTRATES.

Report of Committee adopted.

BILL—AGRICULTURAL BANK ACT AMENDMENT (No. 1).

Second Reading—defeated.

Debate resumed from the previous day.

HON. E. H. GRAY (West—in reply) [4.46]: With few exceptions, the speeches made against the passage of the Bill have been of so extravagant a nature that it is easy to reply to them. The attack was led by Mr. Holmes, who suggested the idea of a man waving in mid air the lurid banner of private enterprise in order to terrify the innocent State enterprises endeavouring to see the sun rise. The hon. member has a penchant for twisting other people's statements—not deliberately, but putting a wrong construction upon them. He showed that leaning while criticising the Bill. The hon. member quoted an officer of the Agricultural Bank who gave evidence before the Royal Commission on the Peel estate. But the meaning Mr. Holmes placed on that officer's statements was altogether different from the meaning intended by the officer himself. I took a keen interest in the activities of the Royal Commission. Mr. Holmes and I were the two men who saw the end of the race, having gone everywhere together on horseback and inspected practically everything there was to see. Although Mr. Holmes is a much older man than I am, it took me all my time to keep up with him.

Hon. J. J. Holmes: I am accustomed to work, and you are not.

Hon. E. H. GRAY: What astounded me on the Peel estate was the lack of State Implement Works machines. I frequently made mention of that fact. I have a keen recollection of one historic occasion. Mr. Lovekin, Mr. Holmes and I met one morning at the appointed place, and there was a look of absolute fire on Mr. Holmes's face. The hon. member said, "I have something to show you." He took me to the Agricultural Bank to interview the manager, Mr. McLarty. On a table in Mr. McLarty's office was a sugar bag full of machinery parts, supposed to be parts of a drill which had broken as the result of being used only once. Mr. Lovekin knows little about agricultural machinery, but Mr. Holmes said to me, "What are you going to do about this?" Having looked at the parts, I suggested that we should pay a visit to the State Imple-

ment Works. Mr. Holmes agreeing, Mr. McLarty called a car and we went to the works. We showed the broken parts to Mr. Shaw, the manager, and he was astounded. He suggested that we should go up to the assembling floor where a drill was just going to be tried out. We did so, and Mr. Shaw there said to us, "Only one thing could have happened to that broken drill, and it was this." He then picked up a big bolt, and threw it into the drill that was being tried. Of course this smashed the parts. Evidently what had happened to the other drill was that the man in charge had placed some foreign matter, a bolt or a stone, with seed or manure, in the drill and thereby had broken the machine. We found that one of the parts of the drill was actually too strong. I think Mr. Holmes will remember that fact. The pinions of the star feed parts had not smashed. If any foreign substances, such as nails or stones, get into the drill, the fitting will break. The thing to do is to lift the star feed and replace the pinion. In this case the trouble was that the pinion was too strong, with the result that it broke a cog in the machine. This was a graver injury than if the pinion had been broken. We were able to see the defect, and I am given to understand that all State Implement drills that have left the premises since have been in perfect order. I believe they are such as to compare favourably with drills of any other manufacture.

Hon. J. J. Holmes: The inference from what you say is that someone threw a bolt into that drill.

Hon. E. H. GRAY: No. It would be very foolish of a man to throw a bolt into his own drill. The breakage occurred through the faulty work of the group settler who was in charge of the drill. He did not understand the job. The major portion of the trouble on the group settlements is due to incompetent work of the people in charge of machines.

Hon. W. J. Mann: Not by any means.

Hon. J. J. Holmes: A great deal of it was.

Hon. W. J. Mann: Not by any means all of it.

Hon. J. J. Holmes: Mr. Gray said the greater portion.

Hon. E. H. GRAY: As regards Mr. Mann's statement of yesterday on the subject of harrows, I have spoken on that sub-

ject to farmers who understand it. They said that fixed harrows were used on the Peel estate, and that these machines continued to be used for years, until Mr. Troy took charge of group settlement. When a fixed harrow strikes a big root, an irresistible force comes into contact with an irremovable body. What happens then? Either the drawbar breaks or the harrow must bend. Mr. Mann would try to delude hon. members with what I call the ridiculous notion that a farmer stops his horses, when the team has bent the harrows, and in order to straighten the harrows puts the horses the other way about.

Hon. W. J. Mann: That is done dozens of times.

Hon. E. H. GRAY: I have never seen it done. It would be a very foolish farmer who did a thing like that. The harrow in question was altogether unsuitable for the work. It should have been a stump-jump harrow. An ordinary English farmer, unused to Australian conditions, would absolutely ridicule the action of a stump-jump plough or harrow. He would not understand such machinery until he had seen it working with a competent driver. Before that, he would say that a stump-jump plough or a stump-jump harrow could not do the work. That is why in earlier days English farmers in South Australia and in this State refused to buy stump-jump ploughs. They would try to plough the ground with an ordinary plough by using tremendous labour and time. Here we have the reason why on the groups it was said the Implement Works could not make satisfactory machines. The incompetent supervisors and the incompetent men in charge of groups used fixed harrows, for example, and then blamed the State Implement machines. There is indisputable evidence that the machinery made by the State Implement Works did not get a fair deal on the group settlements. Mr. Cornell recently stated that the group settlements were strewn with smashed up State machinery. For the Peel estate group settlement £18,000 worth of agricultural machinery was purchased. Of that machinery only £794 worth was purchased from the State Implement Works. Is that a fair trial to give the State machinery? Mr. Abernethy, a gentleman who is a skilled dairy farmer, made the astounding statement that he did not know the State Implement Works made

single-furrow ploughs. In the matter of the motor car business we run up against American cars everywhere. What irritates me more than anything is to see foreign machinery used where British is available, and we have that sort of thing right through the service. Government motor cars are bought from America, whereas the money could have been spent in the purchase of English cars; and this is especially essential at a time when Western Australia owes so much money to the Old Country. The same argument applies to the State Implement Works. Public officials caring nothing about loyalty or the progress of the State have had their ears tickled by smart American travellers and salesmen, with the result that they have spent loan money on American machinery and motor cars, whereas it was their duty to build up in every possible way local industries, or, failing locally manufactured machinery, they should have bought from the Eastern States or the Old Country. Right through the Public Service one finds that sort of thing going on. I am glad Mr. Kitson has suggested an amendment if he thinks the Bill is too mild to serve its purpose. I am quite prepared to accept such an amendment in order that the measure may be made more effective. Unquestionably we should do everything possible, no matter in how small a way, to encourage the use of local products. I am not here to bolster up the State Implement Works. I care not what machinery is used, so long as it is made in Western Australia. Mr. Holmes erred greatly when he revived that old tale of the chickens coming home to roost. He again brought forward that argument about Mr. McKay being unable to start works here owing to the refusal of piece work. That is all moonshine. There was some preliminary inquiry made, and Mr. Hugh McKay, it was understood, did not want to start works here if it could be avoided. He had to put up some argument why he should not erect construction works in Fremantle or Perth. It is not hard to find amongst the workers people with set ideas, and I suppose that Mr. McKay got hold of two or three men who believed in day labour as against piece work. I repeat they are not hard to find, but it is equally easy to find trade unionists who believe in piece work. Why should Mr. Holmes build up a case against this Bill on

the statements of Mr. McKay who obviously was looking for some reason to stay his hand in regard to starting an enterprise in Western Australia. The correct course for Mr. McKay to adopt should have been to approach the proper authorities, the Arbitration Court, the tribunal which fixes the conditions of workers in every industry. If he had a strong case—and I am not saying that he did not have a strong case—he could have made his representations to the court, just as would have been done by any other manufacturer who desired to carry on operations under piece-work conditions. I trust that Mr. Holmes will now allow this argument to be decently buried. The argument was also used that South Australia had no State-conducted implement works because there were four or five private firms engaged in the manufacture of implements in that State, but on the showing of the hon. member who used that argument, State implement works would be easy to compete against, because anything made at the State works is no good. If we look back to the time of the formation of the State works, we find that the works were organised because there were no individuals willing to come to Western Australia to manufacture machinery for local requirements. Another thing that I did not know until the other day was that for some six years or so the State Implement Works were paying £795 a year for a show-room in Murray-street, Perth, and quite an unsuitable showroom at that. That rental was paid to another department, and it looks as though that other department had been bleeding the State Implement Works. This show room consisted of a floor placed at the disposal of the implement works by another department. It was 6 feet above the ground level, and every time it was necessary to put in a harvester or a binder a team of half a dozen men had to be brought up from the works at North Fremantle. That is the way to kill State enterprise. I say it is a case of one department milking the cow dry, one department getting everything it can out of another, and not giving the other a fair deal. I should like to quote a few extracts from the evidence given before the Royal Commission that was appointed to inquire into the purchase and development of the Peel and Bateman Estates, which sat in 1924. Mr. McLarty was giving evidence, and these are

some questions he was asked and the answers he gave—

There are not many State ploughs there (the Peel Estate).—There are some. Probably those ploughs would not be suited to all our conditions.

Have you heard that the settlers there object to implements from the State Implement Works.—No.

But the State Implement Works make disc ploughs as good as the Sundercut implement?—We believe in turning all possible business to the State Implement Works.

Mr. Abernethy, supervisor of the Peel and Bateman Estates, was also examined, and he answered questions as follows—

You have 16 single-furrow ploughs on the estate. Have you ever tried a single-furrow plough from the State Implement Works?—No. I did not know they manufactured them. None of the foremen asked for them.

In connection with single-furrow ploughs, would you be prepared to give the State Implement Works the opportunity to supply them?—It has never been brought under my notice that the Implement Works had them.

Mr. Shaw, manager of the Implement Works, also gave evidence and replied to the questions that were asked him as follows:—

How many implements have been purchased from the State Implement Works for the Peel and Bateman Estates?—The total value of the purchases made is £794. The first purchase was made on 11th November, 1921, and the last on 15th November, 1923.

It has been stated that your drills are unsatisfactory. Have you received any written complaints?—None whatever, neither written nor oral.

Where the settler has been dependent upon the Agricultural Bank or one of the other Government institutions, he has been directed to go to the State Implement Works for his machinery?—That is wrong.

You cannot say that the wagon has been forced upon such people when the head of the department says that the policy is to give you preference?—I have made the plain straightforward statement that men who have wanted our wagons have not been allowed to get them by the I.A.B.

You can hardly say that they have been dictated to, but only that they have been made to buy the inferior wagon, if you like to put it that way. You cannot say that prejudice is shown on that score?—I am not talking about prejudice. I am simply saying that men willing to pay the price for our wagons have been forced to buy wagons of another make.

You supply the specific cases and we will supply the reasons?—I will quote a concrete case. Since January, 1922, and up to the present time something like £18,000 has been spent on implements for the group settlers.

Our share of that has been very small. I am speaking of the quantity we could have supplied. We could have supplied £17,000 worth, excluding T-bar rollers and other implements we do not manufacture.

Is that not a scandalous state of affairs to have to admit?

You have executed a lot of work for the drainage system of the Peel Estate?—Yes, with every satisfaction.

If the officers on the agricultural side had worked in as close harmony with you as did the drainage officials, the thing would have been more satisfactory?—I think so.

Mr. Lovekin, while Mr. Shaw was giving evidence, made this comment—

No, where a man has money the State says, "Buy our stuff"; where he has not money, the State says, "You can buy elsewhere."

Mr. McLarty, who was in the room replied—

No, where the account is sound a man is free to choose, but where there is a possible loss we ask him to buy the State machine and so reduce the possible loss.

