

diminished and the present month will probably be the most serious.

Mr. James Gardiner: In South Australia the railway revenue has fallen off £220,000 in three months.

The PREMIER: By the end of the month our railway revenue will have fallen off something like £80,000 for the three months. Not only is the volume of traffic less, but the best-paying traffic has decreased. In some industries it has been found necessary to practically close down, while in others the output has been reduced and consequently the railways are not paying to the extent they were. Timber, which represents one of the best-paying propositions, has been considerably affected. The average quantity of coal is not being conveyed to the ports, because the bunkering trade has fallen off. Previously we were sending out fertilisers and bringing in wheat as back-loading. At present the mileage has to be covered in order to transport the fertiliser, but there is no wheat to carry on the return trip. While the train mileage will probably be maintained, our expenditure must increase. This is one of the most serious aspects of the present situation, and I regret there is no hope of recovery during this financial year or even in the opening months of the next financial year. I trust that with a better season we may experience a good harvest; the outlook for the pastoral industry is already brighter and when the timber industry returns to its normal condition, the railways should again be in a position to pay capital charges and show a slight profit. During this year, however, the position will be serious from the point of view of loss of railway revenue and increase in mileage.

Hon. J. Mitchell: If that is so, how can you arrange for the engine-men to stand down four hours a week?

The PREMIER: There are some branches of the service to which the reduction of hours cannot be applied. Particularly is this the case with the loco. branch, as the men have certain trips to make.

Hon. J. Mitchell: You cannot reduce them if they have more running to do.

The PREMIER: There is not likely to be much reduction in the loco. branch, but in the workshops where nearly one half of the railway men are employed the hours have been reduced. Wherever possible we have applied the 44 hours a week, not only to bring about a reduction in expenditure, but to keep the men in our employ. Twelve months hence, I am hopeful that railway operations will show such an expansion that we shall require more men than are employed to-day, and I repeat it is far better to retain the men who are now employed and have railway experience than to retrench them and lose their services for all time. The 44 hours a week system is of advantage to the Government in this respect, although it does not achieve the same economy as retrenchment would do.

Hon. J. Mitchell: To whom does the 44 hours apply?

The PREMIER: To the wages staff wherever it is practicable to reduce their time.

Hon. J. Mitchell: Not the station-masters?

The PREMIER: No, they are on the salaried staff.

Progress reported.

*House adjourned at 11.26 p.m.*

## Legislative Council,

*Wednesday, 17th February, 1915.*

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

## PAPER PRESENTED.

By the Colonial Secretary: Report of the Auditor General under Section 47 of the Workers' Homes Act, 1912.

## MOTION—TIMBER INDUSTRY.

Hon. Sir E. H. WITTENOOM (North) [4.33]: As the Standing Orders are now suspended, I desire to move without notice—

The DEPUTY PRESIDENT: The Standing Orders are only suspended insofar as the passage of Bills and messages are concerned. The hon. member, if he wishes, can move a motion without notice, but he must first obtain the leave of the House to do so.

Hon. Sir E. H. WITTENOOM: I move—

*That leave be granted to move the motion.*

Leave given.

Hon. Sir E. H. WITTENOOM: I move—

*That the position of the timber industry should immediately be taken into consideration by Parliament.*

It had been my intention this afternoon to move for the adjournment of the House to consider what I regard as a most pressing matter. Inasmuch, however, as the leader of the House has informed me that he has heard very little about the subject, and that probably he would like to reply, and it is impossible for him to move the adjournment of the debate on an urgency motion. I have changed my motion into one which will enable anyone to speak to it and which may be adjourned so that the Colonial Secretary, if he thinks necessary, can reply to it at a later date. My only excuse for troubling hon. members with the subject to-day is that a very serious crisis has arisen in the timber trade in Europe and abroad from the Commonwealth. Unless the f.o.b. cost of this jarrah timber is reduced to the extent of something like 20s. per load, it will be impossible for our country to tender in England and other places with any hope of securing those orders.

As this is a matter which vitally concerns the workers of Western Australia, as well as the members of the various companies, I would like the representatives of the Press here to give a very careful and full report of the subject matter of this motion, so that all persons concerned in the industry may have an opportunity of hearing the facts and figures I propose to submit this afternoon. The position of affairs in connection with this matter is to some extent as follows:—It seems that the American people have been able to introduce some invention in connection with pitch pine and oregon in some creosoted form which has superseded jarrah at the present time for railway sleepers and other necessary works, and it seems, too, that the Americans can lay down these creosoted sleepers in London at a profit at considerably less cost than jarrah can be landed at cost in London. Therefore, it will be obvious that if there is any hope of Western Australia being able to secure orders for jarrah it must be in a position to tender satisfactorily against this pitch pine and oregon. Of course this state of affairs does not necessarily affect all the mills because there are some mills and some companies which do a purely local trade. Whether local prices will be altered or not it is impossible to say. I think I can speak on behalf of all who export jarrah and say that, unless some alteration is made, this trade will be practically ruined and that a very large number of workers employed in connection with it will be seriously affected. To let hon. members know the position authoritatively and exactly, I propose to read to them the cables and the correspondence which have been transmitted in connection with the matter, so that both hon. members of this House and the public generally, as well as the workers, may know exactly the state of affairs. I, therefore, propose to take what is perhaps the largest company dealing in jarrah, namely Mil-lars' Jarrah Trading Company. They are perhaps the largest exporters and have been this for years, but of late the Government have also been exporting. I am afraid this state of affairs will extend to

the Government productions as well as to those of other exporting companies. On the 21st January the local board of director of Millars', in looking ahead for orders as they usually do, and in order to see how they could keep their works going, cabled to London as follows:—

What are the prospects of future business?

