

## Legislative Council,

Wednesday, 10th October, 1934.

	PAGE
Question : Miners' Phthisis ...	726
Royal Prerogative of Pardon Select Committee, extension of time ...	726
Adjournment, Special ...	726

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

### QUESTION—MINERS' PHTHISIS.

Hon. H. SEDDON (for Hon. C. G. Elliott) asked the Chief Secretary: What has been the yearly percentage of men found, on examination, to be suffering from (a) silicosis, early, (b) silicosis, advanced, (c) silicosis, plus tuberculosis, and (d) tuberculosis, since the inception of the Miners' Phthisis Act to the 30th December, 1933?

The CHIEF SECRETARY replied: (a) Silicosis, early—1925-26, 11.4 per cent.; 1927, 10.2 per cent.; 1928, 10.4 per cent.; 1929, 12.6 per cent.; 1930, 11.3 per cent.; 1931, 11.5 per cent.; 1932, 8.7 per cent.; 1933, 11.2 per cent. (b) Silicosis, advanced—1925-26, 4.5 per cent.; 1927, 2.5 per cent.; 1928, 2.8 per cent.; 1929, 3.6 per cent.; 1930, 2.0 per cent.; 1931, 1.8 per cent.; 1932, 1.2 per cent.; 1933, 1.8 per cent. (c) Silicosis, plus tuberculosis—1925-26, 3.3 per cent.; 1927, 3.4 per cent.; 1928, 1.2 per cent.; 1929, 1.6 per cent.; 1930, 3.3 per cent.; 1931, 1.9 per cent.; 1932, .4 per cent.; 1933, .4 per cent. (d) Tuberculosis—1925-26, .3 per cent.; 1927, .3 per cent.; 1928, .1 per cent.; 1929, .3 per cent.; 1930, 1.5 per cent.; 1931, .8 per cent.; 1932, .2 per cent.; 1933, .1 per cent.

### ROYAL PREROGATIVE OF PARDON SELECT COMMITTEE.

*Extension of Time.*

On motion by Hon. H. Seddon, the time for bringing up the report of the select committee was extended to the 24th October.

## ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.40]: I move—

That the House at its rising adjourn until Tuesday, the 16th October.

Question put and passed.

*House adjourned at 4.41 p.m.*

## Legislative Assembly,

Wednesday, 10th October, 1934.

	PAGE
Question : Railway project, Maddington subway ...	726
Papers : Meekatharra-Horseshoe railway ...	726
Annual Estimates, Committee of Supply ...	723

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

### QUESTION—RAILWAY PROJECT.

*Maddington Subway.*

Mr. SAMPSON asked the Minister for Railways: 1, Is he able to advise what will be the approximate cost of a railway subway at Maddington? 2, In view of the extreme danger encountered by users of the Albany road at the point where the railway junctions with the road, and the number of accidents that have occurred there, is it intended to provide a subway?

The MINISTER FOR RAILWAYS replied: 1, A subway at this crossing is almost impracticable. A concrete overhead bridge would cost approximately £26,000. 2, No.

### PAPERS—MEEKATHARRA- HORSESHOE RAILWAY.

MR. LAMBERT (Yilgarn-Coolgardie) [4.33]: I move—

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.

At the onset may I say I deeply regret that the Premier, through being indisposed, is not here to-day to answer charges that have been made against him by implication and innuendo. I feel certain that when full and frank explanations of the whole of the facts are given to the House, members will have no need to fear either for the Premier or for those who, in small measure, were associated with the Manganese Company. I wish to make it clear that anything I may say here this afternoon could be said with equal freedom anywhere else, despite the challenge that has been made that some of us are prepared to shelter ourselves under cover of parliamentary privilege. Also I want to make it quite clear that at no time did the Manganese Company borrow anything from any Government of this State. I am afraid it is necessary for me to deal with this company from the outset. In the first place the General Chemical Supply Company was registered on the 12th March, 1919, with a capital of £5,000 in £1 shares. On the 4th July, 1921, the capital was increased to £10,000 in £1 shares, and on the 8th December, 1924, the capital was increased to £300,000 in 300,000 shares of £1 each, of which 98,000 were issued. Of course the whole of the documents covering this transaction had to be lodged in the Supreme Court, and they are there for anyone to see. The increasing of the capital of the company was necessary so as to strike a quota which would allow us, if we sold—which we eventually did—our interest in certain mineral deposits in this State, to distribute the share consideration amongst the shareholders of our own company. It may be interesting to note that the Bill authorising the construction of the manganese railway was introduced by Sir James Mitchell, the then Premier, on the 16th November, 1920. A good deal of innuendo had been thrown about, probably for certain purposes, and so it may be as well if I quote Sir James Mitchell's opening remarks upon that occasion. Sir James in moving the second reading of the Bill said—

The Bill asks for authority for the construction of a private line by a private company. The line will run from a point 601 miles from Perth, really the terminus of the Geraldton-Meckatharra railway, north to Peak Hill and thence north-west to the Horseshoe lease, a distance of 85 miles. As is usual with lines of this kind, it will be surveyed by the department controlled by the Minister for Works. Crown lands are to be leased for purposes of the railway for 99 years, and where private

lands are taken, the owners of the line must pay the cost of resumption. As usual, the Government will have the right of purchase at any time during the currency of the lease, the price to be determined by the Engineer-in-Chief, and to be a sum not greater than the cost of the railway, less depreciation. The railway must carry passengers and goods, and for this purpose by-laws may be made by the company, but must be approved by the Government. The great point to remember is that the line will not only render practically the exploitation of a magnificent deposit of manganese ore, but will serve the people adjacent to the railway: quite apart from the fact that it will open up the mine, it will be useful to the people of a closely settled district carrying large numbers of stock. It is not often the House is asked to approve of the construction of a private line of this length.

I spoke rather briefly to the Bill on the 26th November, 1920, when I said—

If this Bill bore any resemblance whatever to a private railway proposal, I could not be associated with it either directly or indirectly. So far as I can understand it, the proposal is primarily one to allow the company to build what may be described as a tramway to convey their ore from the mine to the railhead. I should imagine that the tramway would be run on similar lines to the private lines owned by timber companies operating in the South-West. This is virtually the purpose of the Bill, and I think it a legitimate one to which no exception can be taken. The deposits at Horseshoe are of a fair extent, and they can only be rendered marketable by providing transit facilities. The readiest and cheapest methods to enable these deposits to be operated can be afforded by a tramline as suggested.

