

by 15s. per ton. In these circumstances the Government should see clearly that the construction of the line is fully justified. I hope members will pass the motion.

Question put and passed.

House adjourned at 10.22 p.m.

## Legislative Council.

Thursday, 28th November, 1918.

The PRESIDENT took the Chair at 3.0 p.m., and read prayers.

[For "Papers Presented" see "Minutes of Proceedings."]

### MOTION—HONORARY MINISTERS AND DEPARTMENTAL ADMINISTRATION.

Debate resumed from 29th October, on motion by Hon. A. Sanderson—"That in the opinion of this House the present system of entrusting the administration and control of important departments of State to Honorary Ministers is undesirable."

HON. C. F. BAXTER (Honorary Minister—East) [3.3]: I do not know that hon. members will regard my action as one transgressing the canons of good taste if I attempt to reply to what appears to be a direct personal attack, an attack either on myself as a representative of the Government in this Chamber or on my administration as Honorary Minister in charge of the Agricultural Department and the Wheat Marketing Scheme. Mr. Sanderson gives his assurance that nothing personal is intended in his remarks. If I were sure of that I would not be replying to what, after all, should be a more or less academic point of discussion, that is as to whether under our present form of government it is wise or advisable that Honorary Ministers should be appointed, and that they should be in charge of responsible operations of the Government. Any defence of the action of the Government in this respect can well be left to the leader of the House. I ask myself this question, "Am I justified in assuming that the object of Mr. Sanderson's motion is a direct slap at me personally and my administration?" He first of all gives notice to move a direct vote of censure on the Honorary Minister in this House. He is ruled out of order. Why? Surely not because it is in proper form, but because it is in bad form! I venture to think that your object, Sir, and the intention of the Standing Orders, is that personal attacks such as that then contemplated by the hon. member, should not be allowed in this honourable House. Not being satisfied to accept your

friendly hint, Sir, that he should desist from such a course of procedure, the hon. member attempts to camouflage this House with a motion in such terms as would lead one to expect that he had given up his original intention, and desired to confine himself to the question of whether it is right or wrong to appoint Honorary Ministers to assist in Government administration. In the course of his remarks he excused himself for bringing forward the motion on the plea that he had pledged himself to his electors to do so. Did he pledge himself to his electors to bring forward this academic discussion on the appointment of Honorary Ministers? Certainly not! He pledged himself to attack the Honorary Minister, Mr. Baxter. Why did he pledge himself in this manner? Was it because his constituents demanded it, or because he of his own initiative, in view of his persistent attacks upon me ever since I became an Honorary Minister in this House, sought to justify his obstructionist opposition in the eyes of his electors by saying that he would not rest until he had done all he could to have me removed from the position?

The PRESIDENT: The Honorary Minister must not impute motives.

HON. C. F. BAXTER (Honorary Minister): I am not the only Honorary Minister in this Government. There are two others, although they occupy seats in another place. Has one word been said against either of those two Honorary Ministers or their administration? In the course of his remarks the hon. member stated—

I am going to brush aside almost in a sentence the reference or charge or suggestion which has been made outside this Chamber, that there is any personal matter in this motion at all.

Notwithstanding this statement he apparently bases the whole of his arguments against the appointment of Honorary Ministers on the assumption that one of the Honorary Ministers either has too much important work for his capacity, or that in the work he has undertaken he has miserably failed from the administrative point of view. I am constrained to ask myself whether, if the manner of my selection to the post had been different, or some member other than myself had been appointed, the hon. member would ever have thought of bringing forward this motion. Mr. Sanderson has attacked me mainly on the administration of the Wheat Scheme. I am sorry that his attack in this direction should have rendered it necessary for me to anticipate in my reply to his motion that which I had hoped to confine to the consideration of the Wheat Marketing Bill, which I hope will be before members in the course of the next fortnight. If, however, any remarks that I may make in connection with the Wheat Scheme to-day tend to help the early passage of that measure without the trouble and inconvenience that were caused last session I shall be amply rewarded. I should first of all like to say—and I do not know that it is necessary for me to say it as far as most hon. members are concerned, though perhaps it is just as well that Mr. Sanderson should hear

it—that I am not one of those who make any profession of oratory, or who attempt to convince members against their better judgment, but I do claim to be a moderate common sense being with sufficient imagination to know what is practical, and with sufficient energy to try and put that into effect. My object is not to talk, but to do. With regard to the Wheat Marketing Scheme, there has been, according to Mr. Sanderson, abundant evidence of mal-administration. Everything in connection with the Scheme seems, from his point of view, to have gone wrong. I do not claim that in a work of such magnitude everything has gone right, but I do say this, that hon. members asked for a Royal Commission on the Wheat Scheme and they got it. That commission has been sitting for months, and making exhaustive inquiries in connection with the past operations of the Pool, and not the least of their exertions has been a thorough investigation of everything that has been done since I have had the honour of being Minister in control. What has this commission discovered? What drastic changes does it consider necessary? What misdemeanours have been brought to light, and what are the considerable sums that have been wasted in connection with the operations of the Scheme? It is true the Commission brought forward an interim report, but we have seen no very drastic operations recommended in that report, and the Commission has not shown that there has been mal-administration in any sense of the word. Anyone reading the interim report of the Commission, and studying the recommendations contained therein, must come to only one conclusion, namely that on the whole the work has been most satisfactorily carried out, and that in comparison with what has been discovered in the Eastern States we have reason to be proud of the wheat marketing operations in this State. I suggest that the only matter of importance criticised by the Commission is the estimated saving that could, in its opinion, be effected by the department taking complete control, and doing the whole of the wheat handling. Seeing that it is the policy of the Government in all their departments of State to have work done per medium of contractors, if possible, without undue departmental interference, and seeing that it is also the policy of the Government to assist the co-operative movement in this State, consistent with effectiveness and reasonable economy, surely the decision that the Scheme should not do the acquiring work but leave it in the hands of those who had hitherto been carrying it out, was a matter for Government explanation, and the whole of the responsibility should not, therefore, be placed on the shoulders of the Honorary Minister who is attempting to give effect to that policy. Mr. Sanderson in his speech dealt only in generalities in connection with my administration, and he stated—

If it were not too long a story, and if it would not exhaust the patience of hon. members, I should like to go step by step through this wheat business, from the very

beginning, and then show what the Honorary Minister has done since he took control. But that subject is a very big one, and he might fairly urge that the difficulties of the position confronting him when he took control were so great.

The hon. member admits that there were great difficulties, but he has not pointed out any instance in which I have failed administratively in meeting these difficulties. Hon. members will note that Mr. Sanderson refers to generalities in his attempt to reflect on my administration of the Wheat Scheme, without putting forward any arguments to support such an assertion. As he has dealt with generalities, may I be permitted to deal with specific instances? In reply I will simply state, without any elaboration, some of the improvements which have been effected in the Wheat Marketing Scheme since my control, and I will leave hon. members to decide after hearing these performances, whether they are an indication of weak or bad administration on the part of the Minister responsible. Let us take the Advisory Board. Since I took control there has been the appointment of two farmers' representatives on the Board, the inclusion of two bulk handling experts, and the making of the board's functions practically executive, but preserving to the Government all the "advisory" advantages. Then there is the question of management. First of all, in that connection, there was the appointment of a wheat expert as manager, the result being monetary savings in many directions. There has been the appointment of technical officers ensuring effective field work, that is inspectors well acquainted with their duties. There has also been the centralising of the head office staff under one roof. With regard to the wheat acquiring agency, for 1917-18, there has been the appointment of a farmers' company as sole agents, the rejection of the zone system of acquisition and handling, and the cutting out of the unsatisfactory system of competition, thereby saving approximately £30,000 in the handling and acquiring. With regard to the wheat acquiring agency for 1918-19, there has been the preserving of the same company, with like services, similar rates, but better terms. On the question of milling for 1917-18, there has been the rejection of the board suggested from Melbourne for granting to millers allowances for inferiority, as well as the gristing for the Scheme by millers to the full capacity of the mill. I may state that a recommendation came from Melbourne for the establishment of a board here, which board were to assess the amount of damage done by the weevil pest. That system has been tried in the Eastern States, and not with good results. The system we have adopted here, under arrangement with the millers, has been very beneficial from that standpoint, and has been the means of saving not only a huge quantity of wheat, but also much money. We are making full use of the mills. Practically the whole of them have been grist-

ing to their utmost capacity, working 24 hours per day. Otherwise, we should not have been able to export the large quantities of flour which we have in fact exported. With regard to the milling for 1918-19, there is a further gristing agreement at considerably reduced rates, subject to termination by the Government upon giving one month's notice to the millers, after three months' currency of the agreement. It is estimated that this year there will be a further saving on the cost of milling of over £38,000. With regard to inferior wheat, the appointment of a sole selling agent, by creating a monopoly, has insured a full and fair price to Pool farmers. It has also resulted in the stoppage of exploitation by a combination of produce merchants. Again, a wheat cleaning and re-conditioning plant has been provided at Fremantle.

Hon. J. Duffell: The effect is said to have been the opposite.