I am giving you every private detail there is to be given in connection with this as frankly as possible so that everybody may know exactly the state of affairs as the local board knows it. The London board cabled as follows:—

Referring to your cable of the 21st there is little prospect at present of securing further orders for jarrah. Fear we shall have to close down most of our mills after the end of February. Large sleeper orders given by English and continental railways but creosoted pitch pine and oregon have secured contracts. Notwithstanding enormous freights ruling from America cost of creosoting one shilling each they are still considerably lower than jarrah. These remarks apply also to a few orders given out in India. Cost of jarrah with freight which we shall have to pay puts it out of the market.

That cablegram was received here from London on the 23rd January. Then, later, this cable was supplemented with one dated 2nd February, as follows:—

Referring to our cablegram of 22nd we have discussed position with the Agent General and arranged that you should see Premier and submit that cable. Our views are that unless f.o.b. cost can be reduced by about 20s. a load neither we nor the Government can tender successfully. There ought to be an all round reduction in rents, railage, wharfage, cartage and wages including hewing. Even with that reduction we cannot be sure of orders, but should be hopeful notwithstanding freight difficulties. Report result of interview with the Premier. Our great desire is to carry on but we fear

we shall have to close some of the mills.

Hon. J. Cornell: Unless the State comes to their assistance.

Hon. Sir E. H. WITTENOOM: I am speaking from the point of view of the company without any State assistance.

Hon. J. Cornell: The purport of that is that they cannot carry on without State assistance.

Hon. Sir E. H. WITTENOOM: I think the hon. member has got hold of the wrong end of the stick. The purport of the cables is that they cannot carry on unless the f.o.b. cost of production is reduced to £1 per load. They do not say how it is to be reduced; they only suggest, as far as I can see, that it should be by an all-round reduction in rents, railage, wharfage, cartage and wages, including hewing, which would of course, include a reduction in the staff expenses. I took the opportunity of interviewing the Premier with one of my co-directors, and we had a little talk with him. The Premier had received cable messages from his representative in London. Members know that the Government have a timber representative in London, as well as the Agent General, and he had probably received some news from that officer, although he did not tell us in so many words. The Premier stated that he would consult Cabinet and let me have a reply in a few days. I should have brought the matter up before the House before but I did not receive the Premier's reply until yesterday morning. I will read some of the correspondence which passed between ourselves and the Premier. We wrote on the 3rd instant to the Premier and on the 15th inst received the following reply:—

With further reference to your letter of February 3rd, relative to the present outlook of the timber trade in this State, I have to inform you that the representations contained in your communication, as also those made at our recent interview, have received the consideration of Cabinet, and Ministers are of opinion that the first essen-

tial in connection with the suggested suspension of awards and agreements is to discuss the matter with the parties thereto. The question of reduced charges for railage, wharfage, etc., could then be dealt with.

Hon. members will therefore see that we did not get very much encouragement from the Government. Then we wrote this letter on the 16th—

We have to thank you for the favour of your reply of the 15th February to our letter of 3rd February. We are quite in accord with your suggestion as far as it goes, but the position is that it would be no use our discussing the matter with the unions with whom we are concerned unless some machinery were provided whereby awards could be amended or suspended, because as far as we can understand the Act it would be impossible for the court or the parties to an award to alter the term under which they are working. It might be different in cases of an agreement. We would suggest therefore that before Parliament rises some machinery should be provided whereby parties to an award can get an amendment of their award legally if they are able to come to an agreement between themselves as to fresh terms. In the event of an agreement not being come to between the parties to an award, then of course an alteration of an award could not be effected. With regard to railages, wharfages, lease rents, etc., we hardly see how these are affected by the other question, but perhaps one without the other would be of no avail to us. We would also point out that time is an essential of this matter, as we would still have to negotiate with the union, and now is the time we should be trying to get orders. Our previous letter informed you that our London office advised the impossibility of getting orders under the existing conditions.

