ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [5.6]: I move—

That the House at its rising adjourn till Tuesday, the 23rd. October.

Question put and passed.

House adjourned 5.7 p.m.

Legislative Assembly,

Tuesday, 16th October, 1934.

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

ASSENT TO BILLS.

Message from the Lieutenant-Governor received and read notifying assent to the following Bills:—

1, Roman Catholic Church Property Act Amendment.

2, Supreme Court Criminal Sittings Amendment.

QUESTIONS (2)—RAILWAYS.

Brookton Grain Shed.

Mr. SEWARD asked the Minister for Railways:—1, What tenders were received for the grain shed in the Brookton railway yard? 2, What was the amount of each tender?

The MINISTER FOR RAILWAYS replied:—1 and 2, Name of tenderer and amount of tender: W. M. Crawford, £110; J. P. Myers, £121; C. A. Boundy, £85, 5s.; L. V. Stevens, £77; T. O'Neill, £52; C. Brown, £50; A. E. Wilson and E. O. Lange (late tender), £107 10s.

Great Southern Trains.

Mr. SEWARD asked the Minister for Railways:—1, What is the reason for the continued late running of passenger trains on the Great Southern line? 2, Will he take steps to secure the more punctual running of those trains?

The MINISTER FOR RAILWAYS replied:—1, During the month of September the principal passenger trains on this line arrived at destination on time on 61 occasions and were late on 14 occasions. The delays were due to mechanical defects, show traffic and increased volume of perishable and roadside traffic. 2, These trains are specially watched to obviate delays, and where such occur they are unavoidable.

BILL—SUPPLY (No. 2), £700,000.

Message.

Message from the Lieutenant-Governor received and read recommending appropriation for the purposes of the Bill.

Standing Orders Suspension.

THE MINISTER FOR WORKS (Hon. A. McCallum—South Fremantle) [4.37]: I move—

That so much of the Standing Orders be suspended as is necessary to enable resolutions from the Committees of Supply and Ways and Means to be reported and adopted on the same day on which they shall have passed those Committees, and also the passing of a Supply Bill through all its stages in one day.

Question put and passed.

Committee of Supply.

The House having resolved into Committee of Supply, Mr. Sleeman in the Chair,

The MINISTER FOR WORKS: I move—

That there be granted to His Majesty on account of the services of the year ending the 30th June, 1935, a sum not exceeding £700,000.

This is the second Supply Bill introduced this session. The previous Bill provided for three months, carrying us on to the end of September. This Bill is for one

month's Supply to carry us to the end of October, by which time we hope to have the Estimates passed. The amount applied for is—

Consolidated Revenue Fund ..	500,000
General Loan Fund	200,000
	£700,000

Details of the Supply granted previously are—

Consolidated Revenue Fund ..	1,300,000
General Loan Fund	600,000
Treasurer's Advance	300,000
	£2,200,000

Expenditure for the three months out of the Supply granted has been—

	£
Consolidated Revenue Fund ..	1,289,510
General Loan Fund	562,748

That does not include expenditure under Special Acts. The total expenditure for the three months ended the 30th September, including special Acts, has been as follows—

	£
Special Acts	976,728
Governmental	585,693
Public Utilities	703,817
	£2,266,238

Interest and sinking fund included in the item special Acts amounted to £908,392. Exchange, totalling £106,618, is included in Governmental. Revenue for the same period has been as follows—

	£
Taxation	346,648
Territorial	134,369
Commonwealth Grants . ..	301,359
Public Utilities	1,124,846
Other	196,666
	£2,103,888

The deficit for the first three months of the current financial year is £162,350, compared with £505,545 for the same period of last year. Commonwealth grants received for the first three months of this year amounted to £301,359. This includes £33,000 of the £133,000 special non-recurring grant for this year. Commonwealth grants received for the same period of last year totalled £243,359. That amount did not include any portion of the additional grant, which in that year amounted to £100,000. The first payment on that account was not received until December, 1933. As compared with last year, this year has therefore had the advantage of one quarter's receipts on both sums, namely £58,250. Commonwealth grants, apart from the amount of £473,000 received under the Financial Agreement that took the place of the per capita payments, was increased last year from £500,000 to £600,000. The special non-recurring grant for the current year increases the grants to £733,000.

HON. C. G. LATHAM (York) [4.43]: I do not raise any objection to the granting of Supply for another month, but I consider the Auditor-General's report should be made available before we proceed any further with the Estimates. Without the Auditor General's report, it is very difficult to determine whether the Government have complied with the law and with other conditions. Has the Minister any idea when the Appropriation Bill will be introduced? He has asked for Supply for only one month, and unless the Appropriation Bill is introduced early, he will not have Supply for the period after the end of the present month. We should insist upon the Auditor General's report being tabled with the Estimates. The amount of Supply asked for is a little less than the average for the first three months of the current financial year, and I take it the Government are living within the Estimates and do not propose to increase the deficit for the year.

Question put and passed.

Resolution reported, and the report adopted.

Committee of Ways and Means.

The House having resolved into Committee of Ways and Means, Mr. Sleeman in the Chair,

The MINISTER FOR WORKS: I move—

That towards making good the Supply granted to His Majesty for the services of the year ending on 30th June, 1935, a sum not exceeding £500,000 be granted out of Consolidated Revenue and £200,000 from the General Loan Fund.

Question put and passed.

Resolution reported, and the report adopted.

Bill Introduced, etc.

In accordance with the foregoing resolutions, Bill introduced, passed through all stages without debate, and transmitted to the Council.

PAPERS—MEEKATHARRA-HORSESHOE RAILWAY.

Debate resumed from the 10th October, and on the following motion by Mr. Lambert (Yilgarn-Coolgardie):—

That all papers relating to the building of the railway from Meekatharra to Horseshoe, known as the manganese railway, be laid on the Table of the House.

HON. C. G. LATHAM (York) [4.52]: I do not understand what is the object of the mover in asking for these papers. If there is anyone in this Chamber who knows more about the railway in question than does the hon. member, I should like to know who it is. The hon. member knows more than all the rest of us about the railway. I do not know whether he knows more than he told the House. Certainly he knows all about it.

Mr. Lambert: I know it painfully.

Hon. C. G. LATHAM: If the motion has been moved for the purpose of replying to certain charges made outside the Chamber, I say this is an improper use to make of the Chamber. No one in this House, so far as I know, has made any charge against the Premier, or against any other Minister, or against any member in respect of the railway. To bring the matter into the House seems to me quite wrong, and a wrong use of Parliament. It is known that certain charges have been made in public halls. A certain gentleman has made wild charges—I do not know whether they are wrong or not, but they are wild charges—about Ministers being associated with a company for an improper purpose. If there is anything wrong, the courts of law should decide the matter. It is improper to make use of this Chamber instead of the courts of law. I have a strong objection to the hon. member bringing such a case as this to the House. If he desires more information than is to be found on the files, I do not know that anyone else desires more information than he has asked for. However, some most astounding statements were made in a newspaper published at Fremantle on Thursday, the 3rd May last, under the heading "Manganese"—

Cabinet Ministers lend public money to their own company. Taxpayers lose £151,000 in "Heads they lose, tails Cabinet Ministers win" contract, in which the latter show amazing "Jekyll and Hyde" business acumen. Shareholders in W.A. Manganese Company Ltd., Collier, Willcock, McCallum and Lambert, planned a get-rich-quick mining flotation wherein they were to make a profit of 775 per cent. per annum by granting themselves the loan of £115,000 of public property. The best the State could get was its money back—no 800 per cent. per annum profit like its Ministers. The State stood to lose everything, its Ministers to lose nothing! The Cabinet Ministers concerned jointly and severally should be compelled by Act of Parliament to make good the State's money up to the last farthing of their capacity.

Those are astounding headings. I do not propose to read the article, as I have no doubt that all the Ministers, at least, have already read it. The article is signed by "T. J. Hughes, 97 Second Avenue, Mount Lawley."

Mr. Wilson: Who is he?

Hon. C. G. LATHAM: What the writer sets out in the article is that the General Chemical Company had a paid-up capital of £5,792, and that they inflated this capital to the tune of about £90,000, making a company of about £100,000, which they sold to the W.A. Manganese Company. He sets out the list of shareholders, concerning which he wishes the public to be informed—G. T. Lambert, 2,070 shares; Wm. Angwin, 10; Thomas Chesson, 5; Phil. Collier, 20; S. W. Munsie, 5; John C. Willcock, 5; A. A. Wilson, 5; James Cunningham, 5. I presume there were many other shareholders. The writer proceeds to show how those share holdings were increased from the original numbers—G. T. Lambert, 10,000 shares; Wm. C. Angwin, 100; Thomas Chesson, 38; Phil. Collier, 155; S. W. Munsie, 38; J. C. Willcock, 38; James Cunningham, 38. He goes on to say that there was also—

a new shareholder whose name did not appear on the share list of the old company in either 1925, 1926, or 1927, McCallum, A., 155 shares.

If the article contains any defamatory matter at all, the courts are the proper place to decide the question. If the mover feels aggrieved he ought to take the matter to the courts and get it decided there. We cannot decide it.

Mr. Lambert: I would like to take the Government to court and get some of our money back.

Hon. C. G. LATHAM: I think the hon. member has treated the Government very badly. He treated them very badly the other evening. He has nothing to blame the Government for. In fact, neither the present Government nor any other Government is to blame on account of the drop in the price of manganese.

Mr. Lambert: You would not go and tell the cockies a thing like that.

Mr SPEAKER: Order!

Hon. C. G. LATHAM: It is useless to blame the Government for that fall in price. The hon. member, in moving his motion, traversed the history of the Manganese Company, and said he wanted to make it clear that at no time did the company borrow anything from the Government of the State. I do not know whether the company borrowed anything, but the Government advanced them £115,000 for rails, according to the Auditor General, and the company have been unable to pay any interest on that. It is true that Parliament in 1920 authorised the construction of the railway. I do not know that there was anything wrong with that at all, but Parliament, of course, did not provide for financing the company. Parliament simply gave the company authority to construct a line of railway, and, as would be expected, laid down pretty hard conditions. I do not blame Parliament for anything that has happened up to date. Nor do I blame the Mitchell Administration at all in respect of it. The main purpose of the railway was to convey the manganese ore to the port, so that it could be marketed. That was the main idea behind the whole thing. The matter of conveying stock by rail does not carry any weight with me. In my opinion, very few head of stock would ever travel over that line. Growers would be able to bring their stock from the North on the hoof down to the railhead, as is done to-day: that is to say, if the cattle were able to travel down: otherwise they would have died on the road. All that Parliament did was to authorise the company to construct a line of railway under certain conditions. There was nothing at all wrong with that.

Hon. P. D. Ferguson: Who authorised the advance?

Hon. C. G. LATHAM: I do not know. The rails or the railway material, etc., supplied, according to the Auditor General's report, were worth close on £115,000. I thought that as the hon. member moved the motion, he had not sufficient information to satisfy even himself. After all, the authorising Act is on the statute-book, and we can obtain copies of it. The papers relating to that Act are available, except those originating from the engineering side of the Public Works Department. I do not mind if the House rejects the motion. I do do not see why we should probe the matter.

Mr. Lambert: I do not think the House would be justified in rejecting even the amendment of which you have given notice.

Hon. C. G. LATHAM: If the amendment is carried, it would be the means of making available to the public all the information there is to be made available.

Mr. Lambert: You can make it available.

Hon. C. G. LATHAM: I move an amendment—

> That the following words be inserted after the words "manganese railway":—"and all papers dealing with such amounts as were advanced by the Government to the W.A. Manganese Company, together with outstanding interest thereon, the last list of directors and shareholders of the W.A. Manganese Company, and figures setting out the subscribed and paid-up capital of the W.A. Manganese Company."

I might almost add to the amendment a request that information be supplied as to the salvage value of the rails at their destination. I understand they are stacked near Geraldton now. That would show the people of the State just what loss, of there has been any loss, they have sustained. I was reckoning the cost out at £1,500 per mile. The amount that the Auditor General refers to indicates to me that it would cover the cost of building the railway.

The Minister for Railways: Rails, plus freight.

Hon. C. G. LATHAM: What about sleepers?

Mr. Lambert: We were getting a first-class railway, of course, without sleepers!

Hon. C. G. LATHAM: I hope the member for Yilgarn-Coolgardie (Mr. Lambert) will not bring his rows here; this is not the proper place for them. He seems to think that he has a grievance against the Government. If there is any grievance

against the Government, it is because they were too liberal.

Mr. Lambert: Liberal?

Hon. C. G. LATHAM: Yes, too liberal altogether. Unless it were that the Government had decided to assist the industry, I would object to them making provision for the railway.

Mr. Lambert: The cockies you represent are saying something about the wheat.

Mr. SPEAKER: Order! The Leader of the Opposition will address the Chair.

Hon. C. G. LATHAM: The member for Yilgarn-Coolgardie himself represents a large number of farmers and I hope he will assist me in any step I take in the interests of farmers generally. I hope he will give me assistance regarding the amendment I have moved. If the hon. member's intention is that we shall have the information he desires, then let us have all the information. I do not think the Government can have any reason for refusing it.

Mr. Lambert: I assured you privately that you could have all the information we have in our hands.

Hon. C. G. LATHAM: Yes, but the member for Yilgarn-Coolgardie apparently does not understand the difference between information in his hands as one of the directors of the company and information in the possession of the Government. The two things are totally different. The Government have control over the files, not the member for Yilgarn-Coolgardie. I know the hon. member has particulars regarding the shareholders and so on that he says are available. It is not fair to ask for half the information.

The Minister for Mines: Are not those particulars available at the Supreme Court?

Hon. C. G. LATHAM: I understand that the member for Yilgarn-Coolgardie will supply them.

Mr. Lambert: I have no means of doing that any more than you have.

Hon. C. G. LATHAM: I understood the hon. member would supply them.

Mr. Lambert: The member for West Perth knows more than I do about it.

Hon. C. G. LATHAM: I do not want to go to the member for West Perth. I suppose he was acting in a legal capacity.