I need not quote any more of it. In another place, Sir Hal Colebatch, when moving the second reading of the Bill, said—

This is a very important Bill, and one which I have no hesitation whatever in commending to the favourable consideration of the House. The measure asks for authority for the construction by a private company of a private railway to run from Meekatharra north to Peak Hill, and thence northwards to the Horseshoe reef, a distance of 85 miles.

He dealt largely with the great extent and value of those leases, not alone to the State, but to Australia and to the Empire. It is quite unnecessary for me to refer to that, because I propose that, as a basis of any consideration either this or any other Government would give to the question of direct or indirect assistance, all the facts would be carefully weighed and authentic reports secured upon, in the first instance, the deposits we proposed to operate, and in the second instance the pos-

sibility of the Government losing anything whatever from giving it consideration. The giving of indirect assistance to this company was more or less necessitated by the legislation which at that time the House and the Government of the day thought advisable. It is regrettable that we did not stand by my original idea that those deposits should be connected by what I might call a glorified tram line from the Horseshoe to Meekatharra. Had that been done, the Government would never have been in this picture at all. However, to allow us to work the manganese deposits, it was necessary that we should have means of transport. Away back in 1917-18 and prior to that, during the war, the price of manganese in Australia soared to something like £20 per ton, and the Broken Hill Proprietary had to find inferior available ore in other countries outside of Australia. Sir James Mitchell and the Government of the day said they were ready to introduce a Bill authorising the construction of this railway on certain definite lines. The definite provisions contained in the Bill are available for the perusal of members of the House. As a matter of fact, to my mind it imposed conditions upon a private company who, primarily, had no concern with the transport of goods other than their own ore which had been opened up and the value of which was ascertained. However, the Bill was passed, and in support of the passage of that measure I should like to read first the report by the State Mining Engineer. On the 18th September, 1920, Mr. Montgomery, then State Mining Engineer, reported on the deposits. Even some people who carelessly cast innuendoes would not, I think, question either Mr. Montgomery's integrity or his professional capacity. He said—

The Horseshoe manganese deposits contain not less than 1¼ million tons of ore of good marketable quality very easily obtainable by open excavations, and most probably there are greatly larger quantities of ore below the superficial crust, which alone has been taken into account in this figure. The working facilities are very favourable for cheap extraction of the ore, and this is of good hard quality, suitable for blast furnace requirements and for shipping in bulk. The quantity in sight justifies construction 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 made, 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.

India is one of the chief producers of this class of ore.

The proposition is a very important one to this State, the present value in England of the ore now in sight being approximately £13,000,000.

Dr. Simpson, Government Chemist, was asked to report on the quality and value of the ore, and he said—

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 Horseshoe deposits are mainly composed of an intimate mixture of psilomelane and polianite with embedded masses of almost pure mineral of either kind. Only insignificant amounts of pyrolusite and manganite are found in them.

Of the 50 odd samples analysed from the southern ore body, five were first-class chemical manganese with an average of 90.2 per cent.  $MnO_2$ , and only 1.26 per cent.  $Fe_2O_3$ . Such material is eminently suited for the purpose of dry cell and glass manufacturers. Another 12 samples were second-class chemical ore with 83.9 per cent.  $MnO_2$  and 4.1 per cent.  $Fe_2O_3$ . This is well suited for chlorine manufacture. . . . 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.

Mr. Montgomery was asked to give a supplementary report, and on the 24th January, 1924, he said—

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 certainly greater than that shown in the report obtained by assays of surface samples only.

We not only supplied manganese ore to the Royal Mint but sent it to South Africa, to the Rand, the greatest gold refinery in the world, the officials of which were glad to have it. Mr. Montgomery continued—

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.

Hon. C. G. Latham: I suppose at that date it was perfectly true.

Mr. LAMBERT: Of course it was. On the 15th June, 1925, the company was registered with a capital of £250,000. In shares and debentures the people of this State subscribed no less than £150,000. To my knowledge there has never been a mining concern in this State to which the public so readily subscribed. The chairman of the company, Mr. W. N. Hedges, the man who to some extent was responsible for the building of the line, subscribed over £30,000 to the company, which money has been lost. When I interviewed the chairman of the Broken Hill Proprietary Company, a concern with a capital of £3,000,000 or £4,000,000, the largest users of manganese ore in Australia, he had no hesitation in guaranteeing that his company would subscribe to the extent of £10,000, which they did. I feel certain, that he had no doubt regarding the bonafides of the company. The public were not likely to subscribe capital unless they considered the proposition a genuine one. Now let me speak of the Government's interest in the matter. I was the one who first took up the manganese leases. The Chemical Company was originally formed to give me an opportunity to judge of the commercial value of certain mineral deposits in the State, and the Horseshoe leases, amongst others, were taken up. When we found it necessary, on the reports submitted, to connect Meekatharra with the leases. I said that no more than a tramline like the woodlines on the goldfields or in the timber areas should be constructed. The first proposal was to construct a tramline. Then we received many requests to build a railway on the 3ft. 6in. gauge. The object of this was to make it available for the transport of stock across that isolated and almost arid section of country 100 miles north of Meekatharra. Stock required 10 to 12 days to cover the distance from Horseshoe to Meekatharra on the hoof, whereas it could be transported over the line in a few hours. To the requests that a 3ft. 6in. gauge railway be built, we replied that we had only a certain amount of capital, but that if the Government would lend us secondhand rails, we would be prepared to consider the proposal.

Hon. C. G. Latham: Did you say lend or sell?

Mr. LAMBERT: Either lend or sell.

Hon. C. G. Latham: There is a difference.

Mr. LAMBERT: The first proposal was that the company should be supplied with secondhand rails available after the relaying of the Wongan Hills line. Later, the Railway Department suggested that it would be better for the Government to buy 45-lb. rails and make them available to the company under a hire purchase agreement on terms that would safeguard the State's asset and give the company a chance to operate. After an interview between the directors and the then Premier, this suggestion was agreed to. When the papers are tabled, members will see on what basis the then Premier agreed to make the rails available. The Government had to be satisfied, not only as to the bonafides of the company, but also that sufficient money would be subscribed by the public to enable the line to be built and the deposits to be operated.