Hon. C. F. BAXTER (Honorary Minister): I disagree with the hon. member on that point. The Scheme has benefitted to the extent of £7,000 by having the one acquiring agent. Prior to that system, wheat was being sold below its value. We are now, and have been for the past 15 months, securing a fair price for the wheat. With regard to wheat storage, there is the substitution of wheat epot sheds for the old method of covering at unattended and other sidings. There is the effective screening and dunnaging of stacks. We have refused to stack on the usual sites when these were subject to exorbitant Harbour Trust rates. Let me also point to the legislative attempt to introduce bulk storage, and to the construction of the flour sheds at North Fremantle on cheap land, where labour and handling rates are reasonable. There has also been reduction of railway demurrage charges brought about. The scheme of storing and handling from depot to ship or mill ensures the saving of agents' commission profit, and preserves to the Scheme the natural increase on the wheat handled. We are providing for the immediate removal of sections of stacks for treatment against weevil, and this without incurring extra commission to agents. Moreover, we have obviated dual control at the depots. With regard to the financial guarantee to the farmers, we have increased the figure of the 1918-19 guarantee, namely 4s. per bushel free on board, to 4s. 4d. per bushel at the siding, less railway freight. Another matter with which we have dealt is the price of cornsacks, and this will be fully considered when wheat marketing legislation is before the Chamber. However, I may say now that we are effecting a saving to the farmers of 5½d. per dozen sacks required for the 1918-19 harvest. There are other matters I could mention, but I think I have said enough to show hon. members that my administration has not been lacking in any respect. There are only two other questions raised by Mr. Sanderson. The hon. member has criticised my administration of the A.F.L. Jam Co. business, stat-

If I venture to speak of the administration of this Honorary Minister, and the danger there is in this new departure of entrusting to Honorary Ministers important administrative departments of State, I say the best illustration of it will be seen in this jam business.

And he adds that I have done more damage to the fruitgrowers of this State than ten years will put right. Let me point out that my appointment as Honorary Minister did not represent a new departure, since the Hon. J. Mitchell, when Minister, had an Honorary Minister to assist him. Mr. Sanderson, in the course of his speech, said that he was not traversing, or criticising, action in this matter prior to the present Honorary Minister's assuming control of the department. But this statement shows clearly that his attack is directed against me personally, and is not made in support of his motion. When I assumed control, the position was that my predecessor had put up a recommendation to the Colonial Treasurer for, and that the Colonial Treasurer had approved of, the making of a further loan of £2,366 to the company, thus making a total advance of £4,866. Mr. Sanderson, when speaking on this subject last session, made a great deal of capital out of a minute placed on the file by myself under date of the 15th February last, which minute consists of the words "I concur." But Mr. Sanderson did not make it clear that this concurrence related to the minutes of a conference between the Minister and officers of the Agricultural Department and the Colonial Treasurer in regard only to the nature of the agreement and the security to be obtained from the company in order to cover the advance which had already been decided upon before I came into the matter. In making this statement I do not desire that it should be inferred my predecessor did not act rightly in recommending the additional advance. However, as the acts of my predecessor are specifically excluded by Mr. Sanderson from the present discussion, I desire to make it quite clear that the recommendation, and the approval, on which this advance was granted were made prior to my advent, my function in regard to the transaction being merely to cause formalities to be completed in the way of agreement and security, in accordance with the requirements of the Colonial Treasurer, to ensure that the company carried out their obligations under the agreement, and that the Government's security should be reasonably protected. Mr. Sanderson states that I urged the company to take this money. I have already shown that I came into the matter after the application for financial assistance had been approved, and that, therefore, I could not possibly have taken any part in urging the company to adopt the course of borrowing from the Government.

Hon. A. Sanderson: How much have you given to the receiver?

Hon. F. C. BAXTER (Honorary Minister): The minute stating the Treasury requirements as to agreement and security, in which I expressed my concurrence, is dated the 15th

February last. The Crown Law Department took in hand the preparation and execution of the necessary instrument, which was completed on the 22nd March. One of the conditions of the debenture agreement is that the company shall supply, monthly or at any other time as may be required by the Colonial Treasurer or the Minister for Agriculture, a full and correct statement of the company's assets and liabilities and transactions. Difficulty was experienced at an early stage in securing from the company any measure of reasonable compliance with this condition. Disquieting reports were received from the fruit inspector as to the amount of condemnation of pulp at the factory, the stock of pulp constituting the principal portion of the Government's security. When statements of transactions were supplied by the company on the 8th June, they were insufficient, and inadequate for ascertaining the position; and several questions asked in a departmental memo. dated the 21st June were not replied to satisfactorily. On the top of this the company, early in July, made a request for a further advance of £7,000; and in an interview which the directors had with the Colonial Treasurer and myself, it was definitely stated by them that it was impossible for the company to carry on without that additional financial assistance from the Government. At that interview it was arranged that the company should put up a full case for the consideration of the Minister for Agriculture; and the following letter was received from the company's secretary on the 6th July:—

Further to our interview with the Hon. Colonial Treasurer, we beg to make application for a further advance to this company of £7,000, this being the amount we consider necessary as further capital to enable us to carry on our business successfully. We do not think it necessary to further stress the need for the continued establishment of the jam factory, and the impossibility of getting further assistance by way of capital from the fruitgrowers, owing to the disastrous seasons experienced by them during the past two years, principally due to the total cessation of shipping owing to the war. We desire to furnish you with the following information with regard to our assets as disclosed in our balance sheet to the 31st May, 1918:—Plant and casks £2,308, office furniture £40, stock £5,388; total £7,740. From this advance we intend purchasing machinery to the value of £3,000 to further equip our factory and enable us to meet the competition of the up to date factories of the Eastern States. With this further equipment, which is principally comprised of a can-making machine, we anticipate reducing the cost of our containers by 50 per cent. We are also enclosing factory cost sheets for your information.

This, of course, is totally inadequate as a statement of a case on which the Government would be justified in advancing a further sum of £7,000; and, in reply, I pointed this out on the 8th July to the chairman of

directors, at the same time asking him to give all the information requested in the department's letter to the company of the 21st June as to the company's financial position, to describe particularly all current contracts binding on the company, and to put up, in full, the company's arguments and reasons in support of the request for financial assistance from the Government, aggregating about £12,000, as against only about £2,000 of capital contributed by the shareholders. I also asked for a statement of the estimated results of future trading, of the data on which these were based, and of the prospects generally of successful trading operations, together with the company's proposals as to the repayment of the additional advance then asked for. On the 6th August a reply was received from the company, forwarding balance sheet as at the 31st May, 1918, profit and loss account, trading account, copies of agreements, and certain other information, including a statement that out of the £7,000, if advanced by the Government, the company proposed to expend £3,000 on the latest can-making machine. There was a further statement that, in addition, the company would have £4,000 working capital to enable them to put down sufficient pulp for the season. In view of the balance sheet enclosed with that memo., it is not apparent how an additional loan of £7,000 would, in the then condition of the company's finances, have enabled the company to spend £3,000 on a can-making machine, and to provide £4,000 for working capital. Moreover, the auditors' report referred to in the balance sheet accompanying the letter, was not enclosed. This, hon. members will recognise, is a very important matter. The accounts attached showed that for the seven months there was a loss on manufacture and trading account of £1,527 and a total loss for the same period, after including all expenses, of £4,851. The balance sheet showed liabilities, apart from share capital, amounting to £13,348 and the tangible assets at the balance sheet valuations amounted to £9,181. It is consequently shown that even assuming these assets were realisable at the amounts shown in the balance sheet, the company was insolvent to the extent of some £4,000. The company asked for a further Government advance of £7,000, stating this would enable the company to buy £3,000 worth of machinery, and in addition provide £4,000 for working capital, but it did not indicate how it proposed to pay off the outside creditors amounting to over £8,000. After conferring on the matter with the Premier the company on the 16th August were asked for the auditors' report, and this was received on the 21st August. The following extracts may be of interest to hon. members:—

Trading for the period has resulted in a gross loss of £1,527. It is difficult to state definitely what has contributed to this loss, but after careful inquiry and investigation we have formed the opinion that it has resulted from one or more of the following causes:—

Hon. J. Duffell: For what period was that?

Hon. G. F. BAXTER (Honorary Minister): A period of seven months. The extracts continue—

- (1) Wastage and deterioration of stocks;
- (2) Calculation of the values of stocks at lower rates than previously adopted; (3) That costs upon which the selling prices have been based have been unreliable;
- (4) That the manufacturing has practically ceased several times during the period. It is impossible to state exactly the value of the stock condemned and destroyed, but we think it may be safely set down at not less than £500.

I might here state that the inspector's reports showed that up to the 27th May last the following condemnations of pulp had been made at the factory:—Tomato pulp, 2,493 tins of 40lbs. each; fig, 337 tins of 40lbs. each; apple, 24 tins of 24lbs. each; and canned pears 693 tins of 2lbs. each. The auditor's report further stated—

From a cursory glance through the system of costing it appears that neither has it been adhered to nor kept up to date. After charging all expenses the Profit and Loss Account shows a loss of £4,758. To this figure has been added the proportion of the first instalment towards the redemption of the Western Australian Government debentures, thus making a total net loss for the seven months of £4,851 which, when added to the loss carried forward shows a total debit to profit and loss of £6,174. No depreciation has been written off the assets of plant, machinery, casks, loose tools and office furniture. We are inclined to believe that the plant and machinery appears in the balance sheet at a figure in excess of its actual value. The books of account have been kept in a very lax manner. There seems to be an absence of co-operation between the managers at the factory and the secretary in the James street office, which is detrimental to the best interests of the business. We emphasise the necessity of more favourable arrangements as regards the distribution of the company's manufactures. We have come to the conclusion that the supervision of the undertaking has been lacking in thoroughness and consistency. If the company is to progress strict care and close attention must be paid to both the manufacturing and financial aspects of the concern.

Hon. G. J. G. W. Miles: This is a co-operative company?