That is how the matter stands so far, with the exception that yesterday afternoon we invited two representatives of the timber unions to meet us, and discuss

the question thoroughly. These gentlemen discussed the position in a most reasonable manner, and I believe they are going to bring the question before their own people and go further into the matter. That is exactly how the position stands at the present moment, and the whole point is, that unless there is a reduction in costs all round, and some sacrifices are made by everyone interested, it will be almost an impossibility to secure orders. So far as this company are concerned, after February their orders will be pretty well exhausted and unless the company are in a position to tender and get fresh orders there can be nothing else done but to close down. I would like to give a short review of this particular company. I am only referring to this one company to show its usefulness to the State. In the first place, they are working 13 mills, and in these mills the company employ no fewer than 1,800 men. Probably this means a population of some 5,000 people, taking into consideration the wives and children of the employees. The payment made to these people in wages is £25,000 a month, and the railage and wharfage paid to the Government in one year—this, I think, will surprise hon. members—was £148,394. Hon. members will thus see that this one timber concern alone is of great advantage to the Government, if only from the point of view of revenue. These figures have nothing to do with rents or royalties and other expenses, and they are the figures of only one company out of several, and the Government get similar results from the others. At the present time that one company have 650 horses. A little while ago the number was 800. Those horses cost £60 each, and it will be understood what it means to the farming community of the State, when those horses have to be kept, particularly at the present time, when chaff costs £9 a ton. If these mills were closed down, the expense of keeping the horses would be readily understood. As a matter of fact the cheapest thing for the company to do would be to cut the throats of those horses, because there would be no possibility of selling

them. In addition to this distribution of work and wealth, we have to take the number of lumpers who are employed in the work of loading vessels. That is by no means an unimportant consideration. A great number of men are kept at work at Bunbury, so that it will also be seen what the industry does for the town of Bunbury. I would be sorry to predict what Bunbury would be like if the whole of the timber mills were to close down. I used to hear enthusiastic men like Mr. Teesdale Smith and Mr. Venn, who, looking into the future, would say that Bunbury would be exporting a great quantity of apples, and vessels would be there in great numbers taking away that fruit. I have longed to see that day, but up to the present it has not come, and if the timber industry has to close down, I am afraid Bunbury will be far from being the important place it is at the present time. Millars' have been carrying on a very large business for a considerable time, and they have employed a great number of men, in fact, a good many in excess of the number they employ at the present time, and they have always prided themselves on the fact that they have treated their men fairly and paid them good wages. In fact, I believe that at the present time there is no better paid service throughout the Commonwealth, nor are there to be found men carrying out similar work in a more satisfactory way or under more healthy conditions than those who are associated with Millars' Company. Knowing as they do what a splendid lot of men they have, and how well trained they are, Millars' naturally feel much upset at the idea that there should be any possibility of a break in the continuous employment of those people. This employment has been going on for so long now that I am certain it will be a catastrophe to see it stopped. This company deserves some consideration too, because for some five or six years after they started operations not one penny went into the pockets of the shareholders, although perhaps in the last few years the shareholders have had a fair and reasonable return in the shape of dividends, though those dividends

have not by any means been excessive. The company have also, with enterprise, opened depots and branches throughout the world, not only in Europe and in India, but even in South America, and they have spared neither money nor enterprise in letting every part of the world know the value of this timber, so that they might avail themselves of it and use it. We must also remember that in the sale of the timber, and also wool and gold, we do not take all the money out of the pockets of our fellow-men by selling from one person to another, but we sell it to foreign nations, and all the money that is brought in is new money, so that we cannot help looking at the trade which is done as advantageous from that point of view. I am referring to this in contradistinction to wheat. I may have 1,000 bags of wheat, and I may sell a portion of it to my neighbour. At the present time the export is not so great, and it cannot compare with the export of wool, timber, and gold. The position is that unfortunately all parties connected with the industry will be called upon to make some sacrifice and some loss. It is exceedingly unfortunate, too, that this should have come at a time when we are suffering from the effects of a drought and the effects of the war. I do not think the introduction of pitch pine and oregon has anything at all to do with the war, but it is worse than ill-luck that it should have come at a time like the present, when we have the other two serious difficulties to contend against. Therefore, it is necessary that everyone should make a sacrifice. We now come to the question of reduction of the cost and the matter of wages. The other point I have mentioned regarding the railway rates is a matter for the Government, and there would be a reduction in the administration and in the staff of Millars'. Then comes the question of the reduction of wages. From what I have gathered from the remarks of the Premier and of different representatives of unions, under no circumstances will they agree to a reduction in the price of labour. They are willing to accept shorter

hours, but anyone knows that shorter hours do not lead to a reduction in the cost of production; in fact with shorter hours a greater number of men are required and the cost of production is increased. Therefore it comes to a question for the workers and all concerned to consider whether, during this time of stress, they will accept a reduction in the railway and other rates, or whether they will accept the alternative, that the mills be closed down. Everyone will agree that it would be a national disaster if the mills were closed. It is always wise to accept half a loaf rather than have no bread at all. The matter is one for those interested to decide. I am merely putting the case as it has been represented to us from head quarters. It may be said that this is only some dodge on the part of the companies to obtain higher profits. It might be argued—"There is nothing in this pine business and the whole thing is merely a dodge on the part of the companies to get wages lowered to create a precedent and make a larger profit for themselves." Fortunately, we have the Agent General on our side. He also has assisted in sending out these reports, and he agrees that the competition is a real one and not an imaginary one designed to put more profits into the pockets of the shareholders of the companies. It may be said that the timber companies have cried "wolf" so often that they should be disregarded on this occasion, that three or four times they have asked that the rates of labour should be reduced and yet they are still continuing their operations, although no reduction was made. This only proves how far the mill owners and companies have laboured to carry on without a reduction, and, as a matter of fact, Millars' have paid the highest possible wages, and have fully observed all awards, and it is well known that hundreds and hundreds of pounds were paid under a retrospective award not long ago.