The only comment I have to offer is that it would have been better if Mr. McLarty had insisted that where money was borrowed to lend to farmers, farmers should have spent it on locally-manufactured machinery. That would have been a better course to adopt rather than to permit them to buy anywhere and everywhere. I am asking the House to carry the second reading of the Bill, because I believe it is in the best interests of the State that there should be such a law on the statute-book. As I mentioned when I introduced the Bill, there is intense propaganda to induce people to purchase local products, and I ask members to seriously consider the position, and if members feel as I do on this question, they will try to cope with the tremendous unemployment that exists within our borders by seizing every possible opportunity to induce manufacturers to come here and so put obstacles in the way of money being sent outside the State, to other parts of Australia, the United States and even to Great Britain. That is the object of the Bill, and I urge members to vote for the second reading.

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

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

ATES.

Hon. J. M. Drew
Hon. G. Fraser
Hon. E. H. Gray

Hon. E. H. H. Hall
Hon. W. H. Kitson
Hon. C. B. Williams
(Teller).

NOES.

Hon. F. W. Allsop
Hon. C. F. Baxter
Hon. J. Ewing
Hon. J. T. Franklin
Hon. V. Hamersley
Hon. E. H. Harris
Hon. J. J. Holmes
Hon. Sir W. Lathlain
Hon. J. M. Macfarlane

Hon. W. J. Mann
Hon. G. W. Miles
Hon. Sir C. Nathan
Hon. J. Nicholson
Hon. E. Rose
Hon. H. Seddon
Hon. H. Stewart
Hon. G. A. Kempton
(Teller).

Question thus negatived; the Bill defeated.

MOTION—STATE FORESTS, TO REVOKE DEDICATION.

Assembly's Resolution.

Message from the Assembly received and read requesting concurrence in the following resolution: (1) That the proposal for the partial revocation of State Forests Nos. 4, 14, 15, 20, 21, 22, 26, 27, 29, 36, 38, 39, and 42 laid on the Table of the Legislative Assembly by command of His Excellency the Governor on Tuesday 4th November, be carried out. (2) That the resolution be transmitted to the Legislative Council and its concurrence desired therein.

BILL—AGRICULTURAL BANK ACT AMENDMENT (No. 2).

Standing Orders Suspension.

THE MINISTER FOR COUNTRY
WATER SUPPLIES (Hon. C. F. Baxter—
East) [5.17]: I move—

That so much of the Standing Orders be suspended as is necessary to allow this Bill to pass through all stages at this sitting of the House.

The reason for the motion is that a £2,000,000 transaction between the Commonwealth Bank and the Agricultural Bank is involved, and it is very necessary that the Bill should be hurried through to meet that situation. I trust members will see their way clear to agree to this course. If members reach the point when they feel that more inquiry is necessary into this Bill, I shall be prepared to hold it over, but I hope there will be some real necessity for this before they ask that the debate should be adjourned.

HON. J. J. HOLMES (North) [5.19]: I hope I clearly understand the Minister to say that this Bill will not be forced through the House.

The Minister for Country Water Supplies: That is so. It will not be.

Hon. J. J. HOLMES: This is a very important measure and requires a lot of consideration. It only appeared on the Notice Paper to-day.

HON. SIR WILLIAM LATHLAIN (Metropolitan-Suburban) [5.20]: I would like to point out that this Bill was dated the 9th October—a month ago. It has been in another place all that time. It is hardly fair to members of this Chamber that, important as it is, it should be hurried through. I am sure everyone desires to give the Government every possible assistance. If I vote that the Bill be passed through its various stages at this sitting I shall do so with the full understanding that we shall have the right to get all the information we desire, and that nothing will be done to force the Bill through.

The **PRESIDENT**: Before putting the motion I remind members that, if it is to be carried, it must be agreed to by an absolute majority of the whole House.

HON. V. HAMERSLEY (East) [5.22]: Seeing that this Bill has been before another place since the 9th October it is rather extraordinary that, at this stage, we should be asked to pass it through at one sitting. It contains some clauses that are very far-reaching. Anyone looking at them would require further information before so rapidly dealing with them. The Minister has not explained the reason for this hurry. The rate of interest is an important matter that requires careful consideration, though no doubt it is essential to put it up. I am more concerned about the clauses dealing with a man's liability, the right of the bank to resume land over his head, to take and manage that property for a year or two without the owner being able to exercise any control, and then to pass it into other hands and still maintain the owner's liability for all that is subsequently done. It seems to me rather rash without further inquiry to pass this Bill.

The Minister for Country Water Supplies: You are quite wrong.

Hon. V. HAMERSLEY: I may be wrong, but that is the interpretation I place upon these clauses. It makes me think that they require much more investigation than we can give them this afternoon. If we pass the Bill to-day we shall lose control of it. I do not like opposing the motion. At all times we want to help the Leader of the House, but, as the Bill has been for some weeks before another place, we should at least have a day or two in which to make the necessary inquiries.

HON. W. H. KITSON (West) [5.24]: I can hardly imagine the Leader of the House putting forward this motion unless the matter was most important. Seeing that he has already stated that if members, after hearing his explanation, are of opinion that more time should be given to consider the Bill, he will be prepared to grant an adjournment, the only thing to do is to listen to what he has to say. If the matter is so urgent that it is desirable for us to pass the Bill through all its stages at one sitting, I am sure the majority of members will be prepared to do so. On the other hand, if after hearing the Minister's explanation we are of opinion that the matter is not urgent, and that there is room for further inquiry, surely we can accept the word of the Leader of the House that he will agree to an adjournment. I will support the motion.

HON. J. CORNELL (South) [5.27]: The only ground that can be advanced for urgency would be with respect to Clause 2, dealing with the rate of interest. It is rather extraordinary that the Bill should hang fire for so long a period in another place, and then come to this House with the request that it should be passed through all stages at one sitting. If it were only a matter of the interest I would agree to putting the Bill through at one sitting, but a new feature so far as the Agricultural Bank is concerned has been introduced. On and after the 1st day of July last, for any advances made by the bank for interest, fertilisers, etc., the bank by law proposes to take first claim over the client's property.

Hon. J. J. Holmes: That is July, 1933. It is retrospective.

Hon. J. CORNELL: Yes. This means that thousands of clients are going to be placed in a position they do not occupy to-

day, and without any notice of that intention. If a man is a client of the bank and is in arrears with his interest, or his fertiliser or bag advances, it is a matter of argument and arrangement as to whether or not it shall be a condition of his giving priority to the bank over his crop against the claims of other creditors. In that way the client has some say in the matter. If this particular clause is passed the client will be deprived of any say. In the interests of the bank's clients, I think they should have some notice of this intention to make a cold law of what in the past has been a matter of arrangement between the trustees and themselves. I am opposed to making this the law.

Hon. W. H. Kitson: You have not heard the Minister's explanation.

Hon. J. CORNELL: It is extraordinary that at a most vital and critical stage of the agricultural industry an attempt should be made to depart from the status quo. I should like to help the Minister and would willingly do so if the matter were confined to interest only. If he desires to get through the interest clause, I suggest he makes this a separate Bill. I oppose the motion to suspend the Standing Orders. If it is passed, I intend to oppose the passing of the Bill through all stages at this sitting.

Hon. J. J. HOLMES: On a point of order. I would like to ask whether it would not be competent for the Minister to move this motion at any stage of the proceedings. I suggest to him that he withdraw his motion and then move it after he has delivered his second reading speech.

The PRESIDENT: He could certainly move the motion as suggested.

The MINISTER FOR COUNTRY WATER SUPPLIES: I am astonished at the suggestion made by Mr. Holmes. I have given the House my assurance that should any difficulty arise, the Bill will not be pushed through.

Hon. J. J. Holmes: It is merely a question of procedure.

The MINISTER FOR COUNTRY WATER SUPPLIES: I shall not stress the matter further beyond asking hon. members to treat this question as one of urgency.

Hon. G. W. Miles: Would we not be in a better position to decide after you have moved the second reading of the Bill?

The MINISTER FOR COUNTRY WATER SUPPLIES: If, during the discus-

sion, hon. members consider that points raised require more time for consideration. I shall be the last in the world to restrict the discussion.

Hon. J. J. Holmes: It will be better for you to move the second reading and then place this motion before us.

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

Ayes	..	..	..	..	10
Noes	..	..	..	..	13

Majority against 3

AYES.

Hon. F. W. Allsop	Hon. F. H. H. Hall
Hon. C. F. Baxter	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. H. Stewart
Hon. J. T. Franklin	Hon. C. B. Williams
Hon. E. H. Gray	Hon. G. Fraser

(Teller).

NOES.

Hon. J. Cornell	Hon. J. M. Macfarlane
Hon. J. Ewing	Hon. G. W. Miles
Hon. V. Hamersley	Hon. Sir C. Nathan
Hon. E. H. Harris	Hon. J. Nicholson
Hon. J. J. Holmes	Hon. H. Seddon
Hon. G. A. Kempton	Hon. E. Rose
Hon. Sir W. Lathlain	

(Teller).

Question thus negatived.

Second Reading.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [5.35] in moving the second reading said: This Bill will enable the Agricultural Bank to overcome certain immediate difficulties. In the first place, it provides that the rate of interest on bonds shall be increased to a rate not exceeding six per cent. An increase in the rate is necessary so that the bank may accept the offer of the Commonwealth Bank of a loan of £200,000 at 6 per cent. The Agricultural Bank wishes to obtain the money and to repay it by instalments. If the money is secured, it is proposed to repay the first instalment of £100,000 on the 30th June, 1931, and the remaining £100,000 on the 31st March, 1932.

Hon. H. Stewart: When will you get the money?

Hon. H. Seddon: That is the point.

The MINISTER FOR COUNTRY WATER SUPPLIES: The present borrowing powers of the Agricultural Bank under the Act are insufficient to enable it to proceed in the matter. Under the Act, two

methods are set out for the raising of funds for the carrying on of the Bank. The first is that the funds necessary for the carrying on of the bank shall be such moneys as shall be raised by the issue of mortgage bonds, and secondly, such other moneys as may, from time to time, be appropriated by Parliament for the purpose. Under Section 17 of the Agricultural Bank Act, 1906, the mortgage bonds referred to are to bear interest at a rate not exceeding £4 per centum per annum. Therefore, at present the Agricultural Bank has no authority to borrow money at 6 per cent., which is the rate of interest stipulated by the Commonwealth Bank.

The Agricultural Bank is urgently in need of the £200,000 and it is a matter of the utmost importance that statutory authority shall be got for the raising of the money. The bank has already commitments totalling £350,000, so it will be seen how urgent it is that the money should be obtained. The Commonwealth Bank is quite willing to accept bonds as security for the loan, and the transaction will be finalised if the House will agree to the alteration of the maximum rate of interest payable on bonds from 4 per cent. to 6 per cent. The Bill also empowers the trustees to carry on a farm or other property on the hands of the bank, as the result of abandonment or foreclosure, and to spend money on such farm or property pending sale. Numerous farms are from time to time on the hands of the bank without anyone being in charge, and the principal Act does not allow the trustees to expend any money on keeping the security in order. Therefore legislative authority is asked to allow someone to go on the farm and operate it, fallow it, or put in a crop. Fallowing is often necessary in order to keep the country clean. Power is asked to carry on farming operations during the transition period from the time the property leaves the hands of the mortgagor until it passes to someone else. The proposed amendment authorises the trustees to crop, to share-farm, and to do all that is necessary for the purpose of maintaining the bank's security. At present, it is almost impossible to realise anything near the amounts advanced upon securities, and in order to prevent the securities from deteriorating, someone should be left in charge.