Mr. Stubbs: Did not your company buy all the sleepers?

Mr. LAMBERT: Yes. All that the Government actually did was to buy the rails and the telephone standards and make them available under a hire purchase agreement. I will deal with that point later.

Mr. Sleeman: Where are the sleepers now?

Mr. LAMBERT: The public money subscribed was expended on sleepers and other things. It is well for the House to know that out of the subscribed capital of £150,000, the first cheque paid was £1,250 to the Government for registration and transfer fees. The member for West Perth (Mr. McDonald), who was the company's solicitor, is aware of that. That was the first nibble the big rat got out of the money subscribed by the people. From then on the Government continued to nibble until they had received £54,000 for services rendered. That was cash paid to the Government for services rendered directly or indirectly, for putting stamps on registrations and transfers, or for lease and other services. The rails and fastenings cost £106,210 9s. 9d. The sleepers paid for by the company and railed to Meekatharra at a cost of 2s. 6d. per sleeper cost no less than

£51,748 3s. 4d. The amount under the heading of "miscellaneous" was £3,065, making a total of £161,000. The Government paid out £106,000 and one or two other small amounts. Notwithstanding that, even the Premier, Ministers, and others are being accused of dishonesty, I have neither the time nor the inclination to pick out every threepenny piece that has been spent on this railway or anything connected with it. The first thing on which we spent money was the siding at Meekatharra, which the Government still have. On rails and fastenings for the Meekatharra siding the company spent of its capital £2,687 16s. 11d., and on the telephone £2,557 8s. 2d. I cannot say whether this was material which was purchased by the Government and covered by the hire-purchase agreement, because it was supplied in 1927, if I remember rightly. Other items were: cattlestops £170 5s. 4d., clearing and forming £940, lifting and packing £2,510, plate-laying £6,087, and administration £1,833. I put in 10 or 12 years of my life on this business, attended every meeting, and did not get a threepenny piece out of it. None of the directors charged a threepenny piece for their services, and none of the shareholders got anything out of the business. One or two of the directors, including the member for North Perth (Mr. MacCallum Smith), who was vice-chairman of the company, put a considerable amount of their own money into the concern and devoted much valuable time to the affairs of the company. Further items were—fettling £1,023, and cattle yards £805. I do not know what we had to do with cattle yards; that was not our business. We were to allow the pastoralists of the North to convey their stock over our private railway. Be it said to the everlasting disgrace of those who represent the North that they allowed the Government of the day to lay violent hands upon the railway going North, since it was intended to use it as a through line to the Kimberleys. Some members of another place talk very glibly about their fantastic schemes for the development of the North, but what have they done to bring it about? This was the first 80 miles of railway outside Meekatharra which should have been used for a continuation northward, to make possible the occupation of a large unoccupied territory. The gentlemen I speak of, neither here nor anywhere

else, after the shareholders had spent their money in this direction, raised their voices even in a whisper to protect the railway. The shareholders did not get anything out of it, but it was intended to provide an opportunity for the pastoralists and the people of the North to make use of this line.

Hon. C. G. Latham: It proved that the cattle people were putting a bluff over you when they asked the company to construct this line.

Mr. LAMBERT: We had a great deal of bluff to contend with. On stone banks the company spent £117, on bridges and culverts £485, on a survey £1,194, under the heading of "miscellaneous" railages, hire of rolling stock, insurance, handling, etc., £20,753, stores £2,321, and water supplies £1,717 15s. 3d. It can be suggested that there is interest owing upon capital, and capitalised interest, but the people of this company had full value for that, namely 82 miles of road going North, of an easy grade, with all steel girders used over culverts constructed where necessary. The shareholders did not take that away, and it is there for all time. As I said not long ago, when speaking about this line and pointing out its usefulness for other purposes, the time may come when the people of the State will realise that these manganese deposits will be of as great use in case of national emergency, should the occasion arise for the use of gunpowder, dynamite or gelignite. So much is this so, that the Broken Hill Proprietary Company were prepared to come into the business. Let those who criticise the bona fides of the people connected with this company see the file for themselves. One of the largest manganese concerns in England offered the Western Australian company £100,000 cash for its deposits. We would not accept that, because we did not desire the deposits to be held outside Australia. The Mississippi Iron Company, operating in America at St. Louis, at that time had assets valued at £1,000,000. The authenticity of those assets reached us from Elder Smith & Company, one of the biggest firms in Australia. The American concern offered to put the whole of their assets of £1,000,000 into the deposits on a fifty-fifty basis if we were prepared to make an amalgamate with it. The trustee for the debenture holders will produce this offer for the information of members. Although Mr. Hedges, from his holding in the company, would probably have

been able to realise £100,000 or £150,000 on his shares, he refused the offer, and declared that the deposits must not pass out of the hands of the people who owned them. Notwithstanding this, because the Government made available the rails for the construction of the railway, the integrity and honour of Ministers, who were associated with the company only in the most trivial manner, are questioned by people outside. After the railway was constructed—the present Minister for Works held the same portfolio at that time—the first thing we were up against was the request for an additional survey. The first survey had cost the company £1,194, and the railway actually had been built and brought into use. The Engineer-in-Chief, Mr. Stileman, demanded that a longitudinal survey of the railway should be made, the cost of which was estimated to be £3,000. Right through the history of the company the Government were of very little assistance to the undertaking and we had nothing to thank the Collier Government for. The Premier knows my opinion of his attitude towards it. This then was one of the first barriers that was raised.

Hon. C. G. Latham: I think you are very unfair.

Mr. LAMBERT: I may be uncharitable, but if the hon. member had had some of the bitter experiences I have had he would be more than uncharitable. When the Engineer-in-Chief was asked why he wanted this additional survey he said he required the particulars for office purposes. The public had subscribed capital for a private tram line for its own particular use so that it might convey its ore to the market. The shareholders had just as much right to construct this line for the conveyance of its ore as any individual has the right to construct a battery for the crushing of his ore. Mr. Stileman would not allow the line to be passed, and it never was officially passed. It was constructed by Mr. William Leslie under the supervision of Mr. Hedges. I suppose that is a combination which would compare favourably with the combination of any other set of persons who might be constructing railways anywhere in Australia. That was one of the first difficulties we encountered. It was definitely understood that if we carried out our obligations the Government in turn would make provision for all necessary loading arrangements at Geraldton, such as the construc-

tion of harbour facilities there for the handling and shipment of the ore. One of the arguments used was that an enormous quantity of ore was available, and that it could be marketed profitably at a price that would compare favourably with available supplies from other sources. Nothing was ever done to provide those facilities, and nothing was ever finalised with regard to them. When the depression set in, during 1929, the value of manganese ore fell from £5 a ton to £2 10s. That was brought about not alone by the world depression that had set in, but also by the fact that under the five-year plan the Soviet Government took over the Harriman concessions in Southern Russia, and operated them. The Russian Government paid the Harriman group of American financiers in Russian bonds to the value of £4,000,000, and gave the Americans notice to quit. Under the five-year plan the Russian Government stated they could put 1½ million tons of manganese ore upon the market. Someone was speaking in Fremantle a night or two ago.