Hon. J. Cornell: You admit that was a case of Hobson's choice.

Hon. Sir E. H. WITTENOOM: I do not think it was. Some people might say

that Millars' and other companies are not now doing the volume of business they did formerly. The reason is that the Government came into competition with them in the timber business. I am not saying anything offensive about the Government, but am merely stating facts. The Government came into competition with Millars' and other companies in selling timber throughout the world. To such an extent was their competition carried that they sent a representative abroad to secure orders for them. Their representative is no less a person than a man who had been employed for years in Millars' business—Mr. Davies, a son of Mr. Karri Davies, of Karridale. He is employed by and is representing the Government in London, so that the competition of the Government has been very strong and earnest. In the circumstances it was necessary that some of the mills here should reduce their output and staff because many orders which otherwise would have gone to them were secured by the Government, and it is impossible to employ the same number of men with fewer orders to execute. Not long ago an hon. member, in speaking of the Government sawmills said—

Then, let them take the sawmills, which were to-day going at just the same rate, or a little faster, than before the declaration of war. Whilst Millars' and most of the other mills had closed down, throwing their men on the unemployed market, the Government mills were to-day giving employment to twice as many men and had received additional contracts even since the declaration of war.

Would it surprise hon. members to know that that statement was made by the Premier on the 10th December. He said Millars' had closed down all their mills and thrown their men on the unemployed market; yet Millars' never had fewer than 13 mills running. They certainly discharged 1,000 or 1,200 men because the Government had come into competition with them and secured contracts which they otherwise would have obtained and having fewer contracts they naturally had to dispense with some of

their hands. I do not think I need occupy any more time. I have tried to put the matter clearly and succinctly before members and the public so that they can judge the state of affairs for themselves. Once more I would emphasise that unless a reduction is made in some way, whether it be by the co-operation of the Government or by a relaxation of the rate of wages paid to the men under award, in addition to a reduction in the staff of Millars' and other companies, there is not the slightest doubt that from the reports received, no more orders will be secured and then the companies will have no alternative but to close down. It is a serious matter to contemplate that some 1,800 men might be thrown out of employment, not to consider the large number of persons dependent upon them, and it will be exceedingly serious if the money which has been introduced into the State and diverted into various channels, apart from what has been paid in wages, comes to an end. It is regrettable that such an industry should be impaired for want of some consideration for what I consider would be only a short period. If a reduction were made, let us hope it would not be long before operations could be resumed under normal conditions. We hope the creosoted pine oregon will be found to be useless in competition with our jarrah; I am of opinion that this will be the case. I think that numbers of English railway companies, who at present must effect repairs, are short of money owing to the demands of the war, and are prepared to carry out their repairs with the cheapest article suitable for the time being, and that later on when peace has been declared and money becomes more abundant they will revert to the use of jarrah.

Hon. J. Cornell: What was Millars' profit last year?

Hon. Sir E. H. WITTENOOM: Next to nothing. My only object in moving the motion has been to give members of Parliament and the public an opportunity to learn the exact state of affairs and to realise that if we are compelled to close down our mills it will not be at our own will, but because of the unfor-

tunate state of the markets in other parts of the world.

Hon. J. CORNELL (South) [5.10]: I admit at the outset that I am not very conversant with the timber industry, but the hon. member's remarks open up a wide field from an industrial standpoint. It was rather significant that the hon. member was unable to give an idea of Millars' profits for last year. When I questioned him on the point by way of interjection, he was as usual delightfully vague.

Hon. Sir E. H. WITTENOOM: I will get you a balance sheet any time you choose.

Hon. J. CORNELL: The hon. member stated that unless the f.o.b. cost of timber is reduced 20s. per load, the trade cannot be carried on. The hon. member and his London directors suggest that the 20s. per load saving should be effected by way of a reduction of rent, railage, wharfage, cartage, hewing and wages. This means that the taxpayers will be asked to bear the cost of wharfage, railage and rent, because I take it the timber is not being carried on a very great margin of profit, and the less the quantity carried, the smaller that margin will be. On the other hand individuals engaged in cartage and the men who cut the timber and make the industry possible are also to be asked to bear a reduction. Had some tangible proposal been put forward by the hon. member that when times became normal and the outlook improved, Millars' and other companies would be prepared to give a *quid pro quo* to those who had carried the baby in the bad times, there would have been something to commend the hon. member's proposal.

Hon. Sir E. H. WITTENOOM: Millars' themselves are making nothing.

Hon. J. CORNELL: And the object of the proposed reduction is that Millars' might be able to make something.

Hon. Sir E. H. WITTENOOM: No, to enable them to carry on.