Mr. Lambert: I am not acting in any capacity.

Hon. C. G. LATHAM: The member for West Perth, having acted in a legal capacity, would not be allowed to disclose private information in this Chamber.

Mr. McDonald: The member for West Perth has never seen the trustee.

Hon. C. G. LATHAM: I am glad to have that assurance. It is merely fair that we should have all the information, hence my amendment.

THE MINISTER FOR WORKS (Hon. A. McCallum—South Fremantle) [5.5]: I have first to announce that I regret very much indeed the health of the Premier has not shown any improvement. As a matter of fact he has now been told by his medical advisers that he must not attempt to resume work within three months, and it will probably be much longer than that before he can do so. He has been advised to take a long sea trip, and he proposes to leave very shortly for New Zealand. Cabinet is facilitating arrangements for the Premier to comply with the advice of his doctors. It would appear at the moment that there is not much chance of the Premier appearing in the House again during the present session. His health is such that he must leave for an extended sea trip as soon as possible, and we hope that on his return he will be fit and well. I think the Leader of the Opposition will be satisfied, before I resume my seat, with the reasons that prompt the Government to make a statement on the floor of the House regarding their association with the Manganese railway, at the moment at any rate, and not for the present, to take the action that he suggested.

Hon. C. G. Latham: If there has been any defamation, you should take that action.

The MINISTER FOR WORKS: Well, we will see as we go along. I have no objection at all either to the motion or the amendment.

Mr. Lambert: Hear, hear!

The MINISTER FOR WORKS: With reference to the amendment, however, it includes the following words:—

> And all papers dealing with such amounts as were advanced by the Government to the W.A. Manganese Company . . . .

There was no money so advanced to the Manganese Company.

Hon. C. G. Latham: Well, we will alter that reference.

The MINISTER FOR WORKS: No money whatever was paid to the W.A. Manganese Company. They did not receive one sixpenny piece from the Government. Then the amendment proceeds—

> . . . together with outstanding interest thereon, the last list of directors and shareholders of the W.A Manganese Company, . .

It is not compulsory under the law to register the directors of a company, and we have no knowledge of who the directors are.

Mr. Lambert: Their names will be readily supplied.

The MINISTER FOR WORKS: I have no doubt the company will provide the names, but the Government cannot do so. All they have is a list of the shareholders, which will be included in the papers to be laid on the Table of the House. We obtained that list from the Supreme Court, but, as I have already said, the Government have no information regarding the directors. The amendment concludes with the following words:—

> . . . and figures setting out the subscribed and paid up capital of the W.A. Manganese Company.

The Government have no means of obtaining that information. We have checked up the statement made by the member for Yilgarn-Coolgardie (Mr. Lambert) the other evening when he said that £150,000 had been provided by public subscription. We found that statement to be correct. There was a little over £150,000 for shares and debentures subscribed in connection with that concern. With that explanation, the Government have no objection to laying on the Table of the House all papers in their possession relating to the Manganese Company and the railway. Two Governments have dealt with this proposition—the Mitchell Government and the Collier Government. I think I will be able to show that the actions of both Governments have been perfectly clear and above-board in every respect. When it is insinuated, as it was in the attack that was made, that there has been something done secretly and in the dark, that suggestion is, of course, immediately exploded by the fact that each year the Auditor General has included references to this matter in his report. That report has been available to every member of the House and to the public each year, as soon as the Auditor General submitted it to Parliament. So that the statement that there have been some secret backdoor methods adopted can, of course, be made only by a person who thinks the public do not understand just what information Parliament has had. The Auditor General's report is public property, and each year he has dealt with the matter. I have already stated that the Government did not lend this company any money at all. No cash whatever was advanced to the company. The history of the whole scheme is this: As the Leader of the Opposition has pointed out, in 1924 the General Chemical Company, the assets of which were later taken over by the W.A. Manganese Company, approached the Government for assistance to build the Meekatharra-Horseshoe railway. When the application was made, the Government sought information about the position and found on the files a report dated the 18th April, 1920, that had been submitted by the then State Mining Engineer, Mr. Montgomery, dealing with the manganese proposition. Mr. Montgomery traversed every aspect, including the building of the railway, the value of the ore and the prospects of being able to dispose of the ore in the world's markets. The member for Yilgarn-Coolgardie quoted from Mr. Montgomery's report the other night, and I also propose to quote from it so that the references may be included in the case submitted on behalf of the Government. In his report, Mr. Montgomery said—

> The quantity in sight justifies the reconstruction of a railway to connect the mines with the State railway system at Meekatharra and of ore-loading bins and appliances at the port of Geraldton, and once the railway has been built, there seems no reason to fear that the mines cannot put their ore upon the world's markets in open competition with that of India.

As members are aware, India was then dominating the world's markets with regard to manganese. Mr. Montgomery proceeded—

> The proposition is a very important one for this State——

I want members to note that particularly—

> . . . the present value in England of the ore now in sight being approximately £13,000,000.

So that was the estimate of the State Mining Engineer at the time, and the information was placed on record in order to advise his Government. It will be noted that he placed the value of the ore then in sight at £13,000,000. In 1920 the Mitchell Government passed a Bill to authorise the construction of the Meekatharra-Horseshoe line. That was a long time ago.

Mr. Stubbs: The arguments you have advanced were those used in the House at the time.

The MINISTER FOR WORKS: Naturally they would have been.

The Minister for Mines: It is only a certain type of man who would talk as though everything had been underhand.

The MINISTER FOR WORKS: I did not enter Parliament until 1921, and the Bill to authorise the construction of the line was passed before I entered this House. No doubt the Government of the day were guided by that report of their professional adviser. From what other source would they take their advice on such a matter? They paid the State Mining Engineer to give them advice, and that is what he placed before the Government. That indicates the case the then State Mining Engineer submitted to the Mitchell Government, upon which the Government passed the necessary Bill to authorise the construction of the line.

Hon. C. G. Latham: To authorise the company to build it.

The MINISTER FOR WORKS: Yes. It was for the private company to build the line, not the Government. The member for Yilgarn-Coolgardie said the other night, in order to give some idea of the cash value of the mine, that certain people who had started a company in London had offered £100,000 cash for the mine. There is a copy of that letter on the file. And they stated that the reason why they could not offer more was because they would have to build the railway. That is the value this company, a private concern in Great Britain, placed on the mine itself—they were prepared to pay in cash £100,000 for the mine.

Hon. C. G. Latham: The Government had better sell it to them now and recoup themselves of the losses.

The MINISTER FOR WORKS: Certain arguments were put up why the possession of this ore should not go out of Australia, arguments by the expert officers, which I will quote later. On the 22nd January, 1924, the Government analyst, Dr. Simpson, presented a report on the mineralogy of the deposits. This report is also on the file, and here is an extract from it——

> The manganese deposits at Horseshoe are remarkable not only for their unusual magnitude, but also for the high quality of the ore they contain. The presence of such chemical manganese in the Horseshoe ores is of great importance owing to its high value, at present about £12 per ton in England, as compared with that of smelters' manganese. This high value ensures a good profit to the miner in spite of high transport. The demand for it is considerable, being estimated at 35,000 tons in the United States in 1918, equal to a world's demand of at least 100,000 tons. Another point in connection with these deposits merits attention. Manganese ores are essentially surface ores confined to the weathered zone of the earth's crust. In the drier regions of this State this weathered zone extends to unusual depths, hence the Horseshoe deposits may quite probably be more than ordinarily thick.

So with the advice of the two principal Government experts on the value of the deposits there cannot be any question that the Governments, both our predecessors and ourselves, were backed by the highest scientific opinion at our disposal. On the 12th December, 1923, the company applied to the Mitchell Government for £200,000, from the fund supplied by the Imperial Government, to build the railway. At that time there was a fund made available by the Imperial Government for certain developmental work, but all applications for that had to go through the Commonwealth Government. The company applied to the Mitchell Government for £200,000 from that fund with which to build the railway. The Mitchell Government sent that request on to the State Mining Engineer for his report. That report is of such importance that I propose to read it in full. I hope I shall not weary the House, but when the integrity and honour of Governments and Ministers individually are challenged, it is just as well that it be shown to the public what information was sent and what details were obtained from the professional advisers of the Government before action was taken. This is what the State Mining Engineer at that time reported:—

> There is not much to add to the remarks on the necessity for a railway in my published report on the Horseshoe manganese deposit. The deposit is a very large one and lies extraordinarily well for cheap open cut mining, and

developments since the report was issued show that the purity of the ore is pretty certainly greater than that shown in the report, obtained by assays of surface samples only. Considerable amounts of very pure polianite ore have been broken out of the highest grade for chemical purposes, and bringing a market price double to treble as much as the somewhat lower grade material suitable for steel smelting purposes on which the manganese market quotations are usually based. It should be easily possible to put the ore into ocean-going vessels at Geraldton at a price to compete on advantageous terms with the Indian manganese from which Great Britain's principal supplies are drawn. A great advantage of putting in the railway would be that it would constitute almost the whole of the necessary capital cost of opening up the deposits. The mining outfit required is of the very simplest, no deep shafts or expensive machinery equipment being necessary, as the ore can be won by the simplest sort of open quarrying. Very little mining development of any sort will be required, and ore will be broken from the commencement of operations. There is therefore no need to get a powerful foreign company to provide capital for starting working, and the money from the sale of the ore will come to local owners within Australia. The cost of railway and accessory loading and storage bins at the mine, Meekatharra, and Geraldton will constitute the main capital outlay, and the small amount of development work required at the mine would be best charged at once against current working expenses of getting the ore. The only necessity for bringing in a European or American company to work this manganese deposit would be on account of the heavy first cost of the railway, and harbour handling accessories, and if these can be provided for from the Imperial Government's loan, there should be no need whatever for outside assistance, and the whole of the net proceeds would be kept in Australia. The quantity of ore actually in sight is quite sufficient to pay for the railway and yet give the producers a good margin of profit. The railway would also open up a large area of pastoral and mining country and form a very useful extension of the State's railway system.

That was the second report by the State Mining Engineer. Nobody ever regarded Mr. Montgomery as being very liberal in his reports; in fact he was always regarded as being very conservative, especially in his reports on mining. On this report by Mr. Montgomery the Mitchell Government made another attempt to get the money from the Commonwealth Government. Let me read this extract from Sir James Mitchell's letter, which is on the file. Sir James said—

> The proposal is regarded by the State Government as being in every respect worthy of the most favourable consideration, and is therefore supported and strongly recommended

Personally I do not see what else any Cabinet could have done, on such strong advice from their chief professional adviser, but try to get the money to build the railway and so keep the results from the rich deposits in Australia, not allow those results to drift into the hands of foreign companies simply because the capital required to build the railway could not be obtained in Australia at the moment. Manganese ore is not the only commodity that has suffered a collapse in price. Every class of wealth won from the soil, with the single exception of gold, has suffered a collapse. But at that time there was this wonderful outlook, as Mr. Montgomery pointed out, and it was all-important that the proceeds from the mine should be kept within Australia and not go into the hands of foreign companies. I have no doubt it was on that contention that the Mitchell Government wrote so strongly to the Commonwealth Government and, when the Commonwealth Government refused, wrote a second letter, pressing for this money to be made available.

Mr. Lambert: So important was it from a national point of view that it was doubtful whether the Commonwealth Government would allow us to export a ton of ore.

The MINISTER FOR WORKS: The Commonwealth Government did not accept the Mitchell Government's recommendation, explaining that it did not come within the Imperial Government's offer. I understand that offer related more to money that could be spent in Great Britain in catering for the development of industry here, as for instance if rails were purchased from England. The motorship "Koolinda" was purchased under that scheme, but of course the "Koolinda" was built in England, and under the most favourable arrangements that the Imperial Government could bring about. However, the Commonwealth Government said this proposal did not come within the Imperial Government's offer, but made no comment whatever on the scheme itself. When we came into office the proposal was put to us exactly as it had been put to the previous Government, to give assistance to the company.

Hon. C. G. Latham: What was the date of that last letter from the Mitchell Government?

The MINISTER FOR WORKS: I have not the date here, but it is page 108 on the Mines Department's file, No. 29720. As I say, when we took office we were approached for assistance in the building of the railway. The decision of our Cabinet was conveyed to the company in this letter signed by Mr. Collier as Premier, and dated 26th November, 1924. Mr. Collier said—

> With reference to the representations that were made to me recently, I have to advise that careful consideration has been given and the Government will be prepared, on a satisfactory agreement being entered into, to hire to the General Chemical Supply Company Limited 85 miles of secondhand 45 lb. rails and fastenings, with an option of purchase at a price of approximately £90,000 with interest from the date of the hiring agreement at the current rate per annum on advances under the Industries Assistance Act. The rent (payable quarterly) will be an amount equal to interest plus such sum as on an actuarial calculation would yield, during the period it is contemplated the hiring will continue, the price at which the rails would be under option to the company. Should the option be exercised by payment in full of the sum fixed as the value of the rails plus interest, the amount paid as rent in the meantime will be credited. You will understand that this letter is written subject to a satisfactory agreement being entered into which will preserve to the Government the absolute property in the rails during the hiring, with the right to resume possession if default is made by the company in payment of the rent or otherwise in performance of the conditions of the agreement, the cost of and incidental to the exercise of such right of resumption being payable by the company.

Those were the conditions under which the hire purchase arrangement was made between the Cabinet and the company. I wish to emphasise that we set out there that the agreement must preserve to the Government its absolute property in the rails during the hiring period. So we never lost control; the rails were never the company's property, but always belonged to the Government. And no cash passed between us.

Mr. Lambert: And the Government got whatever they could out of the company.

The MINISTER FOR WORKS: We hope to get a little more yet.

Hon. C. G. Latham: You did not carry out the conditions set out in the Premier's letter.

The Minister for Mines: And the Government foreclosed on the company.

Mr. Lambert: That was the last dismal act of the Government.

The MINISTER FOR WORKS: The agreement provided for secondhand rails, whereas new rails were supplied. I will explain the reason later. That letter set out the sound business principles adopted by the Government, and the Government were amply protected. There was full security. Every hold was retained on the rails, and the State had its interests protected under the agreement.