Further, the Bill proposes to liberalise the amount payable as an equity by an incoming purchaser. At present the equity has to be paid in full. There is no power under the Act to extend payment of the equity. That power is now asked for. Purchasers up to the present have been required to pay cash equal to the estimated value of the equity. Extensions of time are given now but there is no legal power to do so. Often there is an equity payable to the mortgagor. Foreclosure sometimes means that there is an amount of money in improvements which the equity does not carry. Advances may have been made for fallow or super, and those things provide equities, though there are no substantial improvements to show for the expenditure. In addition to the mortgage, usually a bill of sale is taken; and often the amount paid is for what is called an equity over and above the fixed mortgage. In such cases the bank is frequently unable to accept a tender and often that action has the effect of reducing the price to a figure at which the property would be saleable if the terms of purchase were more liberal.

Frequently people come to Western Australia with capital amounting to £300 or £400, and perhaps there is an equity of £1,000 demanded in connection with a farm. The proposed amendment will enable the bank to place such a property with people who will be able to work it, and it will also benefit the farmer who has to abandon his property. Another provision in the Bill is that the bank shall have the same power under the Agricultural Bank Act as the Industries Assistance Board has under the Industries Assistance Act—as soon as advances are made for fertiliser or fallowing, there shall be an automatic lien over the crop. The bank has been advancing for years in such circumstances, and sometimes the farmer refuses to give a bill of sale. The difficulty is that the bank cannot take the bill of sale until the crop is in. Also, it is often impossible for the bank to register on account of other creditors intervening, and consequently advances cannot be made for the purposes stated. The proposed amendment is designed to give the bank a statutory lien over the crop. As soon as the bank makes advances for fallowing, fertiliser or insurance, it shall automatically have a lien. Private firms are

getting in ahead, and preventing the bank from registering its bill of sale. In the circumstances, it is considered that the bank should have the same authority as is provided under the Industries Assistance Act. Private creditors ought not to have a prior lien seeing that the Government provide fertiliser and funds for fallowing. The trustees of the Agricultural Bank have always been most lenient, and they have never been of a grasping nature, or disposed to take possession of the whole of a farmer's securities without giving thought to other creditors.

Hon. G. W. Miles: Do they provide him with stores, too.

THE MINISTER FOR COUNTRY WATER SUPPLIES: In the interests of the bank, which is expected to do more than other people, it is essential that there should be some protection. The great trouble is that people have been selling the farmer machinery that he could very well do without, and then they have lodged caveats and bills of sale. On the other hand, the advances made by the bank are for absolute essentials, and not for tractors or motor cars. I move—

That the Bill be now read a second time.

HON. J. CORNELL (South) [5.43]: There are one or two points I wish to refer to. The rate of interest on the proposed bonds is to be increased from 4 per cent. to 6 per cent. To-day the maximum interest the Agricultural Bank can pay for accommodation is 4 per cent. and the bank's clients are charged 7 per cent., which represents a margin of 3 per cent. I would like the Minister to say if he can give the House any indication of what will be the rate of interest charged to the bank's clients on the 6 per cent. basis. I am in accord with the provisions of Clause 2, which I regard as necessary in the event of the forfeiture of a block or in dealing with a repossessed block. There is much to be said for and against Clause 4, under which the Agricultural Bank is to have first call in law on the proceeds of any crop put in as the result of advances made available under ordinary loan conditions. The Industries Assistance Act is cited as a reason why the change should be made. The Industries Assistance Act was passed in 1914, and the Agricul-

tural Bank Act was then in operation. Yet there was no proposal made in those days such as is contemplated in this clause. It is an easy way for the bank. This can happen: A client of the bank goes to the merchants and gets an accommodation for certain lines and certain goods with the assurance probably that he will give a bill of sale, or some other security, to the creditor. We assume that he gets in his crop with the aid of the superphosphate merchant, that he engages a man to do the fallowing, that he insures the crop himself, or gets assistance from private firms in the insuring. He is then stuck for bags, as hundreds of farmers are stuck to-day. Under this proposal the Agricultural Bank will have the first lien on his crop. The firm supplying the super, the man who did the fallowing, and the insurance company that gave him the accommodation, all of which made possible the crop to go into the bags, will become a secondary consideration to the bags supplied. That may be an extreme case, but I know amongst the farmers this year men who did their own fallowing, or who got accommodation outside the bank to do it, who in the same way got their own fertiliser, and were then stuck for bags. Under this proposal they go to the Agricultural Bank, which has the first lien on the crop, and other people who made the crop possible have to wait. It is quite an easy way of safeguarding any advances the bank may make, but there is not too much equity in the proposal.

Hon. G. W. Miles: And it is killing the farmers' credit with the storekeeper.

Hon. J. CORNELL: I have just cited a case on bags alone; all the other accommodation has to play second fiddle to the bank. Numerous protests are coming from the province which you, Sir, and Mr. Williams and I represent, protests from farmers objecting to be forced to sign bills of sale over their properties this year. Under this proposal there will be no forcing. The proposal needs some inquiry from a general aspect. I take it that the private firms are thoroughly conversant with the provisions of the Bill, which has been before Parliament for some time. If they are not so conversant, then they are not attending to their business as they should do. Having made myself clear on these various points, I now leave it in the hands of members to say whether or not the Bill shall pass the second reading.

HON. H. SEDDON (North-East) [5.50]: There are one or two features of the Bill which hon. members should take into account. Personally I am in favour of many of its provisions, but I think the circumstances connected with its introduction warrant a protest being made by this House. The Bill has been before another place since the 9th October, when it was introduced by Sir James Mitchell. Surely if it had been represented as a matter of urgency, that urgency would have been recognised in another place. Here is another thing worthy of attention: Yesterday afternoon there was laid on the Table of the House the annual report of the Agricultural Bank. What opportunity have members had to read that report and ascertain how the bank's operations have been going on during the last 12 months? I am informed that the report this year has not been distributed in printed form as in previous years, and so only the member who can get hold of the report could make himself acquainted with the operations of the bank. The return of the loan expenditure shows that a certain amount of capital is provided from Loan Funds each year to make up to the bank what it has expended during its year's operations. This year, apparently, although the Government are quite seized of the seriousness of the financial position, and although they knew there was very little chance of any loan money being made available—we had a statement on that very point from the Premier when introducing the Loan Estimates in another place—yet we find it is urgently necessary that the bank should have additional funds, and this House is asked to consent to the financing of the bank to enable the bank to get out of its present position. This is typical of the financing that has characterised the present Government ever since they took office. While not wishing to embarrass the Government in any way, one cannot help thinking that this state of drift, if allowed to continue, will land us in more serious trouble than we are in at present. Some better control must be exercised over the spending departments. I support the Bill and I recognise the necessities of the bank's present position; the bank must be secured in regard to advances made outside the scope of the original Act. The bank needs these additional powers, for its operations are rapidly passing beyond the origi-

nal intention of the Agricultural Bank Act, and so it should be given the protection which is urgently necessary. A little while ago, during a discussion on the operations of the Industries Assistance Board, it was pointed out that the time had arrived when those operations should cease, but that there was no provision in the Agricultural Bank Act whereby the farmer could secure the same protection as he could under the Industries Assistance Act. Section 4 of the Bill will provide that needed extension of the powers of the bank, and so we are quite justified in supporting it and thus assisting the Government to come to the aid of the farmer through the operations of the bank. I will support the Bill and I trust that in future we shall have very much stricter supervision exercised over expenditure.

HON. E. H. H. HALL (Central) [5.55]: Unlike Mr. Seddon, I cannot support the Bill in its present form. If I did I should not be doing my duty to my constituents. The interests of the State are paramount, and I desire to assist the Government to conserve those interests; yet I would be failing in my duty if I did not point to the claims of the country storekeeper who, to a large extent, enables the farmer to carry on. I am ready to give every credit to the Managing Trustee of the Agricultural Bank. Older members have praised him for a number of years past, but as servants of the people we are entitled to criticise what we think deserving of criticism. Although the bank may have been managed very ably, yet if we see faults it is our duty to point them out. So I say that in many instances the claims of the country storekeeper have been overlooked by the Agricultural Bank. And they will continue to be overlooked if the Bill be passed. When we get into Committee there may be found some way of safeguarding the interests of the country storekeeper.

HON. G. W. MILES (North) [5.58]: Last night, when speaking on the provisions of the Agricultural Bank Act Amendment Bill (No. 1), I showed how the Agricultural Bank wanted to get a lien on the farmers' crops. If this Bill goes through it will ruin the farmers' credit with the traders, unless indeed the Agricultural Bank is prepared

to advance to the farmers for their stores, as well as for their fertilisers and bags. Here is a letter from the Agricultural Bank to a client—

Dear Sir, Re lien on crop. Unfortunately the bank has no power to establish your credit and you will have to make the best terms you can with your storekeeper. You will find herewith an Order on Crop against current season's crop. After harvest proceeds have been credited, you should place a statement of your position showing receipts and expenditure before the Bank Trustees for their consideration of any probable refund.

That is how the bank treats its clients. If the Bill goes through, it will ruin the farmers' credit in respect of food supplies. The Order on Crop reads as follows:—

You are hereby authorised to collect the sum of £600 from the wheat proceeds of my 1930-31 season's harvest and I hereby charge my crops with the payment of such sum. I also undertake not to give any lien or order over my crop without reference to you, and I will deliver sufficient wheat in the joint names of myself and the Agricultural Bank at.....Siding to cover the above stated amount.

That is what the Agricultural Bank trustees are trying to get the farmer to do without the Bill. With the Bill there would be no necessity for it. The concluding paragraph of the letter I quoted yesterday reads—

I want you kindly to find out what can be done in this case, without the bank knowing you have the correspondence, unless of course you are compelled to do so. But we have to protect our interests. The bank cannot put their hand in our pockets just when it suits them. We are leaving the matter to your discretion. Kindly return the correspondence when you have finished with it so that it can be handed back to the farmer. Doubtless you have a number of storekeepers placed in the same position as I am through the bank's action. However, it will be a matter of vast interest to you as, unless we storekeepers can collect, how can we pay our merchants!

The whole thing will re-act on the system of credit established throughout the country. The banks, merchants and storekeepers have been doing their part to assist the man on the land, but this measure will restrict their credit.

Hon. J. Cornell: Scores of men have refused to sign.

Hon. G. W. MILES: The action of the Agricultural Bank means that there will be no credit at all unless the bank provides it. That is one reason why I object to the Bill being rushed through at one sitting.

HON. J. NICHOLSON (Metropolitan) [6.2]: The views expressed, particularly on Clause 4, will give the Leader of the House and his colleagues matter for serious consideration. I am sure the Minister appreciates the position emphasised by previous speakers in regard to the question of stores. For the man on the land there are two essentials to carrying on his work. First of all there is food—we can leave out clothing for the time being—and secondly may be mentioned bags, fertilisers, etc. Without food how could a farmer carry on, and of what value would the bags be to him? If we are going to deprive farmers of the means of getting food—and they will undoubtedly be deprived of such means if the preferential right is created in favour of the person who supplies the bags—

Hon. J. Cornell: In the past the super and machinery merchants have not given the storekeeper much consideration.