Hon. C. G. Latham: And you were there?

Mr. LAMBERT: Yes, and there is no reason why I should not be there.

Mr. Hawke: At the pantomime.

Mr. LAMBERT: It would be more fitting if you were attending a pantomime instead of being here. This is what a certain person said the other night when indicting members of this Chamber—

Unfortunately for the financiers—

This person was referring to those who were connected with the concern—

—the Soviet Government about this time put two shiploads of manganese ore upon the market, and knocked the bottom out of the West Australian company.

Those two shiploads dwelt only in the imagination of that person, for the quantity marketed was 840,000 tons. In that year the Soviet Government dumped into Great Britain and America, in pursuance of their system of finance by getting credits through those countries, no less than 840,000 tons of this ore. These then are the two shiploads that arrived in Great Britain and America from the Soviet Government in this promiscuous manner. Unfortunately for everyone concerned the value of manganese ore fell. It is still very considerably depressed on account of the unfortunate dislocation of the economic and

industrial conditions throughout the civilised world. The price is not likely to right itself until some arrangement can be made with the Soviet Government and others interested to fix it on some reasonable basis. In this respect the company is in a position no different from that of other people. Although I have spent many years of my life in the interests of the company, in season and out of season, and the directors and others have also worked unselfishly in its interests, we are no worse off than others who depend upon the price of those things that they produce or are winning from the earth. That in no sense lessened our desire, while we had sufficient money, to develop the deposits. Only one out of five deposits has been so much as scratched. These are the only known manganese ore deposits of any size to be found in this continent. If they are not worked by Australians, they may be worked by some of our near-by neighbours who take a great interest in this continent. When we saw the position to be hopeless, when the Government proposed to take over the line, we went to the Minister for Railways and the Commissioner of Railways and stated our position frankly. As the outcome of many negotiations, we said our position was that we claimed certain property, but that we did not ask for anything which we felt belonged to the Government. The Government still persisted not only in putting pincers on the results of the capital that we had spent, but wanted to put pincers on the remainder of our capital as well. Here is a letter written on behalf of the debenture holders who had advanced the company a sum of £75,000 sterling. I will not read the whole of the letter; I merely wish to quote portion of it. I will make the letter available with all the rest of the papers, if so desired. It refers to the salvaging agreement put up by Mr. Will Davies, of Ford, Rhodes and Davies. It says—

I am willing to implement this agreement by giving a written undertaking to the Commissioner or the Treasurer to do so, but I respectfully urge that I should not be coerced into signing an agreement virtually abandoning the debenture holders' title to property that is legally secured to them. I recognise that if the Crown is able to substantiate its paramount claim, it may override my title under the debenture; but I have no power under the

debenture to relinquish voluntarily any security which I hold as trustee for the whole body of debenture holders.

That letter was written to the Hon. J. C. Willecock, Minister for Railways.

Hon. C. G. Latham: When was it written?

Mr. LAMBERT: On the 31st August, 1933, when the Government wanted to take, as they did take, possession of 200,000 of our sleepers, which had cost the company £51,000. Half of that cost is represented by railage. The railage amounted to about 2s. 6d. per sleeper from the timber mills to Meekatharra. Some of the sleepers taken over by the Government have been used, and others I understand are being used, for the re-sleepering of the Sandstone railway. I feel, and my co-directors feel, that the Government never showed any great sympathy to the builders of the railway. Had it been a Government line, and had there been a drought for a year or two, as there was a fall in the price of manganese ore, certain members of the Upper House and of the Lower House would be screeching from the house-tops if the Government proposed to pull up the railway. However, this being a private line built with private money, no one cared a damn; and so the line has been pulled up. It is an everlasting disgrace to the present and the previous Government that they should have sanctioned the pulling up of a line of this description, after it had been taken over, if they had any concern for the development of the country. If there is anything left out of the £150,000 we put into the venture we would gladly have taken it. However, after the money has been spent without our getting a threepenny bit out of the enterprise, we are accused in this fashion. At one time I was offered £25,000 for my interest in the company, and I would not accept the offer, though acceptance would have made me wealthy. Later I had an offer of £40,000 for my interest. However, I thought the enterprise was most valuable to the State; I believed in it. Unfortunately I could not foresee the fall in the price of manganese, any more than one could foresee the appreciated price of gold. I do not know that there is much more for me to say on the subject. The mention of some names in connection with the matter

causes me the sincerest regret. It appears to be suggested that something in the nature of a wrong act has been done by a Minister of the Crown or those at the head.

The Minister for Works: How many shareholders were there?

Mr. LAMBERT: About 600 or 700. The list of shareholders is here. Paltry amounts, perhaps a £5 note have been put into prospecting shows by some members. Is it suggested that because they have put £5 into something, they would sanction the expenditure of £100,000 in order to protect or promote their own investments?

Mr. Wilson: Are there only members of the Labour Party on the list of shareholders?

Mr. LAMBERT: No. However, I do not want to deal with that phase of the subject. It is a phase for those who desire to go further into the matter. If by inference or by innuendo it has been conveyed that certain members of Parliament were wrongfully connected with the venture, that is quite untrue; and those who made the assertion are answerable for it. The facts connected with the whole transaction have been wickedly distorted, and the people concerned have been grossly misrepresented. I regret it very much. In conclusion, I repeat that Mr. Collier unfortunately is not well enough to be present. However, I am certain that no man in Western Australia is mean enough to believe for one second that Mr. Collier would be associated with the matter otherwise than in such a way as would preserve and develop a national asset. May I add that I would like to have the papers made available as early as possible, so that anyone desirous of doing so can scrutinise them.