Mr. Lambert: And you had your pincers on our capital.

The MINISTER FOR WORKS: If it be contended that that was not a good business arrangement, but that something additional should have been done, let me call to mind a number of occasions when various Governments have lent State money, or given bank guarantees, or made advances, to assist local industries.

Mr. Wilson: Take the Lake Clifton railway.

The MINISTER FOR WORKS: In quoting instances, as I propose to do, I do not wish it to be taken that I am reflecting on anybody. I have no desire to be critical or to reflect on anyone at all. I do it simply to show that the case of the manganese company was not by any means singular, and that such assistance has not been rendered by any one party or Government, but that it has been the policy of the State to assist where possible the development of local industry and give it the backing of the State.

Hon. C. G. Latham: In some instances those industries have been a failure.

The MINISTER FOR WORKS: Not in every instance.

Hon. C. G. Latham: In a good many instances.

The MINISTER FOR WORKS: In a good many, but not all. It may be that even yet, as a good many people hold, if the market improves, the manganese ore will prove to be an enormous asset to the State. If a crisis such as the world crisis of 1914 occurred again, manganese would be in great demand. The deposits are there and we hope that the price will not continue to be sub-normal as it is to-day. If the price increases, the road from Meekatharra to Horseshoe has been constructed and the culverts are there, and some day the rails may have to be relaid. To show that the granting of Government assistance

to industries, whether by the Mitchell Government or by the Labour Government, was not at all singular but was part of a common policy adopted by all Governments, let me quote a few instances. The Calyx Porcelain Company started a new industry here. Advances were made and the company still owe the Government £22,341, and the liquidator owes the Government £16,314. The North-West Meat Works owe the Government £66,098.

Mr. Lambert: But they have not an asset worth having.

The MINISTER FOR WORKS: I wish the hon. member would allow me to explain the position in my own way. The W.A. Meat Export Company in my electorate owe the Government £164,080. Then there are the W.A. Worsted Mills at Albany, in which I believe some members are shareholders.

The Minister for Lands: Of course, one is a director.

The MINISTER FOR WORKS: Chairman of directors, I believe. Those mills owe the Government £63,205. The Griffin Coal Mining Company owe the Government £12,828, although £14,000 has been written off. The Sons of Gwalia Gold Mining Company were loaned £75,000 but have repaid every penny of it. The Golden Horseshoe Gold Mining Company were given a bank guarantee of £51,000 and £5,000 in cash, and they have repaid the lot.

The Minister for Lands: The goldfields stand out.

The MINISTER FOR WORKS: Other loans include the following:—Avon Butter and Bacon Factory, £5,060; Geraldton Butter Factory, £10,421; Albany Butter Factory, £1,512; Gnowangerup Butter Factory, £1,590; Narrogin Butter Factory, £2,000; Phillips River Butter Factory, £1,998; Great Southern-Narrogin Butter Factory, £1,000; Great Southern-Narrogin Butter Factory, another £1,000; S.W. Co-operative, Bunbury, Butter Factory, £5,000; W. G. Clarke (Avon Butter and Bacon Company), £1,050. Those are instances of assistance spread over many years and granted by different Governments.

The Minister for Justice: Those are not all the instances.

The MINISTER FOR WORKS: Not by a long way. I mention this to show it has been the policy of the State to grant such assistance. We desired to develop our industries; we found them restricted and we assisted them in the endeavour to develop this huge State. The assistance given to the manganese company was in no way different from that given to other companies. On the 5th July, 1926, the company applied for permission to obtain from the Broken Hill Proprietary Company a supply of 40-lb. rails for 85 miles of line at a cost of approximately £102,000. The Leader of the Opposition made a point of the fact that the first agreement provided for the supply of secondhand rails. In July, 1926, however, the Government received an application for permission to purchase new rails. Instead of using secondhand rails valued at £95,000, it was estimated that the new rails would cost £102,000. The Commissioner of Railways was consulted, and he replied on the 9th July that the arrangement for the purchase of new rails was the best possible for his department. It will be remembered that at that time a lot of new railways were being constructed in the agricultural districts, and that there was much pulling up of light rails and putting down of heavy rails. The Commissioner of Railways said it would be more suitable to him if the company were allowed to purchase new rails, considering the small difference in the cost, and be allowed to make his own arrangements. On the 24th December, 1926, a bill of sale was signed on behalf of the company and the Government. Let me mention four points contained in the bill of sale. They were that the Government were to take over the contract entered into by the company for the purchase of rails, fastenings, dogspikes, fishbolts, etc., and advance the amount of freight, the aggregate cost to the Government not to exceed £110,000; the material to be hired to the company and interest paid at 5½ per cent. on money paid by the Government; the material to be purchased by the company in 40 half-yearly instalments.

Hon. C. G. Latham: Were we not then paying 6 per cent. for our money?

The MINISTER FOR WORKS: No. It was the same rate at which the Industries Assistance Board were lending money, namely 5½ per cent. It will be seen from the conditions I have quoted that we had ample security for the money. The rails, I repeat, remained the property of the Government and were not to be taken over by the company. The company had no rights

at all in the rails until they were fully paid for. They had no power to mortgage the rails, and they had no ownership over them. The company could not raise money on the rails; they were ours. The company had no possessive rights in them at all. The rails are still ours, and have been pulled up and are now being used elsewhere. In addition to getting our rails back, we have also taken the company's sleepers.

The Minister for Justice: Taken everything.

The MINISTER FOR WORKS: The company paid £54,000 for those sleepers.

Mr. Stubbs: Then the Government will not lose much over the transaction?

The MINISTER FOR WORKS: Actually, there is no finality over the value of the rails because the Commissioner says he cannot calculate their value until he knows where they will be used. We have the rails, fastenings, sleepers, telephone line, and, in fact, everything on which we could lay our hands.

Hon. C. G. Latham: Did you get that engine?

The MINISTER FOR WORKS: I think we paid for the engine in order to use it for railway construction. As I have already explained, the earthworks are intact, and, as the member for Yilgarn-Coolgardie pointed out, there are also all the drains, culverts, cattle-pits and sidings that were put in. If ever a time comes when prices revive, there is the asset at our disposal. It appears to me, therefore, that to charge Ministers with gambling with public funds, simply because some members hold a few paltry shares in the company, is the height of ridiculousness. To show how low the individual who attacked the Government will descend, I wish to quote from the shorthand notes taken of his speech. This is what he said—

> When the Labour Government came into office back in 1924, with Mr. Collier as Premier, there was registered a concern known as the General Chemical Company, and the capital was shown as £6,000. The list of shareholders shows they comprised——

The inference is that the whole company consisted of those he quoted—

> . . . G. J. Lambert 2,070, W. C. Angwin 10, T. Chesson 5, P. Collier 20, S. W. Munsie 5, J. C. Willcock 5, Arthur Wilson 5, and J. Cunningham 5 shares.

Mr. Hughes also stated in his speech, "I have this from official documents; I went to the court and made a search and those names comprise (that is the word he used) the shareholders."

The Minister for Lands: That means the whole lot.

The MINISTER FOR WORKS: I also have had a search made and have found that actually the earliest register of shareholders contained 21 names, and Mr. Lambert, as managing director, is the only one mentioned by Mr. Hughes whose name appeared on that list. Then in the latest share list, which was there when Mr. Hughes made his search, I found the position as follows:—Angwin 10, Collier 20, Munsie 5, Willcock 5, Cunningham 5, and on the list there were 124 shareholders with a total of 6,000 shares. Out of 6,000 shares, only 40 were held by Ministers. I propose to read a complete list of the names of the 124 shareholders. It is as follows:—

George J. Lambert 1,572, Annie Knight 55, James Knight 330, Thomas D. Transfield 110, Rose Pearl Burton 24, Frederick W. Teesdale 150, C. H. F. Saunders 50, P. H. Anderson 10, B. Beckett 100, C. J. Hunt 10, P. J. Russell 50, David Dick 110, F. R. Chaik 50, Annie Craig 50, Neil McGurk 25, J. R. Brown 20, C. V. Addison 35, F. H. Stokes 50, Agnes Parker 5, Est. late R. T. Robinson 145, Mrs. E. G. Robinson 40, F. J. Wood 15, Mrs. J. Y. Cassady 15, Denis Ryan 5, Florence Ella Stokes 5, Frank or Blanche Biddles 225, Capt. Frank Biddles 230, Edward A. Coleman 300, Mrs. Rachael Main 15, J. Chambers 15, Miss May McGarry 35, Alma Williams 10, William Hendry 20, Mrs. Frank Biddles 10, William Walker 10, Charles Long 10, Stephen B. Donevan 120, Tom Warren 12, Edward G. Murphy 5, Mrs. Elizabeth Lambert 300, Mrs. Isabella Gibson 5, E. W. Davies 20, Henry H. Hanna 17, Elizabeth F. Cockell 17, William C. Angwin 10, Thomas Chesson 5, Philip Collier 20, John T. Lutey 5, S. W. Munsie 5, J. C. Willcock 5, A. A. Wilson 5, J. W. Hickey 10, J. MacCallum Smith 130, John C. Morrison 10, Margaret Joyce Mills 20, Thomas Henry Parkinson 20, Est. late A. H. Mitchell 10, Donald J. Carmichael 10, Mrs. J. A. Fleming 16, Chas. W. Brebner 55, John H. Chilvers 5, Stephen G Rogers 25, Harold A. Atkins 2, H. Thomas 3, D. C. Carroll 2, J. F. Murdoch 10, D. H. Murdoch 10, Maurice Croucher 30, Margaret C. Butler 20, J. Gornall 10, Frederick W. Dawson 50, Leslie F. Messenger 10, William A. Ross 5, Walter A. Collins 10, W. N. T. Hedges 110, Arthur R. McNabb 5, A. Ritchie 5, Alice Nener 10, George R. Brown 20, E. F. Fethers 20, Mrs. M. C. Gibson 7, T. H. A. Nelson 50, Ernest Ferris 20, Richard S. Cumpston 20, Mrs. E. Corboy 5, Wm. Hol-

son 17, John Finlay Robbins 15, W. A. Jones 10, E. H. Tonkin 12, T. G. Dunbrell 10, William Young 10, Norman G. Dunn 20, Maxwell G. L. Hogarth 15, Mary Hogarth 20, A. H. Stanford 20, Ernest Hobson 6, George H. Steains 15, Basil Teesdale-Smith 50, Ive K. Mulgrave 1, Donald Munro 15, Ella E. Butler 6, Leonard Butler 4, Montagu Cook 12, William D. Toy 20, Henry E. Pearson 10, Margaret Noble 10, James A. Noble 15, Robert Crawford, J. M. Crawford, Frank Punley 100, James Cunningham 5, M. Beckett 10, Victor G. Wheeler 50, A. Thomson 30, T. C. Villiers 40, Est. late S. E. Eilbeck 65, Tom Eilbeck 56, Hugh D. Norman 5, Albert R. Kolle 5, Charles Holway 10, F. W. T. Main 51, G. W. Schildt 30, V. E. Geard 5, John Healy 20,—Total 6,000.

It will be seen from this list that it included the names of 13 members of Parliament, and of those the member for North Perth (Mr. MacCallum Smith) and the late Mr. Teesdale held between them 280 shares. The man who made this statement claims on the public platform that he wishes to clean up public life, that his sole objective is to see that our public institutions are conducted in an honourable manner, that all their dealings are above-board, and that he personally has no axe to grind. All he desires is that our public men shall conduct themselves in a proper manner. And yet he reads out the names of a few Labour members of Parliament and Labour Ministers and uses the word "comprise", but does not say that two members sitting on the other side of the House, the late Mr. Teesdale and the member for North Perth, between them held six times as many shares as all the member of the Ministry put together. I am not saying this with any desire to reflect on those gentlemen, but to indicate what it was that prompted this man to make the statement. He does not say a word about those gentlemen.

The Minister for Mines: That mongrel would not mention anything!

The MINISTER FOR WORKS: We find that 13 members of Parliament held shares in the company. When there has been some little local industry in question, how often have we supported it? At times we have all put in a pound or two to help along the undertaking. Who amongst us has not done so? Every penny the public subscribed to this company has been lost. On the public platform this man quotes from the share list and says he got it from official documents. He led the public to believe that this was the sole share list, but he left out all the owners of the other 6,000 shares, and only quoted the names of Labour members. Could anything meaner or more despicable be put up by any man? It is not disclosed what the objective is. He has, however, a political objective. He is out to undermine and discredit this Government and this party. We regret he was ever associated with the party.

The Minister for Mines: We deserve to be discredited if he can discredit us.

The MINISTER FOR WORKS: There is nothing too low to which this man can stoop. He says, "I have got them. Every word I say can be backed up by official documents. I went to the Supreme Court and made a search, and here is the list." He wanted the public to believe it was the full list, because he used the word "comprise". I have read out the full list, and this will go in with the other papers that have been asked for. All that this Government have done, and I am convinced all that our predecessors did, to help the company was done with the sole desire to develop a local industry. The same thing has been done in many cases. I say without hesitation that if there had not been a Labour member named on the list of shareholders we would never have heard a word about this. It was only because Labour men had taken up shares that this man has made all this out of it.

The Minister for Lands: He did not say anything about the member for North Perth.

The MINISTER FOR WORKS: As if there was any harm in a Labour man putting £10 or £20 into a show to help some local concern. I put this seriously to the House. I think the Leader of the Opposition was perfectly fair in his statement. I do not think for a moment that any member of the House would believe that Ministers, as stated by this man, would improperly use public funds to assist their own interests. Can it be imagined that a man of the integrity, standing in the public life of the country, and experience, of Mr. Angwin would for a paltry £10 note misuse public funds to the extent of over £100,000, and risk his lifelong reputation? Who in this Chamber would doubt Mr. Angwin for a moment?

The Minister for Lands: Absurd!

Hon. C. G. Latham: No one in this Chamber has doubted him.