Hon. J. NICHOLSON: Each individual has been looking after his own particular interests. I think the difficulty could be overcome by including a reference to food and stores, which could be supplied on the written authority of the bank in the same manner as bags and fertilisers were supplied. There should be no difficulty about amending the Bill in that way. Having regard to the seriousness of the position it is necessary to protect the storekeeper as well as the suppliers of bags, fertilisers, etc. All should enjoy equal right and security for whatever is supplied. Otherwise, the storekeeper is bound to go to the wall. I shall support the second reading, but in Committee it will be desirable to make an amendment on the lines I have indicated.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter

—East—in reply) [6.4]: Members should realise that the Agricultural Bank trustees have gone much further than ever Parliament intended them to go. Under this Bill we ask that they be protected for having granted that extended assistance to save the agricultural industry. But for it large numbers of farmers could not have put in a single acre of crop, for the bank provided the money with which to pay for the fallowing and the fertiliser. Those are the most expensive items. It seems passing strange that when the Industries Assistance Act was being considered members took almost the

opposite stand. We are asking Parliament to afford the necessary protection to a Government institution that is granting assistance to farmers, who have practically no security at all, so that they will be able to crop their land, and thus be in a position to pay the storekeepers. It will not follow that the bank will take the whole of the crop proceeds. The bank has asked for a lien for the fallowing and the superphosphate.

Hon. G. W. Miles: Should not stores be included? How can farmers fallow unless they get stores?

The MINISTER FOR COUNTRY WATER SUPPLIES: If the Government do not advance for fallowing and for superphosphate, there is no chance of many farmers putting in an acre of crop, and the storekeepers would have no chance of getting paid. Last year advances were made to hundreds of farmers. No farmer who approached the bank for money for fallowing was refused. Yet it is now suggested that the Government should be placed in the same position as other creditors and should have to wait and see what they can get. The Government cannot grasp opportunities as can private business institutions. To members of agricultural constituencies I urge that this is a very important matter. If the Government are refused this provision to secure a lien over the crops, it will not be possible to risk the State's money and make advances as the Government have done in the past.

Hon. G. W. Miles: It is quite right to have that, but you will have to advance for stores.

The MINISTER FOR COUNTRY WATER SUPPLIES: Where are we to obtain the money to do all that?

Hon. G. W. Miles: I would not give you a lien over everything.

The MINISTER FOR COUNTRY WATER SUPPLIES: It is merely a lien to enable the Government to provide the most important items, and over and above their cost a surplus should be available.

Hon. E. H. H. Hall: But you are also asking for interest while the storekeeper cannot get paid for his stores.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; the Minister for Country Water Supplies in charge of the Bill.

Clause 1—agreed to.

Clause 2—Rate of interest on bonds increased to 6 per cent.:

The MINISTER FOR COUNTRY WATER SUPPLIES: During the second reading I was asked what the maximum amount of interest to the settler would be, seeing that the Commonwealth have to pay 6 per cent. There will be no increase above the 7 per cent. at present charged.

Clause put and passed.

Clause 3—agreed to.

Clause 4—Insertion of new Section 37A:

Hon. G. W. MILES: The clause should be amended to provide for stores. The trustees of the bank propose to protect themselves with regard to interest, but the storekeeper who supplies stores and enables the farmer to carry on his operations is not provided for. Members of the Labour Party should support this effort to ensure consideration for the storekeepers.

Hon. W. H. Kitson: Ask us to support repudiation?

Hon. G. W. MILES: I am not suggesting anything in the shape of repudiation.

Hon. J. NICHOLSON: I move an amendment—

That the following words be added to paragraph (a):—“stores or food for such person and his family resident with him, or”.

Hon. G. W. Miles: A farmer will require clothing; he cannot go naked.

Hon. J. NICHOLSON: We should confine provision to bare essentials; otherwise there will be difficulty in getting bags and fertilisers supplied.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. NICHOLSON: In the past the bank has never had power to do anything in the nature of what the amendment suggests. The amendment will enable the trustees to advance for food or fertiliser. We all recognise the importance of helping the Government in regard to the Bill, and the object of my amendment is in no way to block the measure. In the absence of machinery and facilities by which the Agricultural Bank may finance the men on the land, it is difficult to say what will be the fate of some of them in the present emergency. The farmers must be helped to get bags and to put in next season's crop. The

wheat produced will be highly important as an offset in balancing the exchanges between Australia and other parts of the world.

Hon. Sir WILLIAM LATHLAIN: The Bill is highly exceptional because it deals with an amount of money which the Government will probably be able to secure under highly exceptional circumstances. The rate of interest will be high. If special treatment is to be given to the storekeeper, an agitation will arise for preferential treatment of machinery merchants and others. The money is provided for a specific purpose, and the amount is very small indeed as compared with the calls which will be made. The assistance should, therefore, be limited to those who need it for superphosphates and other incidentals to cropping. Mr. Nicholson's amendment has many merits, but we have to cut our garment according to our cloth. In this case I consider it best to give the Agricultural Bank the whole of the money, in order that they may deal with it as set out in the Bill.

Hon. J. M. DREW: It seems to me unquestionable that unless we go further than the Bill provides, the whole scheme will collapse. To provide fertiliser and bags is useless unless we do something towards the maintenance of the farmer. I supported the continuance of the Industries Assistance Act with the sole object of preserving machinery by which the farmer could be assisted in cases where assistance would be essential to his success. This Bill may be said to take the place of the Industries Assistance Act, and in some respects is an improvement on that measure. The bank need not provide a sixpence if Mr. Nicholson carries another amendment he has indicated. Reasonable restrictions will be placed on the farmer.

Hon. J. Nicholson: The amount to be advanced will be limited.

Hon. J. M. DREW: All that the bank will have to do under the amendment is to give a written request to some storekeeper to supply the farmer with goods in respect of which the storekeeper would be protected. The Government would have a first charge on the assets, and then the storekeeper would come in with the manufacture of fertiliser. Under the Agricultural Bank Act there is no power to advance money for the purchase of necessities of life. Until this Bill passes, the bank will

have no authority to lend money for such a purpose.

Hon. J. M. Macfarlane: If the Bill passes, will the bank have power to carry on in the same way in future?

Hon. J. M. DREW: Yes.

Hon. J. M. Macfarlane: Its operation is not limited to one year?

Hon. J. M. DREW: No. This is an amendment of the principal Act, and will operate until repealed.

Hon. G. W. MILES: I quite understand that the Government require certain powers, and if the Bill had been brought forward for the purpose of securing the £200,000 it might have been passed without discussion. But Clause 4 is retrospective. It means that there is no security for storekeepers who have supplied farmers with stores up to the 30th June last.

Hon. J. Nicholson: No.

Hon. G. W. MILES: As from the 12th November, there will be no security. Once this Bill is enacted, the security passes to the Agricultural Bank. The storekeeper who supplied goods to the farmer during the last financial year, and as from the 1st July to the 12th November of this year—

Hon. J. M. Drew: It is to be at the request of the bank.

Hon. G. W. MILES: The clause is retrospective in taking the storekeeper's security from him as from the 1st July. That is the weakness of the provision.

Hon. J. M. Drew: That is its strength.

Hon. A. LOVEKIN: We ought to be most careful in considering this important Bill in all its aspects. To begin with, the clause will have no possible effect as against the Federal Bankruptcy Act. Every farmer—and unfortunately many farmers are in great financial straits—who makes application for fertiliser or bags creates a new debt; and under the Bill he is giving a preference to the bank as a creditor. Under the Federal Bankruptcy Act that is a serious offence.

Hon. J. Nicholson: Hardly that.

Hon. A. LOVEKIN: Under that Act it is a fraud to give preference to one creditor over another. This proposal is to give preference to one creditor over another. In addition there is the point raised by Mr. Drew that the farmer cannot live by bags and fertiliser alone; he must have something to eat and something to wear, and if the bank is to take the whole of the crop, which

it can do under this clause, what storekeeper is going to advance money for necessities of life or clothes? However compassionate the storekeeper may be, he will not be able to do it because the merchants will not be in a position to meet the credits required by the storekeeper. It is impossible to import stuff with which to supply them, and if we are going to suggest that they are to be supplied on credit with the bank coming in with preference over the whole lot, I do not think the farmer will fare very well with the storekeepers. There is another point: Suppose for his own protection a storekeeper says to a farmer, "I will keep you going in food and necessities and fertiliser to put in a crop if you let me take the whole of the proceeds to recoup myself." The storekeeper may make advances and the bank will still come in and take the whole of the proceeds, because the clause says, "the bank shall be entitled to a first charge in priority to all other encumbrances upon all crops sown or to be sown in or grown upon any lands."

Hon. J. Nicholson: In respect of what? Read the first part—"in respect of any advances, etc." The security is limited to that.

Hon. A. LOVEKIN: Perhaps the hon. member is right there. Perhaps the bank would only take in regard to the bags and fertiliser, but when we come to look at the present prices of wheat and wool, it means that the bank will take the whole of the proceeds of the crop, leaving nothing for the farmer to keep himself and his family, and nothing for the storekeeper. I do not know how it is to be done.

Hon. H. SEDDON: The Bill has been presented as the result of the mature experience of the managing trustee of the Agricultural Bank managing the Industries Assistance Board. In the course of that experience any proposal to extend assistance in the future should be limited first to assistance in regard to fertilisers and bags. The amendment takes the bank a great deal further; it will put the bank in a position where it will be committed to expenditure, and that, I contend, the Government will not be able to pay because they will not have the money. So far as the position of the farmer and the storekeeper is concerned, the best protection the farmer and creditors can have is to have the Government in a position where they will be con-

trolling the whole of the assets. The Government have always acted fairly in the past and they have also dealt severely with the farmer who has not done his duty. The clause gives all the power necessary to enable the Government to make advances towards putting in a crop next year, and at the same time it throws upon the farmer the responsibility of as far as possible growing products for his own use on the farm.

Hon. J. Nicholson: How would he get tea? He cannot raise that on the farm.

Hon. H. SEDDON: The clause is the finest protection the farmer can have and also the best protection the other creditors can have because the Government will be in control of the man's assets and they will be protecting all. I intend to support the clause.

Hon. Sir CHARLES NATHAN: To be perfectly frank, I feel that I am on the horns of a dilemma. I recognise the seriousness of holding up the Bill and I also recognise that the clause has been inserted by those responsible for the bank's existence. With some little knowledge of the management of the Agricultural Bank, I can say that I have the highest confidence in the integrity and judgment of the trustees. I know of numerous cases last season and the season before where, after having secured the whole of the proceeds of the crops, the bank released a considerable portion of the proceeds for the benefit of the other creditors and retained only such portion as was considered fair and equitable. I feel a certain amount of diffidence in voting on a clause which seems to be distinctly immoral, unless the Minister convinces me otherwise, in so far as its retrospective aspect is concerned. We do know that for the past few months storekeepers and others have made advances to farmers for sustenance and for necessary commodities, and after having placed themselves in that position they had such security as they thought was in existence taken away by an Act of Parliament. I admit the responsibility of the manager of the Agricultural Bank, but in this instance it is his clear duty to protect the institution he controls. Our duty is a dual one: it is to protect the assets of the Government and also to protect the assets of the people of the State. For that reason I feel a considerable amount of diffidence in supporting a clause that is retrospective in character. If the manager of the Agricultural Bank and

the Government think it necessary that the clause must be inserted for their protection, very well. I have a definite objection to Mr. Nicholson's amendment on principle. I have always objected and still object to any particular commodity receiving special treatment. Fertilisers and bags are no more essential to the putting in or taking off a crop than are the sustenance of the farmer and his family, the provision of those commodities that are necessary, and the machinery and fuel required for the machinery. I have also a distinct objection to the amendment because it perpetuates an injustice.