HON. C. G. LATHAM (York) [5.21]: I move—

That the debate be adjourned.

I do not wish to make a speech at this juncture, but I would like to say that I would be prepared to go on next Wednesday, or at any time between then and now which would be suitable to the Government.

**THE MINISTER FOR WORKS** (Hon. A. McCallum—South Fremantle) [5.22]: In explanation may I state that the Premier has handled this matter right through, and that we would like him to continue to handle it.

Hon. C. G. Latham: So would I.

The MINISTER FOR WORKS: I regret to state that the Premier's health is not so good to-day as it was yesterday. He has had a little setback. If the Premier's health does not improve sufficiently to allow him to deal with the subject during the next few days, another Minister will deal with it. The matter will certainly not be delayed.

Motion put and passed; the debate adjourned.

## ANNUAL ESTIMATES, 1934-35.

### *In Committee of Supply.*

Debate resumed from the previous day on the Acting Treasurer's Financial Statement and on the Annual Estimates; Mr. Sleeman in the Chair.

*Vote—Legislative Council, £1,593:*

MR. MOLONEY (Subiaco) [5.28]: Having listened carefully to the Leader of the Opposition and to the member for West Perth (Mr. McDonald), I must confess that notwithstanding the diligence those hon. members displayed in placing the financial position before us, and the helpful criticism that was offered, more particularly by the Leader of the Opposition, the situation, to my mind, has not been clarified in the slightest degree. The Leader of the Opposition expressed himself as solicitous to help the Government out of the financial tangle. Probably I was rather optimistic, but in view of the work that is being done by the present Government, in view of their stabilisation of the position under most adverse conditions, I did imagine that at least a word of praise would have been uttered by the Leader of the Opposition. Instead of that, what did we find? A recapitulation of the policy that has been practised by hon. members opposite in the past is attributed to the present Government. Notwithstanding that the strictest economy has been exercised and that the deficit has been brought within reasonable proportions, the Government are castigated. They have inspired such confidence that they have been able to derive a greater revenue than was possible under the previous regime. Further, they have been able to secure from the Commonwealth Government, who are generally the ones to receive kicks—



Hon. C. G. Latham: They are great pals of the Labour Government.

Mr. MOLONEY: Even in the view of the Leader of the Opposition, the present Government have been able to obtain more money than the previous Government. Whether it is that the present Government are recognised to be making a good job of it, the fact remains—and it should be something in their favour—that their advent to power inspires sufficient confidence to induce the Loan Council to grant them at least some of the money that they require. We always find that when Labour is seeking the suffrage of the people they are portrayed as those who lack the confidence of the people. The greatest hogey at the recent elections was that absolute ruin would follow if Labour were returned. We find that though the Leader of the Opposition did not praise the party we represent, he did indirectly praise them by his criticism of the extra amount the Government are now receiving in the form of revenue, or for what they have been able to get from the Loan Council. That criticism in itself is praise and it shows at least that we on this side of the House are getting on with the job. Because of the incubus of interest and sinking fund, we are told that industry cannot carry on; we are told that the farmers have received no assistance from the present Government; we are told further that the people of the State have received no consideration from the Government. We find that the Leader of the Opposition is desirous of lifting the burden from the people, and particularly from the shoulders of the civil servants. He is anxious to see that the lowest paid workers will not receive less than that to which they are entitled, commensurate with the existing position. But what a different tune he played when the Financial Emergency Act was before this House for the purpose of relieving those people who were in receipt of 30s. per week and those being paid less than £293 per annum for the purpose of tacking it on to those better able to stand it! The hon. member referred to several taxation Bills introduced by the previous Administration of which he was a member. We find that that Administration had no compunction about imposing taxation whenever the opportunity offered. And they did so to the extent of an extra £115,000, most of which was obtained from people up to

the £293 per annum mark. Other members of the then Government were not game to take up the cudgels on behalf of those from whom the taxation was being extorted. To-day we find that the Leader of the Opposition has altered his tune.

Mr. Sampson: He tried to prevent compulsory unionism.

Mr. MOLONEY: I am not talking about compulsory unionism; I am referring to the taxation imposed by the Government of which the Leader of the Opposition was a member, a Government that did not consider the person who was struggling on the basic wage, or earning even down to 30s. a week. When we brought legislation forward to ameliorate the position, members opposite and also members of another place, bemoaned the fact that those we were proposing to help were already in receipt of adequate salary. Even the member for Nedlands mentioned that despite the income he had, he deprecated the fact that 9d. in the pound would be levied from him. Our aim was not to unduly impose taxation on those on the lower rung. Again we find the Leader of the Opposition stating that the present Government in their treatment of those engaged on relief work, are not carrying out the promises that they made. At election time the hon. member said that promises were made to placate the people. One has only to recall the last State elections. Did the hon. member and his party make any promises? Did they announce that there would be work for all, and that we would be in Arcadia if his party were returned? Oh no! They would not do anything like that!

Hon. C. G. Latham: And they did not either.

Mr. MOLONEY: He did say that the present basic wage was £3 9s. and that his desire was that there should be uniformity of payment and that it should be brought into line with the Federal basic wage of £2 18s.

Hon. C. G. Latham: That statement is untrue and you know it.

Mr. MOLONEY: In the hon. member's policy speech at York that statement was made and it was given great publicity. In his desire to bring about that uniformity, is it any wonder that the people were unable to see eye to eye with him? The mentality that characterised Opposition members at election time is evident to-day.

