

producers have striven hard. Much honorary work has been put into an effort to organise the industry, but the result has always been the same—failure. The Minister referred to the efforts made by those in primary industries. I venture the opinion that it is impossible for anyone to give a single example where efficient marketing organisation along the lines of voluntary effort has ever been successful. There is no instance of it. That experience is by no means restricted to Western Australia. In this State we are in a marketing sense living in a by-gone age. This statement has no party significance. Everyone in the House is animated by a desire to assist those on the land. It is generally agreed that our wealth comes from the land. If we look after those who are engaged in primary production, we look after all, and success to the State must follow. From the standpoint of marketing we are a long way behind our competitors.

Mr. Withers: You have a lot of primary producers behind you on the cross benches.

Mr. SAMPSON: I foresee great difficulties in the finding of markets for our produce. It is only by thorough organisation, standardisation, and control that efficiency can be secured. I hope the Bill will pass, and that those engaged in the industry will be given the consideration they both need and deserve.

On motion by Minister for Railways, debate adjourned.

*House adjourned at 10.7 p.m.*

## Legislative Council,

*Thursday, 2nd October, 1930.*

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

### STANDING ORDERS.

The PRESIDENT: I desire to announce that I have received from His Excellency the Governor a message approving of the amendments to the Standing Orders that were adopted by the Legislative Council on the 23rd September, 1930.

### TEMPORARY CHAIRMEN OF COMMITTEES.

The PRESIDENT: In accordance with the power given to the President under the Standing Orders as amended, I nominate for the present session the following members to act as temporary Chairmen of Committees:—Hon. J. Nicholson, Hon. H. Stewart, and Hon. W. H. Kitson.

### MOTION—RAILWAY FREE PASSES, TO RESTRICT.

HON. A. LOVEKIN (Metropolitan)  
[4.35]: I move—

That in the opinion of this House the time has arrived when the practice of issuing life and free passes on State railways and tramways should cease, except in the following cases:—(a) to members of Parliament during their tenure of office; (b) to railway employees in remote districts for the purpose of marketing and for one journey each year for themselves, their wives and families when on annual holiday; (c) to maimed soldiers.

An article which appeared in the "West Australian" on Wednesday last has impelled me to table this motion. Although I have been in this State for 48 years, I was never before aware that the system of privileges had grown to such an extent as to become a public scandal. We members of Parliament cannot well exonerate ourselves from blame, for, from time to time,

the present number. During holiday periods they and their families at times congested the railway system by the use of their free station to station passes, and the department was involved in extra expenditure in order to accommodate the public, who were paying their fares. During stretches of long service leave, extending to three months, or perhaps more, very free use is made of the railways, hence the heavy loss, which is not covered by the £2,000. Surely there can be no warrant for this. The employees receive high wages, and various concessions in the way of clothing, etc., to say nothing of constancy of employment, whilst the man outside, who has to share in the taxation, is provided with neither long service leave, clothing, marketing concessions nor free travel of any kind. As the "West Australian" very truly points out—

These concessions have been granted little by little. They form, after the lapse of years, a pyramid, the base of which rests on the shoulders of the taxpayers. In times of stringency it rests with an effect of insupportable weight.

The article concludes with the sentence, "It is probable that some, at least, of these privileges will be reviewed shortly." In view of the disastrous condition of our finances, I have thought fit to table this motion so as to afford an opportunity for discussion, and for emphasising the need for immediate action. The tide of time is flowing rapidly. Over three months of the financial year have already passed. Every possible economy should be immediately effected, which is the reason I submit this motion for the consideration of members. As the Premier recently said, the loss on the railways is the fly in the financial ointment. But can we wonder at loss when we compel the Railways Commissioner to accept £2,000 for that which costs him £36,000; when we force him, against his will, to use coal of uneconomic value, and when we order him to provide so many free services?

Hon. J. M. Macfarlane: Do you intend your motion to cover journeys to the Eastern States as well?

Hon. A. LOVEKIN: For members of Parliament, yes.

Hon. J. M. Macfarlane: But what about railway employees?

Hon. A. LOVEKIN: I would give them only a pass over the Western Australian lines.

