

Legislative Council,

Tuesday, 30th September, 1930.

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

MOTION—COAL INDUSTRY.

To Inquire by Royal Commission.

HON. G. W. MILES (North) [4.33]: I move—

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.

As the Leader of the House has already indicated that the Government are satisfied that an investigation should be made into the coal industry, I feel sure the House will pass this motion. If such an inquiry is held, it should be conducted by a Royal Commission, so that the evidence can be taken on oath. I should like to see a Judge of the Supreme Court appointed as Commissioner. This would mean a saving of expense. It may be argued that the appointment of a Royal Commission will mean considerable expenditure before the report is presented. I contend, however, that the saving that can be effected when all the facts connected with the coal industry are ventilated will represent hundreds of thousands of pounds, directly or indirectly, to the State. Our coal is a national asset, and practically the lifeblood of industry. I have no desire to see New South Wales coal imported, and I do not think anyone who has read the remarks I made before on this subject could have inferred from them that I had such a thing in view. I certainly compared the value of Newcastle coal with Western Australian coal, but that is all. Mr. Drew stated that I talked about making contracts with New South Wales collieries. I did nothing of the kind. I made comparison between the two coals, such as was necessary in order to get at the true position of the coal industry in this State. Mr. Drew also said that if the Collier Government did wrong in following the example of the Mitchell Government, I was to a certain extent to blame. He went on to say that "Mr. Miles has been in Parliament since 1921. This agreement was discussed publicly and commented upon in the Press in 1921, and subsequently; yet the hon. member remained silent in his seat during the whole of that time, so far as I can discover, and offered no personal comment upon the matter." This remark of Mr. Drew's was most uncalled for. Although I did not personally refer to the matter before, that was no reason why either the late Government or the

present Government should not have taken some action to protect the interests of the State. Instead of the ex-Leader of the House trying to ridicule me for bringing this matter forward, he should have commended me for having done so. I have previously stated that when tenders were called, none was received. I pointed out that under the system in vogue Trades Hall seemed to dominate the position. I stated that Trades Hall decided what coal the Commissioner of Railways should take, and went so far as to say that if the coal was not taken on the calorific value they would not mine it. These questions require full investigation. The Commissioner of Railways must be free from political and Trades Hall control. All members of the House must agree that this is necessary. That phase of the question should be thoroughly investigated to find out how it is trade unions seem to have so much power in this respect. Another point I wish to be dealt with is in regard to the output of coal. It is stated that over 500,000 tons are used annually. I am sure the figure is correct, because it appears in the report of the Royal Commission on coal in New South Wales, and this document gives our State figures. I wish to quote from the remarks of the member for Collie (Mr. Wilson) when he was dealing with the price of coal and the wages earned by the miners. The extract is dated 15th February, 1930, and the headings are "The Coal Industry, Economic Position, Collie and Wilga." The member in question said—

In my opinion there is no need for a cut in the men's wages. Let me illustrate what I mean. The average selling price in the Maitland coal fields is 28s. a ton, and the average tonnage price paid to the miner for getting the coal is 3s. 2d. The average selling price in the Collie mining district is 18s. 6d. per ton, and the Collie miner gets 3s. 10d. per ton. Surely to the initiated there is food for reflection on the above figures.

The point I wish to refer to is the 3s. 10d. per ton that Mr. Wilson states the Collie miner receives for hewing the coal. I have been abused by one or two sections of the community, who often do abuse those who are endeavouring to do good for the country, and the country only. I have been accused of being partisan. I do not know which party I am supposed to be supporting in making this request for a Royal Commission. My colleague, Sir Edward Wittenoom, stated that the railways were show-

ing too great a loss altogether, and that the Commissioner should be instructed to make them pay. I quite agree with that remark. The hon. member can assist me by supporting this request for a Royal Commission. I want to free the Commissioner from the domination of Trades Hall. If this inquiry is held, a great saving to the country can be effected, the coal will still be supplied to the Railway Department, the miners will get a fair wage, and the shareholders of the companies will get a fair return. I have here a statement made by Mr. Johnson, Chairman of the Amalgamated Collieries. He is directly interested, but I have no interest in the industry except as a taxpayer.

Hon. C. B. Williams: He is not a miner.

Hon. G. W. MILES: No. This is the report from the newspaper. It says—

When Mr. Miles's statement was brought this morning under the notice of Mr. Walter Johnson, managing director of the Amalgamated Collieries, W.A., Ltd., he contented himself with the following brief and pointed observation: "I am much too engrossed in trying to make both ends meet in Collie, that is, to make our income meet our outgoing, to worry about the windy inaccuracies of Mr. Geo. Miles. Some humourist has evidently been pulling the hon. gentleman's leg."

I will deal with Mr. Johnson directly and show how greatly interested he is in this business, and why he probably does not want a Royal Commission to inquire into the profits his companies are making. I look upon these companies as a monopoly constituting a restraint of trade. Here is another newspaper cutting emanating from Collie, as follows:—

Strong resentment is felt locally at the remarks of Mr. G. Miles, M.L.C., during his Parliamentary outburst involving the coal industry of Collie. The opinion is freely expressed that Mr. Miles has stepped blindly into a subject of which he has little knowledge, and, as is often the case in such circumstances, nothing but harm can come from his remarks. The trend of Mr. Miles's talk, it is considered, is distinctly partisan.

I do not know whether the secretary of the Railway Union thinks I am opposed to the workers. I am up against the profiteers, just as much as I wish to see that the worker gives a fair day's work for a fair day's pay.

Hon. W. H. Kitson: It is a pity you have not always been that way.

Hon. G. W. MILES: I have always advocated a fair day's work for a fair day's

pay, but we have not always got it. The extract goes on--

The ire of miners is roused by the claim of extravagant earnings, for throughout the winter many have averaged little more than £3 10s. a week. When asked to comment upon the newspaper report, the secretary of the Coal Miners' Union (Mr. H. Whittaker) said that he was conferring with his executive upon the matter, and until then he was not in a position to make any official statement. He regretted, however, the unfair and inaccurate nature of Mr. Miles's talk and its complete inadvisableness.