Hon. C. F. BAXTER (Honorary Minister): Yes, these extracts are from the auditor's report. On the 26th August I referred to the Premier for consideration in Cabinet the following minute, and I will ask hon. members to follow me closely while I read it, and they will then be able to decide whether I have shown laxity in the way of administration. The minute is rather long, but it is important that I should read it all. It is as follows:—

The affairs of this company have reached a stage at which decisive action by the Government is imperatively necessary. The

amount advanced by the Government is £4,866 and interest due brings the sum to well over £5,000. The company has asked for a further advance of £7,000. The financial statement and auditor's report as produced by the company, show that it is practically insolvent to the extent of over £4,900 and that its affairs have been badly administered by the directors and officers of the company. There is no assurance—in fact it is extremely improbable—that a sum of £7,000 would be sufficient to enable the company to permanently carry on, having regard to the fact that it owes over £8,000 to creditors other than the Government. Moreover, it is extremely doubtful whether, even with ample capital at command, the present management could successfully develop and conduct the business. The Government has a first charge over all the fixed and floating assets of the company as a security for the present advance. It is estimated that these are worth sufficient to fully cover the debt to the Government, even should the business be closed and the assets sold off. Even if the business management were fully competent and there was an assurance that with the additional £7,000 asked for the company could successfully develop and carry on the business and eventually pay all its debts, it would be hardly defensible for the Government to advance £12,000 against only £2,000 contributed by shareholders, nor would it be, I think, a proper proceeding for the Government, in the present insolvent condition of the Company's affairs, to provide funds which would be largely used for paying the Company's creditors. I have every sympathy for the unfortunate position in which these creditors are placed—more particularly because of the fact that there are amongst them a considerable number of small producers, but the Government cannot properly take over the trading risks which their creditors assumed. The knowledge was available to them that all the assets of the Company were fully pledged, and it must be assumed that the creditors deliberately gave credit to the Company with a full knowledge of the risk of doing so. The foregoing remarks deal with one side of this difficult and complex matter. On the other side are the considerations:—(a) That a jam factory in this State is necessary for the fruit industry, more particularly under the present difficulty of finding a market for our fruit; (b) That the company have, in Mr. Raynor, a practical jam maker who is believed, on reliable information, to be capable of successfully producing jam if he is backed up by efficient commercial management of the business, and if sufficient capital is provided to finance its affairs. After mature consideration of all these circumstances—discussions with officers of the department and the Solicitor General, and many inquiries amongst commercial people having practical knowledge of this kind of business, I have decided to recommend action as outlined in the minute hereunder

by the Solicitor General, i.e., that a notice be immediately served on the company demanding payment of the Government advance and in the inevitable case of the company defaulting that, under the powers contained in the debenture agreement a receiver be appointed to take possession of the assets and business of the company. It is legally permissible for the Receiver to carry on the business as well as to realise the assets. I am proposing that the Receiver, after he has taken over the affairs, be instructed to as soon as possible furnish a report as to the prospects of carrying on the business so as to ultimately make it a successful and profitable concern, and what funds he estimates would be required to enable this to be done. If his report is favourable it would then be a matter for the Government to decide as to whether those funds would be provided and the business carried on by the Receiver. If he be successful in establishing the business on a profitable footing there would be little difficulty in disposing of it either to the present company, under some scheme of reconstruction or to a new company to be formed for the purpose. In that case also there would be a probability of the ordinary creditors eventually getting their money. The appointment of a Receiver would cut the business entirely free from—(a) the present inefficient management, (b) any onerous agreements, (c) pressure by creditors, and the Receiver would be free to handle the proposition on proper business lines. The alternative course is that the Receiver be instructed to proceed at once to realise the assets. This would mean closing up the business. The benefit of this outlet for our surplus fruit would be lost and most probably there would be no surplus for the large body of ordinary creditors, whose losses would be severe. I have in view for the position of Receiver a practical business man. He has no special knowledge of the jam trade, and I do not think it possible to get a man otherwise suitable, who has. But he would have in Mr. Raynor a reliable expert jam maker and he could obtain advice on any special feature of the commercial processes of buying the fruit, etc., and selling the product. It is important to note that even should it be decided to realise on the assets as soon as possible, the Receiver would require funds and the Treasury must be prepared to finance him. From the day of his appointment he would be liable for wages and the cost of any continuing arrangements in the way of supplies of stores, fruit, etc. The amount required for purposes of early realisation would probably run into some hundreds of pounds and if the business were to be continued with a view of disposal at some indefinitely later stage, as a going concern, the amount required might be anything up to, say, £10,000. The Solicitor General has advised that money spent by the Receiver for the purpose of conducting

the business pending sale of the assets, and the costs of realisation can be added to the amount of the mortgage debt. Should, however, it be decided to purchase additional plant for re-establishing the business, the expenditure thereon could not be added to the mortgage debt unless a further agreement to that effect were made with the company and the approval obtained of the Commonwealth Government. The Government, however, could add to the mortgage debt a charge for the use of plant and remove it at termination of the Receivership. It would be open to any creditor of the company to apply for a winding-up order and the court when granting this would appoint a liquidator. Our Receiver would then drop out and the Government, as the only secured creditor would have first claim on all the assets. The debt to the Government would probably be paid but the business would be wound up and the works stopped. It is considered improbable that the creditors or any of them will take this course. I therefore recommend action as indicated in paragraph 8.

Hon. Sir E. H. Wittenoom: Do you write many minutes as long as that one?

Hon. C. F. BAXTER (Honorary Minister): The importance of the matter required an extraordinarily long minute to describe the position of the business. The matter was referred for the advice of the Minister for Industries, and that advice was expressed in the following terms:—

Hon. Mr. Baxter's minute aptly sums up the business position. It is hard to say at the moment what will eventuate ultimately but undoubtedly the wisest course is to give notice demanding repayment and to take steps for the appointment of a Receiver. This will have the effect of conserving the assets and giving time for a fuller consideration of the commercial possibilities ahead—freed, as Mr. Baxter points out, from the directors' interference and pressure from creditors. In a very short time the Receiver, if a competent business man, should be able to advise as to the next move. The Receiver will be able to tell us whether the company should be wound up or reconstructed with fresh capital and more capable controllers.

Thereupon Cabinet agreed to follow the course recommended in my minute, paragraph (8), of the 26th August last, and instructed that immediate action be taken.

Hon. G. J. G. W. Miles: Is that minute from the Minister for Industries or the Attorney General?

Hon. C. F. BAXTER (Honorary Minister): It was sent to the Minister for Industries, but I may say that he has a committee there, and I understand he and the committee went through the whole business, and they finished up by supporting my action. In the course of his remarks, Mr. Sanderson stated—

... The Minister had everything in his favour, and what a failure he has made, and what ruin he has brought on some, and what loss—and severe loss—he has brought

on others. For what reason? Incapacity. Simply business incapacity, and we are asked at a time like this, when every penny is of importance, to tolerate this system which has resulted in this performance . . .

Where, then, is the justification for the hon. member's accusation of incapacity and maladministration? Compare the hon. member's attitude with that of the creditors of the company, who are financially interested. When the meeting of creditors was held, I explained the whole position fully. After hearing that explanation the creditors were fully satisfied, and gave the Government authority for the expenditure of further sums to put in necessary additional plant; and they proved their confidence in my administration by moving a vote of thanks to me for the action I had taken in connection with this business. I ask hon. members to carefully consider and weigh the action taken by me in this matter and the various steps followed, up to the stage of this decision in Cabinet, and to express their views as to whether a difficult transaction was not handled in a manner that, while fully sympathetic with the producing and other interests involved, was, at the same time, sufficiently firm in protecting the security of the Government and in taking out of the hands of directors conclusively shown to have been lamentably lacking in proper management of the business, the affairs of this young industry.

Hon. R. J. Lynn: Which Minister had charge of it prior to your advancing this money?

Hon. C. F. BAXTER (Honorary Minister): Mr. Willmott, the Honorary Minister for Lands. The opinion I had formed previously as to the incapacity of the management was fully confirmed by the report of the public auditors engaged by the company itself. In these circumstances it would have been an act of almost criminal maladministration to have handed to the former management of the company any more Government funds. That the action taken was fully justified, and that the conclusions urged as to the mismanagement of the company were perfectly correct, is further confirmed by the report of the receiver, which has been laid on the Table and which deals in detail with the financial affairs of the company and the position and prospects of the factory. The position of outside creditors has been at all times sympathetically regarded by me, and while my first duty was to protect the Government security and the continuity of operations at the factory, I have been in hopes that by the arrangements made something might be saved and some profits earned which will eventually go to reduce the liability of these unfortunate creditors. Mr. Sanderson has stated that I should have called the directors together. Presumably he means prior to installing a receiver. At that stage the consideration which outweighed all others in my mind was that of keeping the business of the company in operation. I had been repeatedly assured by the directors of the company that it would be impossible for them to carry on unless the additional advance was made by the Government, that unless this money were made available immediately it would

be necessary for the company to close down all its operations. In view of these statements there was clearly a danger that if the Government gave extended notice of its intention to instal a receiver the factory would be closed down, and the value of pulps and other assets perhaps materially depreciated, to the detriment not only of the Government but possibly of the outside creditors. The shortness of the notice given to the company in respect to the receiver's appointment was not due to any lack of courtesy or consideration for the company and its directors, but was entirely with the intention of protecting the assets and the continuity of the industry. Mr. Sanderson has stated that it would be impossible to find men who are more representative of the fruit-growers than are the directors. That may be so, but the proved fact of the directors' mismanagement of the company's affairs shows that they were either negligent or lacking in the practical business knowledge necessary for efficiently managing the concern. Although Mr. Sanderson's motion is restricted to the period since I took control of the Department of Agriculture, I should like to point out that on the evidence produced to the Government the advances made were justified. The project had all the elements of success—cheap fruit and a good demand for the product at profitable prices. From a State point of view the advance was a wise measure of administration.

Hon. R. J. Lynn: A what?

Hon. C. F. BAXTER (Honorary Minister): A wise measure of administration. A local jam factory is a valuable addition to our industrial life. It also serves to alleviate the glut in fruit, and so benefits the growers. The advance was fully secured and probably is so still. Only one factor essential to success was lacking, namely, efficient financial management. Had the management been reasonably efficient there is practically no doubt that the enterprise would have been financially successful. There can be no blame resting on the Government because the company's management was so lamentably lax. The directors were a most reputable body of men, and it was reasonable for the Government to assume that they would select competent officers and satisfy themselves that the company's business affairs were properly conducted. Had reasonable care and skill been exercised in those directions there is no doubt the company's operations would have been successful and it would have been able to pay out of the profits the trade liabilities incurred, and eventually repay the Government's loan. But proper business management was lacking, as has been amply proved. I do not want to particularly stress this painful feature. It is no satisfaction to cast blame on the directors and officers of the company, but it is necessary to make this point quite clear in order to protect the Government from the charges of maladministration brought by Mr. Sanderson. The directors' reports and the receiver's report make it absolutely clear that there was gross mismanagement of the company's affairs. Very soon after my

first connection with the affair I became suspicious that mismanagement existed, and I took diligent steps to ascertain if my suspicions were well founded. As soon as this was demonstrated beyond doubt I advised the Government to take the only course properly open, namely, to refuse to entrust further Government funds to the company's management and to protect the assets and business from depletion and stoppage by removing the undertaking from its incompetent management.