Hon. E. H. H. HALL: Some of us need to be reminded just what the Agricultural Bank was allowed to do under the old Act. The bank was only allowed to make advances for improvements, but this Bill is going to enlarge the scope of the bank and authorise the making of grants for fertilisers, insurance, the purchase of bags, and it will thereby take the place of a measure which we expect will reach us in due course and which is agitating the minds of the farmers throughout the agricultural areas of this State. If this can be knocked into shape, I think it will go a long way towards relieving anxiety and enabling next year's crop to be put in. If it is necessary to have fertilisers and bags, it is also necessary for the farmer to have the wherewithal to enable him to live. If my information is correct, the Government are making available 1s. per head for every unemployed married man and his wife and family in the metropolitan area. What is that for except for sustenance? And if it is good to make that money available to the tune of £20,000 a month, then surely every effort should be made by the Government to provide sustenance to keep farmers on their properties. We may still say that the banks will advance money for harvesters, but will not advance money to enable the harvesters to be worked. I agree with Sir Charles Nathan that everyone should start off scratch. Whilst we owe a duty to the Government, we also owe one to the people, who should come first.

Hon. J. M. MACFARLANE: I felt that if the Bill was passed as printed, the object of the Government would be defeated. Without sustenance the farmer now, and in the coming year, could gain little advantage by either bags or fertiliser, or both. I find now, however, that many farmers, whilst anxious

about the position, are looking hopefully to the future. One man told me that if he received 2s. 6d. a bushel for his wheat he could pay off his indebtedness and provide his own fertiliser for next year. Only the minority will require protection. The farmers themselves are responsible for a good deal of the trouble, for some of them have given bills of sale against the Government for very petty things.

Hon. H. Seddon: And at the same time accepted assistance from the Government.

Hon. J. M. MACFARLANE: The clear case put up by Mr. Seddon, and the remarks I heard during the tea adjournment, caused me to feel that we must make the best of a bad job, and that this proposal is in the best interests of the State. I agree that preference in trade is looked upon as immoral, and that all traders should be treated alike, but in this case the Government, on behalf of the people, should be protected. I support the clause.

Hon. H. STEWART: At the outset of the debate the country storekeeper seemed to cause members most concern. They felt that because of the assistance these people have rendered to farmers they should be considered. I understood Mr. Nicholson intended to propose something that would recognise the moral right that is due to the storekeeper. The feeling also was that the Bill would dry up the credit that had been available in the past. Mr. Nicholson's amendment, however, would do nothing to meet that position. If credit dries up, the Agricultural Bank will have to take on the task of providing sustenance. It would be quite in keeping with the fitness of things that the storekeeper should be paid back to the 30th March out of the proceeds of the crops. We provide a security for one section of the community, and ignore the just claims of another.

Hon. J. NICHOLSON: On moral grounds the storekeeper is entitled to the highest consideration. We have reached a position, however, in our circumstances which render it necessary for us to save the man on the land and do what we can to keep him there. If we do nothing to keep people on the land, what prospect will there be of anyone getting money out of these farms? What good would accrue to the country if we did not hold out some hope to the wheatgrowers and endeavoured to keep them on their properties?

Hon. G. W. Miles: The £200,000 will not provide enough help.

Hon. J. NICHOLSON: No. Were we able to raise sufficient to pay all the debts up to the present, the position would be a good one. What value would be put upon the debts which have been contracted up to the present by individual farmers? No one would put a great value upon them. The only prospect these creditors have of getting their money is for the men to be kept on the land, so that when their position is restored they can make good their liabilities. The Bill has been brought down to assist the farmer into a position of prosperity. If that is brought about, creditors who have been waiting for their money will have a better prospect of getting it. It would be fatal if we allowed the wheat-growing industry to die for lack of an attempt to keep the growers on the land. No question can be raised as to preferential claims in the sense that the expression is used in the Bankruptcy Act. This is a security created by statute, and is not a preference given by the individual debtor.

Hon. G. Fraser: This is a legalised fraud.

Hon. J. NICHOLSON: The charge is created by statute.

Hon. G. W. Miles: The trouble is the retrospective nature of this legislation.

Hon. J. NICHOLSON: The Bill will operate as from the 1st July last. It will simply protect the Agricultural Bank by allowing the Bill to apply as from the 1st July last in respect of advances made for the present crop.

Hon. Sir Charles Nathan: Others have made advances too.

Hon. J. NICHOLSON: I admit that, but the hon. member must admit that if something is not done along the lines suggested in the Bill, the Government will not be able to render the assistance they desire in keeping the farmers on their holdings. Who will supply the bags for the coming harvest if there is no security available?

Hon. Sir William Lathlain: The bank will.

Hon. J. NICHOLSON: The bank has no power to do it.

Hon. E. H. H. Hall: Why make the amendment apply as from the 1st July?

Hon. J. NICHOLSON: Because the advances were made in order to put the crop in.

Hon. H. Stewart: No, the crop was put in during April, May and June.

Hon. J. NICHOLSON: And the amendment will allow the bank to deal with stores than may have been supplied to the farmer before that period.

Hon. G. W. Miles: No, that is the objection.

Hon. J. NICHOLSON: The Minister has pointed out that the bank requires security on advances made as from the 1st July.

Hon. A. LOVEKIN: Will the Minister tell us what the Government propose to pay for the money. The bonds will be issued at 6 per cent., according to the provisions of the Bill, but my information is that the Government will have to pay 7 per cent. or more for the money.

The CHAIRMAN: I would point out that Clause 2 has been passed.

Hon. A. LOVEKIN: But Clause 4 is affected also.

The MINISTER FOR COUNTRY WATER SUPPLIES: To ease Mr. Lovekin's mind, I can assure him that the Government will pay 6 per cent. for the money and the maximum interest charged to the clients of the bank will be 7 per cent. Regarding the other point that has been taken, during the transitionary period, before the previous Government had vacated office and prior to the present Government assuming office, the position of the farmers was desperate. The present Premier, the Minister for Lands and another Minister formed themselves into a Committee to formulate schemes to assist the primary producers along the lines of the one outlined in the Bill. They realised the necessity for assuring fallowing so that there would be no abnormal shrinkage in the area under crop next season. The situation was so desperate then, and will continue to be so for some time to come, that the Government could not wait for statutory authority, but had to accept the responsibility of taking action and then asking Parliament to endorse what had been done. That is what we are doing now. The suggestion has been made that if the Government secure a lien over the present crops, there will be nothing left for the other creditors. If the small advances made by the Government for fallowing and super will represent all that the crops will yield, then pity help the State and the farming community! Sir Charles Nathan touched upon a point that requires attention. The

Government saw that unless they stepped in to the breach and financed the fallowing that has taken place since the 1st July, there would obviously be a large shrinkage in the area to be sown next year. They also realised it was necessary to provide bags for the coming harvest. That is why the provisions of the Bill have been made retrospective. The position was so critical that we could not afford to wait for legislative authority. We now ask for that. It will be realised by hon. members that the Agricultural Bank does not take advantage of its position; it holds the scales evenly and does justice to all concerned. It affords protection to debtor and creditor alike.

Hon. Sir CHARLES NATHAN: I appreciate what the Minister has said, but there is a definite principle involved. No matter how desirable the action of the Government may have seemed to be to them, the moral position must be recognised. If I make an advance to a person without taking a bill of sale, and subsequently secure one, my action will be illegal. If the Bill becomes law, such an action will become legal, but it will nevertheless be immoral. I have no objection to the Government's taking all the security possible to protect their own assets so long as the public generally know the liability to be incurred in supplying goods to a farmer who has pledged his assets. I have a distinct dislike of any man, who has assisted a farmer over a period of months, being robbed of his security by retrospective legislation. If Mr. Nicholson were to withdraw his amendment, I would test the feeling of the Committee by moving an amendment to an earlier part of the clause.

Hon. J. NICHOLSON: I am agreeable to that course, and ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Hon. Sir CHARLES NATHAN: I move an amendment—

That in line 1 of paragraph (a) the words "or heretofore" and in line 3 the words "or has been" be struck out.

Hon. H. SEDDON: The result of the amendment, if carried, will be that any advances the bank has made for fertilisers, etc. will be entirely without protection. The amendment will take from the bank all protection for the moneys already spent,

and so leave the bank at the mercy of any farmer who may be unscrupulous.

Hon. Sir CHARLES NATHAN: In moving the amendment I realised that it would prevent the bank from obtaining security or enjoying a sheltered position in regard to the advances made since July last. I did that knowingly, because other creditors have to face the same position. I do not know why the bank, having taken the responsibility of its actions, should be placed in a position of greater security than others who have done the same thing.

Hon. J. M. DREW: There is no knowing what the loss to the State may be if the amendment is carried. The Agricultural Bank has been advancing money without legal authority. The same thing was done in 1911, when owing to a dry season the farmers were in great distress. The Scaddan Government then provided food and seed wheat on the understanding that the farmers would grant security later. About 75 per cent. of them did so, but the balance refused. The clause practically legalises something illegally done. The bank had no authority to advance money for fertilisers or bags. In April last there was an agitation in the farming district for assistance for superphosphate, and the Government came to the rescue through the Agricultural Bank. Under the amendment, the bank will be unable to secure repayment of that assistance. I hope the amendment will not be agreed to.

Hon. G. W. MILES: I will support the amendment. The public have to be protected, just as much as have the Government. I cannot see why the Agricultural Bank should have preferential treatment as against other creditors. Everybody wants to see the farmer assisted, but not at the cost of injustice to outside creditors. I will support the amendment.

Hon. H. STEWART: Sir Charles Nathan's argument would carry a great deal more weight if it were not that there has been in governmental methods of finance ample precedent for the bank's action. The Government carry on the affairs of State while Parliament is in recess, and do things which they feel confident Parliament will subsequently authorise. That is the position in the present instance. The Government had to act. Of course they could have called Parliament together to get the necessary authority. That would have been a

wise move, but quite unusual. As it was, Cabinet acted in the full expectation that their action would be authorised by Parliament. It is now open to us to give that authority or to withhold it. I might remind the Committee that we have validated many actions that have gone much further than the one under review.

Hon. G. FRASER: The Government by stepping in and making advances for fertiliser and bags protected the debts owing to the storekeepers. Had the Government not stepped in, the storekeepers in many instances would not have been paid. The Government did good work in coming to the rescue of the farmers, and therefore I think they should have the protection provided by the clause as printed. I will vote against the amendment.

Hon. V. HAMERSLEY: As Mr. Miles pointed out, we ought to be careful to protect those outside people who have provided a tremendous amount of credit for the carrying on of the farmers. I understand that recently merchants have declined to send out bags to the farmers unless they were given a lien over the crop. In many instances they have taken orders against the wheat, and the first charge against the wheat will be for the bags. I am afraid this provision will cut the ground from under their feet and we shall be charged with having protected the Government to the detriment of those suppliers.

Hon. Sir CHARLES NATHAN: Since this debate commenced Mr. McLarty has been communicated with and I am advised that he does not desire the clause to be made retrospective. Perhaps the Minister can verify that statement.

The MINISTER FOR COUNTRY WATER SUPPLIES: That is quite right; Mr. McLarty is willing to waive the retrospective provision. I have a series of amendments to move which, if carried, will make the clause read—

Subject to the passing of this Act (a) any advance made by the bank to any person for following, fertilisers, insurance of crops or bags, or (b) any interest for not more than one year which has become payable to the bank by any person on any account, etc.

Hon. Sir CHARLES NATHAN: I am more than satisfied, and ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

The MINISTER FOR COUNTRY WATER SUPPLIES: I move an amendment—

That "In respect of" be struck out and the words "Subject to the passing of this Act" inserted in lieu.

Amendment put and passed.

The MINISTER FOR COUNTRY WATER SUPPLIES: I move an amendment—

That in paragraph (a) the words "which hereafter or heretofore during the financial year which commenced on the 1st day of July, 1930, shall be or has been," be struck out.