**HON. SIR EDWARD WITTENOOM** (North) [4.57]: I will second the motion, because the newspaper article is of such a comprehensive nature that I think all of us would like some explanation regarding it. No doubt certain members of the Public Service are entitled to free passes and to have their expenses paid when they are undertaking duties on behalf of the State. But whether it should extend as far as is set out in this newspaper article, or whether this article is correctly set out, is for us to consider. There is one point on which I think the newspaper article is not quite right. It reads as follows:—

Illogically enough, country members of the State Parliament are allowed a special income tax exemption of £100, and metropolitan members one of £50. The discrimination makes it clear that these exemptions are on account of travelling expenses, and thus we have the Gilbertian anomaly that while John Citizen, who must pay for his travel, is permitted a maximum deduction of £15 for travelling, the member of Parliament, who travels free, is allowed an exemption of £100 to defray the cost of travel for which the hapless John Citizen pays.

I think the writer of the article was in error there. That extra £100 was granted to members to compensate them to some extent for the numerous subscriptions they have to pay, and expenses of that kind. In these circumstances I do not think that statement is quite correct. I support the motion.

On motion by the Minister for Country Water Supplies, debate adjourned.

## **BILL—SUPPLY (No. 2), £970,000.**

### *Suspension of Standing Orders.*

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East) [5.3]: I move—

That so much of the Standing Orders be suspended as is necessary to enable the Supply Bill to be passed through all its stages at the present sitting.

This is a matter of urgency, and therefore the Government consider it necessary that the Bill should go through at the present sitting.

**HON. A. LOVEKIN** (Metropolitan) [5.4]: I cannot see that in this early part of the month there is any real urgency to pass the Supply Bill at the one sitting.

At the same time I do not wish to be a party to causing any delay, but what I had intended to say at another stage of the consideration of the Bill I may perhaps say just now. We are having submitted to us a number of footling, miserable, and unimportant Bills, whilst the major Bills upon which rest the finances of the State are still in the clouds. I understand it is proposed to introduce a Bill to levy a tax on sweep tickets that are sold in the State. At the present moment the time is opportune to impose this tax because we know that thousands of pounds are going out of the State to Tattersall's consultations in Tasmania on the Caulfield and Melbourne Cups. These tickets are being sold throughout Western Australia and other tickets in lotteries are also being sold and no taxation is being levied. The big racing carnival will be over in the first week of November and then there will be a slump in these consultation investments and no money will tax in from that source.

The PRESIDENT: I remind the hon. member that we are discussing not the Supply Bill, but whether the Standing Orders shall be suspended to enable the Supply Bill to pass through all its stages at the one sitting.

Hon. A. LOVEKIN: I think I am connecting my remarks with the Bill because I am pointing out that there is no urgency for the Bill whereas there is great urgency to present and pass the other Bills without which we cannot levy the proposed taxes. I submit that is fair comment on the question of the suspension of the Standing Orders. At the same time I have no wish to delay the House; but there are other proposals for the purpose of bringing in revenue—the hospital tax, for instance.

Hon. G. W. Miles: And the reduction of members' salaries.

Hon. A. LOVEKIN: Yes, and various Bills of great importance. Considering that the first quarter of the financial year has already passed, if we do not secure some of this money quickly, there will be no hope of the Treasurer getting anywhere near his balance. The Government omit to bring in their major Bills and instead submit to us unimportant ones which will involve the expenditure of money. The Anatomy Bill will create another department and so will the Bees Bill. We do not want to set up new departments, at any

rate not now when we have agreed with the Premiers of the other States that no money shall be expended unless it is immediately reproductive. We are doing just the opposite at the present moment. Before we suspend the Standing Orders to pass the Supply Bill, let us have some of the major Bills that are of importance and which will bring in revenue. We want revenue and we should direct our attention to the question of raising it. I have no desire to trespass on hon. members' time, but, as Mr. Miles pointed out, there are Bills relating to economy that should be before us. I have taken out figures with regard to the Wyndham Meat Works. We want Bills that will have for their object the protection of losses sustained in our enterprises. If the Minister thinks the Supply Bill is so urgent, I shall not vote against the suspension of the Standing Orders, but while I can see no need for their suspension, I do hope the efforts of the Government will be directed towards submitting to us the major Bills.