Hon. G. J. G. W. Miles: How much have you advanced since?

Hon. C. F. BAXTER (Honorary Minister):

I have not the figures here, but sufficient to carry the industry on over the season. It is to my credit that, since my control, power was taken in terms of the agreement with the company to enable us to remove the undertaking from its incompetent management. The agreement, which was made under my direction, has enabled the Government to take full control of all the assets and of the business without dislocation or disturbance in the continuity of the operations of the factory. Already many measures have been set on foot with the object of re-establishing this business on sound commercial lines.

Hon. G. J. G. W. Miles: Were there any offers from private persons to take over this industry?

Hon. C. F. BAXTER (Honorary Minister): There was an offer from Jones & Co. to take over for about one-sixteenth part of the real value. To revert: when the position was fully explained at the meeting of creditors, they endorsed the action of the Government. It is the Government's strong desire to so arrange affairs that eventually the creditors may receive substantial payment, if not payments in full. This can only be done by nursing the business and gradually building it up into a profit-earning concern. It is a difficult task but not, I think, impossible. However that may be, the actions of the Government, both before and after my connection with the affair, were calculated to benefit the fruit industry and the State, and were fully justified as acts of wise and proper administration. The company has failed owing to mismanagement of its affairs, but the timely intervention of the Government has, so far, protected from stoppage the business of the jam factory, and there is a reasonable expectation that this business may still be continued, and permanently established on lines that will benefit the industries of the State and the company's creditors. Mr. Sanderson's stinking fish arguments that the project was doomed to failure from its inception are not proved nor supported even by the latest developments of this affair. By giving the advance to the A.F.L. jam company as an illustration of his charges of incompetance against Honorary Ministers, he has enabled me to use it effectively as proof, on the other side, of wise and fearless administration, sound judgment and prompt and decisive action in the

State's interest. In his desire to injure Ministers, Mr. Sanderson has not hesitated nor scrupled to injure this young industry and also, indirectly, a large body of his constituents, and the best interests of the State. The hon. member has failed to put forward one argument which favours his motion. It will be noted that I have kept strictly to the two matters he referred to, namely, the administration of the Wheat Marketing Scheme, and the A.F.L. My reply on these should prove to members that my administration has not been at fault. If desired, I could with confidence submit the same defence in respect of all the departments I administer.

Hon. W. KINGSMILL (Metropolitan) [3.56]: I have very few remarks to make on the subject, and I can assure the Honorary Minister that I do not intend to refer to him, except to express some little meed of regret that he should not have spoken to the motion, and to express, further, my congratulations to him upon his being so well satisfied with his own administration. Honestly, it is not often that one has an opportunity of meeting a man so happy as is the Minister in the consciousness of having done so well.

Hon. Sir E. H. Wittenoom: And he feels justified in it.

Hon. W. KINGSMILL: That should make anybody happy. It is this paralysing doubt which possesses some of us as to whether what we have done was the right thing to do in the circumstances, which makes for unhappiness and anxiety; and when we meet a man who, like the Honorary Minister, is conscious of having done nothing but right, well, I can only say I think we ought to go and shake him by the hand. I have never said much about the hon. member's administration—I have had to do so in regard to some of his honorary colleagues—nor do I intend to do so, but it is the constitutional aspect of the question I wish to deal with. The motion moved by Mr. Sanderson is somewhat misleading, because it lays it down that the present system of entrusting the administration and control of important departments of State to Honorary Ministers is undesirable. It may be somewhat inaccurate, because the gentlemen to whom reference is made in the motion do not fulfil the name that is given to them. They are not Ministers, neither are they honorary. In that respect the motion is wrong. I say they are not Ministers, because a branch of the Legislature has already decided that they are not Ministers. When the Interpretation Bill, which was brought down here the other day and passed through this House, was before another place, in the new interpretation in that Bill of the word "Minister," there were certain words which conferred upon these gentlemen—not in a very explicit manner, but the intention was there—Ministerial powers. Attention was called to this fact in another place, and a motion was made that the words be struck out. And the words were struck out, not only without any effort on the part of the Government to retain them, but with the remark from the Attorney General that it was quite right that



they should be struck out. That disposes of the contention that those gentlemen are Ministers. Now I am not going to use my own opinion or my own words about their being honorary. A member of the Cabinet, in a very public place, in the course of a debate this session complained that his Ministerial salary was cut down to such extent by the demands made upon it for the payment of Honorary Ministers and of Whips that he only received out of it £500 a year.

The Colonial Secretary: An entirely wrong statement.

Hon. W. KINGSMILL: I was going to say—

Hon. Sir E. H. Wittenoom: He is reported to have made it.

Hon. W. KINGSMILL: It struck me as being no more accurate than some of the other statements that this member of Cabinet has made. When we come to reckon it out and remember that in these days, not in former days, the salaries of Ministers are £1,300 a year, and that this hon. gentleman was giving up £800 a year, a very simple sum of arithmetic will show that the Honorary Ministers must be getting rather more than the Minister himself.

Hon. J. W. Kirwan: A great deal more.

Hon. W. KINGSMILL: Yes, which of course, as Euclid has observed, is absurd. It makes one think that, after all, these gentlemen are not quite so honorary as may be thought.

Hon. R. J. Lynn: Have you any objection to paying for brains?

Hon. W. KINGSMILL: I will come to the ground for my objection in a few minutes if my impatient friend will allow me to do so. The constitution under which this State is governed, lays down in the Act of 1899, Section 43—

There may be six principal executive offices of the Government liable to be vacated on political grounds, and no more.

That is a peculiarly worded section. Hon. members will undoubtedly at first look at the word "may." It says "there may be six executive offices of the Government." The first outstanding word in the section is the word "may," but hon. members will see at once that the last three little words, "and no more," place quite a different complexion on the word "may" to that which it would if those words following were not there. It simply means that these principal officers of the Crown shall not number more than six.

Hon. J. Cornell: There may be less but not more.

Hon. W. KINGSMILL: Yes, and one, at least, of these offices shall be held in the Legislative Council. The underlying principle of the Constitution, as I see it, is that before any gentleman who occupies a seat in Parliament is called upon to administer in any degree of magnitude whatever the affairs of the State, he shall vacate his seat and be re-elected by his electors, at all events by that portion of the community which, so far as he himself is concerned, is most interested in the matter, and it is provided that these electors shall have an opportunity of expressing an opinion

as to the member's fitness or unfitness for the office which it is proposed he should occupy. That, I think, is the underlying principle of the Constitution, and a mighty good underlying principle.

Hon. A. Sanderson: Hear, hear!

Hon. W. KINGSMILL: I think that the present practice pursued, not by Honorary Ministers, if I may be permitted for the purpose of argument only to call them so, but by the whole of the Government, of avoiding this phase of the Constitution, is not a good one. It is reprehensible and is deserving of the action which Mr. Sanderson has taken in upbraiding it in the present and putting forward grounds for preventing it in the future. Apparently these gentlemen are remunerated—although no money could remunerate sufficiently the Honorary Minister in this Chamber who has carried out in so admirable a way by his own account the affairs of the jam factory, and of the Wheat Scheme—by the humble contributions of their colleagues. In the past I do not think this has been the case. I have been in several Ministries where Honorary Ministers have been called upon, in an advisory capacity only and not in an executive capacity, to assist the Government, but I know in these cases they have had absolutely no remuneration either from the State or from their colleagues. Whether in the Labour Government Honorary Ministers received any monetary assistance or not I could not say, but it remains to this Government to present the spectacle of one of its members crying aloud in his agony at having to part with his money to keep these Honorary Ministers and Whips going. Let me put another aspect of the case. These Honorary Ministers are paid, I presume, by their colleagues, and not by the State. An old friend of mine some time ago reminded me of a foreign proverb, taken from a foreign language—

Whose bread I eat his praise I sing. It is only human nature, and only to be expected, that allegiance is due on the part of the recipient of favours to those who provide them. I say that Honorary Ministers, if they are paid by their colleagues, owe allegiance to their colleagues and not to the State. This is the introduction of a most pernicious principle. A little further in a House fairly equally divided cupidity may overcome a person's political opinions. This practice may put into the hands of Governments, if they are prepared to a sufficient extent to sacrifice their salaries—I do not say it of this Government—a very wicked, pernicious and dangerous weapon. It may place in their hands a weapon which may be used to the great disadvantage of this country, and bring upon Parliament a bad name in connection with which Parliament has never yet been bracketed. I hope this will not be so, but I am ready to take any steps which will prevent this being done. It may be pleaded that Honorary Ministers are not any novelty. That is so. I think the first Honorary Minister in the State was Mr. Sept. Burt. I think the next one was the Hon. Mr. Sommers, and then there was the Hon. Walter James, and next to him there was the Hon. Mr. Moss. There have been others; Mr. Holmes, I believe.

was an Honorary Minister for a time. If hon. members will recollect the circumstances, and the personalities of these men, they will see that most of them, at all events, were appointed for conspicuous ability in their walk of life, conspicuous ability as Parliamentarians and as legal advisers. They were never entrusted with executive powers. Their power, if it may be called a power, was purely advisory and they gave their services without any remuneration. That is a practice with which I have no fault to find. As long as a member is not called upon to exercise executive powers, not first having received the consent of the electors so to do, I have no wish to prevent an Honorary Minister being appointed if it makes for good government. I do not want to go so far as to personally attack Honorary Ministers, or to indicate even the purpose for which they have been appointed, but I venture to say that when one compares them with the Hon. Sept. Burt, the Hon. Mr. Moss, and the Hon. Walter James, one is inclined to believe that the same incentives do not actuate those who appoint Honorary Ministers to-day as actuated those who appointed the gentlemen I have just named as Honorary Ministers in the past. I will say no more than that. I think, for the reasons I have already given, this is a practice which is liable to be pernicious in the extreme. There is nothing in the world to stop another place from appointing five or six Honorary Ministers. Then there is the possibility, not, for this Government of course, of future Governments, although I hope this will not come about, securing a majority in the House by putting their opponents on the Ministerial benches. I hope that will not be done. I, for one, am going to stop anything which will have the effect of rendering it possible for this to be done. I do not think the expense of additional work will hold water for a moment. I do not believe there is any additional work. I know well that a great deal of the work which was done before Federation has been handed over, and the volume of work in the departments I do not think has increased. Let me say too, if I may say so without being rude, I do not think the work is any better done to-day than it was in the past, and I am not paying any great compliment to the past when I say so. For these reasons I intend to support heartily the motion moved by Mr. Sanderson. I am in complete accord with it, and I think if it will only stop the present state of affairs it will have achieved a worthy object and one which is deserving of the thanks of the community.