Hon. J. CORNELL: Under existing conditions they could carry on until they made a profit or go to the wall. Assuming that they go to the wall, an industry that cannot pay decent wages and pro-

vide decent working conditions should not be regarded with any concern. I have always adopted this view and I hope always will. An industry which cannot conform to decent wages and living conditions in a civilised State is not worth fostering. Despite the remarks of the hon. member in regard to the scientific method of treatment which has improved the durability of the American pine sleepers and led to their use, while I cannot discuss the question, I regard this largely as an Americanism. If the forests of Western Australia were left untouched for 20 years, the people of this State would be manifestly better off, because this asset would not then be exploited. If Millars' and the other companies do not go to the wall and as a result of the assistance rendered by the State and those engaged in the industry they are able to re-establish themselves and make a profit, those who assist them in maintaining this position during times of stress should have some tangible proposal that they will receive recognition on the return of good times, but there is no such promise. Sir Edward Wittenoom has stated that Millars' pay £25-000 a month in wages and that if the mills close down this will be lost to the State. I represent a constituency which has some very precarious mines in it, in which a considerable amount of capital is invested. One mine employs 600 or 700 men and if this mine closes down these men have to go forth into the world to find employment, and no assistance is given to them. What Sir Edward Wittenoom says is an everyday occurrence unfortunately, in the mining industry. The closing down of one or two mines and the throwing of all the men employed on the labour market does not break down the mining industry. That is something that is unavoidable in the mining industry in normal times. Unfortunately, some time or other the mines must cease to produce and the mines will close down, but the mining managers would not ask that the State should support the men.

Hon. D. G. Gawler: You would not shut down the farmers, would you?

Hon. J. CORNELL: No, I would not do what Sir Edward Wittenoom suggests. The farmers have gone through more dire distress than the timber industry, and what is the State prepared to do for the farmers? We are now considering a Bill to make advances to carry the farmers on during bad times, and the farmers will come back and in addition will pay 6 per cent.; that is a reasonable proposal.

Hon. D. G. Gawler: Supposing the farmer does not come back.

Hon. J. CORNELL: If he does not come back there will be a reduction of the members in this House and of another place. That is the proposition put to the farmers and the farmers are accepting it. I have heard some hard things about the farmers and I am prepared to say this: that with a couple of normal seasons the advances made to the farmers will be very little loss to the State. What does the proposal put forward by Sir Edward Wittenoom mean? It is a reduction of railage, wharfage and rent. If we reduce that and also reduce wages, with no saving clause that at some future date we will get it back, I for one will not consider it. Let us consider for a moment the reduction of the wages of the men. I agree with the Premier, that the proper persons to decide whether there should be a reduction of wages should be the men employed by the milling companies and their representatives. They are the persons to decide, and if they decide amongst themselves in conference to reduce the wages I for one will not interfere, and should say that is their business. Each case can be dealt with on its merits, but the proposal put forward by Sir Edward Wittenoom is that the State should set aside the industrial agreements that are now in existence, and that I will oppose.

Hon. Sir E. H. Wittenoom: I did not suggest anything of the kind, but I suggested to the Premier that an enabling Bill should be introduced providing that if any arrangement was come to by agreement between the employers and



the employees the Government should have the power to be able to confirm the arrangement. I did not suggest the bringing in of a Bill to do away with the awards.

Hon. J. CORNELL: If I have wrongly quoted the hon. member, I am sorry and apologise. I would remind the hon. member that where the representatives of the milling companies agree there is no need for legislation.

Hon. Sir E. H. Wittenoom: I am advised otherwise.

Hon. J. CORNELL: From the legal aspect of the question there may be something in what the hon. member says, but, from the outbreak of hostilities the shop assistants of Perth met their employers and agreed to certain things that were considered part of the award, and that has gone on ever since. If the men and the employers agree who is to raise any objection?

Hon. Sir E. H. Wittenoom: Any individual can summon them.

Hon. J. CORNELL: If Sir Edward Wittenoom can get the men to agree with the employers there will be no need for legislation. He will have accomplished much. I was greatly amused at Sir Edward Wittenoom when he said that if the mills closed down it would be better to cut the horses' throats. I ask the hon. member, if the mills close down, not to cut the horses' throats, because we can find plenty of feed for all the horses in Western Australia for the next twelve months between Southern Cross and Coolgardie. Horses are a fair price to-day, and they would be worth more alive than dead, if they are put in the open market. I was greatly struck by the remark of Sir Edward Wittenoom as to how Millars' treated their men, and how that company always paid their men fairly and had treated them fairly in the past. What I am about to communicate to the House is in reference to one action of Millars', and I hold Sir Edward Wittenoom from blame in this case because I think had he known of the circumstances he would have made the amende honourable. I had brought under my notice within the last month or

five weeks the case of two men who were employed at Jarrahdale. They started as boys at the mill, when the mill commenced working, and without exception they had worked in the Jarrahdale mill ever since. Only the other day these men knocked off for lunch and they were walking towards their homes. As they walked along the line one of the men in the yard released a truck and said, "There is a run home for you in your own time; break her when you like." The truck went past these men's doors. When the men tried to break the truck the breaks would not act with the result that the truck ran down an incline and caused a certain amount of damage. These two men were subsequently discharged after 35 years' service in the Jarrahdale mill. That is an incident of the fair treatment meted out to the men. I do not think Sir Edward Wittenoom would tolerate that for a moment, but all that transpires in any avocation where a number of men are employed, does not always come under the notice of the manager or those responsible at the head. This incident did come under notice and the men became very indignant. I have very little more to say except that the Premier's statement, quoted by Sir Edward Wittenoom, that Millars' had closed no mills down.