Amendment put and passed.

The MINISTER FOR COUNTRY WATER SUPPLIES: I move an amendment—

That after "made" insert the words "at any time hereafter."

Hon. H. SEDDON: I should like to have a statement from the Minister as to how the Government will be protected.

The MINISTER FOR COUNTRY WATER SUPPLIES: I merely sent a message to Mr. McLarty, who replied that the position would be quite satisfactory if the retrospective feature were excised. I take it the bank must be covered.

Amendment put and passed.

Hon. J. NICHOLSON: I move an amendment—

That at the end of paragraph (a) the words "stores or food for such person and his family resident with him or" be inserted.

The MINISTER FOR COUNTRY WATER SUPPLIES: The amendment will cause trouble. Pressure will be put upon the bank to find a lot of money for stores, and that will not help the position. We have not the money to do it.

Amendment put and a division called for.

The CHAIRMAN: I give my vote with the ayes.

Division resulted as follows:—

Ayes	..	..	..	..	10
Noes	..	..	..	..	12

Majority against 2

AYES.

Hon. J. Cornell
Hon. J. M. Drew
Hon. E. H. H. Hall
Hon. V. Hamersley
Hon. W. H. Kitson

Hon. A. Lovekin
Hon. C. W. Miles
Hon. J. Nicholson
Hon. H. Stewart
Hon. G. A. Kempton
(Teller).

NOES.

Hon. F. W. Allsop
Hon. C. F. Baxter
Hon. J. Ewing
Hon. J. T. Franklin
Hon. G. Fraser
Hon. E. H. Harris

Hon. Sir W. Lathlain
Hon. J. M. Macfarlane
Hon. W. J. Mann
Hon. E. Rose
Hon. H. Seddon
Hon. Sir C. Nathan
(Teller).

Amendment thus negatived.

The MINISTER FOR COUNTRY WATER SUPPLIES: I move an amendment—

That in paragraph (b) of Subclause 1 the following be struck out:—“(hereafter or herebefore during the said financial year) shall or.”

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

Clause 5—Citation of principal Act and amendments:

Hon. J. NICHOLSON: The principal Act is not named at all in the Bill. The name could be inserted here.

The CHAIRMAN: I suggest that the Committee pass the clause, and then recommit the Bill, as will be necessary in order to strike out “(No. 2)” in the short Title. There is no Agricultural Bank Act Amendment Bill (No. 1) now, that measure having been defeated this afternoon. Mr. Nicholson’s suggested amendment could be moved in connection with the alteration of the short Title.

Clause put and passed.

Title—agreed to.

Bill reported with amendments.

Recommittal.

On motion by the Minister for Country Water Supplies, Bill recommitted for the purpose of further considering Clause 1.

In Committee.

Hon. J. Cornell in the Chair; the Minister for Country Water Supplies in charge of the Bill.

Clause 1—Short Title:

The MINISTER FOR COUNTRY WATER SUPPLIES: I move an amendment—

That “(No. 2)” be struck out, and the following inserted in lieu:—“and shall be read as one with the Agricultural Bank Act, 1906, and amendments, hereinafter referred to as the principal Act.”

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

Bill reported with a further amendment.

Further Recommittal.

On motion by Hon. H. Stewart, Bill again recommitted for the purpose of further considering Clause 4.

In Committee.

Hon. J. Cornell in the Chair; the Minister for Country Water Supplies in charge of the Bill.

Clause 4—Insertion of new section between Sections 37 and 38:

Hon. H. STEWART: I move an amendment—

That the words “subject to the passing of this Act” inserted in a previous Committee, be struck out, and “in respect of” be inserted in lieu.

Hon. J. NICHOLSON: The amendment seems tautological, pure surplusage. There will be no connection by merely starting the clause “in respect of any advances . . . the bank shall be entitled . . .”

Hon. H. STEWART: I agree to the striking out of the words “subject to this Act” inserted by the previous Committee, with a view to inserting “in respect of.” With the permission of the Committee I shall alter the amendment.

Amendment put and passed.

Bill again reported with a further amendment.

Standing Orders Suspension.

The MINISTER FOR COUNTRY WATER SUPPLIES: I move—

That so much of the Standing Orders be suspended to enable the Bill to be passed through its remaining stages at this sitting of the House.

Hon. members assured me at an earlier stage of the proceedings that if it were necessary they would no longer oppose the

suspension of the Standing Orders. It is important that the Bill should go through its remaining stages this evening.

Question put.

The PRESIDENT: There being no dissentient voice, and more than 16 members being present, I declare the motion carried.

Reports.

On motion by Minister for Country Water Supplies, reports of Committee adopted.

Third Reading.

Bill read a third time and returned to the Assembly with amendments.

BILL—INSPECTION OF SCAFFOLDING ACT AMENDMENT.

President's Ruling.

The PRESIDENT: At an earlier stage of the sitting Mr. Lovekin asked my ruling as to whether a message could be sent to the Assembly on the Inspection of Scaffolding Act Amendment Bill requesting that the message sent yesterday by this Chamber to the Assembly, agreeing to the Assembly's amendments, be returned to this Chamber. It seems to me that some misapprehension existed in the minds of certain members of this Chamber regarding the Assembly's amendment. A majority of this House, if it so desired, could pass a resolution asking the Legislative Assembly to send back a message, and a message could be sent to the Assembly to that effect. Blackmore's "Practice of the Legislative Council" mentions the case of a Bill being carried to the other House in mistake and a message was sent requesting the return of the Bill and the request was complied with. At the same time I feel it my duty to again state that I have been informed that the Inspection of Scaffolding Act Amendment Bill, as amended, has been passed by both Houses of Parliament, and has been printed for presentation to the Governor.

Hon. A. LOVEKIN: Members are indebted to you, Mr. President, for your pronouncement on a rather important point.

MOTION—COAL INDUSTRY.

To Inquire by Royal Commission.

Debate resumed from the 5th November, on the following motion by the Hon. G. W. Miles:—

That in the opinion of this House a Royal Commission should be appointed to inquire into and report upon the coal industry of the State, and particularly regarding—

1, The present position of the coal industry, including the production, carriage, distribution, bunkering, and sale of coal;

2, The capitalisation of collieries and other related enterprises in whole or in part by persons or corporations interested in the coal industry;

3, The cost of production, including interest, rent, royalties, commissions, salaries, wages, railway and shipping freights, and all other expenditure.

4, The profits or losses of collieries and other related enterprises controlled in whole or in part by persons or corporations interested in the coal industry;

5, The efficiency of management, marketing and control, including business methods, keeping of accounts, method of mining, and the utilisation of by-products;

6, The efficiency of labour and the effects of the limitation of output and of intermittency of employment upon the employees, upon wage standards, and upon costs of production;

7, The importation of coal into the State, the relative values of imported and State coals, and the possibilities of establishing a bunkering trade with local coal;

8, The economic values of State and imported coals, and any adjustments of the costs of production and other relevant factors which are necessary to make coal available to the community at a price corresponding to its economic value;

9, The conditions relating to the formation of colliery companies operating in the State, to examine books, accounts, contracts, and agreements relating to the production and sale of coal, including fees, commissions, and other charges on sale costs, and report thereon;

10, The agreements, if any, between persons or companies having for their objective the fixation of prices or of anything in the nature of restraint of trade;

11, The effect of the present price of coal on railway freights and on industry within the State;

12, The possibility of recovering and exploiting the market for bunker coal.

HON. G. A. KEMPTON (Central)

[9.23]: I do not desire to say very much on Mr. Miles's motion for a Royal Commission to inquire into the coal industry of the State. I have listened to the debates, and have read with considerable interest the file

that has been placed on the Table of the House. When one reads that file and finds just what has been going on in connection with the coal industry, it would be possible to speak for quite a long time on the matter, but almost all the points have been brought out by the different speakers, and they show it is necessary that a Royal Commission be appointed to investigate the matter. It has been said that an ordinary inquiry would do, but I contend it is necessary to have a Royal Commission so that the question may be thoroughly cleared up once and for all. I am satisfied, on going through the file, that the Government Railways in Western Australia have been paying a great deal more for their coal and they have not had the satisfaction that should have been theirs in connection with the contracts. When one reads on the file a letter such as that written by the secretary of the Railways of this State to the secretary of the Railways of New South Wales, one cannot but feel that the Government have not had a fair deal. It says—

For your information I may state that by reason of the fact that practically the whole of the Western Australian coal interests are amalgamated, this department is in the unenviable position of having to negotiate for its requirements without any of the advantages which are afforded by the calling of competitive quotations. Even in this restricted sphere the Commissioner is not a free agent to purchase the class of coal he desires (the quality varies according to the mines from which the coal is supplied), as before any contract is entered into with the suppliers, the percentage of orders to be allocated to each mine is first determined at a conference consisting of representatives of the Miners' and Engine-drivers' Union, the Australian Labour Party and the Railway Department. The prices of the various coals are fixed according to the calorimetric value without regard to their real value to the department as a fuel, the Miners' Union insisting that no departure be made from this principle. In effect, therefore, we are obliged to take whatever coal the miners are willing to supply, and the enginemen to use, and to pay for it at the basic price demanded by the supplying company.

It seems to me that the whole of the matter, or practically the whole of it, is in the hands of three bodies. It is an extraordinary thing to me, and I think to everyone who has read this letter, to find that the purchaser and the seller of the coal practically have nothing to say in connection with it, but the men working in the mines, the engine drivers and the Australian Labour Party have practically the whole say.

You might just as well allow the Union controlling the assistants working at Foy & Gibson's to tell the manager how much petrol and oil he should purchase from the Shell Oil Company or the Plume Oil Company. When you find also that in New South Wales and in other places where they have competitive tendering in connection with coal, the different conditions that exist, one feels that Mr. Miles was perfectly right in asking for the appointment of a Royal Commission. We read on the file also this cutting from the "West Australian" newspaper, a telegram from Sydney which reads—

Contracts for the supply of coal from the northern fields were to-day approved by the Railway Commissioners. Competition was keen and the prices tendered show a reduction of from 14 to 18 per cent., or about 4s. a ton compared with previous contracts. This will mean a saving of £80,000 a year to the railways. Altogether 10 tenders were accepted.

It also seems to me, on going through the file, that the unions having absolutely all the say as far as the coal is concerned, it will be impossible at any future time, when other collieries are opened in Western Australia—and it is just possible that they may be opened in places like Irwin and Eradu—for those collieries to secure contracts. If things go on as at present, it will be impossible to open up those other coalfields that we should develop. I notice on the file that Mr. Barker, one of the unionists, wished to put forward this aspect that it should not be open to anyone who started a mine to apply for and claim a share of Government contracts. This would simply mean that there would be more than enough mines started, and the mines already established would have to reduce their production, which meant reducing their shifts and causing loss of time to the men. As one goes through the file, it is seen that a bad system has existed. The time has come when a Royal Commission should be appointed. An ordinary inquiry would not be satisfactory, because it would be impossible to get the information that could be obtained by a Royal Commission. It has been said that we cannot afford to have a Royal Commission. My view is we cannot afford not to have one. I, therefore, hope this House will urge the Government to appoint a Royal Commission as requested by Mr. Miles, whose motion I cordially support.