My attack was taken from the files, and it has been commented upon by the Press of the State, and the Press of the State are demanding the appointment of a Royal Commission. If the Collie miners have nothing to hide and if Mr. Johnson has nothing to hide—and each section claims that there is nothing to hide—why this outburst? Why are they not prepared to agree to the appointment of a Royal Commission of inquiry? No one desires to see the Collie miners paid a starvation wage; they should receive a fair wage for a fair day's work. Personally I desire that the people who have invested their money in the Collie mines shall get a fair return. To follow up the question of the output of 500,000 tons, Mr. Wilson quoted 18s. 6d. per ton as the average price on the 15th February, 1930. I will quote 16s. per ton as my basis. At that rate the return on 500,000 tons of Collie coal works out at £400,000. Mr. Wilson, M.L.A., says that the miners get 3s. 10d. per ton. I am dealing with the matter in round figures and will take it that the miners get 4s. per ton, which is 2d. more than Mr. Wilson says they get. On that basis, it will be seen the miners get £100,000. Of course they are not getting 4s.—so that they actually receive slightly less than £100,000, but that makes the case I indicate all the stronger. Let us allow 6s. for management and overhead expenses and payment to wheelers. I assume that the management get 50 per cent. more than the miners. It seems to me outrageous that the management should get more than the workers. On the 50 per cent. basis, however, the amount involved works out at £150,000. The capital of the Amalgamated Collieries, Ltd., is £250,000, made up of 50,000 ordinary shares and 250,000 preference shares, carrying interest from 8 to 10

per cent. I understand that the preference shareholders have received their 10 per cent. dividends.

Hon. C. B. Williams: Are those shares all paid up?

Hon. G. W. MILES: Yes. I will deal with that phase. Taking 10 per cent. on the capital, that accounts for £25,000. If we allow a similar percentage for depreciation and reserves, we have another £25,000, and these totals bring the figure up to £300,000. That leaves £100,000 standing. What becomes of that money? That is a point that the Royal Commission should investigate. I claim that when the figures are taken out, we will find that the Collie mine owners could probably sell their coal to the State at £50,000 to £100,000 less. Allowing that the companies should make 20 per cent. on their capital and should be able to write off 20 per cent. to reserves, there will still remain £50,000 over and above these figures. That is roughly the position as I see it, and I desire a Royal Commission to be appointed having power to investigate those figures and to ascertain what it costs the Collie companies to mine the coal. In submitting this motion, I have given the particulars fully, as I do not want any excuse to be raised, should a Royal Commission be appointed, that the Commission will not have power to inquire into this phase or that phase. In framing my motion, I have largely done so on the basis of the instructions to the Royal Commission in New South Wales. What I have already indicated is sufficient to warrant the appointment of a Royal Commission. Although it may cost £1,000 or £2,000 to carry out the investigation, and it will probably be said that as the contracts have been signed for three years, nothing can be done until the end of that period, it has to be pointed out that it takes time to arrange such an inquiry, and an investigation should be carried out at once. If that be done, we shall be able to find out if it is necessary to have further mines opened up so that we may have competition in the trade and coal supplied to the public at a reasonable price. That alone should warrant investigation. I will quote some extracts from the report of the Royal Commission that inquired into the coal industry in New South Wales. Under the heading of "Production Costs,

Working Expenses, Profits and Capital," the report contains the following:—

The cost of production depends upon many factors. If, for instance, there is excessive intermittency of employment, high wage rates do not necessarily afford an opportunity for large earnings.

I desire to quote that part particularly to indicate to my miner friends that I am not out to secure a reduction of their wages. I want them to receive a fair day's pay. I believe the industry is in a position to pay a fair day's wage for a fair day's work, and if the Royal Commission were appointed we might be able to find that we could get local coal for the people at a fairer price than has been charged in the past. Then the report contains the following:—

Published balance sheets and profit and loss accounts afford very little useful information for the purpose of an inquiry such as this, and when efforts are made to ascertain the real financial position of the industry by an intensive examination of all the books and records, so many difficulties are presented that in some respects time will not permit more than carefully prepared estimates where there should be facts. This is the case when attempting to arrive at the amount of capital employed in the production and marketing of coal, and when determining the important question of proper depreciation allowances. At the same time, it should be stated that the colliery proprietors, personally and through their associations, have given the fullest co-operation and assistance in the task of elucidating and coping with the difficulties that have arisen.

The report also says—

Having regard to the public importance of the coal industry, and to the fact that occasions arise for inquiry into its financial position, we again strongly recommend that obstacles to a prompt and accurate investigation, which have appeared now and on other occasions, should be obviated for the future by compelling colliery proprietors to adopt a uniform system of bookkeeping and to furnish returns to some Government authority annually or at shorter specified intervals, providing full details of the costs, profits, capital, and such other information as may be required.

The Royal Commission dealt with the cost of production of coal, including interest, rent, royalty, commission, salaries, wages, railway and shipping freights, craneage, and all other expenditure, and the profits or losses of collieries and also with the capitalisation of collieries. Those are some of the headings that I want inquired into here.

Then the report sets out particulars of expenditure that were obtained in respect of the following separate items covered by production, distribution and administration, as follows:—

Production.—Wages and salaries at mine; rates on mining properties; land tax on mining properties; royalties paid; rescue station levies; stores and materials; repairs; workers', fire, and other insurance; family endowments; electric power; horse replacements; freight and cartage (inwards); other production expenses.

Distribution.—Traction; commission and selling expenses; wagon hire; way leave; other expenses of distribution.

Administration.—Directors' fees; salaries; office rent; general expenses.

The only way we can secure that information is by means of a Royal Commission. Another point that will have to be considered relates to depreciation reserves. In the report of the New South Wales Royal Commission there is the following paragraph under that heading:—

After arriving at what were considered to be the correct figures to be brought to account in respect of production, distribution, and administration charges, and revenue properly applicable to coal operations, it was necessary to determine the figures to be included in respect of depreciation. Considerable difficulty was experienced in arriving at what, in our minds, was a reasonable charge to be allowed in this connection, having due regard to the nature of the plant, its life, and use. The amount which was allowed for depreciation varied with the nature of the plant upon which the charge was to be made. The life set opposite each was attributed to the following classes of plant, namely—

Mine plant and machinery ..	20 years.
Wagons	30 years.