Hon. Sir. E. H. WITTENOOM (North) [4.12]: I have listened with a great deal of interest and attention to the entertaining and instructive speech of Mr. Sanderson when introducing this motion. Whatever my views may be on the question of Honorary Ministers I feel bound to say that I support him, because I am one of those who believe in the party system. I go fully to the length he does in supporting the party system, because I consider that this system is the only successful method of government that is at present known.

Hon. W. Kingsmill: Hear, hear!

Hon. Sir E. H. WITTENOOM: Indeed, I would go further, and say that, in addition to the party system, the most successful forms of government are carried out by the one-man system. I have made this statement here before, and it has been thrown back at me by the Colonial Secretary, when I instanced Mr. Seddon's Government as one of the successful one-man Governments, that I should have been sorry to have followed many of the enactments which Mr. Seddon placed on the statute-book. I do not remember that this New Zealand Prime Minister did anything very dreadful, and I can only say that had I been a member of his Government, if he attempted to do any thing very dreadful I could only hope that my advice might have helped him to avoid it. I am still of opinion that the most successful Governments are those which are run by one man. After members of Parliament have been elected and have found out who is the strongest man, and enabled him to choose his own men to work with, we have had a successful Government. I may perhaps be excused if I refer to the late Lord Forrest as one of these one-man Governments, and to Mr. Seddon as another. If I wanted any further illustration of the one-man system I need only point to the success of the Prime Minister of England, Mr. Lloyd George. In another instance we find this evidenced in a still more concentrated form, for notwithstanding the body of men who were brought together at Versailles, it was not until the Army was concentrated in the hands of one general that it began to be successful.

Hon. J. Cornell: There have been some failures with one man. There is the Kaiser, for instance.

Hon. Sir E. H. WITTENOOM: I will come to that aspect of the question as well. I am not going to say that the one-man system always operates for the best. In addition to the instance of Marshal Foch, whom I regard as the most conspicuous example of all, I may refer to President Wilson, whose ability in conducting the affairs of the great American nation during the late crisis will, I think, stand out for all time.

The Colonial Secretary: And yet the electors have turned him down.

Hon. Sir E. H. WITTENOOM: If that is so, it only shows the occasional ingratitude of electors. However, President Wilson has not yet been turned down. There are three forms of government to be considered—I do not put this forward very argumentatively—one being that of autocracy, the second the party system, and the third elective Ministries. In no part of the world do I think there could be a better form of government than that of a really good autocrat; but the difficulty is to get the good man. In the case of the Kaiser we had an autocrat who, until war was declared, proved himself, in my opinion, to be one of the best governors ever known. Undoubtedly, for the 20 years preceding the war his country developed more than any country has ever been known to develop and its people prospered and were contented. But, unfortunately, he made the error of declaring war;

and he has thus given an instance of the failure of the autocratic system. Next, we come to the party system. So far as we know, the party system has hitherto been the most successful. I wish hon. members to understand that I am not wedded to the party system from any belief that there is no other system. However, I do not know of any other so successful; and my reason for being so favourably disposed to the party system is that I know of no other so good or so successful. We need only look to the United Kingdom, and the various dominions in which the party system is at work, to discover that so far the system has proved successful. Now I come to elective Ministries. Surely the instance of an elective Ministry we have before us enables no one to claim that the system is a success. True, the party system is not always successful. I could instance a case where a leader in this very State had control of the country for some seven or eight years, and where, although he controlled all those round him, he did not control them to the best advantage of the country. The party system is not altogether perfect, but I do not see how the elective system can work at all. Take our present Government, who I understand represent an elective Ministry. The Premier said so; the Premier's statement to that effect was quoted, with the addition that we must progress with the times, if we wished to push ahead, and that elective Ministries represent a progressive movement. Take our own Government, I say, comprised of members of the Liberal, Country, and Labour parties. They have not been able to do anything but the most elementary administrative work. They cannot introduce any definite measure for fear of one party or the other objecting to it. How can the position be otherwise? No one is responsible for putting the present Ministers into power. Each man in the Cabinet is as good as the other. Not one will recognise any control. With the party system, after members of Parliament have been elected by the people, one man is asked to form a Ministry, and he is made responsible. He chooses those whom he thinks he can work with; and he gives those men to understand that so long as they agree with him, they can work with him, but that when they cannot agree with him they must send in their resignations. The consequence is that someone is responsible and has control. But in elective Ministries no one is responsible. The Federal Government is just in the same position as our own. In the circumstances I contend that the elective Ministry system is a failure and that the best system at present is the party system. Let me add, however, that I am quite open to conviction, and that if anyone can show me a better form of government than the party system I shall be one of the first to support it. The worst drawback of the party system is that a wrong contention is formed of the duties of the Opposition. The duties of an Opposition are to advise the Government, and to put them on the right track when they are going wrong. They are there to criticise the Government, and to show them where they err. But what happens?

The Opposition are always trying in every possible way to trap the Government, to get them out of office, to get them to commit every possible fault with a view to rendering them unpopular. Half the time the Opposition are trying to damn the other side. One has only to listen to a debate in another place to appreciate how much assistance the Opposition render to the Government. That is one of the worst features of the party system. In the circumstances it is very hard indeed to know what is the best form of Government; but, so far as I can see, it is at present the party system. To come to the motion now. It is one of my drawbacks never to have had any business with an Honorary Minister; so that I am not in a position to say anything but good of them, for the reason that I know nothing in the opposite direction, except, possibly, from hearsay. Therefore I do not propose to address myself to anything in the way of personalities. The motion declares that it is undesirable and unnecessary to have Honorary Ministers. It is not necessary for me to elaborate my reasons in support of that view, because Mr. Kingsmill has stolen all my powder and shot just now. But I may add a remark with regard to the influence the system of Honorary Ministers can have on the position of the Government. Take the position in another place. There are five portfolio Ministers, and two Honorary Ministers; which make seven. Then there is a Speaker and a Chairman of Committees; which makes nine. Great efforts have been made to introduce a public works committee—fortunately this House stopped that—of three members; which would make 12. The Government Whip brings the number up to 13. Thirteen is a very fair start to have towards a majority party of 26. The Government would need to secure only about 12 or 13 additional supporters in order to remain in power for ever so long. That is one of the objections to Honorary Ministers. The next is that there is no necessity for Honorary Ministers. It has been said that, owing to the industrial enterprises of the Government of this State, it is necessary now to have more Ministers. But I hardly think portfolio Ministers, if they are hard working men and men who look after their business, need the assistance of Honorary Ministers. I gathered my experience during the time I was in a Government myself, from 1894 to 1898. During that time we had, I think, six Ministers, without any Honorary Ministers whatever. That applies to the whole of the period; and during that period, I contend, there was a great deal more development work being done than there is now. The Fremantle Harbour Works were going on—by no means an unimportant undertaking. The Goldfields Water Scheme was in progress. Railways were being constructed in every direction, and also telegraph lines. Schools were being provided on all the goldfields, and wardens' offices were being established; and that splendid work, the construction of the telegraph line from Coolgardie to the South Australian border, was also undertaken. Surely all these works were quite equal to what is being done to-day in the way of in-

dustrial enterprises; and all those works were carried out by six Ministers without the assistance of Honorary Ministers. My view is that the better course would be to appoint a really first class manager under a Minister, who must, of course, be assumed to be capable. In the circumstances I am one who does not regard the system of Honorary Ministers as necessary at all. If this motion is intended, as has been insinuated, to cast any reflection on the Honorary Minister, I am not a party to it in any way. I consider the Honorary Minister has accepted a position which no doubt has been offered to him. If he were unsatisfactory, as has been insinuated, surely his colleagues would know that, and would be the first to find fault with him. They are the ones who have to take all the responsibility for his actions. Mr. Sanderson said that the Honorary Minister was the weakest of the Ministers.

Hon. A. Sanderson: I do not think I said so.

Hon. Sir E. H. WITTENOOM: I think the hon. member said that, or else said that the Honorary Minister was "one of the weakest." At any rate, the tenor of the hon. member's remarks would make one think so. Well, somebody must be the weakest in the team; and one does not expect an Honorary Minister to be the strongest; otherwise he would be a portfolio Minister. Therefore, it is not finding serious fault with him to assert that he is the weakest. But to accuse the Honorary Minister on the ground of his having taken the position is, to my mind, absurd.

Hon. A. Sanderson: He was elected to his position, according to the Premier.