HON. H. STEWART (South-East) [9.32]: A perusal of the file indicates how highly desirable it is to have an investigation into this matter, and conditions laid down that will allow free commercial activity between the Commissioner of Railways and the coal interests, and ensure a competition that will enable him to run the railways on the most economical lines. Mr. Kempton pointed out that a conference of certain of those people who were interested, such as the operative miners, the engine drivers, and the A.L.P., desired to decide, with the confirmation of the Commissioner, the proportions of coal that should be taken from the different mines. The directors of the collieries had nothing to do with that. The directors and the Commissioner then decided about the price. Prior to the conference taking place, we find that the relative value of certain coals, from the Westralian, the Co-Operative, the Proprietary, and the Cardiff mines, was known. The Commissioner wanted to pay what was relatively a fair price for those coals, and yet we find after the conference he had to pay a price which was not in accordance with the relative value of those coals. Some of them are recognised as inferior for departmental purposes. Another aspect of the position deals with the supply for 1928-1929. Whereas the companies were supposed to supply certain quantities of hard and soft coals for the period, we find that the hard coals which are in most demand by the Commissioner were under-supplied, and the inferior coals were over-supplied according to the quotas. I do not refer to the present Commissioner when I say that it is evident he has not been in the position he should be in. We want the Commissioner to be free, to create competition as to prices, and to be able to take the coal that is most suitable for his purposes at a price that compares with the quality of the commodity supplied and with the landed cost of other classes of coal. On page 93 of the file there is an account of a deputation led by the member for East Perth (Mr. Kenneally) which waited on the Minister for Railways (Mr. Willecock). Mr. Kenneally said that the Commissioner was agreeable to the matter of price being left to the Minister. I do not think that was the case. Towards the conclusion of the conference it appears that the Minister made a very strong statement that the department

could not stand any increased cost in coal, and that if there was an increase freights would have to be raised. It appears that a big section of the industry of the country is being penalised because of arrangements which are in existence to favour the development of the coal industry. What is required is fair treatment so that one section of the community is not penalised for the development of another primary industry. A fair balance should be preserved between them. A Royal Commission is necessary to get at the facts, although in the main such things do not lead to any practical results. The Nevanas contract was inquired into by a Royal Commission and did not result in anything of great importance. A Royal Commission on agriculture sat for two years and travelled all over the State. This was appointed in 1916 when Sir James Mitchell was Minister for Lands, and the three members were Messrs. Giles, Venn and Paynter. The Commission reported that there were available not more than 5,000 acres of agricultural land in the South-West. Later experience has rather upset that statement. Then there was the inquiry into the Lake Preston railway which was authorised by Parliament. Parliament then authorised the pulling up of the rails so that they might be used elsewhere. The reasons advanced for the construction of the line were quite unsound. Then there was a Royal Commission to inquire how it came about that an agreement was signed for the construction of a railway, which received authorisation subsequently. This led to no result. No one was held to be culpable. The inquiry merely showed that a certain Minister had signed a document without knowing its contents. It was said that these things were done pro forma. There was a valuable Royal Commission to inquire into the Colliery coal industry. The report is quite a standard and reliable work so far as it goes, and deals with the deposits of coal, the developments that are likely to take place, and goes into the question of the deposits of coal elsewhere in the world. It would be better if we had more Royal Commissions than we have. It is undoubtedly a difficult matter to get one appointed. One thing that is highly desirable is that the public should feel that everything in connection with the Legislature and Governmental activities is fair, square and above board, that there are no abuses, and that there is no bribery

or corruption. My remarks have no significance concerning any party or any Government. I am talking in a broad sense without having any party in mind. Things are likely to occur when the public may feel that something undesirable is going on and should be investigated. Anything that seems peculiar should be inquired into speedily by a Royal Commission, and an honorary one so that it should cost the country nothing. If one House or the other carries a resolution on the subject, the Government should readily agree to the request and appoint an honorary Commission to investigate any matter that the House in question thinks in the interests of public morality and straight dealing should be inquired into.

Hon W. H. Kitson: Do you think this matter can be investigated by an honorary Commission.

Hon. H. STEWART: The motion is far too extensive. I should like to have seen it made more simple. We do not desire to go into all the technicalities of the Colliery coalfield, the construction of the company concerned, and such like questions. It would be better for the public life of Western Australia and in the interests of administration if hon. members, after calling for a file and moving for the appointment of an honorary Royal Commission, were able to secure such an appointment, and if the Government of the day made the appointments from members of the House where the resolution was carried. If that were done, the scope of the investigation could be made as wide as was deemed necessary, and the Royal Commission, seeing that it would consist of members of the House without any extra remuneration at all, would proceed with the work expeditiously and would not spin it out. They would come to their conclusions promptly and would sift matters thoroughly. It must have been evident to hon. members last year that I was under the impression, purely in the interests of administration and of the officers of the Railway Department themselves, that it was highly desirable that a Royal Commission should be appointed to inquire into the question of railway catering. There were a number of funny things disclosed in the files, and protests were raised against the way contracts were varied. One does not like to make mountains out of molehills, but if we could have an honorary Royal Commission ap-

pointed, a report would probably be received in about a fortnight's time. At any rate, it could do no harm and might lead to much good. It would be far better if a Royal Commission representing both Houses could be appointed to go into the questions raised by Mr. Miles. In a fortnight a report could be submitted dealing with the main factors of the problem under consideration that might lead to improved financial conditions and better administrative results. I am convinced the motion is too elaborate and it contains references to inquire into which, the services of a technical man would be required. It should not be necessary to incur much expense or to procure a lot of technical information regarding the working of the railways, coal values and what should be done with the mines. A big concern like Amalgamated Collieries Ltd. should be in a position to retain the services of an expert to advise on the best means of opening up the mines, and of securing the best coal for delivery to the railways at reasonable prices. If that is not possible of achievement, then steps should be taken to secure competition that would compel the Colliery mines to meet the position.

HON. J. CORNELL (South) [9.48]: I have either read or heard all that has been said regarding the motion. There appears to be little or no objection to the appointment of a Royal Commission, but there is some objection to the references Mr. Miles suggests should be submitted for inquiry. I agree with those who take exception to some of the terms of reference suggested, and I have merely risen for the purpose of moving the following amendment—

That paragraph (2) be struck out; that in paragraph (4) the words "and other related enterprises controlled in whole or in part by persons" be struck out; that paragraph (6) be struck out; that in paragraph (7) the words "and the possibilities of establishing a bunkering trade with local coal" be struck out; that in paragraph (8) the words "and any adjustments of the costs of production" be struck out; that in paragraph (9) the words "to inquire into conditions relating to the formation of colliery companies operating in the State" be struck out; that paragraph (12) be struck out and the following inserted in lieu:—"The reason for and effect of eliminating the three months cancellation clause from the agreement between the Government and the Colliery coal mining companies."

It will be seen that the effect of the amendment will be to eliminate the possibility of

any heresy hunt or any sticky-beak meetings. Any inquiry made will be on a proper, broad and general basis. That is all I have to say on the amendment.

HON. E. H. H. HALL (Central—on amendment) [9.53]: When I spoke on the original motion, I said Mr. Miles should be commended for bringing the matter before the House but that, following the promise by the Minister that there would be an inquiry, I would not support him in his desire for a Royal Commission. After listening to the amendment, particularly as it is sought to have an honorary Royal Commission appointed, I feel I shall be justified in supporting Mr. Cornell's proposal.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East—on amendment) [9.54]: The fact that the Royal Commission sought to be appointed is to be an honorary one, does not mean that there will be no expenditure. There will be heavy expenditure.

Hon. Sir William Lathlain: There would not be so much expenditure as if it were an ordinary Royal Commission.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: The Government have to keep their eyes on such matters, and I must point out to hon. members that even an honorary Royal Commission will cost a lot of money. If the Royal Commission is appointed, the cost of it will probably stagger some hon. members.

HON. SIR WILLIAM LATHLAIN (Metropolitan-Suburban—on amendment) [9.55]: I am not concerned about the Minister's remarks with reference to the cost of a Royal Commission because we desire to secure the truth and a knowledge of the full facts regarding the coal industry. It is not a matter affecting the railways only but the production of electric power, which is another important item. Many members consider that the Government are paying too much for the coal used by the railways, quite irrespective of any question of sentiment that enters into the business. The time has arrived when an inquiry should be held. Such an inquiry is necessary not only to relieve the minds of members of this House, but to give satisfaction that is due to the community as a whole.

Amendment put and passed.

HON. E. ROSE (South-West) [9.57]: It would be wise if we agreed to the appointment of a Royal Commission of inquiry. It may save the Government thousands of pounds in the long run. We have only to look at the file to appreciate the fact that one letter alone is sufficient to warrant the appointment of a Royal Commission. On the 5th July, 1930, the following letter was written by the Commissioner of Railways to the Engineer-in-Chief:—

Following on our conversation yesterday, the relative firebox values of native coals, as disclosed by tests conducted during December, 1929, and January and February, 1930, and using Co-operative, costing 19s. per ton, as the base, are as under:—

	Relative consumption. tons.	Firebox value. per ton. s. d.
Co-operative	100	19 0
Westralian	106.2	17 11
Proprietary	106.5	17 10
Stockton	111.6	17 1
Griffin	102.2	15 10
Cardiff	125.8	15 1

The results obtained are, of course, from coal used in locomotives under forced draught conditions, and may not be a reliable guide in determining fuel values where such conditions are not present.

That letter alone shows that the tests to which the coal was submitted were not reliable, and that the price of coal is much higher than the Government should be called upon to pay. If that is so, we should have a Commission of inquiry and a report to throw some light on the question of coal purchased by the Government and the value of the fuel supplied. This was a firebox test and I think an inquiry is necessary to find out the reason for the prices that are paid. A number of other matters also should be considered. For instance, Mr. Miles spoke of the huge profits that were being made by the several coal-mining companies. But he is not taking into consideration all that has to be paid out in the way of overhead charges, such as accident policies, insurance and the like. All those items make up a considerable amount in the cost of the production of Collie coal. I know not what is in the hon. member's mind, but I do know a little about a mine in which I am interested, and I can say that from that mine we are not making anything like the profits represented by Mr. Miles. I do not

propose to say anything further, for if the motion is agreed to probably the Royal Commission will inquire into and report on the mine in which I am interested. So I will have nothing further to say, nor will I vote on the question.

HON. G. W. MILES (North—in reply) [10.2]: The Minister has said the Government are going to have just an ordinary inquiry. I say we want an inquiry by Royal Commission. The Minister said there was no money for a Royal Commission to inquire into the affairs of the coal-mining companies. I claim that the companies supplying coal to the railways have a virtual monopoly, and that it is a question of great importance to the taxpayers and should not be treated in the flippant way it has been by the Minister for Railways in another place. As to the cost of the proposed Commission, that was an objection taken by Sir Charles Nathan, who said also that the contract was to run for three years. But the present contract was negotiated in November last, so already 12 months have gone, and by the time the Commission has held its inquiry it will be practically two years before negotiations for another contract are started. I was astounded to hear a business man of Sir Charles Nathan's standing putting forward the plea that the cost of a Royal Commission would be too great, and that consequently he would vote against the motion. One point alone justifies the expenditure of a few thousands on an inquiry into this question: that is a paragraph taken from the file in which the Commissioner states that he is losing £12,900 per annum by being forced to use coal from the Co-operative, the Proprietary and the Cardiff mines. According to that, in three years we pay £39,000 more for coal than we should pay. Yet we have Ministers and members making a point of what the proposed Commission would cost. Members who have gone through the file are convinced of the necessity for the appointment of a Royal Commission. The three months cancellation clause was taken out of the coal contracts during the regime of the first Mitchell Government. I cannot understand the objection Labour members have to the appointment of the Royal Commission. The very accusations made by the Labour Party would justify the appointment of that Com-

mission. I have here a pamphlet published in 1927 which reads as follows:—

In 1923, when Scaddan was Minister for Railways, a contract between the Railway Department and the Amalgamated Collieries of Western Australia for the supply of coal was cancelled. The old contract contained a clause which empowered either party to terminate the arrangement at three months' notice. In the new contract no similar power of cancellation was provided. Furthermore, the new contract gave the Amalgamated Collieries an absolute monopoly of the supply of Western Australian coal to the State Railway Department. Two main conditions of the old contract (1) the clause providing for the cancellation by either side on giving three months' notice, and (2) a reservation of Government requirements of 20 per cent. chiefly for the purpose of encouraging the opening and development of new mining areas were struck out of the new contract.