So the figure I have quoted—10 per cent. for depreciation—is more than ample to deal with that phase and, according to the report of the New South Wales Royal Commission it is not necessary for such a large sum to be provided for writing off or account of depreciation. There is another point I would like to deal with and I will quote from a leading article appearing in the "West Australian" of the 18th February, 1930, which has a bearing on the question. The article is headed, "The State's Coal" and there is the following paragraph in it:—

There remains to be considered the possibility of exploitation by the existing collieries, if they were given what would be

virtually a monopoly of production. Hitherto prices for Collie coal have been determined, directly or indirectly, by the Commonwealth Coal tribunal. Even with the removal of this safeguard, the circumstances are such as almost to preclude the possibility of monopolistic exploitation. The very life of the industry is dependent upon Government orders, and the Commissioner of Railways, as the consumer of 80 per cent. of the output, is in as strong a position to dictate terms to one or two companies as to a dozen. The State's possession of adequate reserves of coal would, moreover, strengthen its bargaining powers in the event of excessive prices being demanded.

Another quotation I wish to make is from the "Daily News" of 11th November, 1926. The article was published during the progress of the Parliamentary debates on the Collie coal question at that time. Included in the report is the following:—

In the Parliamentary debate on the coal contract Mr. A. A. Wilson, M.L.A., member for Collie, is reported as follows (see "Hansard," 15th session, 1923, page 1402): "The mistake is that the new agreement excludes new fields from its operations for the next three years. The old agreement had a clause which set forth that the Commissioner was entitled to use 20 per cent. of a portion of the department's consumption for the purpose of helping the development of new fields, or of new mines discovered at Collie or elsewhere."

In the same "Hansard," page 1431, Mr. Collier (a previous Minister) says: "Three years ago the Commissioner, in a minute instructing the Chief Mechanical Engineer to prepare a draft, specially directed that provision should be made for 20 per cent. of our requirements being left out of the contract. In the event of new mines being discovered, and having regard to the possibility of briquetting, and of pulverised coal, he desired to have the margin of 20 per cent. so that he might allocate the percentage to anything that might develop."

Since at the time of the contract, the reserve order had not been devoted to briquetting, or pulverising, or allotted to new mines at Collie or elsewhere, one is quite justified in the statement made according to the authorities quoted, and undoubtedly they must have known. The two most objectionable features of the new contract were the excision of the 20 per cent. reserve coal order, and the elimination by omission of the hitherto existing three months' notice of cancellation clause.

That is another phase that should be inquired into by the Royal Commission. Why was the three months' cancellation clause omitted from the contract sometime back? The provision regarding the 20 per cent. has been reinstated but the three

months notice of cancellation clause has been deleted altogether. Had the latter clause been included in the new contract, we would now have been in the happy position of being able to negotiate with the coal owners. Instead of that, we have a contract signed for a period of three years, and the hands of the Government are tied. Everyone realises the present position. We are going through a financial crisis, and yet we are tied up with the coal owners for three years! That phase of the question requires a thorough investigation. The three-year contract was made against the wishes of the Commissioner of Railways, who desired a 12-months' contract so that the varieties of coal could be investigated. But the Collier Government had the contract signed prior to their leaving office. That phase of the question should also be inquired into. Regarding the coal from the Griffin mine the Commissioner of Railways has tested that coal and says that for steaming purposes it has 20 per cent. less value than coal from some of the other mines. On the other hand, the owners of the Griffin mine say that their coal has never had a fair test. That furnishes another reason why the Royal Commission should be appointed. The Commissioner gave the Griffin Company notice of cancellation and the present Government issued instructions that the railways were to continue to take 400 tons of Griffin coal a week during the winter months. In fairness to the Commissioner of Railways that should be investigated by an impartial tribunal. In fact, it is the only way by which the matter can be sifted. It is no use having an inquiry into certain phases and allowing others to remain untouched. Therefore I hope the House will agree to carry the motion and that the Government will act promptly and appoint a Royal Commission. There is an extract taken from the file which I think I should quote again. It is as follows:—

The following comparisons are given in regard to the consumption, payment for, and practical value of the four coals included in present contract. Taking the best mine (Westralian) from the department's viewpoint as the unit, we find that—

Consumption: Westralia, 100; Co-operative, 105; Proprietary, 110; Cardiff, 120.

Firebox value per ton: 19s., 18s. 1d., 17s. 3d., 15s. 10d.

Contract price: 19s., 18s. 11d., 18s. 4d., 17s. 3d.

Over-payment per ton: —, 10d. 1s. 1d., 1s. 5d.

Based on the consumption of coal for 1927-28 from the three mines last mentioned, it is obvious that, compared with the price paid for the Westralian coal, the department was involved in a heavy loss.

Approximate consumption from the three mines and estimated loss to the department on last year's figures are as under:—

Co-operative mine: Consumption, 53,000 tons; loss per ton, 10d.; total, £2,200.

Proprietary: 129,000 tons; loss, 1s. 1d. per ton; total, £7,000.

Cardiff: 53,000 tons; loss per ton, 1s. 5d.; total, £3,700.

Total loss: £12,900.

As the contracts are for three years, the loss (£12,900) requires to be multiplied by three, or, approximately, £39,000, over the whole period.

These facts in themselves are sufficient justification for the appointment of a Royal Commission. There are many other phases of the question in addition. Mr. Whittaker, an officer of the Miners' Union, had also some comments to make. He said:—

There had been a lot of talk and allegations floating around the Collie district. Mr. Ewing had come to Collie and had informed them that the results of the tests were all wrong. According to the talk that was going on, everybody seemed to be liars, rogues and thieves. The remarks got circulated about the district. They had been told that the Griffin Coy. had not been given a fair deal, and his executive desired that an inquiry should be held. They thought the company should have been represented when the coal tests were carried out.

That is a nice statement to come from a responsible gentleman, and it, too, should be investigated.

Hon. J. Ewing: It is not true.