Hon. Sir E. H. Wittenoom: I do not think that I said that. I said that we still have thirteen mills working.

Hon. J. CORNELL: I have nothing further to say. The motion now before the House is to a certain extent an abstract one, but if there is a motion of a definite nature moved later on I shall have something more to say.

Hon. H. P. COLEBATCH (East) [5.28]: I do not pretend to know much about the matter which has been raised by Sir Edward Wittenoom and therefore I do not intend to be drawn into an academic discussion as to whether the industry has the right to live or not, but I consider that if these 1,800 or 2,000 men are thrown out of employment and the Railway Department is deprived of £100,000 per annum something must be done. Probably there will be a sugges-

tion that the men will be absorbed by State employment. So far as the matter generally is concerned, I am much afraid that all our primary industries will find themselves, from time to time, in the position of the timber industry. They have to compete in the markets of the world with countries where there is not this high protective tariff, where living is cheaper, where wages which are lower in actual pounds, shillings and pence are probably more satisfactory to the men earning them than are the nominally higher wages earned here by our workers. That, however, is a matter we cannot discuss, as it is outside our control. But there is no doubt that even the agricultural industry, after a few years' work, would have found itself in a worse position because of outside competition and of our higher cost of production had it not been that altogether abnormal circumstances promise exceptional prices for our grain products during the next few years. In this connection, I should like to remind Sir Edward Wittenoom that he was not altogether right in suggesting that the export of wheat is a comparatively small item when contrasted with the export of timber. As a matter of fact, the export of timber for the year 1914 was valued at about one million, while the export of wheat for the same period was valued at 1½ millions; and there can be no doubt whatever that in the next few years, unless the increase in the cost of production crushes out our wheat industry in the same way as, according to Sir Edward Wittenoom, is now happening to the timber industry, our wheat export every year will be worth three or even four times as much as our timber export.

Hon. Sir E. H. Wittenoom: I said, timber, wool, and coal.

Hon. H. P. COLEBATCH: But the hon. gentleman suggested that wheat was a small item, comparatively, in the matter of export. For the year 1914, the export of wheat was worth half as much again as the export of timber; and in normal seasons we can hope to export at least twice or three times as much value in wheat as

in timber. However, the one point which I desire to place before hon. members, and on which I desire, if possible, to get a reply from the Colonial Secretary when he is answering Sir Edward, is whether the men at present employed by the private timber companies, if thrown out of employment, are to be absorbed by the State sawmills. The position of the State sawmilling enterprise is not disclosed to the public as clearly as is the position of other State trading enterprises. For some reason or other, it is a custom of the Government to hide the expenditure on the State sawmills from month to month. Every month we see in the revenue and expenditure returns the item "Revenue from State Sawmills," but we do not see any item showing expenditure on State sawmills. Lower down in the returns, however, we see an item in the expenditure list, "Expenditure on public works and buildings," to which item is appended a footnote stating that the item includes expenditure on State sawmills. By what process of reasoning State sawmills are described as "Public works and buildings" I do not know. The effect of these proceedings on the part of the Government is to create an entirely false impression in the public mind. The taxpayer is made to believe that he is getting quite a lot of his money back in public works and buildings, whereas he is, in point of fact, getting back very little indeed. I am unable to understand why, if the Public Works Department are in a position to publish month by month their return of revenue, they cannot also publish month by month their return of expenditure. However, last week I asked certain questions of the Colonial Secretary with reference to the State sawmill enterprise, and the replies I received have placed me in possession of information which I think will startle hon. members when they hear it. During the financial year ended on the 30th June, 1914, the Government expected to receive as revenue from the State sawmills, a sum of £199,000.

Hon. Sir E. H. Wittenoom: They might have made it even money.

Hon. H. P. COLEBATCH: They actually received £72,329—considerably less

than half, in fact not much more than one-third of the estimate. The shortage of revenue amounted to no less than £126,671. Now, the estimated expenditure for the same financial year was £177,000, while the actual expenditure amounted to £85,000. The net result is that instead of the State's deriving from its timber concern a surplus revenue of £22,000, there was actually a deficit of £13,000; and this without making any allowance whatever for interest on capital or depreciation, or anything of that kind. The position for the year disclosed itself as worse by £35,000 than had been anticipated by the Government. Then, for the current financial year, a revenue was estimated of £320,000, against an estimated expenditure of £301,000, leaving an estimated surplus revenue of about £18,000. According to the answers given to me by the Colonial Secretary recently, the actual revenue for the seven months which have expired of the present financial year has been £153,000, and the actual expenditure £201,000, showing at this date a shortage of £48,000; whilst for the year a surplus revenue of £18,000 had been expected. That is to say, from the 30th June, 1913, until the present time, the revenue account, because of the State sawmills, is £100,000 worse off than the Government had estimated—£100,000 worse off. We shall, of course, be told that there are huge accumulations of sleepers at the State mills. But, if Sir Edward Wittenoom is right in his statement that these sleepers cannot be sold at the cost of production, how are those accumulations going to remedy the State's position? In any case, what the Government and the country need now is cash; not a lot of unsaleable sleepers.