Their desire is to combat the good work that has been done and is still being done by the present Government. We find that to-day the Opposition are full of solicitude for the civil servants who are struggling under the burdens they are carrying. Even at the present time one would think that it was the Labour Government that had introduced this most pernicious form of taxation, and the anomalies in the cutting of wages. Instead of that being so, we know that the Government to the best of their ability have remitted no less a sum than £115,000 to those from whom it was taken. In the present Estimates we find there is provision for the restoration of an additional £45,000, a sum of money that is being taken from the limited resources at the Government's command. So we are rising above the ruck. I was impressed by the sincerity of the member for West Perth (Mr. McDonald) when he mentioned that much was expected of a Government and that the people thought that all they had to do was to ask and the Government would supply it. But there are certain fundamentals that must of necessity be observed, and when we talk of stabilising our financial position or obtaining Budget equilibrium, we want to remember also that Australia as a nation is in pawn to the extent of £544,000,000, and that until such time as we are able to wipe the slate clean, until we are able to rehabilitate our position and liquidate our liabilities, we shall not be able to do very much. We find that in countries such as England orthodox economies are resorted to; yet here in Western Australia with a mere handful of people numbering 442,000, we are struggling to amass a revenue of eight millions. Our peak revenue was £9,700,000. When we remember that of the total revenue 63 per cent. goes towards paying interest and sinking fund, and that in addition £540,000 has to be provided in the form of exchange—though this indirectly benefits the primary producers—it will readily be conceded that we cannot, by one stroke of the pen, obtain what the member for West Perth would desire. There is no question that we as a separate entity cannot achieve what we would wish to bring about, but we must all the same march shoulder to shoulder to mobilise our resources in the manner indicated by the member for West Perth. Any plan that might be adopted for the future which provides that the greatest sacrifice

shall be made by the people who are brought under it, will not have my support, nor should it have that of any other right-thinking person. Sufficient sacrifices were made by the people of Australia during the war period, and they have been just as great during the past few years. Still, the people have stood the strain well. I would not wish to be one of those who have been subject to abuses practised by people in authority, whether it be benevolent authority or dictatorship. The existing conditions will do for me, and I think they will do for everyone else in our community. But there is required a mobilisation of the resources of the nation, and that something shall be done in the way of instituting a monetary system that will allow the people to have a fair share of the labour they produce. It is all very well for members to talk about piling up deficits. The previous Administration were pastmasters in that regard, and averaged deficits of £1,500,000 per annum.

Hon. C. G. Latham: For three years! Don't exaggerate; it does not make your case any better.

MR. MOLONEY: As a result of the present Government inheriting legacies in the shape of those deficits, of the fact that, as we were told, taxation had reached the saturation point and that every avenue for the raising of revenue had been exploited, the present Government informed the people at the last elections that, if returned, they could not do more than they had done previously. However, as a result of consolidating the position and getting people back to work, conditions have been vastly improved, and yet not one word of praise has been uttered by the Opposition in respect of the achievements of the Government. It is neither right nor fair. The situation is too difficult. The problems that have to be faced are such that every member of this House and every person in the community, quite apart from whatever their political complexion may be, should join together in an effort to solve them and promote the best interests of the State as a whole. It behoves every member of this House to render not mere lip service but to come out into the open and say to the Government, "You are doing the job well, and while you carry on as you are doing to-day we shall support you, and there will be no carping

criticism from us." When the Leader of the National Party (Hon. N. Keenan) was returned at the last elections, one of the final statements he made to the electors was that there would be from him no carping criticism that would embarrass the Government. I pay a tribute to that hon. member, for I believe he has tried to act up to his promise since his return to this Chamber. Members generally should rise to the occasion and not view matters parochially. Rather than complain about nothing being done for this or that particular section, we should have regard for the interests of the community as a whole. In considering the interests of the State, for instance, we should remember what conditions apply in the North. We find that to-day 3 per cent. only of the beef raised in Australia is being consumed on the English market. The cattle growers in the North have been called upon to supply the requirements of the metropolitan-suburban area and of the residents in other southern parts of the State, and as a result of the ham-stringing of their activities, they have found that their frozen meat is not acceptable on the Home market. On the other hand, although we have ascertained that chilled meat would admirably suit the people in the Old Country, the initial expenditure involved in fitting out ships to convey the meat overseas, and in providing other requirements necessary, makes the scheme impracticable. In view of the difficulties of the North, there should be some mobilisation of our forces, even to the extent of securing Imperial aid, to exploit the use of that reservoir of potential wealth represented by the cattle depasturing in the North, wealth just as potential as the gold produced from the Golden Mile. A broad outlook is required of us in these times. I do not desire to consider major problems in the light of whether they will benefit the particular electorate I represent. My mind soars higher and prompts me to apply my energies and intelligence to the promotion of the interests of the State as a whole. When we consider the great wealth that is going out of the State from the mines on the Golden Mile, and when not only the Government but the companies themselves realise that each industry is called upon to pay a certain toll and that paid by the gold mining industry is almost negligible, it is astonishing that the members of the

Opposition should cavil at the Government's proposal to take so meagre an amount as £80,000 out of the gold mining industry in the form of a small impost. They suggest that we should not take that toll from gold or from any other source, and they are not prepared to give the Government any credit for their good intentions. The Opposition have said that the Government have been able to do certain things because they have had more money with which to accomplish them, and therefore no praise is due to them. A survey of these considerations in these times savours somewhat of a stocktaking, and I claim that the Ministers controlling the various departments are quite competent to carry out the respective duties entrusted to them. They have proved their capacity in the past and are well able to answer the criticism of those who will not render to them the praise that is their due.

**MR. NORTH** (Claremont) [5.52]: The late Mr. Davy, when speaking about the Premiers' Plan in this Chamber, stated that the ship of State was sinking at that time, and he proceeded with the Plan that was proposed to save the ship. Last night we heard from the member for West Perth (Mr. McDonald) that things have not gone quite as expected, and that some new plan was necessary to save the ship. At the moment I do feel myself inclined to dilate at length on the various proposals mentioned recently, because it appears that the ship has fired two rockets. One has been in the direction of Westminster in the form of the Secession Delegation, and the other has been launched towards Canberra, where, I understand, Mr. Lyons, Dr. Earle Page and Mr. Scullin have all promised us the fullest inquiry into problems regarding the banking system, and, in addition, to investigate the position regarding various improvements suggested. With those two rockets thoroughly launched, the people of Western Australia will have to bear themselves in patience until they ascertain what happens at Westminster regarding Secession and at Canberra regarding the most vital monetary inquiry, which has been fought for and demanded and has at last been promised. There are certain very suspicious electors who are of opinion that the inquiry will be shelved now that the elections are over, but I am sure that is a most unfair view to adopt. I am sure that those gentlemen who have been returned to