Hon. G. W. MILES: I have only quoted Mr. Whittaker's statement, which appears on the file.

Hon. J. Ewing: Utterly untrue.

Hon. G. W. MILES: It is what he says.

Hon. J. Ewing: I wish to deny it.

Hon. G. W. MILES: Any way, it should be investigated by a Royal Commission. A weekly newspaper comments in these words—

Already they appear to be subject to agreement between the coal companies, the A.L.P., the Collie Miners' Union, the Engine-drivers, Firemen and Cleaners' Union, the Minister for Railways, and sometimes the Commissioner of Railways. Farce as well as financial tragedy is a feature of this amazing muddle.

Hon. C. B. Williams: Which paper are you reading from?

Hon. G. W. MILES: "Truth," and it's the whole truth, and nothing but the truth.

Hon. C. B. Williams: You will get your photo. in "Truth" if you don't look out.

Hon. G. W. MILES: Everything that I have quoted has been taken from the file, and if members will take the trouble to go through the file, they will find everything there.

Hon. C. B. Williams: What sort of an authority is that paper?

Hon. G. W. MILES: I have not said that the paper is an authority; I have read from its columns extracts made from the file. The paper wants to know why no action has been taken. The House should also know, and we members should not tolerate the position as it is. The whole matter needs to be inquired into from the inception of the amalgamation of the collieries.

Hon. E. H. Harris: Will not that necessitate inquiry in London where the company was floated?

Hon. G. W. MILES: It has been said that fabulous prices have been paid for some of the mines, and I have before me a list of those who control this organisation. The capital is £250,000, made up of 50,000 ordinary £1 shares and 200,000 preference £1 shares. All the shares are fully paid.

Hon. E. H. Harris: Did you say there were 50,000 shareholders?

Hon. G. W. MILES: No, 50,000 ordinary shares. I can give the hon. member the names of the shareholders who have been getting their dividends of 8 to 10 per cent. Allowing for depreciation, there is an amount of roughly £100,000 about which the Government should know something. We should know what becomes of it, so that the railways might get their coal for £50,000 per annum less than they are paying at the present time. Even then the company could pay 20 per cent. dividends instead of 10 per cent. Here are the names of some of the shareholders—J. P. Dwyer, Solicitor, 250 shares; Rev. P. U. Henn, 250 shares; W. Johnson, 26,075 shares. Incidentally, this is the gentleman who controls the amalgamation, and who referred to my previous speech on this subject as "windy inaccuracies." He is the man who is manipu-

lating these profits through having no competition.

Hon. E. H. Harris: In the interests of the shareholders?

Hon. G. W. MILES: I do not know; it will be for a Royal Commission to say what he is doing. Then we find the P. & O. Steam Navigation Company of England holds 17,000 shares; Johnson & Lynn, Limited, of Perth, shipping agents, hold 4,800 shares; F. R. Thomas, 850 shares; Sir Edward Wittenoom, 500 shares. Sir Edward Wittenoom is the gentleman who wants to see our railways run on business lines. Then there is E. G. Lumb, 100 shares; D. J. Coleman, 100 shares; R. G. Lynn, 100 shares; and G. V. Johnson 100 shares. That makes the total of 50,000 ordinary shares, of which Johnson & Lynn hold over 30,000.

Hon. C. B. Williams: What is the value of the shares on the market?

Hon. G. W. MILES: I do not know. The list of preference shareholders shows that the shares are held in England and Australia, and in other parts of the Empire.

Hon. C. B. Williams: Are there any other parsons amongst the shareholders?

Hon. G. W. MILES: The Rev. J. W. Grove, of Melbourne, holds 250 shares, and I think Archbishop Clune is a shareholder also, but that is neither here nor there; it is nice to see all these people taking an interest in a Western Australian company.

Hon. C. B. Williams: Are there any Presbyterian ministers' names in the list?

Hon. G. W. MILES: I have said sufficient, I think, to show the need for the appointment of a Royal Commission. What we want to find out is the price at which this coal can be supplied, whether we can get it at a cheaper rate, and allow the Commissioner of Railways to negotiate for the supply of coal, but not on the terms and conditions disclosed by the file, and to prevent trade unionists from saying the class of coal that is to be used, and the price to be paid. Assuming Griffin coal is what the Royal Commission may declare it to be, and the Griffin company are prepared to sell it at a lower rate, the Commissioner should be allowed to take it, and not have to submit to the dictation of the unions who declare that the coal for the railways must have a certain calorific value. The union should not be permitted to play into the hands of any capitalistic concern, and I re-

peat what I said on a previous occasion that this is an unholy alliance between capital and labour that should be investigated by a Royal Commission. I hope the House will agree to the motion.

HON. SIR WILLIAM LATHLAIN (Metropolitan-Suburban) [5.13]: I second the motion for the appointment of a Royal Commission. Mr. Miles has given very good reasons why an investigation should be made. We have been told the price now paid for Collie coal and the price paid previously, both quotations being at the pit's mouth, and we have been told the price quoted in New South Wales for Newcastle coal is considerably less than that quoted in Western Australia for Collie coal. An important factor to be borne in mind is that it has been definitely stated that 155 tons of Collie coal are required to equal 100 tons of Newcastle coal. That is one of the chief reasons why I consider the House should agree to the motion.

Hon. G. Fraser: Do not you want Collie coal used?