Hon. Sir E. H. WITTENOOM: If the Honorary Minister had refused the position, I think we would have a very poor opinion of him now, and would say that he had very little ambition. I consider it a great credit to so young a man to have secured such a position. In all sincerity I say that the Honorary Minister is industrious and hard working and steady—we all know that. Of course he is inexperienced. But who is not inexperienced when he is commencing? Every one of us was inexperienced at the start. Indeed, I have been inexperienced all along; I have not yet thoroughly got over my inexperience. Very few people ever do get completely over their inexperience. Therefore, the Honorary Minister is bound to make some mistakes. But to blame him for taking the position and doing his best in it is, I consider, an absurdity.

Hon. A. Sanderson: He was elected to the position.

The Colonial Secretary: Nothing of the kind.

Hon. A. Sanderson: The Premier said so.

The Colonial Secretary: The Premier never said anything of the kind.

Hon. Sir E. H. WITTENOOM: I think Mr. Baxter was a wise man to take the position. He has done his best since taking it; and if he was not the best man for it, that is not his fault. Surely it is not to be expected that he will go about the country saying, "I

am not the best man for the position of Honorary Minister." Having regard to all the circumstances, some little laches on the part of the Honorary Minister must be regarded as excusable. However, I still agree with the opinion expressed by the motion, that the present system of entrusting the administration and control of important departments of State to Honorary Ministers is undesirable. From my agreeing with that opinion, though, it does not follow that I am saying anything against the Honorary Minister himself. It is the system that is wrong. Mr. Kingsmill has pointed out that it is almost unconstitutional. I was going to make use of the very argument which has been used by one of the Ministers, that the Honorary Minister receives only £500 per annum. I was going to use that fact to show—this has been advanced already—that Ministers are using their money for their political advancement, by paying members to become Honorary Ministers and thus assist to maintain the Government majority in another place. I do not think it is necessary for me to say anything further, except that for the reasons I have given, I will support the motion.

[The Deputy President took the Chair.]

Hon. J. DUFFELL (Metropolitan-Suburban) [4.30]: It is not my intention to take up the time of hon. members in discussing this motion, but I cannot allow the opportunity to pass without making some reference to one remark, at least, which was made by the Honorary Minister when speaking to the motion. The part to which I refer is the statement in regard to what Mr. Baxter considered a piece of strategy in creating a monopoly for the wheat which was below f.a.q. He stated that he considered it wise to appoint one agent for this purpose, and that ostensibly with the object of keeping the market fairly active. In other words, his object was to prevent a glut of wheat which was below f.a.q. being on the market for sale at the one time. The reason for this, according to his own statement, was that the farmers should get the highest price possible for wheat which was not fit for milling purposes. That is a statement which I think will have a very bad effect upon one particular industry in the State. The industry to which I refer is that of poultry raising. I have previously referred to this industry, and I say if there is one thing more than another which will have a deterrent effect—and as a matter of fact it has had a deterrent effect—upon the poultry raising industry, it is the action of the Honorary Minister in creating a monopoly with one firm to handle all the wheat below f.a.q. I do not believe in making a statement of such a drastic nature as this unless I have ample proof to bear out what I say. If proof be necessary I would remind hon. members of what was done some time ago with the view of assisting returned soldiers to take up this so-called profitable industry of poultry-raising. We have in our community a number of men.

experts too, who were willing to give their time and knowledge in this respect to further the objects specified, and the property at Subiaco known as the egg-laying competition grounds was acquired. Together with these men who were prepared to give their time, as I have stated, there were others who were prepared to and did actually contribute birds of various breeds. As a result of the encouragement which was given to these people and to poultry raisers generally, both the poultry grounds at Subiaco and the information which it was proposed to impart, have fallen to pieces like the jam factory. Instead of the proposal being continued for the benefit of the men who were asked to take up this profitable industry of poultry raising, it has crumbled away, and the whole concern is now offered for sale by public tender.

Hon. C. F. Baxter (Honorary Minister): They could not get students for the school.

Hon. J. DUFFELL: No; and is it any wonder, when one considers they have to pay in the vicinity of 4s. a bushel for poultry feed which is absolutely next to worthless and eggs as low as 8d. a dozen? How could they make a living under such conditions? I dealt with the wheat monopolist some time ago, as advised by the Minister himself, and I bought some wheat for poultry feed. Then I bought a second parcel of this wheat, and for this parcel I paid more than I did for the first, on the understanding that it was to be better feed. What was the result? When I got it I could not give it to my birds, and, furthermore, the same parcel was afterwards sold for fertilising purposes at £3 a ton. This is the result of the monopoly created by the Honorary Minister.

Hon. C. F. Baxter (Honorary Minister): That was not the Scheme's wheat that you purchased.

Hon. J. DUFFELL: I am speaking of the monopoly created by the Honorary Minister in conferring the sole selling rights of wheat below f.a.q. upon one firm in this city. How do they get it out? The poultry feed is acquired from the Government by this firm on behalf of the farmers. It may be considered policy on the part of the Honorary Minister to create such a monopoly, for the purpose of getting as near to the 4s. a bushel as possible, and thus saving the Scheme and the Government at the expense of the poor beggars who are trying to rear poultry. Is it a fair thing for the Honorary Minister to create a monopoly of that description, when, on the other hand, returned soldiers and others are being encouraged by the same Government to take up poultry rearing, and then be compelled to pay 4s. a bushel for the feed, remembering, too, that at certain seasons of the year they can get only 8d. a dozen for eggs? Such an action is not likely to result in that confidence being placed in the Honorary Minister which I would at all times like to manifest. I sincerely hope the Minister will not allow the monopoly to continue to place on the market that kind of feed for poultry. There should be supplied, and at a reasonable price, too, wheat which will be decent feed for poultry, and which will en-

able a man to keep poultry at a profit instead of a loss. The remarks of the Honorary Minister have been highly interesting. I am pleased he did not trust himself to deliver his speech entirely from memory. I listened to him with interest, and I hope that after what has been said this afternoon, the Honorary Minister will not continue any of those actions which will have a baneful effect on any section of the community, actions such as the one to which I have referred, and that instead of continuing to give the whole of this below f.a.q. wheat to one firm, he will see that it is placed on the open market for open competition, and that it will be sold by auction in the same way as is done in connection with other commodities.

Hon. H. MILLINGTON (North-East) [4.40]: When I read the motion on the "Notice Paper" I had no idea that the discussion which would follow would develop as it has done. Mr. Sanderson, in moving the motion, probably had some definite idea of the trend of the discussion, but the manner in which the debate has developed shows the extreme elasticity of the motion. I had an idea that the remarks of hon. member's would hinge around the system of Honorary Ministers and their responsibilities. I find now that the motion involves questions such as constitutional government, fowls' food, Honorary Ministers, monopolies, the price of eggs, f.a.q. wheat, and egg-laying competitions. Now, does Mr. Sanderson see what he has done to this House? All I can say is that he deserves all he has got. He started out to criticise the present Government, and this is the discussion that he has raised by his criticism. For my part I cannot understand the attitude taken up by Mr. Sanderson. He should know perfectly well that whereas he can rise to his feet on any occasion to criticise a member of the Government, at the same time another member of the Government, who is equally responsible is allowed to sit with conscious superiority while his colleague is being criticised. Under the system of party government, whatever Mr. Baxter does as a member of the Government, the Colonial Secretary must accept equal responsibility.

Hon. A. Sanderson: The Premier has said that this is an elected Ministry.

Hon. H. MILLINGTON: That has been contradicted. But it is not the phase of the question which has been raised and it does not appear to have been satisfactorily settled so far. I think we will have to institute a further discussion on that question. I do not understand the system of elective Ministries, and how Mr. Baxter got into this one. That has not been made clear, and Mr. Sanderson had better endeavour to have that point settled, because then those who appointed him will have to accept the responsibility. When Mr. Sanderson finds out who appointed the Honorary Minister he will be able to attack whoever was responsible. I agree that it is undesirable that important departments of State should be left solely to the control of Honorary Ministers. I do not

think any previous Government adopted this system to the extent the present Government have done. Complaints have been made in another place in connection with the administration of the Lands Department, and it appears to me rather a peculiar method to entrust a most important department of State like that to an Honorary Minister. Presumably those not having full Cabinet rank are considered by their own party as the men of outstanding ability. It seems remarkable that the Lands Department should be left almost entirely to the control of the Honorary Minister. This is certainly unsatisfactory, and from that point of view the criticism has been justified. At the same time I fail to see how the whole of the Government can refuse to accept the responsibility of the actions of any particular Honorary Minister. As a matter of fact, if Mr. Baxter has made mistakes the responsibility must rest on the whole of the Government. As to who are the weaker members of the Government, I do not think we need go as far down as Honorary Ministers to find them. As a matter of fact, if we want to discover who is actually the weakest man in the Government we had better start right at the top, because the head of the Government has failed to justify his position. He has absolutely failed to justify his position. If members want to criticise someone worth while let them start upon the Premier instead of tinkering about with Honorary Ministers.

Hon. R. J. Lynn: I rise to a point of order. Is this discussion within the limits of the motion?

The DEPUTY PRESIDENT: Yes. To what word does the hon. member take exception?

Hon. R. J. Lynn: I allude to the reference to the Premier being the weakest man in the Ministry.

The DEPUTY PRESIDENT: I think Mr. Millington is within the Standing Orders.

Hon. R. J. Lynn: I take it that we can accept the motion as a vote of no confidence in the Government, and debate anything.

The DEPUTY PRESIDENT: That is a matter entirely in the hands of the leader of the House.

[The President resumed the Chair.]