Hon. J. W. Kirwan: Sir Edward Wittenoom said they were sold in London.

Hon. H. P. COLEBATCH: I do not care where they are sold. The worst feature of the whole case is that during this period of one year and seven months, during which on revenue account the Government have fallen no less than £100,000 below their estimate, the State sawmills have been handling the Commonwealth sleeper contract. I understand

that within the next two or three months that contract will be cut out and done with. What is going to be the position then? Are the State sawmills going to absorb men who have lost their employment with private timber companies, going to possibly almost double their expenditure, and be left without any revenue at all? If so, where will the unfortunate taxpayer come in? I do not suggest that the timber companies want to cast a burden on the taxpayer. To my mind it is impossible that, whatever may be done by the timber companies, the result can be to throw on the taxpayer anything like the burden that is imposed on him by this particular Government enterprise. And, unfortunately, this is not the only State enterprise that we have of the same type. I do not intend to refer to the others except to make this one remark. Hon. members will probably be astonished to learn, and the general public will probably be astonished to learn, that during the month of January alone the State sawmills and the State implement works together were responsible for £52,000 of the deficit. Those two undertakings in one single month were responsible for £52,000 of the deficit.

Hon. J. Cornell: They are giving a lot of employment.

Hon. H. P. COLEBATCH: It is useless to say that the State sawmills, for example, are doing good by giving a lot of employment, when the sole result of their working is a lot of unsaleable sleepers. We do not want dead stock of that kind, and it is not even assisting the labour market to carry on business in that way.

Hon. J. Cornell: Why?

Hon. H. P. COLEBATCH: The Government cannot assist the labour market by going to the bad at the rate of £52,000 a month on two of their enterprises, because, inevitably, they must come to a stop before long. I admit that it would improve the position of the labour market if enterprises showing such results could be carried on indefinitely. Though I am not in the confidence of the Government in this matter, I have no doubt whatever that financial conditions render

it impossible for them to continue much longer in the way they are going at the present time. They cannot go on losing £52,000 cash per month on two of their enterprises, no matter what assets those enterprises are building up. It is impossible for the Government to continue for long going to the bad at such a rate.

Hon. J. Cornell: Would you sack the men?

Hon. H. P. COLEBATCH: I would not sack the men at all; but I want to learn from the Colonial Secretary whether there is some way out of this apparent impasse; whether the Government have gone into the thing from a business point of view; whether they can suggest any means of improving the position. Sir Edward Wittenoom tells us that a large number of men is likely to be discharged from the private timber companies' employ. I do not know whether the relief that he has suggested is the proper one. Do the Government merely suggest that the men discharged by the private timber companies are to be given work in the State sawmills, thereby doubling the cash loss in connection with that undertaking? I have always understood that it is not profitable business for timber companies to go on cutting in anticipation of orders; but that is absolutely what the Government are doing at the present time.

Hon. Sir E. H. Wittenoom: It means interest.

Hon. H. P. COLEBATCH: Yes, and difficulty in finding a market exactly for the stuff that has been cut. I hope that when the Colonial Secretary speaks on the motion, he will give the House some information as to how the matters brought forward by Sir Edward Wittenoom are likely to affect the position of the State sawmills. To my mind, the position of that particular adventure is simply alarming. To think that even within the short space of seven months the expenses are £48,000 greater than the revenue, is alarming indeed, especially when it is borne in mind that during those seven months the mills have been working on the Commonwealth contract, and that they are about to lose that con-

tract in the course of two or three months. There is over a quarter of a million invested in those sawmills and on that money interest has to be paid. A large concern has been built up, and a large number of men is employed. Is it contemplated by the Government that the sawmills are to be carried on practically without any remuneration? I do hope the Colonial Secretary will give information as regards the position of the State timber trading enterprise when he replies to Sir Edward Wittenoom.

Hon. J. F. CULLEN (South-East) [5.40]: The industrial aspect of the question raised by this motion will, I think, have to be weighed very carefully. Unquestionably the whole case submitted by Sir Edward Wittenoom is most anxious; and part of the agony is, perhaps, owing to the distance of the directorate from the scene of operations. Probably, were the directorate a local one, Sir Edward's messages would have run somewhat on these lines. The directors would have said, "We are face to face with a very serious position, but so are all the other going concerns and industries in the State; and it would be impossible for one set of directors to obtain relief by throwing the whole of their burden on the shoulders of others." If the kind of relief asked for were obtained by one set of directors, then, I ask, what about all the other going concerns of this State?

Hon. Sir E. H. Wittenoom: Where do you propose the relief should come from?

Hon. J. F. CULLEN: Millars' directors ask that the shortage shall be made up by rebates from their employees and from the Government. That is the plain English of the cables Sir Edward Wittenoom has read.

Hon. Sir E. H. Wittenoom: The timber must be produced at lesser cost.