Hon. Sir WILLIAM LATHLAIN: Undoubtedly. I am just as keen a supporter of the use of Western Australian products as any other man is, but there is a limit to the prices we should pay for those products. That applies to other things as well as to coal. By all means let us give a preference, and even a big preference, to our own products; but we may pay too dearly for preference, as apparently in the case of Collie coal. I am not here to advocate a reduction in the price paid to miners for hewing the coal—an arduous task for which they should be reasonably paid. At the same time this House is to a certain extent the custodian of the rights of the whole people, and, as Mr. Miles has said, coal is one of the chief requisites to the development and prosperity of the entire State. Another important factor to be considered is the loss sustained by the State as a whole in regard to the bunkering trade, which some years ago, having been fostered, grew to large dimensions. We are now told that the trade has practically ceased owing to the high price of Collie coal. It is natural to suppose that if a higher price has to be paid for Western Australian coal, which is considerably inferior to New South Wales coal, steamers trading between the ports will prefer the better coal at the lower price. Complaints have also been made

with regard to Griffin coal. Most of us do not know whether the statements made by either side are correct or incorrect. A Royal Commission would easily decide the matter. If a coal mining company such as the Griffin Company has been established, it has as much right to consideration as any of the older companies. Possibly at some future time a coal mine may be developed in the Irwin district. Under the terms of the existing contract it would be impossible for the Railway Department to take any coal from the Irwin district. This is another curtailment of the rights of the people, and an infringement of the principle of placing our products at the disposal of the whole community at the lowest possible prices. It has been asserted that there is no need to appoint a Royal Commission because a coal contract has been let for a period of three years. I support the motion because I believe that now is the time to take steps to ensure that the present or some future Government will have the whole of the facts before them when deciding upon what terms contracts shall be let for the various coals required for our railways and other Government purposes. Under the last contract the supply of coal had practically run out. As most of us know, it is impossible to keep large stocks of Collie coal. The Government then were practically forced to let a contract for coal under the conditions now obtaining. I wish to obviate the coercion which was put upon the previous Government, and which may be put upon a later Government. The evidence which would be gathered by the Royal Commission would furnish any Government in power with all the knowledge necessary for the letting of further contracts. I agree with what Mr. Miles has said as to interference with the Railway Commissioner in the making of contracts for coal. It is true that the Government, having the interests of the whole of the people at heart, should do all they possibly can to assist our own industries; but if we find that those industries are combining in order to create fictitious prices, the Commissioner ought to have power to call for tenders so as to keep within fair and reasonable limits the activities of those who have the power to control an industry. We hold the Commissioner responsible for the deficits on the working of the railway system, and nevertheless tell him what coal he should buy, and how much he shall pay for it, and further permit the unions to tell

him how much he shall take from each of the various mines. It is time that the matter was taken from the control of any outside organisation. The Commissioner is the buyer, not the seller, of a certain product. On the last occasion when he called for tenders, not one of the mines responded. The refusal of the mine owners to respond to the call for tenders is in itself sufficient to show that there is at work a combination which is not in the best interests of the community as a whole. Let us give the miners fair and reasonable treatment, and also let the shareholders have a fair and reasonable return for the money they have invested; but at the same time let us give the people a fair and reasonable coal at a price founded upon calorific value.

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

BILL—HIGH SCHOOL ACT AMENDMENT.

Returned from the Assembly without amendment.

BILL—BEES.

Second Reading.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [5.24] in moving the second reading said: The introduction of this Bill to deal with contagious diseases in bees redeems a promise to the Western Australian Beekeepers' Association that Parliament would be consulted in regard to up-to-date legislation to safeguard the rapidly improving honey production of the State. Thirty-one years ago, when the industry was in its infancy, Parliament disclosed its interest by passing the Contagious Diseases (Bees) Act. That Act was assented to in 1899. For many years past the Department of Agriculture have known and the Beekeepers' Association have been insistent that that legislation was quite out of date, and for the last 10 years it has been clearly apparent that if the provisions in it for the prevention and suppression of diseases in bees were not reviewed and brought into line with advanced legislation in other countries, those engaged commercially in the industry in Western Australia were in danger of

losing their means of livelihood by their apiaries becoming diseased through infection from unclean apiaries. The Act of 1899, which is now in force, is a short and incomplete measure; and because of its obvious weaknesses the honey industry, as it is to-day, is in no way indebted to it. In an attempt to buttress that Act, regulations to control disease were gazetted, but they have been found wanting in power to stamp out disease; and because the industry is imperilled by the persistence of disease it is hoped that members will approve of the thoughtful proposals in this Bill to cope with the serious inroads on the stability of the industry. If the Bill be passed, the competent officers of the Department of Agriculture are confident that it will do much for the avoidance of the devastation of epidemics and for the permanence of the industry. The honey and beeswax industry of Western Australia is now becoming evident, and if we are watchful of its welfare it will very soon satisfy our domestic needs to the exclusion of honey produced elsewhere. It is clear, if the local industry continues the progress of recent years, that the date is not distant when our beekeepers will be able to participate in the export trade as they did to the extent of 151,025 lbs. of honey, valued at £2,325, in 1923-24, and to the extent of 100,664 lbs. of honey, valued at £2,351, in 1926-27. The production of honey in this State varies from year to year on account of the fact that most of it is obtained from the eucalyptus forests. There is a great variety of eucalyptus trees, many of which miss flowering for two or three years. Occasionally two of the principal varieties will flower in the same year, and, given suitable weather conditions, there is a bumper crop, such as was obtained in 1923 and 1926. The principal sources of good standard honey are the wandoo or white gum, and the marri or red gum. Bees kept in frame hives are much more productive than in box hives. By "box hive" is meant a plain box in which there are no interior fittings. In 1926 the average production from box hives was 13.2 lbs., whereas from frame hives it was 51.3 lbs. Owing to education and instruction, there are now very few box hives in existence. The statistics for 1929 show only 412, whereas the average for the previous four years was 1,349. Back in 1915 West-

ern Australia produced 122,125 lbs. of honey and 4,584 lbs. of beeswax, valued respectively at £1,659 and £249. In the intervening years great progress has been made, and in 1929 the production of honey reached 612,938 lbs., valued at £10,788, and in the same year the output of beeswax was 10,419 lbs., valued at £700. Against the local production of 1929, 111,358 lbs. of honey and 5,031 lbs. of beeswax were imported. The value of those imports totalled £3,546 and £442 respectively. The import figures from 1920 to 1929 show that we have imported annually from 104,000 lbs. to 304,000 lbs. of honey. Those figures exemplify the need to encourage the local industry to meet the local demand and to cultivate requests for our own local product. Last year our beekeepers possessed 11,358 frame hives, of which 10,233 were productive and 1,125 unproductive. In addition there were 412 box hives, of which 275 were productive and 137 unproductive. From those hives, as previously stated, we obtained 612,938 lbs. of honey valued at £10,788, and 10,419 lbs. of beeswax valued at £700. Those figures are taken from the records of the Government Statistician, who believes that many unrecorded hives exist and that if the produce of them was known the local production figures would be considerably increased. The production figures demonstrate that the industry in Western Australia is a valuable asset and well worthy of the care proposed to be extended to it. The Bill is framed on lines similar to the Victorian and New Zealand Acts, and members will note that all its provisions are designed solely to permit of action being taken to control and prevent the spread of disease. In the assembling of its clauses the views of the Beekeepers' Association received earnest consideration, and it has the pleasant feature that it does not contain any restrictive provisions to annoy traders in honey from healthy hives. The Bill does not go as far as the New Zealand Act, but it is very similar in scope to the Victorian legislation. The New Zealand Act is more drastic, in that all hives must be registered and no hives removed without permission from the responsible department. The responsible Minister in this State does not think the industry should be burdened with a system of registration, nor does he suggest that beekeepers here should be irritated by the requirement of a department permit

