

WESTRALIAN FARMERS AGREEMENT.

No. 30 of 1920.

An Act to approve the Agreement made between His Majesty's Government of the Commonwealth of Australia and Basil Lathrop Murray, of Perth, in the State of Western Australia, Managing Director of the Westralian Farmers Limited, and for other purposes.

[Assented to 11th October, 1920.]

BE it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows :—

Short title.

1. This Act may be cited as the *Westralian Farmers Agreement Act 1920*.

Approval of Agreement.

2. The Agreement made between His Majesty's Government of the Commonwealth of Australia and Basil Lathrop Murray, of Perth, in the State of Western Australia, Managing Director of the Westralian Farmers Limited (a copy of which Agreement is set forth in the Schedule to this Act) is approved.

THE SCHEDULE.

Agreement made this thirteenth day of August One thousand nine hundred and twenty between Basil Lathrop Murray of Perth in the State of Western Australia Managing Director the Westralian Farmers Limited (hereinafter called the "promoter") of the one part and the Commonwealth of Australia (hereinafter called the "Commonwealth") of the other part whereby it is agreed as follows :—

1. This Agreement shall have no force or effect and shall not be binding on either party unless and until it is approved by the Parliament of the Commonwealth of Australia.

2. This Agreement shall commence and come into full force and effect upon the date upon which it is approved by the Parliament of the Commonwealth of Australia.

3. The promoter shall take all necessary steps to form and register a Company with limited liability to be called the "West Australian Grain Growers' Co-operative Elevators Limited" (hereinafter called the "Company").

THE SCHEDULE—*continued*.

4. The Company shall be formed under and be subject to the following conditions:—

- (a) The capital of the Company shall be £1,500,000 divided into 1,500,000 shares of £1 each;
- (b) No steps shall be taken to register the Company until at least 150,000 shares have been applied for;
- (c) The Company shall be registered as a Company with limited liability under the Companies Acts in force in Western Australia;
- (d) Applications for shares shall be received only from and shares will be allotted only to persons *bonâ fide* engaged in grain farming in Western Australia;
- (e) The Memorandum and Articles of Association and every amendment thereof shall be subject to the approval of the Commonwealth and shall provide (*inter alia*)—
 - (1) the manner in which and the times when capital may be called up;
 - (2) that all Directors of the Company shall be shareholders in the Company;
 - (3) that until all moneys advanced or to be advanced by the Commonwealth to the Company pursuant to this Agreement have been repaid the Company will not without the previous approval in writing of the Commonwealth—
 - (i) sell lease or otherwise dispose of or mortgage any of its property or buildings whether leasehold or freehold or any interest thereon; or
 - (ii) register as a shareholder in the Company either as allottee or transferee or otherwise any person not *bonâ fide* engaged in grain farming in Western Australia;
 - (4) that the number of shares in the Company which may be held by any one person or corporation shall be limited in such manner that a controlling interest in the Company cannot be acquired by any person or corporation;
 - (5) that no sale or transfer of any share in the Company shall be recognised unless and until the other shareholders of the Company have through the Directors of the Company been given an opportunity of purchasing such share on reasonable terms;
 - (6) that after due provision has been made for reserves and depreciation dividends not exceeding eight per centum per annum on the amount actually paid up on each share may be paid to shareholders;
 - (7) that any net profits in excess of the said eight per centum and available for distribution shall be distributed to shareholders on a co-operative basis according to the quantity of grain delivered by each shareholder to the Company;
 - (8) that the Company in its business shall receive and deal with grain from non-shareholders of the Company upon the same terms and conditions as it receives and deals with grain from shareholders;
 - (9) that the Company shall not traffic in grain but shall act only as operators of silos and elevators;
- (f) The object of the Company shall be the erection and operation of silos and terminal elevators for the handling of grain in bulk in Western Australia.

5. The promoter and the Company shall forthwith take all necessary steps to obtain from the State of Western Australia legislative and executive authority to carry out its objects.

6. The Company shall forthwith after registration submit to the Commonwealth for approval proposed sites for silos and elevators and shall erect its silos and elevators only on sites approved by the Commonwealth for that purpose.

7. If the site or proposed site of any silo or elevator is not vested in the Company for an estate in fee simple the Company shall acquire and hold such site upon terms and conditions which will enable it to fully carry out all obligations it may incur to the Commonwealth under or in pursuance of this Agreement.

THE SCHEDULE—*continued.*

8. The Company shall employ to design and supervise the erection of its silos and elevators engineers nominated for that purpose by the Company and approved by the Commonwealth and shall erect its silos and elevators in accordance with the designs of such engineers and under their supervision.

9. All silos and elevators shall be erected by Contractors to the Company approved by the Commonwealth and under a Contract or Contracts previously approved by the Commonwealth.

10. The estimated cost of the silos and elevators to be erected by the Company for the purposes of this Agreement shall be £800,000.