Hon. J. F. CULLEN: The directors practically say, "We are at present carrying on at a loss. If the Government and our employees will step into the breach and make good the loss, we will go on." But, I ask again, what about all the other going concerns in Western Australia? The farmers are faced with trouble, and the Government have asked

Parliament to say, "We will help to tide over those who need it, and they will refund in good years to come with interest." That is a business proposition. It is not a purely humane proposition—although it has, at bottom, an element of the humane—and an honest man can take his share of it. Suppose, now, the farmers had said, "We will go on if the Government and our employees will bear the loss; but, if not, we will throw up the sponge." I contend it is fair criticism to say that this absentee directorate has failed in its duty to Western Australia in this time of stress. I consider, too, that this absentee directorate has been inclined to funk at a very early stage of its troubles. There is no man with any knowledge of timber who believes that creosoted pine is going to be substituted for jarrah.

Hon. Sir E. H. Wittenoom: But it has been. It has taken the place of jarrah.

Hon. J. F. CULLEN: I say the evidence to support that contention is not sufficient. All the evidence before the House is that a certain number of railway sleeper contracts has been filled by inferior material, as an experiment.

Hon. Sir E. H. Wittenoom: We do not know yet that creosoted pine is inferior.

Hon. J. F. CULLEN: Creosoted pine has been tried again and again. The pine referred to by Sir Edward Wittenoom may have been treated by a somewhat improved process, which may have effected a raising of the standard of the timber; but no man who has had anything to do with timber will believe for one moment that jarrah is going to be thrown out of the market by creosoted pine. In any case, is it a manly proposition for a directorate to say, "Now, make good our losses, and we will go on; if you do not, we will stop." If Millars' Co. had to suspend operations it would be a calamity, not only for the men thrown out of work, but on account of the loss to the general community. Still further, it would be a calamity in the undue impetus it would give an experiment by the Government which is simply ruination as far as it has gone; the attempt to run a business of that kind by

the Government has already proved a ruinous experiment. But the point I would urge is that this is a time when those responsible for the going concerns of the country must face a loss of profits and, if need be, further losses. Let Sir Edward Wittenoom look into the other going concerns and find out what they are doing. They are holding on. They will not discharge a man if they can help it. They give up their profits and they know that if they can tide through it is better for them and for the country that they should suffer temporary losses. They are all in it; there is not a going concern in the State to-day which it not facing its losses, and which would not have a good excuse for dismissing hands and reducing costs. But there has been very little of it. I think the State should be proud of the men in charge of its industries to-day. They are going on, manfully facing their troubles for their own sake and for the country's sake, and if only we had Millars' directorate here, possibly they also would adopt this patriotic attitude. If freights and other Government charges are too high, by all means let them be reduced. As regards wages, I think the theory of low wages is the biggest illusion any employer can be under. The Government have made a foolish blunder in their dealing with the railway men; and any private concern that thinks it can do better by paying less than a fair wage, is pursuing an entirely erroneous line of thought. Look at what the Government have done. The railway men have been forced to take an extra hour for meals—an absolute waste of time, lowering the income of the men and giving no advantage whatever to the State. Wherever else Millars' may have gone wrong, they have certainly gone wrong in attempting to pass their troubles on to their men. If the war lasts very long the time may come when all concerned will have to review the whole situation. But that time is not yet. This demand by Millars', based on a bit of kauri, I regard as a humiliating exhibition of want of courage and want of patriotism.

On motion by the Colonial Secretary debate adjourned.

## BILL—INDUSTRIES ASSISTANCE.

### *Assembly's Message.*

Message received from the Assembly notifying that it did not concur in the views expressed in the Council's Message No. 32 as to the procedure in regard to the Industries Assistance Bill, but that in view of the inquiry now being held by a joint select committee, it had consented to reconsider its previous Message and had made the Council's requested amendments to the Bill.

### *In Committee, etcetera.*

Resumed from 2nd February. Hon. W. Kingsmill in the Chair; the Colonial Secretary in charge of the Bill.

The CHAIRMAN: As a matter of fact, there is no occasion to consider the Message in Committee; but we reported progress on the Title of the Bill, and obtained leave to sit again on receipt of a Message from the Assembly.

Title—agreed to.

Bill reported, and the report adopted.

Read a third time and passed.

## BILL—LUNACY ACT AMENDMENT.

### *Assembly's Message—Conference of Managers.*

Message received from the Assembly notifying that it agreed to a conference respecting the Bill, and had appointed as managers Hon. T. Walker, Hon. R. H. Underwood, and Mr. Smith.

*Sitting suspended from 6.10 to 7.30 p.m.*

### *Conference Manager's Report.*

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [7.30]: I have to inform the House that the managers appointed by the Council have reported that they have met the managers appointed by the Legislative Assembly for the consideration of the difficulties between the two Chambers, and that they have agreed to accept the Assembly's

amendment as originally made, and to waive the Council's modifications thereto. I move—

*That the report be adopted.*

Question passed; report adopted.

## ADJOURNMENT—SPECIAL.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [7.31]: I move—

*That the House at its rising adjourn until Tuesday next.*

Question passed.

*House adjourned at 7.32 p.m.*

## Legislative Assembly,

*Wednesday, 17th February, 1915.*

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

## PAPERS PRESENTED.

By the Premier: Auditor General's report under the Workers' Homes Act.