in the movement of hives. The native bees of Australia are small and do not store honey in any quantity, and are therefore not a commercial proposition. The ordinary wild bees of the bush, as distinct from the native bees, are the progeny of a mixture of introduced races such as the German or black bees, the Italian, the Cyperian, etc. The pure bred Italian bee is generally kept by the commercial apiarist. Recently the 'Carniolan bee has been introduced' into Australia and is coming greatly into favour as a hardy, long-lived bee. The Department of Agriculture is at present breeding the Carniolan bee on Rottnest Island to assist the industry in the improvement of stock. The importance of good stock is dealt with more fully in Leaflet No. 302, written by the Government Apiculturist (Mr. H. Willoughby Lance), which has been distributed to members. Other leaflets in the hands of hon. members deal with "The Pollination of Orchards," "Bee Diseases—Prevention and Cure" and "Honey." They are all from the pen of Mr. Lance, and members will find them of great use while the Bill is under discussion.

Hon. J. Nicholson: But pollination is not dealt with in the Bill, is it?

The MINISTER FOR COUNTRY WATER SUPPLIES: No, but it is dealt with in the leaflets. Coming to the proposals in the Bill: "Apiary" means any place where bees or beekeepers' appliances are kept. It is estimated that there are between 500 and 600 beekeepers in the State. Also, as far as is known, there are 11,358 frame hives and 412 box hives. A box hive is a receptacle into which bees are put, but it has no interior fittings and cannot be inspected without the cutting or breaking of the combs. A frame hive is one in which the combs are built into frames provided by the beekeeper; each separate frame being removable without interfering with the others. The frames in frame hives cost about 4½d. each and there may be from 10 to 40 of them in a hive. A frame hive on a small scale is on view in an adjoining room. The Bill refers only to bees that are kept. Only bees kept in hives will come under the scope of the Bill. It does not seek to attach any responsibility on owners of lands in respect to bees in trees on their properties. Disease is just as serious amongst bees as in any stock, and once it gets a hold in a district, it may destroy all the bees in

that district in one season. A few years back the "Isle of Wight" disease destroyed about 75 per cent. of the bees in the South of England, and it became necessary for the Government to import bees from Holland to re-establish the industry. The "Isle of Wight" disease has not yet made its appearance in Western Australia, and one of the objects of the Bill is to safeguard the local industry against the introduction of that disease and the other diseases stated in Clause 3. There are many other diseases not specified in Clause 3 which at present do not take epidemic form; but should they at any time become serious it will be possible to proclaim them diseases within the meaning of the Act. In regard to the term "Officer," no additional appointments will be necessary in the administration of the proposed measure. All work involved will be carried out by the Government Apiculturist (Mr. H. Willoughby Lance). Mr. Lance commenced beekeeping in England in 1902, and had to deal with the "Isle of Wight" disease in that country. He came out to Western Australia in 1912, and commenced beekeeping locally in 1913. Mr. Lance was one of the founders of the present Beekeepers' Association, and he had the honour of being the first president of that body. If disease should increase to any serious extent in any district, and bees, honey or appliances were moved from the infected district to other parts of the State, the germs of disease might be carried to parts that had previously been clean, and a serious epidemic started. To cover that possible state of affairs, Clause 4 permits of the isolation of the infected district until the danger has been overcome. Clause 5 provides that infected bees are not to be kept or sold. The most serious disease that we have to combat in Western Australia at present is known as "Foul Brood." The germs of that disease are carried by bees, bee-combs, hives, appliances, or in honey. It is therefore necessary that all of them should be dealt with to prevent the spread of infection. The notification of disease as desired in Clause 6 is necessary in order that steps may be taken for its eradication. The prescribed steps will vary according to the disease itself and the hold it has upon the colony or apiary, and those steps will be prescribed accordingly from time to time as necessity demands. The usual powers of

entry and inspection so essential in the execution of officers' duties are sought in Clause 7. In a subclause of that clause it is laid down that compensation shall not be payable in consequence of any measures for the prevention or eradication of disease, unless the same was occasioned wilfully and without necessity. Clause 8 prescribes that beehives, etc., liable to spread disease are to be disinfected or destroyed. That power is necessary because foul brood has been known to exist in the Albany district for many years. During the season 1927-28, in November, foul brood was found in seven apiaries at Albany, and there were two mild cases near Perth. In February there were six cases, one each at Collie, Bunbury, Pemberton, Denmark, Katanning and Narrogin. The Government Apiculturist in his report for that month stated—

As only one apiary was affected in each district, it would appear that the disease had only just started, but the infection was widespread. This fact and also that all the cases were in towns would lead one to suspect that honey containing germs of foul brood has been recently distributed in the centres and the empty containers thrown out and cleaned up by bees.