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East—in reply) [5.8]: I can hardly understand the hon. member's attitude when he says there is no urgent need for the Standing Orders to be suspended to enable the Supply Bill to be passed through at this sitting. Does the hon. member realise that September has already passed, and that the Government are asking for Supply to cover the expenditure of September and October? The Government have been more than over-burdened in the preparation of the Budget. The hon. member referred to important Bills that should have been before the House. We quite agree with him, but if the Government were as capable of waving a magic wand as is the hon. member, the probability is that all the Bills he desires to see would have been drafted and submitted to the House. I assure him that the preparation of these Bills takes considerable time. They will deal with something new and novel in the way of taxation, and therefore great care has to be exercised. Hours have been spent by Ministers in discussing and arriving at decisions as to what will be equitable. In the meantime small Bills have been presented, but though they are small they are of importance to the State. When the other

Bills are ready they will be submitted to Parliament without delay.

Hon. A. Lovekin: You have had Supply to the 30th September.

The MINISTER FOR COUNTRY WATER SUPPLIES: No. The Supply we are now asking for is for September and October.

Question put.

The PRESIDENT: There being no voice in the negative, and there being an absolute majority present, I declare the motion carried.

*Second Reading.*

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East) [5.11] in moving the second reading said: The first Supply Bill released funds totalling £1,430,000 for services during the months of July and August, and in this Bill supplies are sought for the months of September and October to the extent of £950,000 from the Revenue Fund and of £20,000 from the Government Property Sales Fund; a total of £970,000. Nothing is asked for on account of the General Loan Fund, because there still remains a balance on that account from the first Bill. The present request for £970,000 is based on expenditure being incurred as provided for in the Budget, and as hon. members know it is on restricted lines. Since the Budget was delivered the financial situation has not changed, and in consequence, further economies have been proposed and readjustments of staffs are being made to bring about a better state of affairs. As was expected, the results for July and August of this financial year were more unsatisfactory than the figures for the corresponding months of last year, but the position is not so disturbing when it is remembered that the months referred to are always bad ones for the Treasury.

If we had been able to get in outstandings the position for the two months would have been greatly improved. At the end of last month the outstandings on account of land rents totalled £296,000, and £140,000 was owing on the Agricultural Land Purchase Account. To date, as compared with last year, the revenue is down £223,140. That decrease in our revenues to the end

of September is due mainly to shortages of £77,393 from Taxation; £24,288 from Territorial; and £126,042 from Railways. In addition, to the end of September, our expenditure showed an increase of £52,202 as against the outgoings for the first quarter of last year. In the quarter our interest and sinking fund bill increased by £46,859, and we had to find £10,863 extra for Miscellaneous Services, and an additional £53,907 for the relief of unemployment. There was a surplus of £23,002 for September, which reduced the accumulated deficit for the first quarter of this financial year to £542,894, as against a surplus of £148,341 for September of last year, and an accumulated deficit of £267,552 for the first quarter.

Although there have been many reductions in various ways of expenditure, the effect has not yet been felt in the figures to hand. For instance, the economies in staffings brought about heavy expenditure on retiring allowances, and the wisdom of those reductions will not be apparent until towards the end of the financial year. Admittedly general revenue has fallen off, but it is confidently thought that it will improve considerably when the proceeds of the approaching harvest begin to come in. As previously stated, the returns for the early months of the financial year are never encouraging, and only in the latter months are brighter figures revealed. Also, later on, with the concurrence of this House, it is hoped that revenue collections will be greatly augmented by receipts from proposed additional taxation as forecasted in the Budget. With anticipated collections from proposed taxation and better revenue months, together with curtailments in expenditure now being severely enforced, it is believed that the estimates in the Budget will be realised, and if that happy state be with us at the end of June, I am sure we shall all be very pleased with the achievement and enjoy a sense of happiness and relief beyond measure. I move—

That the Bill be now read a second time.

**HON. H. SEDDON** (North-East) [5.15]: In discussing the Bill—the second Supply Bill for the session—it is well for us to examine how far we have progressed during the present financial year. We have made considerable leeway, as the Minister has outlined. The phase we have to consider is

whether that leeway is not so great already that we will not be able to make ends meet by the end of the year.

Hon. E. H. Harris: The Government will put on their running shoes directly!