The MINISTER FOR WORKS: I believe not. This statement has been made from the public platform and has been given a lot of public prominence. It is only because of the prominence it was given in the leading paper that we are taking any notice of it. I do not refer to what was said in the rag mentioned by the hon. member.

The Minister for Mines: Not 100 people saw that paper.

Hon. C. G. Latham: Oh, yes. Were not 1,000 copies made available?

The MINISTER FOR WORKS: Who would suspect that either the Hon. P. Collier or Mr. Angwin, men who have done great service to the country, could be other than strictly honourable? They have had 25 years or more of public life, and no one has suggested anything against them until this matter comes along. The same thing can be said of others who have been mentioned, Ministers as well as private members. It is left to this man to bring all this up. He claims that Ministers have misused public funds for a paltry 40 shares out of 6,000. The full list or shareholders is in my possession and can be examined, so that members can make up their own minds on the subject. A share list is not always a true picture of those who own shares in a company. Anyone can hold shares and hide all trace of the fact. Had there been the least idea that there was anything shady, or something that had to be hidden from the public gaze, would it be likely that the names would be disclosed? Would members of Cabinet who held the shares disclose their names when taking them up if they desired to misuse public funds? The names of agents are more frequently used than are the correct names for those who have put up their capital. If any underground business had been contemplated it is not likely that these shares would have been shown as standing in the names of Ministers. Not only has there been a gross but a wicked misrepresentation. One cannot imagine that any person would stoop much lower than this. I have procured a copy of the first and last share lists of the General Chemical Supply Company, and the first and last list of shareholders of the manganese company, from the Supreme Court. These will be tabled with the papers. If the Government had wished specially to protect or nurse the company, is it likely they would have ordered the removal of the rails? The company protested vigorously against the line being pulled up, and yet we are being attacked because instructions were given for the line to be pulled up. I remember that at one meeting of the shareholders—it may have been the last—a vigorous attack was made on our Government because we had not installed bins at Geraldton. The directors in their report said that the financial position of the company was due to the fact that the Public Works Department had not built the bins at Geraldton, and that that was the reason why the company had not been able to pay interest to the Government. The directors attacked us severely because we had not put in the bins. The Government were holding off the erection of the bins until such time as there was a better indication of what the future of the manganese market would be. However, we were attacked. Hon. members will no doubt recollect the report of the shareholders' meeting which appeared in the "West Australian," the meeting at which the main item was the attitude of the Government. We were declared to be unsympathetic towards the company. Well, the rails and material are up, and we are using them for other purposes. We have also claimed possession of the sleepers, and some of them have been used in re-sleepering the Sandstone line. It is true that the debenture holders are contesting the Government's right to take the sleepers, but we have them, and possession is nine points of law. A charge is made that the Government granted the General Chemical Company a loan of £90,000, and that the share capital of the company was written up from £6,000 to £100,000. I repeat, however, that at no time did the company own those rails. Therefore it cannot truthfully be said that the company wrote up their capital from £6,000 to £100,000 on account of the rails, for they never possessed the rails. The rails were always the property of the Government. So that charge falls to the ground. All that was done is that the Government sold the rails to the company on a hire-purchase agreement. Naturally we inquired as to the amount of capital the company were putting in. The company were backed by their expert advisers in the same way as the Government were informed by their expert advisers. As I have already said to the Leader of the Opposition,

the public subscription was a shade over £150,000, and every penny of that money, put in by the public, has been lost. The shareholders have not a pennypiece coming to them. I have quoted from the reports of Mr. Montgomery and Dr. Simpson—in particular the former—which urged the construction of the railway. Dr. Simpson's report deals with the value of the mine. With such reports, and in order to keep the value of this deposit within Australia, the Government would have been fully justified in building the railway themselves. Indeed, railways have been built on less justification than that. The House will remember what happened in connection with Wiluna. The Mitchell Government were approached and asked to build the line to Wiluna. The Mitchell Government said to the Wiluna company, "Prove the ore. When you can satisfy the State Mining Engineer that the ore is there to warrant the building of the line, we will undertake to build it." The company asked for a letter to that effect from the Government. They said that with such a letter from Cabinet they would undertake to spend their own money in developing the mine. They also stated that they were sure they could prove to the satisfaction of the State Mining Engineer that it was worth while to build the railway. We took over from the last Government, and the company approached us and asked what would be our attitude towards the undertaking given by the Mitchell Government. We replied that it was the practice in this State for the incoming Government to accept the obligations of the outgoing Government, and that we would live up to the undertaking given by the Mitchell Government.

Hon. C. G. Latham: Of course you satisfied yourselves first.

The MINISTER FOR WORKS: Yes. The letter said that the State Mining Engineer was the man who had to be satisfied, and that when he reported that the mine had proved itself and that the capital to work it had been provided, we would live up to the obligation of building the railway. The report of the State Mining Engineer on Wiluna was no more optimistic than his report on the manganese deposits. What is more, the manganese is above the ground and can be seen, whereas gold is underground and cannot be seen. The richness of the manganese deposit could more easily be ascertained than the value of gold in a mine. The State passed an Act, and built the Wiluna railway out of State funds. We did not go as far as that in this case, although the reports of the responsible officers would certainly have warranted the Government in doing so. I want now to deal with the aspect raised by the Leader of the Opposition, that if there has been defamation the right place to deal with the matter is a court of law. We have submitted for legal advice a transcript of the shorthand notes which we ourselves had taken of the meeting at which the charges were made. The legal advice we have received is that certainly the Premier and the Minister for Railways have grounds for bringing action for damages, and that there is not much doubt of their securing verdicts for heavy damages. The legal advice, I repeat, is that both Mr. Collier and Mr. Willcock would get verdicts, and verdicts for pretty substantial damages. Then we made inquiries as to Mr. Hughes's position. So far as we have been able to ascertain, he has no assets.

Mr. Marshall: Not even mental.

The MINISTER FOR WORKS: In the case he brought against Mr. Clydesdale, we are told, there is no chance of getting back a shilling of the amount of £320 that Mr. Clydesdale had to pay over to him in two days. Apart altogether from Mr. Clydesdale's costs, which Mr. Hughes was ordered to pay, there is no chance of Mr. Clydesdale getting back a sixpenny piece of the £320 cash he paid to Mr. Hughes.

Mr. Marshall: That is the man who was going to clean up the public life of the State!

The MINISTER FOR WORKS: The decision of the High Court of Australia was that Mr. Hughes had to pay Mr. Clydesdale's costs. I put it to hon. members that it would cost the Premier and the Minister for Railways anything from £400 to £500 to go to court. It would cost each of them that amount. I have stated the position in the Clydesdale case Not only had Mr. Clydesdale to pay his own costs, but he cannot get back a sixpence out of the £320 cash he paid over to that man. As regards the bluff of appealing to the Privy Council, we are advised that, no matter if he spent a million pounds, he could not get to the Privy Council—that there is no hope whatever of his getting to the Privy Council.

What legal action, if any, will be taken is being considered in the light of the information we possess. The matter has been gone into, but no decision has been arrived at yet. However, I give that out as the position which confronts members of the Ministry. Now I wish to deal with an aspect which affects me personally. I shall quote now from the transcript of the shorthand notes of Mr. Hughes's speech. In the course of that speech he said—

> Mr. McCallum had many very hard things to say against me under privilege in Parliament House. I will do something for Mr. McCallum that will enable him to make me appear a fool before the public of Western Australia. That is a pretty good sporting offer. He has a farm at Muntadgin, and a mile and a half away there is a station called Cramphorne. I have in my possession a letter that Mr. McCallum wrote to the manager of his farm.

The letter was not written to the manager of the farm. The man to whom it was addressed was never manager; he was a clearing contractor on the farm.

> As to whether it is an ordinary letter, I will allow you to judge for yourselves. I have shown this to one or two gentlemen, although I have had it for a few years in my possession. A few days before the last election, one of those gentlemen came to me and said, "Look here, Tom, I want to do you a good turn. You know that letter of McCallum's. Don't publish it." I said, "Why?" He replied, "Because he has a good explanation and he will hold you up to ridicule in Western Australia." Naturally when you are putting up for election, there is nothing that kills one so quickly as ridicule. I did not publish the letter. But seeing that the relationship between Mr. McCallum and myself is not so amicable as it may have been a long time back, I will now allow McCallum to make a fool of me before the public, because I will read that letter to-night.

What an opinion he has of himself! As if it matters a row of pins to me whether he looks foolish or clever.

> The document I have is not the original of the letter; it is a copy. This is what it says, and it shows you what a Minister of the Crown has written. It is headed, "Department of Public Works, Perth, 10th January, 1929," and proceeds—
>
> Mr. Len Roberts, Muntadgin. Dear Roberts, I have ordered the timber and iron to go to Cramphorne. Would you please arrange with George to do the carting at the same figure as I paid him for previous carting? I am sending four tanks ready to be assembled, and one ship's tank and a dray, to Muntadgin. I am sending these in Beugge's name, and I have good reasons for doing this.

Beugge is the next-door neighbour. If this were a private letter written by Mr. McCallum to his farm foreman, I would not use it on the public platform. It is a letter written on the official paper of the Public Works Department, and is signed by Mr. McCallum as Minister for Public Works.

That is not true. I have here the carbon copy of the letter, and any member can come and have a look at it. Fortunately, in one respect I am different from most cockies: I keep my letters and receipts. I have got them right back to the time when I started the farm. Here is the carbon copy of the letter, and there is no mention of "Minister for Works" on it. But that is the paltry, miserable excuse the man puts up. He says, in effect, "I am a man of such high principle that if this were a private letter I would not quote it; but the writer signs it as Minister for Works." That is a lie. Here is the carbon copy, I say again, without any mention of the Minister for Works.

Sitting suspended from 6.15 to 7.30 p.m.

The MINISTER FOR WORKS: I shall not delay the House much longer. Prior to the tea adjournment, I was dealing with the quotation from the speech made by Hughes and was referring to the following portion—

> It is a letter written on the official paper of the Public Works Department, and is signed by Mr. McCallum as Minister for Public Works. I suppose it is all right. You will see that the Minister sent the tanks and the dray, not in his own name, but in the name of his neighbour, and he says he has good reasons for doing so. When a Minister of the Crown starts shipping goods under an assumed name, the public are entitled to know the reason. I am going to risk Mr. McCallum going on the public platform and explaining what his good reasons were, and making a fool of me throughout the length and breadth of Western Australia. I think you will agree that whatever explanation he has got, considering the position of the man who wrote the letter and the man who holds it at the present time——

I do not know what the position is he referred to—

> ——I was not altogether the bigger fool.

I am advised that there is no legal recourse open to me on that statement. Hughes says

nothing in his statement; I am advised that it was the manner in which he said it and the inference to be drawn from the impression he desired to create. I know he has had this letter for about three years, and I was aware that during the West Province election he had people going from door to door saying that I had railed Government goods to my farm, that I had not paid for them, and that the goods had been forwarded under an assumed name. I laid all sorts of traps to catch him, but I failed. No doubt that is the inference he tried to create from his statement. When I started my farm, I commenced as most other farmers do. I had the clearing done by contract, and then I entered into a partnership arrangement with my neighbour to do the cropping. While I was gradually equipping my farm, my neighbour and I carried on under a partnership. He is well known to the Leader of the Opposition and the arrangement between my partner and myself was known to more than one member of the House. As to the extract from the letter I sent to Roberts, that man was a clearing contractor on the farm. not the manager. It is true that the letter may have been written on Public Works Department paper; I do not know. I know there is no truth in the statement that the letter was signed by me as Minister for Works. I have here a carbon copy of the letter I wrote to Mr. Beugge telling him that the goods were being sent up. When I found that Hughes had this letter I called at Mr. Beugge's farm and told him that I expected, at some time or other, the letter would be made use of. Mr. Beugge wrote me this letter, under date 6th February, 1933—

Dear Mr. McCallum: I understand that some question has arisen regarding your consigning some equipment for your farm over the railways in my name. I write to say that, as owner of the farm next to yours, I worked your farm on a partnership agreement with you for two seasons—1928, 1929. During that period you were gradually equipping your farm, but you had no means of transport on the place. The arrangements between us were that anything you sent up and desired me to cart out to your farm, was to be consigned in my name, and I would cart it out mainly as back-loading. This was done with practically all the plant you bought during the period of our partnership. Of course the big loads, such as timber and iron, were consigned separately, and a carrier engaged for the carting. You may make whatever use you think of this letter.

That was the arrangement between Mr. Beugge and me, and it appeared to me as the only course to pursue. My partner was at that end and I was at this end, and I consigned the goods to him in his name.

Mr. Wilson: I do that up to the present time.

The MINISTER FOR WORKS: Here is the account for four 3,000-gallon tanks I purchased from Harry Armstrong & Co., Ltd., at a cost of £41, with freight amounting to £3 9s. 3d. Here is the receipt for the payment. Here is the receipt for the payment for the ship's tank, and here is the receipt for the payment for the dray. Hon. members can have a look at them. It is fortunate for me that I kept these documents for so many years back. Since Hughes made his speech I received this letter—

As I take it I was referred to in Tuesday's issue of the "West Australian," I would inform you that it is more than five years ago since I had a conversation with Mr. T. J. Hughes. I thought I held the letter sent by you to myself, but evidently one has strayed and has been used without my knowledge. Yours faithfully. (Signed) Len Roberts.

I am not taking much notice of Roberts, but that is his letter. Because I do not care to disclose my private business, as between Mr. Beugge and myself, to a clearing contractor, these inferences are thrown about. That is the story, Mr. Speaker. I am lucky in this instance in that I am able to produce the receipts. Hughes made no definite charge or definite statement against me. He never produced the letter during the West Province election, as I hoped he would, because I am told at that time he had a few pounds and I might have been able to get redress. That is the case for the Government, and discloses all their deeds regarding this matter. I am a bit inclined to the viewpoint of the Leader of the Opposition, and I am half disposed to apologise to the House for taking up some time in dealing with this matter. After all, who is this man? These accusations were made, and prominence was given to them in our leading journal. They were telegraphed to the Eastern States, and published there. Relatives of Ministers wired to ascertain the facts, and to find out whether there was

any truth in the statements, and who the accuser was. The Government are responsible to Parliament and if anything dishonourable were done or if there were misuse of public funds in any way whatever, it would be for Parliament to bring Ministers to book. We accept the amendment and the motion. The Leader of the Opposition, of course, will understand that in respect of the two points I mentioned at the outset, information cannot be obtained.