During the season 1928-29, in November, there were only three cases at Albany, but the disease had increased at Bunbury, and 20 colonies in five apiaries were affected. The disease also appeared at York and at Mount Barker. At Mount Barker the disease was traced to the purchase of second-hand hives. In February of the same season there were only two apiaries affected at Albany; three of the five at Bunbury were still affected, and one new case appeared. During the 1929-30 season Albany was not inspected in November. Bunbury still had four apiaries infected, but only one colony in each. One case appeared at Waroona, a colony of bees having been brought from Bunbury. In that case the disease spread rapidly, and the apiarist lost six hives before he knew anything was wrong. There was one case each at Bunbury and Brunswick. At Collie five apiaries were infected, and after much inquiry and search the infection was found to be spreading from two persons who had each caught a swarm of bees and put them into boxes. The bees had died out, and the boxes, full of disease, had been left in the gardens, and neighbouring

bees were robbing out the honey and spreading the disease. In February last three apiaries at Albany still had disease, two at Bunbury, one at Boyanup, and a fresh one at Mount Barker. Other cases of disease were dealt with by experienced beekeepers themselves. One man, with over 1,000 hives destroyed or lost 100 colonies through foul brood. One reason why foul brood is so difficult to stamp out is because the diseased bee larvae dries up to a hard scale which contains the spores of the disease. These spores have been known to lie dormant for three years, and have then been cultured and the "bacillus larvae," the cause of foul brood, bred therefrom. In Clause 9 it is proposed that the department may prescribe the kind of beehive in which bees may be kept in a proclaimed district. That provision is necessary because bees in boxes without removable frames are very difficult, and sometimes impossible to inspect, and if a serious outbreak of disease occurs, it may be necessary, so as to facilitate inspection, to have all bees in the district kept in movable frame hives.

Hon. E. Rose: What about the wild bees in trees?

The MINISTER FOR COUNTRY WATER SUPPLIES: I have already explained that they do not come under the Bill at all. In the event of an officer finding that the bee combs in a hive cannot, without cutting, be separately and readily removed from the hive for examination, Clause 10 will permit him to direct the beekeeper to readjust the hive, comb, or frame, or transfer the bees to a new hive, within a specified period. If the apiculturist finds any hives in such a condition that they cannot be inspected, that clause will enable them to be put into such a condition that the provisions of the measure may be carried out. Clause 11 is important. It deals with the ravages of wax moth. If hives are neglected or allowed to become weak, they are frequently attacked by wax moth, which feed on the wax and pollen and destroy the comb. If they are allowed to continue, very soon the whole of the comb will be destroyed, and the bees driven out. The hive then becomes a breeding place for thousands of moths, which go out and attack other hives and become a pest that neighbouring beekeepers have to combat. The clause will enable the inspecting officer

to order the beekeeper to destroy the moths and to disinfect in the prescribed manner within a specified time any hives, bee combs, or beekeepers' appliances affected. Clause 12 will prevent the introduction into the State of bees, hives, honey, or beekeepers' appliances that have been used for beekeeping, except under a certificate from the Government Apiculturist or the Department of Agriculture in the country of origin, certifying that such bees, hives, honey, or appliances come from a district in which foul brood and Isle of Wight disease do not exist.

Hon. J. Nicholson: What about the bee that flies in of its own accord? Has it to have a ticket on it?

The MINISTER FOR COUNTRY WATER SUPPLIES: There is no justification for ridiculing the measure.

Hon. J. Nicholson: I was only wondering.

Hon. H. Stewart: The Minister seems to be in deadly earnest about it.

The MINISTER FOR COUNTRY WATER SUPPLIES: A similar provision is found in the Acts of other States. When the Bill is in Committee a new paragraph will be proposed to stand as paragraph (c) of Clause 14 to compel the disclosure to an inspector of any information required by him relating to any apiary, bees, bee combs, honey, hives, and beekeeping appliances in the possession or under the control of the person approached. The final clause in the Bill provides for the making of regulations. In this class of legislation regulation-making power is necessary and unavoidable for the efficient operation of the measure. I move—

That the Bill be now read a second time.

HON. W. H. KITSON (West) [5.48]: I support the second reading. I am pleased that at last a little more interest is being displayed in the bees of Western Australia. I do not desire to put myself forward as an expert on the subject, but I have read a good deal recently about the improvements wrought in other countries through attending to the particular species of bees that are so useful in the pollination of orchards. Figures that have been published from time to time have been astounding. They go to prove that if our orchardists wish to obtain the best results from their labours, they must give some study to bees. This

Bill is not designed to deal with bees solely from the standpoint of honey production; it is intended to assist in improving our orchards. In some countries the increased production of fruit consequent upon greater attention being paid to bees has been remarkable. A leaflet distributed amongst members includes certain figures to show the advisableness of our orchardists giving greater attention to bees. Disease amongst bees can be checked, provided the people in the district where it manifests itself are prepared to take the steps indicated by departmental experts, and the elimination of disease means a far better fruit crop. There is no need to speak at length on the Bill, which I hope will become law.

HON. J. NICHOLSON (Metropolitan) [5.52]: I support the second reading and congratulate the Government on having moved in this direction. Some years ago, when I was interested in fruit culture in the hills, I made inquiries regarding the influence of bees on the pollination of fruit trees. I was surprised at the information I received, which has been fortified by the pamphlets laid on the table and distributed amongst members. The efforts being made by the Government to check the diseases rampant amongst bees, which diseases undoubtedly will spread unless action is taken to prevent them, should be welcomed by every orchardist in the State. The fullest support should also be given by people interested in apiculture. Let me direct the attention of the Minister to the definition of "beekeeper." In Committee it may be found desirable to strike out the words "who allows bees to be kept on any land owned or occupied by him." Bees swarm at certain periods and the man is fairly hardy who attempts to remove a swarm. He may not be desirous of allowing the bees to remain on his land, but he may not possess the skill necessary to remove them. One needs to know how to handle them, and there are very few men who can do it. Probably the Minister, with his knowledge of the country, will appreciate the position.

The Minister for Country Water Supplies: Those bees would not be "kept" within the meaning of the measure.

Hon. J. NICHOLSON: Those bees would be on his land only for the time being and until they could be removed. I know what the Minister has in mind and he has told

us that it is not intended that the measure should apply to wild bees. At the same time we should make it clear that a person shall not unwittingly be prejudiced under the measure if bees accidentally go on to his property. I welcome the introduction of the Bill and feel sure it will receive the hearty support of everyone interested in fruit culture, because its provisions are bound greatly to influence the production of fruit and that is a most important matter to the State.