the Federal Parliament will keep their promises and give us a very full and independent inquiry. I understand that one Western Australian member who has been returned has promised that the inquiry will take place shortly and will be undertaken by independent accountants, and persons having no desire to prejudice the question. When those two matters are settled and when we know whether we are to get Secession or not, and whether the move at Canberra to secure some beneficial change in the monetary system has proved effective, then will be the time to look this unfortunate Budget in the face and ascertain what it means. As the member for West Perth pointed out last night, if we continue the present system of accountancy, we shall come to a dead stop in the course of a few years. His suggested remedy, apart from his excellent proposal for a conference of representatives of all the States to pool their brains and look into the position, was to follow Italy and other countries, and once more tighten our belts. I take it that in advancing that proposal he meant that as a result of tightening our belts, the position would be improved and we could then loosen our belts again. There are technical details to be considered, but he did not go into that phase. I believe he referred to sacrifices by those who can afford them by means of some method of taxation, and also to allowing more workers to be absorbed by private enterprise. The trouble is that no one has deliberately stopped private enterprise from absorbing additional workers. Unfortunately, Governments during the past few years have been faced with the necessity to provide for persons who have been thrown aside by private enterprise. Let members consider the position of a private business firm requiring to engage a typist. How different is the point of view of that firm from that of the Government or Parliament! The firm engages one typist from 200 applicants, which means that 199 typists are thrown back to the scrap heap, and the Government and Parliament have to come to their rescue. The efficient businessman has the first choice and discards the others who always, in the long run, have to turn to the Government and Parliament to carry them on. If we are to carry on with the present financial system and borrow in order to feed, house and clothe the people not required in industry, then, as the member for West Perth pointed out last night, it is a matter of a few years only before the end will be in sight. There is an alternative,

and I presume the Canberra inquiry will touch that phase on such an issue. There is quite a good analogy between the petrol we use in motors and the credit we use in industry. It so happens that in Germany recently some great scientists have discovered that they can use water instead of petrol for the propulsion of vehicles. That is very handy and furnishes an analogy between the new economics and our present system in determining how we shall use our credit, just as we use petrol in our motor cars. I can quite imagine the consternation that would be manifest at the various petrol stations along our principal streets and also at the various oil wells if it were really thought that we intended to abandon petrol and take to water as our fuel. I can imagine what expense would be resorted to by vested interests in waging the fight to protect the petrol industry against the new water fuel. Something in a similar way is possible if, as a result of the Canberra conference, some quite new form of credit may be suggested on broad lines. This should supplement but not supplant the present bank credit. The only country following that course at present is Japan. The people there are making quite a good fist of it, and are providing cheap exports throughout the world. They are attempting to use that form of credit in their own country. I trust that the two rockets to Westminster and Canberra respectively will prove successful, and be fruitful of results. I shall not delay the House further in discussing the general Estimates because the Leader of the Opposition, the member for West Perth and the member for Subiaco have all pointed very clearly to the hopelessness of the present outlook, unless there is some drastic alteration. What form it will take we cannot say at this stage. We shall have to wait until we know what has been decided at Westminster and Canberra.

**MR. SAMPSON** (Swan) [6.0]: I join in those feelings of gratification that members have expressed towards the visit of His Royal Highness, the Duke of Gloucester, and I trust that the results of that visit may help materially to strengthen the bonds of Empire. No doubt our royal visitors have done a great deal towards increasing the affection of the people generally—if it be possible to increase something which already has been so marked right down through the ages. In referring to the visit

of the Duke we should be lacking in appreciation if we failed to touch upon the excellent manner in which all arrangements were made and carried out. Those responsible for the arrangements are deserving of the best thanks of the community. When we realise the immense amount of detail put into the work it is amazing to find the task was done so well. I daresay there were some heartburnings caused through lack of invitation to certain functions, but at such a time that is inevitable, and is of little importance as compared with the quality of the work done, which reflects great credit on those responsible. Coming to the Budget, I was sorry to note the air of complacency and satisfaction which characterised the Deputy-Premier when bringing down the Estimates.

The Minister for Works: Did you want me to look worried?

Mr. SAMPSON: No, but I felt that in ordinary circumstances we would not have had the Estimates in that way. I recall that when the Deputy-Premier came into the House he struck a new line, he was marking perhaps a new epoch in legislation in this State. I am doubtful whether it is justifiable to criticise him, because I know he had but very little time in which to assimilate the details and figures of the statements he was to make. At the same time it is not a subject of congratulation that a budget should be brought down providing for a big deficit. It does not require any ability to submit a budget when any shortage can be provided for by a deficit. So I am not sure whether I should be justified in blaming the Deputy Premier, but at a later stage, many years hence, should that gentleman be in a position of full control over the casting and preparation of those figures, I hope he will have a more serious regard of the importance of making the country pay its way.

Mr. Moloney: Do you think he was flip-pant?

Mr. SAMPSON: No, but he took the line of least resistance, or at all events those responsible for the preparation of the figures did so. I am not handing bouquets to any Government that depends on deficits to square the Budget. There is no real credit in that. If a business man in his estimates for the forthcoming year were to find he could not pay his way he would not last long in business if he were to say, "Well,

we will provide for a deficit." If he were the manager, no doubt the company would provide for a new manager at the earliest possible moment.

The Minister for Employment: Would you square the Budget and starve the official?

Mr. SAMPSON: The Minister for Employment always takes the extreme view: it has to be either a new heaven and a new earth or starvation generally. But nothing of the sort. There is, I am sure, opportunity for this country to square its Budget, and I hope in a few minutes to suggest in various ways how something of the sort could be brought about, and a better result presented than is presented in the Estimates before the House. I do not know whether the Deputy Premier discussed with the Minister for Railways the full result which may reasonably be expected to follow the sacrifice or partial sacrifice of the road hauliers. I know that some improvement is provided for, but if that improvement is not to be very considerable I seriously doubt the wisdom of the House in passing the Transport Co-ordination Act. So I ask the Deputy Premier whether he had opportunity to discuss with the Minister for Railways the point to which I have referred. As I have said, I realise that the Deputy Premier did not have very much opportunity to become conversant with the figures contained in the Budget, and so I do not wish to be unreasonable about it; but in the future I will look for a considerable improvement in the presentation of the Estimates.

The Minister for Works: I promise to improve with age.