Mr. Lambert: But the information will be furnished.

The MINISTER FOR WORKS: Of course, it can be obtained from the company.

Hon. C. G. Latham: The member for Yilgarn-Coolgardie said he would supply it.

The MINISTER FOR WORKS: The other evening the member for Yilgarn-Coolgardie (Mr. Lambert) gave members many interesting facts and made a very clear, dispassionate and informative summary of the position of the company. I think the facts that have been produced this evening and the files of the department form a crushing rejoinder to the charges made against some Ministers. All I can say on behalf of the Government is that the fullest information will be supplied. Every document will be laid upon the Table, and the whole of the information will be disclosed, because there is nothing that any Minister has to fear, nor has any man connected with the business. I refer to both the present Government and the Mitchell Government. So far as I have been able to discover after looking through the documents, there is nothing to fear from the fullest disclosure. All that is necessary is to make available the whole of the truth and the facts, so that they may be known. That is what I have tried to convey to the House, and I hope members will be satisfied with the facts as I have submitted them.

MR. LAMBERT (Yilgarn-Coolgardie—in reply) [7.40]: All I desire to say is that all the information available to me or the trustee acting for the debenture holders, will be supplied.

Amendment put and passed.

Question, as amended, agreed to.

BILL—TIMBER WORKERS.

Second Reading.

Debate resumed from 11th October.

HON. C. G. LATHAM (York) [7.42]: Members have before them a very small Bill and, as the Minister for Works informed the House when moving the second reading, it is no stranger to many of us. It was introduced during the last Parliament by the member for Forrest (Miss Holman). At the same time, it is necessary to point out to the House that it is not quite the simple piece of legislation that it would appear on the surface. In my opinion, it aims at doing away with contract and piecework conditions. If we are to start applying the conditions sought in the South-West where the timber workers are operating, we must realise that the new system will soon extend throughout the State. So far as I know, there is no desire on the part of the employees, any more than there is on the part of the employers, for the proposed alteration. I believe that everyone who is working under contract or piece-work conditions in the South-West desires to continue on that basis. Under existing conditions they can earn more than they would if they were on wages with fixed hours and subject to control, as they would be if working eight hours a day. In the circumstances, I do not think we can accept the statement that the employees desire a change. So far as I know, the men would wish to be allowed to work as long as they like, how they like, and earn as much as they can. I am aware that it is the policy of the Labour Government and of unions to do away, as far as possible, with piece work and contract conditions.

The Minister for Works: That is not the policy of all unions, some of which will not work anything else but piece work.

Hon. C. G. LATHAM: I know that is so, but, generally speaking, Labour's policy is to effect this change.

The Minister for Works: Will you get shearers to work under conditions other than piece work?

Hon. C. G. LATHAM: No. It will be agreed generally by members on the Opposite side of the House that in their younger days they desired to work under piece work conditions and make as big a cheque as quickly as possible.

The Minister for Works: This does not aim at abolishing piece work.

Hon. C. G. LATHAM: It may have that effect.

The Minister for Works: No.

Hon. C. G. LATHAM: I do not know so much. If we agree to this legislation, I believe that an application will soon be made to the Arbitration Court so that hours and wages will be fixed. That will mean the abolition of the contract system. I disagree with the Ministers when he states that all through the period he referred to the timber hewers were working under a Federal award. That was not so. The Higgin's award operated from 1919 to 1923. After that they were not working under any award at all. The conditions that applied under that award were the conditions generally accepted by both the employer and the employee. In 1923 an application was made to Mr. Justice Webb, who in his award made no provision at all for sleeper-cutting. But the employers and the hewers continued to work on the same old basis as they did under Mr. Justice Higgins' award, between 1919 and 1923. And they were then subject to the fluctuations of locality and circumstances, the same as they were during that period. So the statement that they were always covered by the Federal award was not quite right.

Miss Holman: But the award continued the same conditions and wages.

Hon. C. G. LATHAM: It was purely a private arrangement.

Miss Holman: Nothing of the sort.

Hon. C. G. LATHAM: The sleeper cutters were not included in the increases of 1924, and the hewers never applied for them. Did not the union try to get from Mr. Justice Webb a complete award for all piece workers? But Mr. Justice Webb declined to give them an award.

Miss Holman: He continued on the same basis.

Hon. C. G. LATHAM: No, he did not; the arrangements made were purely domestic arrangements between the employers and the employees. In 1929 we came to the Lukin award, which made no provision for the sleeper cutters. That was just before the workers came under the State award. The union attempted to obtain an award covering piece workers and sleeper cutters at that period, but were unsuccessful. At that time the judge said they were better off than they would be if an award were made. He said they could work as long as they liked, and as they liked, and there was no intention to regulate their working conditions, because they were earning more money than they would be able to earn under the wages system. Also the Minister said that they had a board. But that is not so. There was a board referred to when the case was tried of that person Tucak, but it was not to fix wages or hours of work. The board was merely to straighten out any little disagreements. The boards under the old Federal award existed to settle only minor differences of interpretations or incorrect payments. In this case the union was not referred to a board of reference for fixing these rates, but it was suggested by the President that they might go to the court and ask for a board. However, that was only for sectional grievances, not for the purposes of fixing the rate or the hours of employment.

The Minister for Works: He continued the rate.

Hon. C. G. LATHAM: It was purely by mutual agreement between the employer and the employees. When Mr. McKenzie, for the union, seeking the right to fix piece work rates, suggested that a hauler might have to work for 5s. 6d., the President said that at the end of the week or month, when that man's wages were being regulated, he ascertained that they were in accordance with Subclause 2, and if not he had the right to invoke a board of reference. So it was merely for minor disputes that the board was called upon to function. As far as I can understand, there is no case of a piece worker being injured without the worker's compensation being applied.

Mr. Wilson: The men were not injured, but they did not get paid by the sub-contractor.

Hon. C. G. LATHAM: That does not make any difference. We know of no case where a man having been injured and being entitled to compensation has not received that compensation. The case quoted by the Minister, which was previously quoted by the member for Forrest, does not apply to workers' compensation at all.

Miss Holman: Who said it did?

Hon. C. G. LATHAM: It has been suggested in the House that it did apply. It was not a workers' compensation case; it

was a case where one man, cutting sleepers, was working for another man and did not get his wages because he had entered into a contract, and that contract specified that when the one man was paid for his sleepers, the other man would be paid. And there was to be no payment for condemned sleepers, except only the cost of carting. The case was tried at Greenbushes, and the local court gave the verdict for the applicant. That was reversed by the Full Court, consisting of the Chief Justice and Mr. Justice Dwyer, who pointed out that it did not come under the Masters and Servants' Act, and that he was purely and simply a contractor. I have here an extract from the "West Australian" of the 21st May, 1934. In the first case the justices found for the plaintiff and ordered payment of £40 10s. with £10 2s. 6d. costs. When the appeal was heard it was proved that Milentis was an independent contractor and that the relationship between master and servant did not exist between him and Tucak. I do not know whether it would make any difference in any similar case if the Bill were passed; I mean in any case where two persons entered into a contract and the employee expected to get payment for the work he had done, but had contracted that he should not be paid until the other man was paid. I do not see how he could get that upset, unless it were against a decision of the Arbitration Court itself. If we are going to prevent contract or piece work, we are going to do exactly what we do not want to do for the timber industry; if we want to do anything at all, it is to relieve those engaged in the industry.

Mr. Wilson: But those persons came under the compensation legislation.

Hon. C. G. LATHAM: And here also.

Mr. Wilson: No, not at sleeper work.

Hon. C. G. LATHAM: Have a look at the 1923 amendment of the Workers' Compensation Act. That brings them all in, except the contractors, and nowhere at all are they brought under it: neither contractors nor clearers come under it, nor have they ever come under it. Of course, if an owner of a property, letting a contract, desired to protect himself, he might insist upon a policy being taken out by the contractor. I do not know whether that is usual, but in many cases it has been done. The Bill will increase the burden on the industry rather than decrease it, and every member of the House ought to be anxious to see that everybody is got back into work. We have to compete in the overseas market with our timber, and to-day there is a great deal of competition. So anything we can do to lessen the burden on industry should be done, rather than we should do anything to increase it. The men would be brought under industrial awards, and it would be very difficult to control. Some men may be under contract to cut sleepers for two or three separate contractors. How is the liability to be apportioned in such a case, and who is going to do the supervision? The supervision will become very costly, and if it comes under the Masters and Servants Act, and under the Workers' Compensation Act, the cost of supervision will be very great indeed. Moreover, it will be difficult to determine where the accident, if any, happened. The men go out into the bush, sometimes on private property and sometimes on country that has been pretty freely cut over, and they will perhaps get a very much higher price than if the timber were thicker, for they have to hunt around for suitable trees from which to cut the sleepers. So to determine a rate would be very difficult, and I suggest that, at all events for the moment, we leave the matter as it is. Under an award of the Arbitration Court it will be almost impossible to check the hours of labour in the bush. Another point is that if the men are out in the bush and can claim compensation, it will be very difficult to say whether they were on the job when an accident occurred. Moreover, this legislation hits at freedom of contract, and particularly does it pick out the timber industry. Those members who know the South-West will realise that the relationship existing between the timber-cutters and the mills is very satisfactory, and that it would be unwise for us to interfere with it. The main thing the member for Forrest and all other members want is to get the men back to work again, and give them opportunity to refurnish their houses with chattels they have had to sell during the past few years.

The Minister for Employment: Replenish, not refurnish.

Hon. C. G. LATHAM: Yes, that is the word: we heard it frequently when the hon. member was on this side of the House. Here, then, is an opportunity, not to bind men down to standard wages, but to give them a chance to earn more, so as to replen-

ish their household wants and requirements, as the Minister for Employment would say.

The Minister for Employment: "Replenish" is a good word, but difficult to give effect to.

Hon. C. G. LATHAM: Well, freedom of contract will do it, whereas if we pass the Bill, and the men have to go to the Arbitration Court, how can they fix piecework rates?

The Minister for Works: They do it.

Hon. C. G. LATHAM: Suppose the bush has been cut out. Does that mean we are not going to carry out our forest policy of permitting the Conservator of Forests to determine which trees shall be cut? Of course there must be different rates. The member for Collie knows that in some of the bush the cutters can get twice the number of trees that they can get in other bush. They may have to walk for half an hour before they find a suitable tree. It would be very difficult to determine the rate that should be paid. If their hours are to be fixed, it will be costly and difficult to supervise. My suggestion to the House is to leave things alone. To be candid I have very strong objection to interfering with the contract system. I know the workers in this country just as well as does the Minister for Works, and I know that they prefer to work on contract rather than on day work because they have an opportunity to better themselves. The more they work, the more they get. The main thing is to give the men a chance to earn more money if that is at all possible. It is an inducement to a man to better his position and we should help men to build up a competency, which can only be done under the contract or piece work system. I hope members will refuse to pass the Bill.

Mr. Sleeman: Will this measure stop piece work?

Hon. C. G. LATHAM: Yes, eventually.

Mr. Sleeman: Then let us put it through.

Hon. C. G. LATHAM: The hon. member would do any silly thing to carry out his policy.

Mr. Marshall: You would need to get it drafted in Italian so that employees would be able to understand it.

Hon. C. G. LATHAM: The hon member can advise the Minister in that direction. In the South-West there are not so many foreigners. I think that most of them have returned home after finding that Australia was not as good a country as they thought it. If not, they have probably gone to a part of the State where more employment is offering. I know from conversation I have had with the men that they are anxious to have things left alone. They are perfectly satisfied. I hope the Minister will not proceed with the Bill and I hope to have the support of the member for Forrest because, like myself, she is anxious to ensure that those men earn more than the basic wage or ten per cent. over it.

Miss Holman: Are they earning the basic wage to-day?

Hon. C. G. LATHAM: I do not know whether they are.

Miss Holman: And you have had a conversation with them?

Hon. C. G. LATHAM: In view of the glowing accounts received of the industry a little while ago, I should think they must be. When the hon. member and I went down to the South-West they were not earning the basic wage, unfortunately, because there was no work about the mills. The member for Collie knows that we were glad to give the men some sleeper cutting so that they could earn bare sustenance. We were cutting sleepers at a time when the Government did not require them, but the work, of course, was not wasted.

Mr. Wilson: And the Government saw that compensation was paid to them.

Hon. C. G. LATHAM: So far as I know, there has been no instance in which it has not been paid. We know of none. Applications for compensation have been made to the court and have been refused. Cutting off toes, etc., at one period became almost an industry. I quite agree with the Minister in his statement that we must do something to prevent that sort of thing. I shall not support the second reading, and in the interests of the industry, I consider it would not be well to proceed with the Bill.

MISS HOLMAN (Forrest) [8.51]: The Leader of the Opposition punctuated his remarks with references to what I know and what the member for Collie knows. The hon. member can speak of what he knows, because he does not know what I know.

Hon. C. G. Latham: I quite agree with you there.

Miss HOLMAN: Regarding his statement that he had had conversations with men in the industry and that they do not want this legislation, I find that very hard to believe. He represents the York electorate: I represent the Forrest electorate and I assure him that I have spoken with many sleeper-cutters who feel sadly the injustices they are suffering to-day.

Hon. C. G. Latham: What are those injustices?

Miss HOLMAN: I will tell the hon. member later. He stated that the Bill aimed at abolishing piece work and contract conditions, and that if that were done in the timber industry, it would spread all over the State. He said that was not desired by employees, who wished to have an opportunity to earn more. He also said it was the policy of the Government to do away with piece work. This Bill asks for common justice and protection for the sleeper cutters. It simply asks that they be treated as workers and that they have the common rights enjoyed by other workers. It does not ask that piece work in the timber industry be abolished. The foolishness of that remark is apparent when we recall that the men were covered by an award for years. Later on I will quote the rates paid—rates that were specified in award after award.