HON. G. FRASER (West) [5.57]: I support the Bill. The weakness of the measure appears to be that registration is not made compulsory. No great hardship would be imposed on any individual beekeeper if he had to register. The aim of the Bill is to prevent the spread of disease amongst bees. In all walks of life the danger arises from the unregistered individual. In the fruit industry, it is not the orchardist deriving a living from fruitgrowing who allows disease to be spread; it is the individual with a few trees in his backyard. If a system of registration were introduced, greater control could be exercised, and that would be beneficial to the people who have the industry at heart. I trust that in Committee the Minister will consider the question of registering beekeepers.

HON. A. LOVEKIN (Metropolitan) [5.58]: I support the second reading. I suggest that the Bill be not taken into Committee at once, because it has just been placed before us and, after casually glancing through it, there appear to be a few little points capable of being improved.

On motion by Hon. W. J. Mann, debate adjourned.

BILL—STATE TRADING CONCERNS ACT AMENDMENT.

Second Reading.

Debate resumed from the 24th September.

HON. W. H. KITSON (West) [6.0]. As a believer in the principle underlying State trading, I desire to register my opposition to the Bill. I recognise that supporters of the present Government are consistent in their attitude because, in season and out of season, they have been opposed to our var-

ious State trading concerns. The Government are quite within their rights in bringing down a measure to enable them to dispose of these undertakings, but I am opposed to their action because I do not think it is fair they should have that right without the final say resting with Parliament. That is perhaps the only point worth considering in the matter. A large sum of money is involved in these various concerns, and, seeing that the present Government have at no time been sympathetic towards them, I can understand they would be glad to have the opportunity to get rid of them. If it is fair that State trading concerns should not be established without the consent of Parliament, it is equally fair to say they should not be disposed of without such consent.

Hon. A. Lovekin: You established the State Insurance Office without the consent of Parliament.

Hon. W. H. KITSON: That may be so, but it has nothing to do with this argument. I remember a debate in this House some few years ago with regard to a Bill that was brought down to make certain alterations in the conduct of one of the State trading concerns. It was desired at the time to enter into an arrangement with a private undertaking for the purpose of assembling and dealing with agricultural implements. At that time members of this Chamber took strong exception to the action of the Government, as it was outlined by the then Leader of the House, on the ground that the proposed agreement, a draft of which had been laid on the Table of the House, did not disclose certain particulars.

Hon. E. H. Harris: That was not a sale.

Hon. W. H. KITSON: It was a proposal to enter into partnership with a private concern. Members took up the attitude that if the Government desired to enter into such an arrangement, they should place all particulars before them. They ridiculed the idea of giving the Government any right of this kind without the full consent of Parliament.

Hon. A. Lovekin: At the same time you entered into a combination with the timber people.

Hon. W. H. KITSON: The Bill before us is designed to give the Government, who are unsympathetic towards these trading con-

cerns, the absolute right to dispose of them without the consent of Parliament. The particular portion of the Act referred to is the proviso to Section 25, which says—

Provided that possession shall not be given to an intending purchaser or lessee under a contract of sale or agreement for lease until the approval of Parliament has been obtained.

Hon. A. Lovekin: Who would negotiate under such a provision as that? No one would either purchase or lease.

Hon. W. H. KITSON: There is nothing to prevent anyone who desires to purchase one of these trading concerns from making an arrangement that will be satisfactory to the Government, and the agreement receiving the approval of Parliament, without any of the factors being disclosed that should not be disclosed.

Hon. A. Lovekin: Then this is unnecessary.

Hon. W. H. KITSON: Of course it is necessary.

Hon. E. H. Harris: Do you know that your party objected to this being there, and wished to take it out?

The PRESIDENT: Order! The hon. member should address the Chair.

Hon. W. H. KITSON: I know that from time to time statements have been made in the House as to what the party, to which I belong, has done in days gone by. I also know that many of these statements were half-truths, just as much as the hon. member's interjection is an inference of a half-truth.

Hon. E. H. Harris: It is recorded in "Hansard."

Hon. W. H. KITSON: Although I, as a member of the Labour Party, take exception to the sale of State trading concerns without the approval of Parliament, there may be others who belong to the same party who would not take exception to it. If the hon. member likes to quote what some other person has said, it cannot have any bearing upon what I have said. Each individual member must please himself. It is wrong that any Government should have the right to dispose of these concerns without the consent of Parliament. Members are displaying an entirely different attitude on this Bill compared with what they displayed on the occasion of the Bill to which I have already referred. All that was desired with respect to the State Implement Works was to im-

prove the position of those works, and also to give the farmers better facilities than they then enjoyed to get agricultural machinery.

Hon. Sir William Lathlain: And the Government were to carry the baby all the time.

Hon. W. H. KITSON: That may be the hon. member's opinion, but it is not mine. Included in our State trading concerns are several which have been established to assist various sections of the community. Indeed, in every case they have been established on the basis of this ideal, and they have proved of great benefit to the people.

Hon. Sir William Lathlain: It has proved a false ideal.

Hon. W. H. KITSON: That may be the hon. member's view, but it does not coincide with mine. Most of the State trading concerns have been of considerable benefit to the State, and particularly to certain sections of the community. What would the pastoralists of the North do without the State Shipping Service?

Hon. Sir William Lathlain: They would do as they did before.

Hon. W. H. KITSON: We are asked to give the Government the right to dispose of that service, which is of so much value to the far North, without reference to Parliament. I am not prepared to agree to that. The Wyndham Meat Works were established for a particular purpose, and during recent years they have been of great value to the cattle growers of the North. It is not right they should be disposed of without reference to Parliament. There are other concerns of a similar nature.

Hon. A. Lovekin: Why not, if you can make a good bargain?

Hon. W. H. KITSON: The principle is wrong. I know of no private undertaking that would do half the good for the primary producers of the State that the Government undertakings do. There are many phases of activity connected with State trading concerns which would not be carried out by a private firm. That being so, the Government have no right to dispose of any of them without the approval of Parliament being first obtained. On these grounds I oppose the second reading.

On motion by Hon. E. H. Gray, debate adjourned.