Hon. H. SEDDON: They will need them. If we look at the statistics relating to revenue and expenditure for the month of September during the last 10 years, we will find that there have been surpluses in each year save one. The surplus recorded for September last was not the lowest. I think it was the third lowest. When dealing on a former occasion with the position as disclosed by the operations during July and August, I pointed out that we were so far behind at the end of August that it would be necessary for us to have average surpluses for the remaining 10 months of the financial year of £56,589. On the figures presented to us for September last, it will mean that there will have to be an average surplus in each of the remaining nine months of £60,322 in order to balance revenue and expenditure at the end of June next. Hon. members will see that we are drifting backwards rapidly, and there still remain two of the bad months of the year before revenue will begin to increase, which is usually in December. I was interested in the figures mentioned by the Leader of the House regarding the delayed payments of land rents and those under the Agricultural Lands Purchase Act, because they are very significant. It has to be recognised that, try as we may to reduce expenditure, as fast as we secure reductions in expenditure the revenue is falling away from us all the time. I am inclined to think that with a tremendous reduction in national income, the Government will find themselves faced with a seriously reduced revenue. It may be said that taxation may defeat itself by being too heavy, but we may also say that retrenchment reaches a point at which efficiency is so seriously reduced that any benefits secured are promptly lost. In support of that assertion, may I point out the position in connection with the railway system. If we reduce the number of men employed, as we are doing, to an absolute minimum, and we have a phenomenal harvest to deal with, the possibilities are that when we attempt to deal with the haulage, we will have to train a number of men entirely unaccustomed to railway work, and thus lose efficiency. It will be realised that the weakness is on the

revenue side, and although the Ministry forecast additional taxation, it is my opinion that precious time has been lost through not approaching this question before. I consider that when it was realised the position was so bad—that was when the present Government took office—it would have been wiser had the Premier called Parliament together, faced the situation, and provided for special taxation in the face of the national emergency with which we were confronted. It seems to me that we have made a very poor start indeed. When we remember that one of the obligations entered into at the Premiers' Conference was that we would endeavour to balance the Budget during the financial year and that, should any adverse drift be noticed, steps would be taken at once to rectify it, it will be appreciated that we will have to go much further if that obligation is to be met. I would like to draw the attention of hon. members to the financial details placed before them in connection with the Budget, and to refer them particularly to Table 11. That table furnishes a classification of our loan assets, and contains particulars of the different assets in connection with which our loan money has been expended, particulars regarding interest charged for the year, the net earnings for the year, and the actual result so far as meeting interest payments is concerned. It may be said that the list of assets represents the capital of Western Australia. An examination of the return will show that in connection with interest payments we have incurred a loss in respect of those assets of £1,077,525. The total interest due on those assets for the year was £3,323,814. The net earnings amounted to £2,246,289, leaving a loss for the year, as I have already indicated, of £1,077,525. Hon. members will note that that loss is exclusive of sinking fund contributions, which discloses a state of affairs that demands prompt and strict examination. When we consider the sinking fund contributions, we have to remember the contractual obligation to provide a sinking fund amounting to  $\frac{1}{2}$  per cent., and on the amount I have mentioned, that will necessitate provision being made for another £362,267. On the basis of the figures embodied in the Financial Agreement—five per cent.—the contribution to be made on account of the sinking fund will be £181,134, and that also will be in addition to the £3,323,814 I have

previously quoted. I hope that at some future time the Leader of the House will give us some information as to just how far he expects our loan assets will be able to meet interest and sinking fund charges during the year, and whether the Government expect to receive from those assets the amounts set out in the return. Table 11 shows that a number of Government departments have incurred heavy losses during the year as follows:—

Railways .. .. .	£404,489
Other industrial undertakings ..	92,746
Goldfields Water Supply ..	132,458
Roads and bridges ..	86,317
Assistance to settlers ..	114,364
Soldier Settlement ..	72,726
Group Settlement ..	230,888
Development of Agriculture ..	35,870
Public Buildings ..	56,069
Miscellaneous ..	63,303
Development of Mining ..	83,976
<b>Total losses .. .. .</b>	<b>£1,374,211</b>

The reason for the difference between that total and the amount of £1,077,525, which I referred to earlier, is that certain departments made profits that have been set against these losses, and consequently reduced the total. Those figures indicate that so far from meeting our interest and sinking fund charges out of earnings from capital, we have failed to pay 41 per cent. of the total interest charges. The figures supplied by the Minister regarding the Department of Agriculture and agricultural receipts generally disclose a very serious position. When we contemplate the fact that the price of wheat is so low, we can but wonder how the department will get over the difficulty, and how the Government will be able to collect their revenue from land rents when the farmers will be in such an unenviable position. I shall have more to say on that point when we deal with the Industries Assistance Act Continuance Bill. I merely raise the point now for the purpose of indicating that so much of our capital is sunk in connection with agricultural development, to demonstrate how seriously that phase affects the position in times such as the present. There is another point to which I desire to direct the attention of the Minister. The Treasury issue annually a return showing the revenue and expenditure for the year. Some few years ago it was customary for the "West Australian" to publish similar returns month