Hon. H. MILLINGTON: I regret that Mr. Lynn has not followed this discussion as closely as I have. Had he done so he would know that it is extremely difficult to find out something which is not relevant to the question. If members of the Chamber are going to criticise the Government, let them do so, and, if possible, by all means let them move a vote of censure, or of no confidence, in the Government, and I shall be pleased to help them. It is no use, however, tinkering with the matter in this manner, and picking out Honorary Ministers for vindictive criticism. The whole of the Government are entitled to such criticism, and the whole of the Government are responsible. Mr. Sanderson took exception to the policy of the Government in placing too much responsibility upon Honorary Ministers. He cannot blame

Honorary Ministers for doing what the Government have commissioned them to do. If they commission an Honorary Minister to take charge of a big concern in the State, by all means criticise the policy of the Government for doing so, but not a particular member of the Government, who may be considered not to be carrying on the affairs of the department which he has been entrusted to administer. With criticism of this description I could well understand the attitude of hon. members. It appears to me, however, they are prepared to set certain members of the Ministry on a pedestal. I am not prepared to do that. On the other hand, they are going to clear themselves of the responsibility for supporting the Government in a general way by pointing out that certain members of the Ministry are not entitled to hold their positions. It is difficult to find out how this present Ministry was appointed. It is also difficult to conceive how the present Ministry could have been different, seeing that it represents so many conflicting interests. The construction of this Government is a work of which they are very proud. In another place, there are Ministers representing various interests. I am not particularly concerned with that, but I do say, in regard to all these questions, that the whole Cabinet has to take the responsibility, and not any given Minister. I was interested in the remarks made by Sir Edward Wittenoom, who believes in an autocratic form of Government. He believes in a benevolent autocrat, presumably because the kind of autocrat we like is the man who is going to govern wisely, and well. I think it was Carlyle who rather favoured this form of Government by a benevolent autocrat, but he also saw difficulties and dangers in the way. As a matter of fact, I presume this was one of the first forms of Government, one of the very ancient forms, and it may be for that reason that Sir Edward Wittenoom approves of it. Certainly it has about it all the glamour of antiquity, and that always attracts a particular brand of politician. The fact remains that, for the average man who is given a certain amount of power, it is only natural he should try to assume more power and more control. The difficulty is not to breed and make autocrats, but my experience is that the difficulty is to keep men from becoming autocrats. The man himself is always impressed and imbued with the idea that if he had control he could govern people far better than they could govern themselves. Acting on that idea, men in all ages have attempted to assume authority instead of realising that they are in that position in order that the people may be organised, and that there may be a system of control for various purposes, for defence and for other functions of Government, and they have gradually come to the idea that they know better than the whole of the people put together, and they have themselves assumed these functions. I think hon. members will realise that although there are many instances where autocracy has probably had a beneficial effect upon the people for a good while, the difficulty with the superman, and the dominating personality, is that

he does not live for ever. What is the effect of an autocratic Government on a dominating personality? We have had experience of that even in Russia in modern times. It means that people become used to looking to the Government to all the thinking and the legislating, and they become subservient to the Government. They do not take their responsibility as citizens, as they should do, and when the autocrat dies, or is displaced, these people are left without an idea, and without a head, and the country or Government which has been built up by the autocrat falls to pieces. Be that as it may, as far as we understand it, in democratic times it is not our intention to give more power to those who are placed for the time being in control, but rather that the functions of government, and the control of the destinies of the people, should rest with the people themselves. This has been brought into the discussion and the contribution by Sir Edward Wittenoom was most interesting. If, however, Mr. Sanderson is really going to tackle the present Government, and move a motion of censure upon their administration, I cannot for the life of me understand how he is going to particularise certain Ministers or certain departments. He must know well that, owing to the system of Cabinet rule, the whole of the Government are responsible, otherwise it is not a Cabinet. I am satisfied that the Government are prepared to take the responsibility. That means that all the censure of Mr. Sanderson, and other members of this Chamber, is a censure upon the Government, and whilst the Honorary Ministers, or any other Minister, continue in the Government, it means that the whole of the Government accept the responsibility. This is the way I look at the matter. For my part, I say that the maladministration of any particular Honorary Minister is something which goes against the Government, and just as they are prepared to take the full credit for the administration of some Minister who has met with public approval, so should they take the blame for the converse. In connection with the matter referred to by Mr. Lynn, who objected to my mentioning the Premier, I would say that other members mentioned the Hon. Mr. Baxter as being the weakest member of the Government. I think I have a perfect right, whilst we are criticising the Government, to say that, if I was asked to nominate the weakest member of the Government, particularly from the administrative point of view, I should nominate the Premier. I have a very vivid recollection of the criticism levelled at the Premier by Mr. Holmes in connection with the big cattle deal. All these tiddle-winking things which have been mentioned this afternoon are not comparable with the indictment laid by Mr. Holmes against the Premier. This indictment stands to-day, and we know it was on account of the weakness of administration on the part of the Premier. In that connection I understood the Colonial Secretary to say that it was in the Agricultural Department, which at the time was under the control of the Premier, that one of the worst cases of maladministration occurred. I do not remember Mr. Sanderson taking any particular

exception to that action, and yet for trivial things he now censures the Honorary Minister. If he takes the trouble to look up the records of the various Ministers I think he will find that the indictment he has laid against the Hon. Mr. Baxter can equally well be laid against practically every Minister of the present Government. There is something for him to do. Instead of passing over certain members of the Government who are sitting down with an air of conscious superiority, let him remind them of all the promises they have made, and the reforms and economies they were going to effect, and point out that in all these respects there have been shortcomings. If he wants to start upon this, I think he had better, after dealing with the Honorary Ministers, deal with those who hold full Cabinet rank, and he will then have better material than he has for attacking the Honorary Ministers. In regard to this motion, although I dissociate myself from singling out any particular Minister in Cabinet, I do give the hon. member credit for saying that the system of placing important departments under the control of Honorary Ministers is something to which we have a right to take exception. This has been pointed out in another place, and despite the protests the policy still continues. This should not be so under the present system of Cabinet rule, and all the big departments should undoubtedly be administered by Ministers who hold full Cabinet rank. We now find that there is an attempt to shelve the responsibility, and remove it on to the shoulders of Honorary Ministers, on the part of those who really are responsible. I would prefer to see some Cabinet Minister holding a portfolio responsible for every department in order that the responsibility may be traced, instead of being split up, as is now the case, between the various Honorary Ministers. In many cases we do not know upon whom to place the responsibility. Recent dealings in connection with the Lands Department were authorised apparently by an Honorary Minister. None of these important things should be done without the consent of the man directly in charge, who should be a Minister having a portfolio, the Honorary Minister working under his supervision and direction, always with the understanding that the Minister with full Cabinet rank shall be responsible for the whole of the department. With that exception I support this motion. I do not know how far the Government are going to take notice of the views that may be expressed here. It appears to be general, however, that the system of allowing Honorary Ministers to practically control the department is not approved of, not only by members of this Chamber but those in another place. I believe that it can be possible so to apportion the responsibility of the various departments, not only in name but in actual fact, that they will all have a responsible Minister in charge of them, and that he will be a man from whom we can demand an explanation on any matter to which we take exception in the administration of that department. It is a difficult thing to find out now where the blame lies, or who is responsible. Let matters so be arranged that we shall know who the Minister with a portfolio is, and whether he has authorised a

certain action and is prepared to take the responsibility for it.

On motion by Hon. V. Hamersley, debate adjourned.

## BILL—FORESTS.

### Second Reading.

Debate resumed from the previous day.

Hon. V. HAMERSLEY (East) [5.0]: We all welcome the Bill. It deals with a problem which has been before the country for a great many years, but which has never been adequately grappled with. I remember that some years ago the State had the valuable services of the late Mr. Ednie Brown, a highly efficient officer. We then thought we were about to embark on a sound forest policy, but unfortunately Mr. Ednie Brown died, and not until now has the State had the opportunity of replacing him. Whether the question has been neglected by successive Governments I do not know, but certainly there has been a great lack of forest policy on the part of every Government we have had for many years past. I congratulate the present Government upon having taken up the matter earnestly with a view to conserving the magnificent asset the State has in its forests. We know that the bark of the mallet tree provided a profitable industry which should have employed a great number of hands for many years. But already the bark has been almost completely cut out. Owing to an utter lack of policy, all the young trees have been stripped, and the bark shipped away to Germany, to the tune of hundreds of thousands of pounds worth. Nor is that all, for the extracts produced from the bark have been re-shipped from Germany to Australia, of course at our cost. It is unfortunate that practically all this mallet timber has been destroyed. However, I think that even now some areas might be found to exist upon which the department could encourage the re-growth of the timber. It would represent a tremendous asset for the State. Again, in respect to the wattle bark industry, quantities of seeds were sent from South Australia to South Africa, and to-day thousands of pounds' worth of wattle bark is being imported into Australia from South Africa, where the industry is thriving at the cost of Australia. In these directions alone an active forestry department will be able to do much in the interests of the State, while conserving the larger and more important of our timbers, such as jarrah, karri, and wandoo. In many instances timber of great commercial value has been destroyed in the agricultural areas by settlers who could not afford to wait until such time as the timber would have a ready market. It thus became necessary for them to destroy the timber on their land in order that they might proceed with their agricultural operations. I have seen York gum converted into magnificent furniture. In this respect it is capable of successfully competing with even walnut. It is also invaluable for wagon wheels, and I have known of even cog wheels being made from it for use in a flour mill. Such a timber should be