Hon. C. G. Latham: During five years from 1919 to 1923.

Miss HOLMAN: The hon. member shows his ignorance by that remark.

Hon. C. G. Latham: I think you will find that I am right.

Miss HOLMAN: The sleeper cutters were covered by awards from the time that awards were delivered in the timber industry until 1929.

Hon. C. G. Latham: Was it not 1923?

Miss HOLMAN: It was not for five years. Hewing rates were specified in each award. Reference to the present award shows that fallers are paid piece work rates. The fact that they are workers under the Arbitration Act and that they are employed under the Masters and Servants' Act has not abolished piece work for them. The statement shows that the hon. member either wishes the House to believe what is not so, or that he is not sure of his facts.

Hon. C. G. Latham: Mr. Justice Webb refused an award in 1923.

Miss HOLMAN: Mr. Justice Webb said the same conditions would be carried on in 1923.

Hon. C. G. Latham: Without an award.

Miss HOLMAN: Without an increase.

The Minister for Works: There was an award.

Hon. C. G. Latham: No.

Miss HOLMAN: There was an award, but there was no increase. The hon. member said that if the Bill were passed and the men became workers under the Arbitration Act, an application by them to the court would mean that hours and rates would have to be fixed. No one has ever asked for hours to be fixed.

Hon. C. G. Latham: They would soon ask.

Miss HOLMAN: If they did, have not they the right to earn a fair wage in the ordinary hours, without having to set out during the hours of darkness in the morning and return home in the dark at night?

Hon. C. G. Latham: You ought to mention that to the Acting Leader of your party, because during the next week or two he will probably be keeping late hours.

Mr. SPEAKER: Order!

Miss HOLMAN: If it were the means of having hours fixed, it would benefit the industry. Many sleeper cutters or ex-sleeper cutters cannot hold an axe in their hands because they are suffering from the effects of trying to make wages by working long hours, instead of confining themselves to the ordinary working hours. The Leader of the Opposition said the judge stated that they would be able to earn more. I do not think that requires much answering. They would not be better off because they cannot get the rates at all. There are no rates set down to-day. A couple of years ago they were getting 34s. per load, and it takes a good man to cut two loads per week. Who would say that a man was living well and able to replenish his home on the proceeds of two loads of sleepers a week? The trouble regarding the burning of stacks of sleepers that occurred a year or so ago would not have happened if the men had been covered by legislation and had been able to obtain awards, instead of having to take affairs into their own hands to force the rate up from 34s. to 40s. per load. The Leader of

the Opposition mentioned the case of Tucak v. Milentis. Milentis, without having signed any document, obtained an oral order to cut so many sleepers for Tucak. He was never paid for them. He took action in the court, and the court decided that he should get his money. The case was taken to a higher court and the verdict in his favour was reversed. The Leader of the Opposition said that if Milentis contracted not to get his money until Tucak was paid, it was quite right.

Hon. C. G. Latham: I did not say it was quite right; I said he was bound by the contract.

Miss HOLMAN: Yes, but what will members say when I tell them that Milentis has not been paid yet?

Hon. C. G. Latham: I suppose the other man has not sold the sleepers.

Miss HOLMAN: The sleepers were shipped to South Africa before Milentis took action in the court.

Mr. Hegney: The Leader of the Opposition is still learning.

Hon. C. G. Latham: In company with you.

Miss HOLMAN: The hon. member said we ought to relieve the timber industry of burdens and give fair competition. Does he regard it as fair competition that any contractor, person or agent, who owns neither stick nor tree in this country, can tender for a contract without regard to what he is going to pay the men who will be required to work for him? He has to pay the royalty in order to get the timber, or else purchase it from a private owner, but when it comes to calculating his profit, if his price is not high enough, whom does he cut down? The sleeper cutter, because he is compelled to accept the work as no other work is offering.

Mr. Thorn: Surely the sleeper-cutter has an agreement!

Miss HOLMAN: He has no agreement until the man gets the contract, and then he has to cut the timber for what he can get. Is it fair competition when people without capital or assets can submit tenders and undercut legitimate traders in the industry? The big merchants who submit tenders put in perhaps a fair rate and do pay the cutters. That possibly applies to Millars, but some people at times do not pay at all, and so they can afford to tender at a lower figure.

Mr. Thorn: Surely you are not speaking for the big man!

Miss HOLMAN: The big man is able to speak for himself without my help. I am taking the statement of the Leader of the Opposition that fair competition is desired. I, too, say we want fair competition, but with proper regard for the interests of the worker who is providing the goods. The Leader of the Opposition said the cost of supervision would be very great. In 1919 or 1923, as he pleases, there was supervision, I suppose. Anyhow, rates were set down in an arbitration award for sleepers of different sizes, just two rates, not a different rate for different kinds of bush, although sometimes fallers obtained better payment for old bush. He says it is impossible to check the hours of labour. There is a pretty good check on any man who cuts sleepers. If the timber is not good, the sleeper is condemned, and the cutter will have lost his labour. If the employer does not get his orders filled, the sleeper-cutter is quickly sacked. There are many means whereby he can be controlled. The remarks of the Leader of the Opposition regarding claims for compensation constitute a reflection on the workers. I do not believe that the ordinary worker who is possessed of the usual commonsense and honesty would "pole." The employers and the insurance companies do not sit down under that sort of thing nowadays. There were many cases in connection with foreigners in court over contested compensation cases.

Hon. C. G. Latham: I did not distinguish between them. I said that claims would be made.

Miss HOLMAN: I did not say the hon. member did distinguish between them: I am doing that. The hon. member also said that if the men were out in the bush under these conditions, they would meet with accidents and claim compensation. If they meet with accidents they are entitled to compensation. He also said that the relationship between the sleepercutter and the mills was very satisfactory. We say that the relationship between the big firms who have something behind them and the sleeper-cutter is more satisfactory than the relationship between the sleeper-cutter and the agent who does not care whether the man gets his money or not. On the question of the timber that is cut, I would point out that if a man goes on to Crown lands or into a

forestry reserve to cut sleepers there is plenty of control over him. He cannot cut in the bush where he likes. He can only cut those trees that are marked by the forest marker. Men do not prefer to work as contractors under any conditions. They may prefer to work as pieceworkers under some conditions and under good living conditions, but not under any conditions. I remember that a strike occurred in 1924 when the fallers and pieceworkers of the South-West struck for day work, because they were not satisfied with the piecework conditions. The opposition to the Bill is not very serious. If the Leader of the Opposition has no other reason for opposing it than he has advanced, he must be opposing it out of sheer obstinacy. This Bill has been carried before by the House. As there are now several new members in the Chamber, I propose to give them more detailed information concerning it. The Bill is designed to protect a deserving body of men, who should have the same rights as any other workers. These men are practically the only class of workers that is not protected. About 800 sleepercutters are employed in this State. They have identical interests. They are pieceworkers, not contractors. They are ordinary workers with workers' rights, but at present they are being exploited because they are neither "employed" under the Masters and Servants' Act nor are they "workers" under the Industrial Arbitration Act. The bush in which they work does not belong to them, but to the Crown, or to private employers. They are therefore not like contractors. They may be working on a forestry reserve. They go into the bush to carry out a job. They cut so many sleepers per week, and are paid by the load. If a sleeper is condemned, it is not accepted, but the employer or the contractor has to pay a royalty on such sleeper. Every sleeper-cutter is engaged as a result of an application. He applies for the job and is employed like any other ordinary worker. The royalty is not paid by the sleeper-cutter but by the contractor. It is paid to the Government, or the cost of the timber is paid to the private owner. In other words, the employer must buy the material, and it is not the sleeper-cutter who does so. These men were accepted in the industry as workers until 1931. Notwithstanding what the Leader of the Opposition has said, that they were not covered by any award from 1923 onwards, the old award was carried on. They were paid the same rates, and were accepted as workers until the Milentis and Tucak case in 1931. I think the award was delivered in 1917 by Mr. Justice Northmore, who was also one of the judges who, on appeal, upset the decision of the magistrates in 1931.

Hon. C. G. Latham: That was quite a different case.

Miss HOLMAN: Quite; but the same people hewing sleepers. In 1917 the bush workers were paid per load for hewing sleepers 6ft. x 8in. x 4in. up to and including sleepers 7ft. x 9in. x 4½in., £1 16s., and for sleepers of a slightly different measurement, i.e., over 7ft. x 9in. x 4½in. to 10ft. x 10in. x 5in., £1 14s. per load. Settlement was to be made monthly, provided that the worker was entitled to a payment on account of earnings at least once a week. If a sleeper-cutter had over one load of sleepers cut in the bush and not paid for on any pay day, he was entitled to have the sleepers inspected, and to payment to the extent of 90 per cent. of the sleepers that had been certified. In 1917 there was no question about these men being regarded as workers and being entitled to be covered by the arbitration award. In 1919 the rates for the same sized sleepers were £2 8s. 9d. and £2 6s. respectively. In 1923 the same rates were carried on. In 1929, although sleeper-cutters are not actually mentioned, piecework is referred to. It is provided that an employer may make a contract with any worker or group of workers for payment on results by piecework. The payment was fixed on the basis that would be sufficient to yield to a worker of average capacity on a full week's work of ordinary hours at least 10 per cent. above the minimum time rate of pay. With regard to royalties, where timber was obtained from Crown land or private property, the employer had to pay any royalty charges for it. Paragraph 57 in the schedule of rates of pay provided that a broadaxeman using a broadaxe or adze—this did not apply to spotters at spot mills—should receive a margin of 26s.

Hon. C. G. Latham: That did not apply to sleeper-cutters.

Miss HOLMAN: It was thought that it did. If sleeper-cutters are to be penalised because they are supposed to be contractors, it would be better if they did their work on

day rates of pay. It requires a very good sleeper-cutter to make £4 a week by cutting two loads of sleepers. If he were on day rates of pay, he would get £3 11s. 6d., plus 10 per cent. for piecework, making £3 18s. 7d., and a possible margin of 26s. as well. He would be better off working eight hours a day instead of scrambling to cut two loads a week, as he has to do now. I cannot see where the distinction comes in. The employer or contractor says to the sleeper-cutter, "I want you to cut me so many sleepers, and I will give you so much a load." He is cutting the material that belongs to the employer at so much a load. I do not think that can be questioned. Prior to 1917, sleeper-cutters received an allowance for wear and tear of tools at 1s. a day, or 6s. a week extra. So much were they regarded as workers that Sir James Mitchell, in 1923, brought down an amending Bill to make sure that they were covered under the Workers' Compensation Act, and to rectify an injustice. At that time, a sleeper-cutter had applied for compensation. Unfortunately, he lost his case, but the Government were so sure that this was a fair claim that they paid the costs of the appeal so that the sleeper-cutter might get his compensation. When he failed to get it, the Government brought down an amendment to the Workers' Compensation Act, worded as this Bill is worded. The amendment provides that the term "worker" also includes—

> Any person working in connection with the felling, hewing, hauling, carriage, sawing or milling of timber for another person who is engaged in the timber industry, for the purposes of such other person's trade or business, under a contract for service, the remuneration of the person so working being in substance a return for manual labour bestowed by him upon the work in which he is engaged.

Sir James Mitchell brought down a Bill which covered also group settlers. When doing so, he said—

> It is proposed to bring two sets of people within the scope of the Workers' Compensation Act, the person working in connection with the felling, hauling, carriage, sawing or milling of timber for another person who is engaged in the industry, and the person employed at group settlements. Regarding the former, it is necessary to amend the Act, although the Solicitor General always contended that such a person came within the scope of the Act. Some time back a timber hewer was killed, and a claim for compensation was lodged. The claim was resisted, so certain was the Solicitor General on the matter; but when the case was taken to the High Court, it was lost.

Mr. McCallum: Is the Bill supposed to cover hewing?

The PREMIER: It will cover all timber workers, either those engaged on piecework or on wages. The occupation is perhaps more dangerous than any other, and it is proposed by the Bill to protect those engaged in it.

The then member for Forrest (Mr. O'Loghlen), in speaking to the Bill, reviewed the position of the sleeper-cutters. He told the House of cases that had been fought at the expense of the Government in an endeavour to prove that sleeper-cutters were entitled to compensation. He concluded by saying, "The High Court has ruled against the defendants; in the absence of any amending Act, that decision becomes binding." The amendment in 1923 of the Workers' Compensation Act was intended to remedy a position exactly similar to that which exists to-day. Workers were then defrauded out of their compensation by contracts, or so-called contracts; and those contracts, or so-called contracts, exist to-day, both oral and written. It makes no difference whether they are signed contracts or oral agreements; they are called contracts, and by them the sleeper-cutter is debarred from the benefits of the Arbitration Court and those of the Masters and Servants Act. Men who have been sleeper-cutters all their lives and who have worked under these awards are all subject to this. By the way, every sleeper-cutter who works on Crown lands must be a man who was registered with the Forests Department before 1918. He has had a peculiar change in his status since 1918. He was then a worker covered by an award, with no doubts whatever about his position. Now he is a contractor, able only to get the doubtful benefit of freedom of contract. We all know that freedom of contract is a doubtful benefit; it has caused many great industrial troubles. It is not at all the great boon that it is supposed to be. In fact, Mr. Justice Higgins said many years ago, "Freedom of contract is despotism of contract." The way these men have been defrauded of their rights as citizens amounts to a downright scandal. They are covered neither by the Arbitration Act nor the Masters and Servants Act, but are forced by economic circumstances to submit to exploitation by contractors. There is no

use in anybody saying that freedom of contract will give them anything better. When there was every freedom, the cutter on 34s. per load was scrambling to make a living. Some of them cut even for 30s., and I suppose, if the truth were known, some cut for less than that. However, by a little combination and concerted action they succeeded in getting £2 per load. I do not say that an arbitration award would give them any more. The Arbitration Court will certainly have due regard to all the circumstances. The Arbitration Court have reduced the daily wages of the mill worker, by the cost of living figures and so forth, from £4 6s. per week to the present rate of £3 11s. 6d. So that it does not follow that the sleeper-cutter, by being brought under an award, will get a rise in wages that will immediately put the timber industry in a false position, or will immediately do harm to that industry. There is simply a request for an arbitration award so that we may get a definite and uniform rate that will cover every sleeper-cutter in the industry. I do not know what members think about this, but I think they all ought to be shocked. It is a dreadful thing that men cannot sue for their wages. Originally the cutters worked for large timber companies holding concessions, and the sleeper-cutter followed the faller. There was in those days no scheme for the conservation of forests. The timber companies had their own way, and the sleeper-cutters felled anything that was left after the fallers had been through the bush. There was no complaint whatever then. As the Minister said the other evening, it took a quarrel between two foreigners to develop this complaint, and to put the sleeper-cutters in such a false position. Since the days when hewers cut for the big companies, a new type of man has arisen—a person who puts in a tender for a number of sleepers without having any country whatever, and without having anything to base his tender on. To him it does not matter in the slightest what the cutter will get for his part of the bargain. The agent merely puts in his tender, without any regard for what other and perhaps fairer-minded contractors pay their cutters. The agent simply puts in a price at which he thinks he can supply. He has to pay the royalty, and the sleeper-cutter suffers. The Conservator of Forests in his 1934 report writes (apropos of the general hewing conditions and scarcity of forest country)—

> The seriousness of the position does not appear to be appreciated, even by those engaged in the industry, and the economy of selling sleepers of the present high standard to overseas countries at the low rates which are operating throughout the industry to-day is a matter deserving careful consideration.