Mr. SAMPSON: There must be improvement, because the present method of squaring the Budget by providing for a deficit is not what should happen in the management of the finances of a country of great natural advantages such as Western Australia possesses. The deficit provided for is £644,000, a big sum, and only £144,000 less than the deficit of the previous year. Seeing that gold production has increased and that we are a long way towards the restoration of the timber industry, that difference between the two deficits is very little. I would remind the House that an increased revenue of £365,000 is expected. So, taking the broad view and realising the world improvement in the value of

gold, and the improvement of the timber industry the position is unsatisfactory. The habit which has grown up, not only in this House but in other Parliaments, of squaring the national ledger by a deficit is a bad habit which should be brought to an end. If this State is to progress, those at its head must see to it that the country pays its way. If we look back we find that in the old days the Treasurer was not treated with the same consideration if he budgeted for a deficit, and so he strove to make the country pay its way. When a country pays its way, its success in that regard brings further success and makes for a good name. I have noticed with regret that the Government, running true to form, have forecast additional taxation, and this in spite of the statement made by the Deputy Premier, who said we had exacted taxation almost up to the point of the law of diminishing returns, and that further taxation would only arrest any improvement in investment by private enterprise. That, of course, was a very fine statement.

The Minister for Works: We are not imposing any additional taxation.

Mr. SAMPSON: The Deputy Premier went on to say it was proposed to impose taxation on gold profits.

The Minister for Works: Have you any of them?

Mr. SAMPSON: I do not wish to answer that question. When I read what appeared in the "West Australian"—fortunately the statement was made by the Deputy Premier—about the flow of taxation, I looked for some justification of the imposition of a tax on gold.

The Minister for Works: The tax is not on gold, but on profits from gold.

Mr. SAMPSON: The goldmining industry has had a most difficult time, and it is only during the past year or two that gold has come back to help materially to rebuild this country. If anything is calculated to assist in dispelling the results of the depression, it is the goldmining industry. I am not prepared at the moment to say whether I will support the new tax, but it is easily possible that the imposition of that tax will do considerably more harm than good. I am aware that the tax is to be on profits: indeed it is hopeless to tax something which is not paying its way. No Government in the world

would impose a tax unless a profit were being shown.

The Minister for Works: Taxes have to be paid whether there are profits or not.

Mr. SAMPSON: The Government could not possibly continue to ask a mine for taxation unless profits were being secured. To attempt that would be to place themselves on the same plane as that occupied by the Minister for Employment, who tried to impose taxation on those who were working only part time.

*Sitting suspended from 6.15 to 7.30 p.m.*

Mr. SAMPSON: Continuing my discussion of the proposed tax on profits from gold mining, I point out that already a dividend duty is payable on profits, but I do not propose to embark upon a criticism of a measure that is not yet before us. I was interested to hear that loan conversion operations are expected to result in a saving of nearly £100,000, and that the average rate of interest payable during the year was 4.07 per cent., or, plus exchange, 5.11 per cent. As I have previously stated in this Chamber, reductions must be carried even further. Undoubtedly Australia is paying far too high a rate of interest on its overseas borrowings. It is alarming to note the increase in the public debt of the State. Last year it increased by £3,308,242, and the net public debt at the 30th June, 1934, was £85,476,390. Certain features of last year's figures are interesting and could be commented upon, but there will be an opportunity to refer to them later. I note that the expenditure of a non-recurring Commonwealth grant of £133,000 is receiving the earnest consideration of the Government. It seemed superfluous to say so; the expenditure of such an amount should receive earnest consideration. It is pleasing to note that the electricity supply receipts again exceeded the estimate. The position of that department is invariably good, and I hope that, when the Bill providing for public works is presented, the matter of electricity supply will receive sympathetic consideration. The expenditure of loan money on unemployment last year amounting to £118,000 must have been a great help to the Government. I hope that the works on which the loan money was used will prove reproductive. It is important that the loan account should not be loaded merely to improve financial appearances. The excess expenditure on railways, £140,000, calls for

further explanation. That outlays were incurred for repairs and washaways is understandable, but the figures were not given by the Minister. The Minister admitted that the position of the State was better 12 years ago than it is now, and by implication, if not by direct statement, sought to place the blame on the Commonwealth. I am prepared to support that view to a large extent, but it is true, nevertheless, that we should do more to help ourselves. I hope that, when we listen to the figures and the statements next year, we will find that the greatest possible effort has been exerted to balance the finances. I regret the absence through sickness of the Premier and trust it will not be long before he has thoroughly recovered. We are so accustomed to seeing him in his place that the possibility of his being laid aside by sickness had not occurred to us. During the comparatively long period that I have been a member, I cannot recall his having been absent for any length of time through sickness. Evidently the Premier needs a good holiday and I hope he will have it. No one in this Chamber, or in another place, would do other than wish for the Premier a speedy recovery. We all wish to see him back in his old job—that is, so long as the present party remain in power—fit and well, and I hope he will have an opportunity to get well, which in my opinion will necessitate a respite from office cares.

Progress reported.

*House adjourned at 7.38 p.m.*

## Legislative Assembly,

*Thursday, 11th October, 1934.*

	PAGE
Question : Railways, contract conditions ... ..	740
Hill : Timber Workers, &c. ....	741
Annual Estimates : Votes and Items discussed ...	743
Premier's Department ... ..	748
Treasurer's Department ... ..	749
Forests Department ... ..	752
Minister for Works and Labour ... ..	753
Minister for Justice ... ..	759

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

### QUESTION—RAILWAYS, CONTRACT CONDITIONS.

Mr. HAWKE asked the Minister for Railways: 1. What labour conditions, if any, are stipulated in contracts let by the Railway Department to private firms? 2. Are any of such conditions stipulated in the contract let for the raising of ballasting material for the Meenaar deviation work?

The MINISTER FOR RAILWAYS replied: 1, The clause governing labour conditions reads as follows:—Tenderers to pay wages and comply with conditions of current Arbitration Court awards governing the industry, and to employ none but British workmen on the contract; also to comply with Tender Board conditions. The relative Tender Board conditions are:—Tenders from British subjects only will be considered, and it is a condition precedent to the acceptance of any tender that the successful tenderer shall employ only British subjects in the carrying out of the contract, and that if at any time he makes default in compliance with this condition, the Government shall be a liberty forthwith to cancel or determine the contract, and the contractor shall not be entitled to any compensation by reason thereof. For all work done in Western Australia under this contract, not less than the minimum rate of wages ruling in the district where the work is to be executed must be paid. The contractor shall not, without the express permission in writing of the Tender Board, employ or permit to be employed on any work in or appertaining to this contract any Asiatic or African labour; and such permission shall be granted only for special service or duty, and when it is proved to the satisfaction of the