11. The Company shall provide and expend one-third of the total cost to the Company of the silos and elevators.

12. The Commonwealth will make advances to the Company by way of loan under the conditions of this Agreement when—

- (a) not less than 300,000 shares have been allotted to shareholders approved by the Commonwealth and paid up to 10s. per share; and
- (b) not less than £100,000 has been provided and expended by the Company in the erection of silos and elevators; and
- (c) a person nominated by the Commonwealth for that purpose has certified that the erection of the silos and elevators has been carried out to his satisfaction up to the date of the certificate; and
- (d) all the conditions of this Agreement to be complied with by the Company to that date have been complied with to the satisfaction of the Commonwealth; and
- (e) the Company has executed and delivered to the Commonwealth first mortgages and other securities over its assets real and personal including uncalled capital. Such mortgages and securities shall be prepared by the Commonwealth and shall contain all provisions required by the Commonwealth and the expense thereof shall be paid by the Company to the Commonwealth.

13. The amount to be provided and advanced by the Commonwealth to the Company under this Agreement shall be two-thirds of the total cost to the Company of the silos and elevators approved by the Commonwealth for the purposes of this Agreement but not exceeding in all the sum of £550,000.

14. Advances by the Commonwealth to the Company shall be made from time to time by instalments at the rate of £2 for every £1 provided and expended by the Company in the erection of the silos and elevators after the first £100,000 has been provided and expended by the Company.

15. After the Company has provided and expended its full one-third of the total cost of the silos and elevators the Commonwealth will subject to clause 13 hereof from time to time advance to the Company the balance of the total cost to the Company of the silos and elevators.

16. Every application by the Company to the Commonwealth for an instalment of an advance shall be accompanied by a certificate by the person nominated by the Commonwealth for that purpose stating—

- (a) the total amount expended by the Company up to the date of the certificate in the erection of the silos and elevators; and
- (b) the value of the work then done in the erection of the silos and elevators; and
- (c) whether or not the work has been done to his satisfaction; and
- (d) the amount (if any) previously advanced by the Commonwealth to the Company under this Agreement.

17. Every certificate given under clause 16 hereof and the decision of the Commonwealth as to the amount of any instalment to be made of an advance shall be final and binding on the promoter and the Company.

18. The amount of each advance shall bear interest from day to day at the rate of Six pounds per centum per annum until repayment: Provided that if the Commonwealth shall make any advance to the Company out of borrowed money on which the interest payable by the Commonwealth exceeds Six pounds per centum per annum the interest payable by the Company on the money so advanced shall be equal to the interest payable by the Commonwealth in respect thereof.

THE SCHEDULE—*continued.*

19. The interest on each advance shall (until the date of the starting point fixed for the purpose of repayments of advances and interest by instalments) be capitalized as part of the advance.

20. The Treasurer of the Commonwealth shall fix a date not being earlier than eighteen months after the first advance is made by the Commonwealth to the Company under this Agreement as the date of the starting point for the purposes of repayments of the advances and interest by instalments.

21. The amount of the advances (including the interest capitalized as aforesaid) with interest thereon shall be paid by the Company to the Commonwealth by twenty equal annual instalments the first of which instalments shall become due immediately on the expiration of twelve months from the date of the starting point aforesaid. For the purposes of this provision the interest shall be at a rate proportionate to the rates of interest at which the advances were made.

22. The Treasurer of the Commonwealth may fix the said date for the starting point aforesaid notwithstanding that the silos and elevators contemplated by this Agreement have not been all completed and should any further advances be made under this Agreement after such date such advances shall bear interest as hereinbefore provided and shall be repayable from such date and in such manner as the Treasurer of the Commonwealth may direct.

23. A certificate by the Secretary or the Acting Secretary to the Treasury that any instalment is due by the Company to the Commonwealth or as to the rate of interest payable by the Company to the Commonwealth on any advance shall be accepted as *prima facie* evidence as to the amount of such instalment and that such instalment is due by the Company to the Commonwealth and that the rate of interest on any advance is as stated therein and shall be binding on the Company.

24. Should any instalment of principal and interest not be paid on the day upon which the same became due the instalment shall bear compound interest at the rate of Ten pounds per centum per annum and with half-yearly rests.

25. If default is made in payment of any instalment for a period of six months the Treasurer may declare the right of the Company to the repayment of the advances by instalments forfeited and thereupon the whole of the advances and interest thereon shall immediately become payable to the Commonwealth and shall continue to bear interest until paid.

26. Any notice approval consent communication or other matter or thing to be given made expressed or done by the Commonwealth under this Agreement shall be deemed as have been duly given made expressed or done if given made expressed or done in writing signed on behalf of the Commonwealth by or on behalf of the Prime Minister of the Commonwealth and delivered to or posted by prepaid post addressed to the promoter at the address hereinbefore contained or to the Company at its registered address.

In witness whereof the parties hereto have executed these presents the day and year first abovementioned.

Signed sealed and delivered by
the said Basil Lathrop
Murray in the presence of
M. L. SHEPHERD

BASIL L. MURRAY,
By his Attorney,
L. R. MACGREGOR.

Signed sealed and delivered by
William Morris Hughes the
Prime Minister of the Com-
monwealth of Australia for
and on behalf of the said
Commonwealth in the
presence of M. L. SHEPHERD.

W. M. HUGHES