I do not wish hon. members to take that quotation as referring to the position of the sleeper-cutter; it refers to the timber that is being hewn to-day by those engaged in the industry. I recommend that expression of opinion to the Leader of the Opposition. The Conservator of Forests himself says that it is doubtful policy to sell sleepers of the high grade that we are producing at such low rates as are obtainable to-day.

Hon. C. G. Latham: If we do not sell them, it of course means no work. That is the trouble.

Miss HOLMAN: If all tenderers had to make provision for a uniform wage for sleeper-cutters, the price would be stabilised; there would be a standard price.

Hon. C. G. Latham: Is it not a question of export trade?

Miss HOLMAN: Certainly.

Hon. C. G. Latham: Then how can tenderers determine the price and compete with oversea suppliers?

Miss HOLMAN: We have undercutting here. One has only to talk to anybody engaged in the industry to learn how prices are being cut here. The millers themselves had to form a federation and agree upon a price list, because various millers were undercutting the other millers. The millers as a body have discovered that such a system works well in their own case, but evidently they do not appreciate it quite as much in the case of tenders for export sleepers.

Hon. C. G. Latham: Foreign countries are supplying the oversea markets.

Miss HOLMAN: Foreign countries always supply. When our sleepers were bringing over £10 per load, foreign countries still supplied. The Masters and Servants Act has a wide definition of "Employee"—

> The word "employee" shall include any servant, workman, labourer, clerk, artificer, apprentice, or other person, whether under or above the age of 21, or whether a married

woman or not, who has entered into a contract of service with any employer, either at salary or wages, or for any remuneration, whether in money or otherwise, or to perform work at a certain price by the piece or in gross.

"Contract of service" is defined thus—

The words "contract of service" shall include any contract between employer and employed, whether in writing or by parol, whereby the employer agrees to employ and the employed agrees to serve for any period of time, or to execute any work, etc.

The Industrial Arbitration Act contains the following definition of "Worker":—

"Worker" means any person of not less than 14 years of age of either sex employed or usually employed by any employer to do any skilled or unskilled work for hire or reward, and includes an apprentice.

I have already quoted the definition in the Workers' Compensation Act, which was inserted specially, at the instance of the Mitchell Government, to cover sleeper-cutters, and which is similar to the wording in the Bill before the House. Until 1931 the cutters had no idea that they were not covered by these Acts. The case which has been mentioned was taken as a test case, and has been the standard for all other sleeper-cutters since. No money was paid to the man at all, though Tucak had his money paid to him and the sleepers had been shipped to South Africa. Milentis had an oral contract, and was never paid. Tucak, I may mention, is still contracting, still going on with the good work: so the next time he wants to default, I suppose he will be able to do it again. The judgment of the Supreme Court in 1931 was delivered by Acting Chief Justice Northmore. The report is as follows:—

NORTHMORE, Acting C. J.: This is an appeal from a decision given upon a complaint brought under the Master and Servant Act in the Greenbushes Court. The complainant was a sleeper-hewer, and the respondent to the complaint was a man who apparently bought sleepers for supply to those who were shipping overseas. It is admitted that a contract was made between the complainant Milentis and the respondent Tucak, under which Tucak was to pay to the complainant £2 per load for sleepers which he was to cut, and those sleepers were to be paid for when they had been passed by the Government inspector and when Tucak himself had been paid. It was also provided by that contract that the complainant was to receive no payment in respect of condemned sleepers, but that those condemned sleepers were to belong to him, and he was to pay for their cartage and inspection. Under that contract the complainant cut a certain number of sleepers which have not yet been paid for by the respondent (the appellant in this case). He has made no payment for them to the complainant. The complainant therefore proceeded against him in the police court under the Master and Servant Act, and claimed that notwithstanding the agreed terms of payment for the sleepers he had cut, he was entitled to be paid in cash under the terms of an award which was made in connection with the timber industry by the Western Australian Arbitration Court.

Two questions arise upon this appeal. The first is whether in the circumstances the relationship of master and servant did exist between the complainant in the court below and the appellant in these proceedings. Of course, if it be determined that that relationship did not exist, that is an end of this appeal; but as there are, I understand, other cases in which evidence might be given to distinguish them on the facts from this case, the second question may arise, namely, whether, assuming the relationship of master and servant to exist, the award in question extended to cover a sleeper-hewer.

On the first point, I think I need say no more than that the facts in the case cannot be distinguished from the facts in the case of Enor v. Lewis & Reid, Ltd. In that case, which was decided by the Full Court here, it was held that the relationship of master and servant was not created by such a contract as has been deposed to in this case. Therefore, on that point the appeal succeeds; and it is really unnecessary to say anything further. However, as the other question has been argued, I may state that in my view the award in question does not cover a sleeper-hewer working as this complainant was working. Therefore, on that point also, the appellant is entitled to succeed.

DWYER, J.: I agree. On the second point my view also is that, so far as can be gathered from the evidence adduced, a sleeper-hewer cannot be said to be covered by the terms of the award. It may be that in other proceedings further evidence could be produced which would lead to a different conclusion.

Appeal allowed with costs; judgment in court below to be reversed; and judgment entered for defendant with costs.

The sleeper-cutters therefore were deprived of money which they had rightfully earned. The position now is exactly as it was then. The employers also did not know. In 1924 they put up an affidavit in reply to a citation for an arbitration award. They went right through the whole of the evidence, and submitted this reply—

(4) That the Western Australian respondents contend that the true meaning and in-

tention of the said clause is that they are not compellable to pay piece-work rates higher than those actually set out in the above-mentioned awards without any regard to the basic wage payable in respect to the bush and bush saw mills.

The Leader of the Opposition said that there was no award in 1923. I have quoted part of the affidavit lodged by the employers in 1924, in which they traversed the award of 1923 and said that it meant they were not compelled to pay piece work rates higher than those set out in the award. They further went on to say—

(5) That, pursuant to such contention, the said respondents refused to pay piece work rates higher than those actually set out as aforesaid.

(8) That the effect of the contention of the Western Australian respondents, if valid, would exclude piece workers in the State from the benfits of the said rates prescribed by the above-mentioned awards, and would place them at a disadvantage in relation to time workers.

(9) That in many cases piece workers working 48 hours per week could not earn as much as time workers working the same week.

The employers thus admit that, even on piece work, the sleeper-cutters cannot possibly earn the money in the 48 hours, and they did not want to pay day rates. On many occasions the employers have negotiated with the union for an agreement with reference to sleeper-cutting rates. To rectify the position, the union applied to the court to amend the award and desired to have Item 57 of the 1929 award rates amended to read—

Broad axeman using broad axe or adze means a worker using a broad axe or adze in connection with the hewing of timber, and includes a sleeper-cutter or beam-cutter.

The secretary of the union went on to say—

When Clause 57 was embodied in Schedule 1 of the award, the union were of the opinion that the clause was inserted to cover broad axemen who were employed hewing beams or railway sleepers.

Mr. Carter, the employers' representative in the court, said later—

I would like to state that, although you may not find in the discussion on the minutes any reference to the broad axemen, you will find reference to the whole question of piece working, which revolves principally round sleeper-cutting, and when you go through the evidence you will find no evidence from a broad axeman, but from sleeper-hewers who testified that in the course of their work they used a broad axe. The court heard that evidence. It is admitted that the sleeper-cutter must use a broad axe, but the court made a rate for the sleeper-hewer who used a broad axe and another for the broad axeman pure and simple.

That was what the employers' representative said in court in 1931. The President delivered his decision and refused the application. He said—

There is no mention made in that award of broad axeman, nor is there any wage, daily or weekly, fixed for the sleeper-cutter as such

He also said—

We may therefore look upon it that the term was taken from the Federal award and imported here.

In point of fact, that was wrong, because I have already pointed out the reference to sleeper-cutting and the rates fixed in the 1927 award. The President made reference to the case of Tucak v. Milentis and said—

Now, any amendment that this court might make in an award would not, and could not, necessarily amend a position such as that. It is to be understood clearly that our Act limits this court as regards wages regulation. A worker is defined in the Act, and if we find that a person whose work or services are not being investigated is not a worker within the meaning of the Act, then it is our duty to say so, and no complaint he may have in regard to non-payment of wages, or not being paid sufficient wages, can be remedied here. However, it seems to me that if a timber merchant or any other such employer within the meaning of the award employs a sleeper-cutter or a beam-cutter within the meaning of the Act, then such worker is entitled to have his wages regulated, and consequently I think what ought to be done in this case at present is to permit the union to apply to the court to amend the award by the insertion of two items to be known as 57 (a) and 57 (b) respectively, namely sleeper-cutter, beam-cutter, and then when the court hears the evidence as to the nature of the work done and the distinction, if there is any between them, or either of them, and a broad axeman, the court will be prepared to allot a wage which it considers adequate. That will not, of course, I repeat for the information of the union, in any way alter the position that a worker must necessarily be a worker within the meaning of the Act in order that any award we may make might have an effect on his industrial basis.

Mr. Somerville agreed with the President and spoke of the evils that arose out of the position regarding unregulated sleeper-cutting, and also of the efforts made by the

union to remedy them. He pointed out that the evils could only be removed by special legislation. Mr. Bloxsome, the employers' representative on the court, also agreed with the decision and with the remarks of the President. The union's application to the court, therefore, was refused, and both the President and Mr. Somerville were in agreement that nothing could be done without special legislation. This state of affairs has meant the loss of tens of thousands of pounds in wages to the sleeper-cutters. The Bill will not affect legitimate employers at all, because they will pay the rates that will be set down. On the other hand, the Bill will prevent men of straw from taking contracts and under-cutting the legitimate traders. I can give many instances regarding people who have taken contracts and defaulted. For instance, I would cite the Urlich Bros. They started in 1923 or 1924, and went out of business in 1928 owing £10,000 to timber-cutters, storekeepers, property owners and for royalties. In 1932 they took part of a Commonwealth timber order, and again defaulted. Others have defaulted owing various amounts. This type of contractor has nothing behind him. Men like this are not compelled to pay any rates. They simply default and do not pay the cutters or anyone else. I have a sample of the contract form that some of them sign. They do not all sign such contracts to-day, but unfortunately, whether they sign the contract or whether the agreement is oral, the result is the same; they are not workers. Here is one of Vile's agreements—

I beg to advise that I have purchased from you a quantity of hewn and/or sawn jarrah sleepers at price, terms and conditions as hereunder:—Price to be £2 17s. 3d. per load, covering workers' insurance charges (if any), and all royalty, wages and other costs and charges for delivery free on rail at mutually agreed sidings, or free on harbour board stacking site, Bunbury, price there £3 11s. Supplier not to supply from any other siding than named in this contract except in writing from the buyer.

There is also this clause in the so-called contract—

Payment within 14 days after steamer sails against number of sleepers delivered as customary.

As to the latter provision, in many cases, there is no payment at all, irrespective of whether the payment is to be within 14, 40 or 400 days after the steamer sails. Then there is this provision—

And buyer is bound to take delivery only subject to steamer's arrival and loading.