by month. In view of the present financial emergency, I suggest to the Minister that it would be a good idea if similar monthly returns were placed on the Table of the House so that we could follow the operations of the departments, watch their revenue and expenditure, and ascertain to what extent our obligations were being met. According to reports in the newspapers, Western Australia is not alone in slipping back financially. The Federal Government are seriously behind, and other State Governments are in a far worse position than Western Australia. Personally I think that if we are prepared to make the necessary sacrifices, we should be able to meet our obligations by the end of June, but it can be done only at the expense of every section of the community.

Hon. Sir Edward Wittenoom: Not on this Budget.

Hon. H. SEDDON: I did not say so. If we had the review of the financial position from month to month, we would be able to keep track of developments. In my opinion it will be essential before the end of June to adopt special measures if we are to comply with our objective of balancing the State's finances. Western Australia is in a better position than other States to meet its obligations and, quite apart from the undertaking given at the Premier's Conference, there is an aspect of the question that makes it imperative for us to balance the Budget by the end of June. There is this point to be faced: Assuming—and it is very probable it will be so—that Governments in the Eastern States do not meet their obligations and the Government of Western Australia do, the moral effect that will follow overseas, arising from the fact that the people of Western Australia had shown by their determination and willingness to fulfil their promise to meet their obligations and balance the Budget, will be of tremendous value to us. In addition to that, there is another important point relating to our short-term obligations that are still unfunded and which it will be necessary to fund directly. The State that has shown its ability to gain its objective, meet its obligations and pay its way generally, will be in a position that will carry it a long way towards securing that credit of which we are so seriously in need. The excuse has been made that this emergency is so sudden, and that if we had been given more

time to meet it, the difficulty would not have been so great. In answer, I repeat that we have received any amount of warning. Warning was given to us when the Financial Agreement was first suggested. It was emphasised by the way in which our overseas flotations were carried on from year to year. It was stressed by the fact that the Commonwealth were unable to float a loan from 1928. It was stressed by the fact that we were living on our overdraft for 12 months. During the whole of that time we were steadily slipping backwards, and the position was becoming more and more acute. Therefore I say that if the people were not prepared to take the necessary steps to stop the drift, they were scarcely likely to be any better prepared if they had been given three years in which to make an adjustment. A successful attempt by the people of this State to meet their obligations this year would not only enhance their credit, but would put them in a much stronger position to meet the severity of the conditions that lie ahead. It is necessary to stress these points. We cannot too strongly impress upon the people the fact that the Government have to meet their obligations. Although the Government are adopting measures that are very unpopular, they are absolutely necessary measures which, taken to-day, will save greater suffering later on. In the arduous task that confronts the Government, the fullest possible support should be extended to them by members of Parliament, members of the Public Service and the general public, to the end that the State may be aided to maintain its integrity unclouded, and carry out the obligations undertaken by the Premiers' Conference. I support the Bill.

Question put and passed.

Bill read a second time.

#### *In Committee.*

Bill passed through Committee without debate, reported without amendment and the report adopted.

#### *Third Reading.*

Bill read a third time and *passed*.

### **BILL—MAIN ROADS.**

Received from the Assembly and read a first time.

### **MOTION—COAL INDUSTRY.**

*To inquire by Royal Commission.*

Debate resumed from the 30th September on the following motion by Hon. G. W. Miles (North):—

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

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

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

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

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

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

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

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

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

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

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

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

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

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East) [5.37]: I do not propose to occupy many minutes in stating the Government's attitude to the motion. In submitting his request Mr. Miles made great use of many newspaper statements, but he did not seem