turned to very much better account than it has been in the past. If the department could secure world-wide recognition of the value of that and others of our timbers, it would mean very much for the State. Wandoo also is a very valuable wood, especially in the construction of railway wagons for heavy haulage. Wandoo, too, lends itself to the manufacture of furniture. None of our timbers has yet received the attention that is due to it in respect of cabinetmaking. An enormous waste has occurred in the stripping of our forests, and because of that I welcome the proposal in the Bill for the setting up of working plans. Were the Mines Department to adopt a system of working plans and have its areas plotted and a systematic survey made of the several goldfields districts, it would bring about very much better results than we are getting to-day. The Mines Department has done very little in the way of boring and testing with a view to plotting the areas in the auriferous belts. In this respect underground surveys would be of very great importance indeed. I have previously made a similar suggestion in regard to the water supplies throughout the State. The Survey Department itself could have kept a record of the various water-carrying belts in the State. Some of those belts carry one class of water, while others carry water of quite a different class. Had such a record been kept years ago it would have meant much to the State. To-day the Government are under great expense in sending out surveyors to plot the different areas which are under cultivation within a seven-mile radius of our railways. That work has been found very necessary. The Bill provides that in regard to forestry this very question shall be dealt with straightaway. It is a wise provision, because with the opening up of our lands many areas that were previously suitable only for timber are being taken in irrespective of the quality of the land and of the timber that was previously on it. The areas are cut up in such a fashion that they comprise land suitable for agricultural or horticultural purposes, and in addition a large stretch of purely timber country. We find that the Lands Department lays it down that anyone taking up land under conditional purchase lease must improve it, and he is advanced the necessary money for the purpose. The only improvement he is capable of effecting to the land is, perhaps, the ring-barking of the whole of it, with the result that we have many thousands of acres of magnificent forest country absolutely ruined; and this is done by way of improving the property from the point of view of the Lands Department. Had that land been plotted years ago as good timber land only, many million pounds' worth of valuable timber would have been saved, and men would have been spared the heart-rending experience of trying to improve land by destroying the timber upon it, while the State would probably have had in operation on the self-same land an industry providing a market for the agriculturists, who would have done much better had they taken up 20 acres of land along the



valleys and left the timber country untouched. The settlers could have provided the vegetables and foodstuffs for those who would have been working the timber. It has been suggested that many of us agriculturalists have destroyed timber of more value than the crops we grow on the land. That assertion interests me, because I have persistently left in the midst of large fields what I looked upon as valuable timber in the form of large, sound morrell trees, which grow freely in the Eastern districts. Those trees are a great trouble, because the men have to take the machines round them. They hinder all farming operations, and are really a menace. Up to date they have proved of no value. I have tried to sell them, and also have tried to give them away. I cannot sell them, and I can give them away only by cutting them down and carting them to the railway station and loading them on trucks, when, I understand, they will be acceptable. However, I am not philanthropic enough to give the trees away under such conditions. They could be readily got rid of by burning. After ringbarking, I have cleared at a cost of 7s. 6d. per acre heavy morrell country, which the contractors, on viewing it, considered worth £3 per acre to clear. However, the density of the timber, and its splendid burning quality, enabled the land to be cleared at a cost of 7s. 6d. per acre. Morrell burns as readily as salmon gum, but it is a magnificent timber which should never be cleared if a market can be found for it. Up to the present, however, no market has been found for it. I sincerely hope that when this measure passes we shall find the Government not only looking after the timber areas, but also looking out for markets for the timber which is to be conserved. As regards pastoral areas, I feel somewhat doubtful. I see that according to Clause 40 pastoral areas will henceforth come under quite different conditions from those obtaining at present. I suppose we can trust the Government not to compel holders of improved pastoral areas to surrender them without due provision being made for compensation. Moreover, there should be a right of renewal on expiry of the term of an existing lease. It would be rather hard for the Government to tell a tenant that his leasehold has been disposed of to someone else, to whom he must look for payment of the value of the improvements. That was the system adopted when the Midland Railway Company took over areas from the Government of this State. The Crown laid it down as a condition that the Midland Railway Company must continue leases on the conditions which the holders then had from the Crown. In the course of a few years the company persuaded many leaseholders to exchange their Government leases for new leases granted by the company. The settlers very speedily discovered that the new conditions were not the same as the old, and the company were able to harass such settlers with the eventual result that many of them abandoned their holdings and thus lost the value of their improvements. I realise that by this measure a dual control will be

set up. We are practically asked to create a new department. By this Bill we shall be placing a large area of land under a new departmental head, and he may want to extract from it all the revenue he possibly can, with the result of disturbing the present agricultural leaseholders in forest country. Mr. Kingsmill, I observe, does not attach a great feeding value to most of the shrubs growing in the jarrah forests; but I know of a good many settlers who derive a benefit from those shrubs, and who are quite satisfied that in the jarrah forests there is to be found a class of country which grows wool particularly well. The sheep derive benefit more through the change from the drier areas; it is not the practice to keep the sheep on forest country all the year round. However, it is suggested that fires must be kept out of the forests in order to enable the trees to come to their full vigour. My experience, on the other hand, has been that fires are necessary in order to keep down the undergrowth and to get the best feeding value out of the shrubs.

Hon. W. Kingsmill: Fires bring the undergrowth up, too.

Hon. V. HAMERSLEY: Yes; and it is the undergrowth brought up by the fires that becomes the valuable timber. Again, if the country is preserved from fires, as the result of the enormous fall of leaves, there is such an accumulation of rubbish, in the course of, say, 10 years, that a fire accidentally breaking out may destroy the whole forest. I consider a periodical fire to be of immense benefit to the forest. However, that will be a matter for the consideration of those in control of the forests. The great benefit likely to result from the passing of this Bill will be due entirely to those in whose hands the administration of the measure is placed. No doubt, with proper administration, this measure will prove of immense benefit to Western Australia; and I am very pleased that we have the Bill before us. I realise the extreme difficulty of accomplishing anything in the way of forestry while there are constant changes of Ministers, without any defined policy. Nothing, I suppose, detracts from the proper working of a department or an industry more than frequent changes of policy. If the forest areas are set apart for forestry purposes for all time, then undoubtedly there will be an inducement to those in control to adopt a permanent policy. I sincerely hope the areas set apart will be the largest that can be obtained. We want vast forest areas set apart. In the Kimberleys, I understand, there are timber areas which have been noted from time to time, though there is no record of the full extent of them. It may be necessary to reserve timber areas in the North as well as here in the South. To me it is a matter of regret that huge sums of money have been spent in grubbing some of our native timbers for the purpose of planting softwood in their place. Seeing that our hardwoods grow so successfully, and that softwood can be grown in many parts of the world more economically than here, I do not think that course is advisable. I think it would be as well if areas were set

apart for the growth of the other timbers which our agricultural areas carry—jamwood, York gum, and others. Before many years, I am quite satisfied, those timbers will be extinct unless methods are adopted to preserve them. Possibly they will prove of great value as furniture woods. Indeed, I am of opinion that in the direction of furniture making may be found the most profitable utilisation of all our Western Australian timbers.

On motion by Hon. G. J. G. W. Miles debate adjourned.

House adjourned at 5.30 p.m.

## Legislative Assembly,

Thursday, 28th November, 1918.

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

[For "Questions on Notice" and "Papers Presented" see "Votes and Proceedings."]

### LEAVE OF ABSENCE.

On motion by Mr. O'Loughlen, leave of absence for two weeks granted to Mr. Lutey (Brownhill-Ivanhoe) on the ground of urgent public business.

### ANNUAL ESTIMATES, 1918-19.

In Committee of Supply.

Resumed from 26th November; Mr. Stubbs in the Chair.

Business undertakings.

Vote—Avondale and Harvey Estates, £3,810:

Mr. BROWN: I should like to know from the Premier what has been done in regard to the settlement of soldiers on Avondale Estate. Practically there are no soldiers as yet on the estate, and the time is getting on. There will shortly be a sale of ewes bred on the estate, and the soldier settlers should be in a position to purchase the stock they may require.

Hon. W. C. ANGWIN: I should like to know from the Premier whether the Avondale estate has been thrown open to all returned soldiers, or whether it is reserved for soldiers coming from the Beverley district.

The PREMIER: To reply to the last question first: the Government were asked to allow soldiers who had enlisted from the Beverley district to be settled on the Avondale estate, if they so desired. I think, myself, it is very wise, because the people down there are prepared to take a personal interest in the local

men, and help them, not only with machinery but also with stock and in other ways. If there are not sufficient soldiers from the Beverley district to take up all the Avondale estate, the balance will be thrown open to other soldiers. It is the intention of the Government to place men on the Avondale estate as quickly as possible. I recognise that they should take up their blocks without delay in order that they may be in a position to secure their sheep and stock. Every endeavour is being used to have these lands settled as early as possible, and I will see that the matter is finalised without any unnecessary delay whatever.

Vote put and passed.

Railway Department (Hon. C. A. Hudson, Minister).

Vote—£1,503,344:

The MINISTER FOR RAILWAYS (Hon. C. A. Hudson—Yilgarn) [4.48]: The position of the Railway Department is given fully in the report of the Commissioner of Railways, which has been placed upon the Table, and of which copies have been furnished to members of the Committee. It will have been noted by hon. members that the earnings for the last financial year amounted to £1,816,388 and the working expenses to £1,455,334, showing a surplus of earnings over expenses of roughly £365,000. However, the interest which has to be debited turns that surplus into a loss of about £239,000. The financial results of the working of the railways are shown on page 1 of the Commissioner's report. The estimate of earnings for last year was £1,707,000; but the results turned out better than originally anticipated, although I did indicate, on the introduction of the Estimates late in the financial year, a possible increase, for the reason that the Railways had the opportunity of hauling the wheat into depots instead of, as in previous years, hauling it to sidings only. Further, the Railways received payment of a large sum of money owing to them by the Commonwealth. Again, the Trans-Australian Railway was opened, and our passenger traffic in consequence increased considerably. The results therefore are more satisfactory than originally anticipated. It is true that the expenditure exceeded the estimate, but that fact is due largely to the increased wages awarded by the Arbitration Court. Those increased wages were made retrospective by agreement, and last year's earnings had to bear about £25,000 in respect of increased wages relating to the previous year. I do not intend now to go into what is contained in the Commissioner's report, because hon. members have had an opportunity of considering that information for themselves. The estimate of earnings for the current year is £1,860,000. This allows for a considerable increase of revenue, which increase we think we are justified in anticipating. For the first four months of this financial year the earnings on the Railways have been £52,953 in excess of the earnings for the corresponding months of the previous year. The working expenses for the current financial year will amount to approximately