I would point out that the £2 17s. 3d. includes £1 19s. for cutting and that amount is supposed to include at least 5s. for the man insuring himself. That leaves £1 14s. for a load of sleepers at that time. The curious part about it is that although the courts of this State have decided that these men were contractors, the Commonwealth Government, in 1932, refused to recognise them as such. The Commonwealth contracts in 1932 embodied a clause prohibiting subletting or sub-contracting of any order, and the Commonwealth authorities said that if that sort of thing took place, the order would be cancelled. A commissioner visited Western Australia and there was a special inquiry into the matter, but he would not admit that there was any sub-letting or sub-contracting whatever. The question of control has been mentioned. It will be realised that the sleeper-cutters have to work to a fraction of an inch. If the sleeper is not cut properly, it is condemned and is not paid for. The cutters have to provide their own tools, which cost a good deal. The sleeper-cutters are in a similar position to the shearers. A shearer operates at so much per hundred. The sheep he shears are not his own but belong to the man who employs him to do the shearing. With regard to the timber-cutters, the timber does not belong to the sleeper-hewers, it belongs to or is hired by, or it is paid for, by someone else. The Kurrawang timber workers are employed on piece work under similar conditions. They are paid so much a ton. The wheat lumpers in the country are paid piece work rates. The Leader of the Opposition declared that these men would prefer to continue under piece work or contract conditions so that they would be allowed to earn as much as they liked under whatever conditions they liked. Unfortunately, that does not always act. Unscrupulous contractors persuade men to sign agreements to avoid paying insurance charges and proper wages. I had an instance recently of men being paid £2 4s. for cutting wandoo sleepers, with no provision for insurance at all. If those men desired to be insured, they had to attend

to it themselves. Wandoo sleepers are harder to cut than jarrah sleepers. As a matter of fact, one can go anywhere in the bush and find men suffering from axeman's heart. The work is harder nowadays than in years gone by. The bush is inferior and has been cut out. With regard to Crown lands, areas are made available by the Forests Department, that course being necessary because they have to conserve bush for future years. It is impossible, in view of existing contract prices, to pay the royalty and other charges and at the same time provide decent wages. Men in that category neither own the land nor conduct the business. They only work for others at piece-work rates and are entitled to a minimum wage. If a sleeper is condemned, it is just the same as with other men whose workmanship is bad. The sleeper is lost altogether, and there is no payment for it. A man may get an area of Government or private bush land, and he puts men on the blocks but disclaims any further responsibility. He takes the sleepers that are cut and if they are all right, they are paid for: if they are not satisfactory, they are not paid for. He pays by the load and the men cannot earn what they should have—a fair living wage. Then if sleepers are wanted, there is a time limit. If a boat has to be loaded, sleepers must be ready. To prove that men are not earning the fabulous wages to be inferred from the remarks of the Leader of the Opposition, I have a statement that I will read.

Hon. C. G. Latham: I never made any statement about fabulous wages.

Miss HOLMAN: The hon. member said that men would prefer to continue at contract rates and work as long as they like and earn as much as they could.

Hon. C. G. Latham: That does not prove that I said anything about fabulous wages.

Miss HOLMAN: That was the inference to be drawn. The statement of earnings is as follows:—

	Cut during period.				£	s.	d.	Average per week. £	s.	d.
Trapp ...	34 loads	517 super.	at £2—		69	14	5	2	18	1
Dowling ...	43 ,,	521 ,,	,,	,,	87	14	9	3	13	1
Nichols ...	39 ,,	595 ,,	,,	,,	79	19	8	3	6	8
Fry ...	42 ,,	540 ,,	,,	,,	85	16	7	3	11	6
Mavric ...	44 ,,	371 ,,	,,	,,	89	4	9	3	14	4
Michelson...	32 ,,	526 ,,	,,	,,	65	15	0	2	14	9
Liddell, B...	53 ,,	299 ,,	,,	,,	106	10	11	4	9	2
Liddell, W.	42 ,,	110 ,,	,,	,,	84	7	4	3	10	3

The average weekly earnings paid to the above cutters on the aggregate is £3 9s. 9d.

The calculations are based on the sleepers passed from the pass, on the 17th July, 1933, to the pass on the 15th December, 1933.

This includes all sleepers cut from the 1st July, 1933, to 14th December, 1933, and thus covers a period of 24 weeks. And that is working as long as they like on piece work at £2 per load, which is the highest price being paid for jarrah sleepers at present. Then the cutters are paying 3s. per week for travelling to work, and their tools cost something like 2s. 6d. per week. This is not sufficient, for under the old award an allowance used to be made of 1s. per day or 6s. per week.

Mr. Marshall: There were more men in the industry when they had an award than there are to-day.

Miss HOLMAN: Probably there were more employed in sleeper cutting than are employed in the whole of the industry to-day. The Bill is to enable us to obtain an award for those men and secure uniform cutting rates. It will prevent foreigners or others from cutting the rates, both in the tendering and in the contracting. It will protect major exporters by setting down a rate for cutters which cannot be reduced, and thereby setting a standard export price. If justice is denied to these men there is no way for them to get a uniform rate, except by direct and concerted action. Some 800 men scattered through the South-West will not forever sit down under injustice. They are anxious for justice, for uniformity and for security. It is no good to any man to have a rate set down for him by contract if he does not get that rate in consequence of the action of people who have nothing behind them at all. I will say that some of the foreigners who have been working in the industry for a time are the biggest sticklers for good terms and for uniform rates, and when they know something about the country they stand by their fellow men just as well as the Britishers do.

Mr. J. H. Smith: I suppose they are in the majority amongst the sleeper-cutters?

Miss HOLMAN: I do not know, but there are great numbers of them, especially in the hon. member's district. In 1932 this Bill was first introduced. It passed the Assembly, but in the Council it was delayed until the closing hours of the session. In that House the second reading debate upon it

lasted only seven minutes, after which it was thrown out.

Hon. C. G. Latham: They discussed it for a much longer time than that.

Miss HOLMAN: Only seven minutes. It was delayed until just before the close of the session, the only other business coming subsequently being the granting of six months' leave to the President, after which the session closed. Mr. Mann made a few remarks upon the Bill, in the course of which he said he had no instructions from his electors. I expect he has had some since then. Mr. Miles spoke about two inches of "Hansard." It took him about one minute. Mr. R. G. Moore, from the North-East Province, spoke, and Mr. Kitson replied. In all, the debate occupied about three columns of "Hansard," and seven minutes was the time given to this important Bill which affects so many in the timber industry. Among the arguments used against the Bill on that occasion was the contention that it would increase the burden on industry. But it did not increase the burden when the rates were set down for so many years, and so it could not possibly mean an increase of the burden to-day. It was an established custom and usage in the industry. In view of that it could, I think, properly be brought under the Arbitration Act, as "industrial matters" in that Act covers any established usage in the industry, and it was the established custom that these men should have an award. It would protect legitimate contractors in the same way as the union recently policed the award in the electorate of Sussex and protected legitimate sawmillers against breaches of the award. As the result of the union's work an offending sawmiller is not now interfering with the other sawmillers by neglecting to carry out the terms of the award. Also it will stop undercutting. Another objection to the Bill was that men placed under industrial awards would be under no control. I have already dealt with that. They are kept under control by specifications, by forestry conditions, by a time limit and by the quality of their work. It was said that freedom of contract would be endangered by the Bill. Well, freedom in price cutting has been responsible for the present low price. No one with any interest in the timber industry will deny that freedom of contract has been responsible for cutting prices and, in the past, has been responsible for many big industrial troubles. It is better to have constitutional protection for cutters than freedom of contract which must result in chaos and disorder; and they, from experience, have meant unfilled orders and very low prices. It was further objected that the Bill would restrain men from earning good money. It would be interesting to know the time the Leader of the Opposition spoke on this, because, as I have said, very little time was spent on it in the Council last time, and the arguments used by the Leader of the Opposition to-night were similar to those used by Mr. Miles in his very short speech in the Council, and so it seems to me there has been a sort of getting together. As for the argument that the Bill would restrain energetic men from earning good money, I say again that inferior bush and the low price of £2 per load render it impossible for a man to earn the basic wage, or at any rate impossible for him to earn more than £4 per week, and then only by working long hours. It is said the industry is now showing an improvement. Certainly the sleeper exports show an improvement, and the report of the Conservator of Forests shows that there are now 700 or 800 hewers, whereas two years ago there were only 400, while hewn timber, which in 1932-33 aggregated 330,370 cubic feet, has this year reached the total of 1,009,820 cubic feet. So it is a fact that the industry is improving.

Hon. C. G. Latham: Well, leave it alone.

Miss HOLMAN: That has always been the cry, let them go on as they please, and these people still continue to get away with the money that properly belongs to hard working men. The Conservator of Forests in his report sets out that in March, 1921, a general working plan was approved by the Governor-in-Council, but as this dealt only with the regulation of the cut of sawmill logs, it was necessary to prepare an addendum to bring hewing operations under the scope of the working plan for the balance of the period, which expires in March, 1939. This addendum provides for a maximum output of a million cubic feet of hewn jarrah sleepers per annum from State forests, timber reserves and other Crown lands under the control of the department, and sets out the various districts from which supplies are to be drawn. A number of

overseas sleeper orders were obtained during the year and these, together with Commonwealth and local orders, have given employment to between 700 and 800 hewers, and it is anticipated that orders at present in hand will keep those hewers employed until well into the next year. Now that is all I have to say on the Bill. I ask members to pass it and try to help us get it through the Legislative Council. I remind them that on the Bill depends the protection of 800 men directly working in the industry of sleeper cutting, and the conditions of all their relatives and families, which means many more than 800. Also it means for them justice, the right to a fair wage and the ability to sue for the wages they have properly earned.

MR. WILSON (Collie) [9.12]: I intend to support the Bill in the hope that it will pass, for if any workers are in need of justice they are the timber hewers. As one of the members representing South-West electorates, may I say there are four districts particularly interested in this, namely Sussex, Nelson, Forrest, and Collie. In those four electorates we have 90 per cent. of the hewers of this State cutting sleepers. Collie has 30 per cent. of them, and I challenge anybody to say the timber workers are satisfied with existing conditions. I remember the time when the hewer preceded the millers. At present the hewing is done on ground a dozen times cut over. It is the hardest of hard work. In the old days a man used to the work could cut 20 or 60 sleepers out of a tree in a short time, but nowadays he has to practically cut out of the solid to make a decent sleeper, owing to the bad condition of the bush in which he is working, and the price given is not payable. The whole point is the contracting evil, for it is simply an evil. A contractor tenders for sleepers and sublets his contract to another contractor, who in turn sublets to another, and so on down to the fifth or sixth. The result is that the last of the sub-contractor gets men to go into the bush and does not care whether they are protected under the Workers' Compensation Act or not. It is force of circumstances that compels the men to undertake the work because they cannot get employment elsewhere. I could produce evidence to show that hewers have on occasion signed for wages that they have never received. The conditions of contracting were very bad in 1916. In that year Millars, the Timber Hewers' Society, the State Sawmills and others brought down the price to starvation point. I am not taking any credit for what followed, but I was instrumental in getting them to discuss the question from A to Z, and the result was a decision to pool contracts outside the Commonwealth. The firm that got the contract stipulated that so much of it should go to the Timber Hewers' Society, so much to the State Sawmills, to Millars, and so on. That was continued for some years and under that arrangement the workers received a fair deal. Up to two or three years ago, no question was raised about the hewers not receiving the benefit of workers' compensation. Each and every one of them obtained compensation in case of injury. I can say advisedly that the big companies honoured the agreement by paying compensation when a man was injured. The difficulty arose when some of the small contractors came on the scene. Recently a letter written by the secretary of the West Australian Sawmilling and Sleeper-cutters' Union, Mr. C. Foley, was published, in the course of which he stated—

> In his recently issued annual report, the Conservator of Forests referred particularly to the sale of sleepers below their reasonable market value. This feature can be definitely traced to the operations of the class of dealer referred to. These people observe no rules but those that suit themselves in the pursuit of pernicious price-cutting.

Then Mr. Foley drew a comparison with piecework and added—

> There is not the slightest difference between the position of a sleeper-cutter and that of a firewood-cutter working for the firewood supply companies on the goldfields, a mining piece worker, as shearer, or, in fact, a timber-faller. All of these are payment-by-results workers and enjoy standard rates and conditions.

I agree entirely with Mr. Foley. If the Bill be passed, workers' compensation will be paid and men's rights given to the hewers and no one will be the worse off. It has meant a big thing to the Collie coal mines piece workers that they have enjoyed workers' compensation, the same as other workers. Fallers have always been piece-workers and they precede the cutters, but the cutters get the worst of the deal. The member for Forrest has covered practically

everything I could have thought of. She has made an excellent speech. I wish to see members show their appreciation of her speech by passing the Bill, and sending it on to another place promptly so that there will be ample time for it to receive consideration there.

On motion by Mr. J. H. Smith, debate adjourned.

BILL—ROAD DISTRICTS ACT AMENDMENT (No. 2).

Second Reading.

THE MINISTER FOR WORKS (Hon. A. McCallum—South Fremantle) [9.20] in moving the second reading said: This Bill is the outcome of a deputation from the Road Boards Conference which recently met in Perth. I understand that the proposal originated with the Beverley board, and that the road boards throughout Western Australia are unanimous in the desire that something be done along the lines of the proposal of the Beverley board. The proposal submitted to me, with the exception of one feature, is included in the Bill. The boards complain of the system under which, where there is land on which no rates have been paid for over five years, the law provides the right to sell. There are many thousands of blocks throughout the State that boards have unsuccessfully tried to sell, and have incurred considerable expense to arrange the sale. If no one is prepared to pay the reserve price, the rates still continue to pile up. A large amount of uncollected rates is thus shown on board balance sheets, and continual complaints are made by the Public Works Department auditors about the outstanding rates, but the boards are unable to collect, because in many instances the land is not worth the amount of the rate arrears. The request of the boards is that when there is no bid for the land up to the reserve price, instead of the land reverting to the boards and their being put to the expense of selling it again, and the arrears being booked up to them, it should revert to the Crown and the arrears wiped off. The deputation said they were not particular whether the land reverted to the Crown or to the board, but the Bill provides for reversion to the Crown, as there would be considerable difficulty if provision were made for it to revert to the local authority. One or two boards supported a proposal that there should be a simplification of the method now adopted to advertise and make provision for the sale of such land. One of them went so far as to say that the five-years period should not be insisted upon, and that other arrangements should be made so that the land could be submitted for sale within a shorter period. The Government could not subscribe to that suggestion because the owner of the land must have some protection. It might happen that the owner did not know that the land was to be sold, or he might not be in a position to pay the rates. We cannot go too far; care must be exercised not to penalise the owner. There have been two or three alterations in recent times to simplify such sales, and the road boards have benefited to that extent. When a reserve price has been fixed by the magistrate, in agreement with the road board secretary, and when the land is auctioned, if the reserve is not reached, instead of the local authority being put to the additional expense of observing all the procedure once more to find a buyer, the land will revert to the Crown and the arrears of rates will be wiped off. We consider the request sound. At some future time, under the Land Act, the Government might be able to dispose of such land, but until that time arrives there will be no piling up of arrears. I do not think there can be any opposition to the measure, and I move—

That the Bill now be read a second time.

On motion by Mr. Doney, debate adjourned.

House adjourned at 9.27 p.m.