to possess that first-hand knowledge of the subject so necessary if the House was to be enlightened as to the alleged machinations of those involved. In his speech on the Address-in-reply, the hon. member rendered service by directing attention to the matter and thereby expediting the Government's decision to inquire into the unsatisfactory position of the mining of our native coal. When the hon. member spoke, the Government were already aware that there was room for inquiry, and had noted it for consideration when the pressure of other problems, such as the financial depression and the unemployment of our people, had eased. Although it is desirable that the Government should institute an inquiry into the industry on terms of reference yet to be considered, I wish to state emphatically that the Government do not consider that they are in any way responsible for the existing conditions, and moreover they deny any culpability for the causes. In reply to the hon. member's earlier speech, I informed the House that it was intended to inquire into the allegations. In view of that definite promise, I cannot understand what has prompted him to submit the present motion for a Royal Commission, to attempt to lay down the terms of the inquiry and to suggest that the investigation should extend beyond the main question into the privileged company's affairs and into private interests concerned in the industry. Although it may not satisfy the hon. member, I desire to make it clear that the Government do not intend to be a party to the appointment of a Royal Commission to pry into company and other private aspects having no great bearing on the subject. After my repeating the assurance I previously gave I hope the hon. member will see the wisdom of withdrawing his motion, and so allow the Government to handle the matter in the manner it deserves, unfettered by the motion. I oppose the motion.

**HON. SIR EDWARD WITTENOOM**  
(North) [5.40]: I am sorry I was not present on the two occasions when Mr. Miles made his lengthy and rather bitter remarks about the coal mining industry, and particularly about a little company called the Amalgamated Collieries, of which I happen to be a director. I propose to say a few words in reply to the hon. member. Evidently much importance has been attached to his statements, because unusually lengthy re-

ports of them have appeared in the newspapers. As a rule, the debates in this House are rather briefly reported in the Press, but on the two occasions on which the hon. member dealt with the Collie coal industry, his remarks were reported at considerable length and in considerable detail. I do not rise altogether with the intention of opposing the motion, particularly after the remarks of the Leader of the House, who has told us that the Government intend to make a full inquiry into the matter. My opinion is that it would be superfluous to appoint a Royal Commission, with all the expense it would entail, when we have so much information about the industry in the hands of many of us. Certainly every particular seems to have been in the hands of Mr. Miles. From the wording of the various paragraphs of the motion, it seems that the hon. member desires that inquiry be made into three questions—(1) Whether the Amalgamated Collieries have received too much for their coal from the Commissioner of Railways; (2) Whether the Amalgamated Collieries are in league with the coal and railway unions to secure that price; (3) Whether the bunkering trade has been ruined on account of the prices charged by the Amalgamated Collieries. Those are the points that permeated the whole of the hon. member's address and, so far as I can judge, he blamed the Amalgamated Collieries. Taking first the price of coal as provided in the contract, surely that is a matter for the Commissioner of Railways. The Amalgamated Collieries, represented by their directors, asked for a continuance of the existing prices and conditions on the basis that had been recognised for years. That was all the company asked. As the contract has been renewed for a period of three years, with the consent and concurrence of the Commissioner of Railways, the coal company can in no way be blamed. If the price was too high, as Mr. Miles claims it was, the Commissioner should not have given it. I am in a position to state that with the existing overhead charges, costs and wages, if the price were reduced 1s. per ton no dividend would be paid by the Amalgamated Collieries Company. In No. 2, Mr. Miles makes some other remarks. I was going to say he insinuated certain things, but I do not want to use any strong terms because he is a personal friend of mine, and I know he would not say anything he thinks is unfair.



Hon. Sir William Lathlain: He is too big, too.

Hon. Sir EDWARD WITTENOOM: He said that the coal company was in league with the unions to force the Commissioner to give a high price. In this remark Mr. Miles goes beyond insinuations. He said "There was an unholy alliance between the capitalists and the workers, and that this was certainly the position in respect to the coal business." That is a pretty strong statement, and goes beyond insinuation. Furthermore, it is absolutely incorrect. The directors of the Collie Company are in no way mixed up with any negotiations between the Commissioner and the unions. The existing methods of arriving at the terms of a contract have been in existence for over ten years. Some time ago one of the company's directors was invited by Colonel Pope, then Commissioner of Railways, to attend a meeting to discuss price and terms, but he refused to do so. He would have nothing to do with the matter. As regards the question of price for coal it was further stated that it was stressed by Messrs. Johnson and Lumb that the hewing rate was contingent on the price paid. That is a very natural thing in most cases. Any reduction in the price would necessarily mean that strong opposition would come from the union, whose wages would be affected thereby. It was also stated that any attempt to lower the present conditions, which were said to have preserved industrial peace and satisfaction to all concerned for so many years, would be disastrous. The explanation of that is that for some time the Commissioner hesitated to enter into a contract at the price. The miners were informed that if the price were reduced their wages would have to be lowered. It would make little difference to the Company unless no coal was produced, and this would also inconvenience the railways. To know that such a state of affairs was very imminent, we probably have only to turn to the shearers' strike. In that case the remuneration of the shearers was lowered by the "holy" Arbitration Court, and in the face of that hundreds of men are refusing to work. What would probably have happened in the other case? The results would have been worse than in connection with the shearing industry. The unfortunate company, upon which Mr. Miles has bestowed so much attention, would be earning nothing, and the railways would have