That is what Mr. Mooney, of the Trades Hall, says. These are the accusations made by the Labour Party. When the Collier Government came into power they reinstated the 20 per cent. clause, but not the three months cancellation clause. Since the Labour Party had criticised the action of the Mitchell Government in taking out that clause from the contract, why did they not reinstate the cancellation clause? There is another question for the Royal Commission to investigate. We do not want the Government to say they are going to inquire only into the value of different coals. This question requires to be cleared up once for all. It has been stated in the House that some of the dumps coming up to the power station are being charged for at 12s. per ton. That also requires investigation. Ministers representing the taxpayers of this country are not themselves supermen, and I object to the flippant way they talk of this question.

The Minister for Country Water Supplies: On a point of order, the hon. member says that Ministers have spoken in a flippant way. I ask members whether on any occasion my colleague or I, the Minister for Mines, have spoken flippantly on this question. I at least have taken it seriously enough.

Hon. G. W. MILES: The Minister has not taken it seriously enough. He accused me of reading because I had no views of my own. I do not have my speeches typed out and then read them to the House, as some members do. The views I quoted were

mostly taken from the file. Other members have requoted the statements I made. As for flippancy in dealing with this question, here is an extract from a speech by the Minister for Railways—

I say definitely that in my opinion no one concerned with the whole question has done anything or is likely to do anything that it would be necessary to hide. I do not believe anything has been done that has not been carried out in the full light of publicity. It would not be possible—I say it advisedly in view of the criticism that has been levelled at me, amongst others—for anyone concerned in the production of coal that is for use as the fuel supply for a railway system much as our own to do anything of any magnitude and continue to do it without someone making the position known.

The Minister for Country Water Supplies: What is there flippant about that?

Hon. G. W. MILES: I will come to the flippancy. What does the Minister mean by "anything of any magnitude?" Nothing whatever should have happened, whether of any magnitude or not. He went on to say—

For my part I do not think there is any need for an inquiry into Collie coal, unless it be the one point as to whether we are getting, under the existing arrangements, the best economic results from the standpoint of the railways out of our native coal.

Here is the flippancy. Speaking on the Egg Marketing Bill the Minister for Railways said—

Let me take the position of coal. One of the objections is that there is a combine controlling coal. That is bad, but it is bad only from the point of view of those who pay for the coal.

Is that not a flippant statement from a responsible Minister? Who pays for the coal? The taxpayers of the State, the men who put the Government there to look after their interests. The Minister went on to say—

As the member for Fremantle would say, it is not bad for those who are in it.

What is that if not a flippant way of dealing with a serious question? For the reasons I have given, obviously it is necessary we should have a Royal Commission so that we can get evidence on oath as to what has been happening in connection with these contracts, as to why the Mitchell Government took out the cancellation clause and as to why, despite Labour Party criticism, the Labour Government did not reinstate it. The taxpayers want answers to these questions. It is the duty of the Government to appoint

a Royal Commission. The difference has been stressed between the price of Newcastle coal and the price we are paying for our local coal. While the Commissioner of Railways is forced to pay the price the mine-owners ask, he should be relieved of the position and rendered free from political control. Until he can say to the mine-owners, "We are not going to pay that price," there will be no appeal to the court to alter the conditions. The lowest paid miner at Collie receives 18s. 2d. per day, notwithstanding that the cost of living is down 15 per cent. If we are to get our coal at a reasonable price, the miners must be prepared to work for a lower rate. The mine-owners will not take the miners to court while they can make those profits. Sir Edward Wittenoom said there was only a shilling between profit and loss. Does he ask the House to take that seriously?

Hon. G. Fraser: Is 18s. 2d. too much for a man working in a coal mine?

Hon. G. W. MILES: Yes, as against a man working in a gold mine at 14s. or 15s. The country cannot afford to pay for coal what we have been paying for it in the past, and if the cost is to be reduced, the miners will have to bear their share of the reduction. After Mr. Wilson made his speech in another place, one paper next day said he was hot and bothered and personal, and sometimes unintelligible. I do not want to say much regarding Mr. Wilson, but he does not know everything about the coal-mining industry although he did say that Mr. Holmes and I knew nothing of what we were talking about. Mr. Wilson said he was prepared to take the word of the Commissioner of Railways; but immediately afterwards he contradicted himself by saying that the statement of the Commissioner as to the relative values of Newcastle coal and Collie coal was not correct. The relative values are 155 tons to 100 tons. I still say the statement is correct, and it has been confirmed by the Leader of the House. Mr. Wilson referred to the three months cancellation clause, and said Mr. Holmes and I did not know what we were talking about as that clause was still in the agreement. I asked a question in the House whether the clause was still in the agreement, and the Minister replied, "No," proving that Mr. Wilson did not know what he

was talking about. That clause has not been in the agreement since the Mitchell Government were in power in about 1923 or 1924. I wish to mention another statement made by Mr. Wilson. Referring to me, he said—

He mentioned the names of a number of shareholders, but it is a remarkable fact that out of about 500 shareholders he named only about a dozen. Why he should single them out and name them I do not know, but I consider it was undignified to publish the names of men whose shoes he was not fit to black.

The 12 names I mentioned were those of the 12 ordinary shareholders who control the company. There are 12 ordinary shareholders who hold 50,000 shares, and I quoted their names. Amongst them happened to be the name of the Rev. Mr. Henn. Referring to that Mr. Wilson said it was *infra dig* for me to mention the names. During the debate in this House, Mr. Williams asked by way of interjection what was the value of the shares on the market, to which I replied that I did not know. I hope the Press will publish this matter to show that I have as much respect for the church as has anybody else. I proceeded to inform Mr. Williams that the list of preference shareholders showed that the shares were held in England and Australia and in other parts of the Empire. Mr. Williams asked whether there were any other parsons amongst the shareholders.

Hon. W. J. Mann: Do you know why there are shareholders?

Hon. G. W. MILES: I know what I said; I do not want any interjections at this moment.

The PRESIDENT: Order! The hon. member must be allowed to proceed.

Hon. G. W. MILES: Mr. Wilson said it was *infra dig* for me to mention the names, and I want to show how I came to mention them. I will not have the hon. member interjecting while I am making my statement.

The PRESIDENT: Order!

Hon. G. W. MILES: I proceeded to inform Mr. Williams that the Rev. J. W. Grove, of Melbourne, held 250 shares, and that I thought Archbishop Clune was a shareholder also. I said that was neither here nor there; it was nice to see all those people taking an interest in a Western Australian company. Mr. Williams then asked whether there were any Presbyterian Ministers' names in the list. It was because I

replied to interjections of that kind that I was accused of making a statement about reverend gentlemen who otherwise would not have entered my mind at all.

Hon. W. J. Mann: Do you know why they hold those shares?

Hon. G. W. MILES: That has nothing to do with my statement.

Hon. W. J. Mann: They hold them as trustees.

Hon. G. W. MILES: Perhaps so.

Hon. W. J. Mann: Then why did not you listen?

Hon. G. W. MILES: I wish to emphasise the statement I made. I said it was nice to see those people taking an interest in a Western Australian company. That was published, but notwithstanding that fact, the member for Collie said it was *infra dig* of me to mention the names. Another point regarding the request for a Royal Commission: Mr. Wilson said that if the Government wished to appoint a Commission he would not oppose the appointment. Mr. Willcock also said that he would not. The Minister for Railways asked what the taxpayers would say about the cost of a Royal Commission, which apparently was his only reason for objecting. Mr. Collier remarked that that was his view also, and added that nobody had anything to hide. We are losing £12,900 a year, and it is in the taxpayers' interests that a few thousand pounds, if necessary, should be spent on a Royal Commission to investigate the question.

Hon. G. Fraser: Do you want to gamble that few thousand pounds?

Hon. G. W. MILES: Not at all. If there was an impartial investigation, I am satisfied we should get Collie coal at a reasonable price. If the coal were produced at a lower price, there would be no need to restrict the output. The coal would be saleable and there would be a chance of ships sailing from Fremantle bunkering Collie coal as they did a few years ago, instead of Newcastle coal.

Hon. G. Fraser: There is only a chance of that?

Hon. G. W. MILES: There is every reason to believe that the railways could get coal at a cheaper price. Another point needing investigation is why the Collier Government advanced money to build a railway costing £21,000 to the Griffin mine, if the

coal was not of the value it was represented to be. Surely it was necessary for the Government to satisfy themselves about the quality of the coal before advancing £21,000 for a railway! The value of the Griffin coal, in comparison with other Collic coal, should be definitely determined. I think I have said sufficient to justify the appointment of a Royal Commission, and I hope the motion will be passed.

Hon. Sir CHARLES NATHAN: On a personal explanation, Mr. Miles referred to some remarks I made. I should like to point out that those remarks were made on the original motion before the Chair, and not on the amendment which is now the subject of discussion.

Question, as amended, put and a division called for.

The PRESIDENT: As Mr. Stewart is remaining in the House, his vote must be recorded on the side of the Noes. He cannot change his place after the tellers have been appointed.

Division resulted as follows:—

Ayes	..	..	..	..	12
Noes	..	..	..	..	4

Majority for 8

The PRESIDENT: It is quite competent for him to do so. It is equally competent for the hon. member to vote against it.

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

Ayes	..	..	..	..	4
Noes	..	..	..	..	12

Majority against 8

AYES.

Hon. C. F. Baxter	Hon. Sir C. Nathan
Hon. G. Fraser	Hon. J. M. Macfarlane (Teller.)

NOES.

Hon. J. Cornell	Hon. Sir W. Lathlain
Hon. J. T. Franklin	Hon. A. Lovekin
Hon. E. H. H. Hall	Hon. G. W. Miles
Hon. E. H. Harris	Hon. H. Seddon
Hon. J. J. Holmes	Hon. H. Stewart
Hon. G. A. Kempton	Hon. W. J. Mann (Teller.)

PAIR.

AYE.	No.
Hon. C. B. Williams	Hon. F. W. Allsop

Question thus negatived.

House adjourned at 10.33 p.m.

AYES.

Hon. J. Cornell	Hon. A. Lovekin
Hon. J. T. Franklin	Hon. J. M. Macfarlane
Hon. E. H. H. Hall	Hon. W. J. Mann
Hon. E. H. Harris	Hon. G. W. Miles
Hon. J. J. Holmes	Hon. H. Seddon
Hon. G. A. Kempton	Hon. Sir W. Lathlain (Teller.)

NOES.

Hon. C. F. Baxter	Hon. Sir C. Nathan
Hon. G. Fraser	(Teller.)

PAIR.

AYE.	No.
Hon. F. W. Allsop	Hon. C. B. Williams

Question, as amended, thus passed.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [10.27]: I move—

That the resolution be transmitted to the Legislative Assembly and its concurrence desired therein.

Hon. G. W. Miles: Has the Minister a right to move that motion?

Legislative Assembly,

Wednesday, 12th November, 1930.

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

QUESTION—FRUIT FLY.

Mr. SAMPSON asked the Minister for Agriculture: 1, Is he aware that a claim has been made by a metropolitan resident that