had no coal to burn. I do not deny that the Commissioner is, and has been for years, influenced to some extent by the unions. It does not require a Royal Commission to prove that. The remedy is for the Government to place him in a position that makes him free from restrictions, so that he can deal with the business of the railways independently of the unions. I did think perhaps the present Government would do this, but I now find the Commissioner has been instructed to take, according to statements, 400 tons a week from the Griffin coal mine. There seems to be a statement on the file that the coal from that mine is not satisfactory to the Commissioner. I do not know whether that is a fact or not. The bunkering trade has been diminishing from year to year. The primary reason for that is the enormous increase in the number of motor ships; secondly there has been an enormous increase in the number of oil burning steamers; and thirdly the steamers coming here from South Africa or the far East bunker at ports there for the round trip owing to the low price of the coal mined by native labour. Another reason is that the inter-Colonial companies have their own mines in New South Wales. In the course of his speech Sir William Lathlain said that the bunkering business had been ruined here by the price of coal. Between 1921 and 1929 a total of 447,593 tons of coal was bunkered. During 1929 the tonnage was 46,572. As has been stated by the hon. member the bunkering trade has not been good, but it certainly has not been done away with. There is no doubt it has decreased in volume, and will continue to decrease for the reason that no extravagant reduction in price would materially increase our trade. In the first place steamers only bunker at Western Australian ports when compelled to do so. There is still quite a number of shipowners who will not take Collie coal at any price, and many of these prefer imported coal because of space considerations. Mr. Miles very truly said that it took at least one and a half tons of Collie coal to make the equivalent of one ton of Newcastle coal. No ships or steamers will take Collie coal if they can get the other on account of the valuable space that must be considered. The recent reduction of 3s. 3d. per ton at Fremantle for Newcastle coal has already adversely affected the local coal industry. Not only has the Railway Department refused to meet a position of this kind

with a reduction in the freight on Collie coal, but this week it has increased the freight on bunker coal by 1s. per ton. In New South Wales the freight on coal for local use is 12s. per ton up to 120 miles, and the rate for bunker or export coal is 8s. 0½d. On the other hand the rate for Collie coal to Fremantle, a distance of approximately 120 miles, is 13s. 3d. plus this week's increase, so that the total is now 14s. 1d. In Queensland heavy rebates on coal are allowed if carried for bunkering purposes. If our Railway Department treated the bunkering trade on the same principle as the New South Wales and Queensland railways we should be able to hold our own even against the reduction in the price of Newcastle coal landed at Fremantle. The important factor in the bunkering business at present is that so many oil ships do not require coal. Those ships which do want coal take that which goes into the smallest possible space on account of the value of that space. In the cost of production, the percentages of distribution, and administrative costs respectively, compare favourably with those ruling in New South Wales. As I have said, if the price of Collie coal were reduced 1s. per ton the Amalgamated Collieries would not be able to make ends meet. If the figure considered by the New South Wales Commission, namely, 2s., is a reasonable profit on coal per ton it is obvious there is no profiteering in the Collie trade. I hardly see the necessity for the appointment of a Royal Commission, particularly as the Leader of the House has said a full inquiry will be made by the Government. The Amalgamated Collieries do not mind whether a Royal Commission is appointed or not, except that everyone would take exception to the expense involved. They do not fear any inquiry, and are prepared to answer any questions that are necessary. They will give any reasonable information about the affairs of the undertaking because all their proceedings are fair and above board. The company is conducted, as most others of the kind are, by a board of directors comprised of reputable men and assisted by capable managing directors.

Hon. E. H. Harris: How many are there?

Hon. Sir EDWARD WITTENOOM: There are six or eight. Reasonable directors' fees are paid, namely, £13 per month, as indicated by Mr. Miles. It would not be

possible to obtain the services of good business men at a lower rate than that. Even if they sat for only one day in the week or for one hour in the week that does not prove that the board is not looking after the interests of shareholders, or that it is incapable of doing the work. It merely serves to prove that the directors are clever men and experienced in that class of business, and that they can get through their work in a short while without messing about it for several hours. They know their job and can do it quickly. Because other men may sit around a table for three or four hours instead of one hour they are not any more clever, nor do they carry out any more work than the others do. If a company wants experienced men as directors, it can hardly expect to get them for a lower figure than £13 a month. For the right men who will give up their time and devote their experience to the affairs of a company the amount is by no means excessive. It is not a question of time to show whether directors are capable or otherwise.

Hon. W. H. Kitson: What is wrong with submitting that question to the Arbitration Court?

Hon. Sir EDWARD WITTENOOM: The court ought to be done away with. It is the most useless thing we have. If the Government would abolish it there would be a great saving of expense, and there would be more contentment in the State. I am giving quite a lot of information about the affairs of the Company. Its annual dividend is 10 per cent. That is not a very big amount. It is very hard to make money nowadays. I am certain the directors of the Griffin coal mine would support my statement that it is difficult to make profits. It is only brought about by having hard-headed and clever directors at the head of affairs, men who do not sit too long over their work. The information as to the influence that may be used by the unions connected with the railway service is so fully set out, and has been so fully quoted from the files by Mr. Miles, that further inquiries into the matter seem to be unnecessary. The remedy lies in the hands of the Government to remove all restrictions. A Royal Commission could only recommend that certain things should be done; it could not of itself do anything. The Amalgamated Collieries are prepared to allow any officer the Government

like to appoint to go through their books and see everything in connection with the operations. The company can prove that if the price of coal is reduced 1s. per ton, a dividend could not be paid on the present rate of wages. The company can also prove that the percentages of cost per ton respectively, of administration and distribution, compare favourably with the figures of the New South Wales collieries, as shown in the report referred to. I see that Mr. Miles suggests the appointment of a judge of the Supreme Court. Good and independent though a judge may be, I do not think he would know much about coal mining. It seems to me that if a Royal Commission is appointed the man chosen for the work should be one who is thoroughly conversant with all the details of it, and has the necessary experience. Such a man should be imported from somewhere so that he would have no personal interest in the local industry. He could then go fully into the question. In the circumstances I am not going to oppose the motion, although as I have shown the appointment of a Royal Commission is unnecessary. With all the information that I have given, with all the great amount of information in the possession of Mr. Miles, and with all that which is found on the files, I do not know what other information could be required.

On the motion by Hon. W. H. Kitson, debate adjourned.

*House adjourned at 6 p.m.*

## Legislative Assembly,

*Thursday, 2nd October, 1930.*

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

## QUESTIONS (2)—MINING.

### *Gold Stealing Detection Staff.*

Mr. MARSHALL asked the Minister for Police: 1, Was the police gold stealing detection staff at Kalgoorlie disbanded a few months ago? 2, Have applications been called by the Police Department amongst the police for the purpose of forming a new gold stealing detection staff? 3, If so, what was the reason for disbanding the old staff, and the reason for the appointment of a new one?

The MINISTER FOR POLICE replied: 1, Yes. 2, Yes. 3, The Chamber of Mines gave notice that it was not prepared to meet the expense of the upkeep of the staff after 30th June last, but has since reconsidered the position.

### *Assistance to Prospectors.*

Hon. M. F. TROY asked the Premier: 1, Is he aware that many applications for prospecting assistance and sustenance are held up by the Mines Department because of lack of funds? 2, Will he state when money will be provided to assist this very deserving class of primary producer?

The PREMIER replied: 1, Yes. 2, It is impossible to say at the present juncture what funds will be available for this purpose.

## QUESTION—RAILWAYS, COLLIE COAL.

### *Cost of Appliances.*

Mr. WITHERS asked the Minister for Railways: 1, What has been the total cost to the Railway Department for the alteration to, and provision of spark arresting and fire grate appliances, to make it possible to burn Collie coal? 2, What amount, if any, has been contributed by the Collie coal mining industry to assist the Government in this direction?

The MINISTER FOR RAILWAYS: replied: 1, In view of the long period over which Collie coal has been used on the railways, viz., 32 years, it is not possible to give the total cost, but many thousands of pounds have been spent in bringing the appliances to their present condition. 2, Nil.