

When we meet next week, I hope we shall sit continuously on each of the three days and perhaps on an extra day per week, so that the session may be brought to an end early in, or by the middle of, next month.

Question—put and passed.

*House adjourned at 8.47 p.m.*

## Legislative Assembly,

*Tuesday, 20th November, 1923.*

	PAGE
Mr. Speaker's Illness ...	1504
Select Committee, Pension rights of J. B. Connolly	1504
Questions: Cotton growing enterprise ...	1504
Group Settlements—1, Sustenance payments;	
2, Furniture and blankets; 3, Busselton	
show, holiday ...	1504
Woorloo sanatorium ...	1505
Dairy cows, Fremantle district, outbreak of	
disease ...	1505
Bills: W.A. Trustee, Executor, and Agency Co.,	
Ltd., Act Amendment (Private), 1R. ...	1505
Land Act Amendment, 1R. ...	1505
Native Mission Stations, 1R. ...	1505
Public Institutions and Friendly Societies Lands	
Improvement Act Amendments, 1R. ...	1505
Gnowangerup Reserves, 1R. ...	1505
Kojonup Racecourse, 3R. ...	1505
Government Business, precedence ...	1505
Loan Estimates ...	1506
Annual Estimates, report ...	1514
State Trading Concerns—	
State Ferries ...	1514
State Hotels ...	1514
State Implement and Engineering Works ...	1533
State Quarries ...	1539
State Steamship Service ...	1539
State Sawmills ...	1542
Wyndham Meat Works ...	1546

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

### MR. SPEAKER'S ILLNESS.

The PREMIER (Hon. Sir James Mitchell—Northam) [4.31]: Mr. Speaker, before proceeding with the business of the day I wish on behalf of the House to say how pleased we are to see you back amongst us again, restored to health.

Mr. SPEAKER: I thank you.

### SELECT COMMITTEE—PENSION RIGHTS OF J. B. CONNOLLY.

*Report presented.*

On motion by Mr. Hughes, report of the select committee appointed to inquire into the pension rights of J. B. Connolly received and read, and ordered to be printed.

### QUESTION—COTTON GROWING ENTERPRISE.

Mr. TEESDALE asked the Premier: 1, Will the Government make inquiries as to the *bona fides* of an American delegate (Mr. F. G. Emery) who recently visited Queensland in connection with the growing of cotton in Australia? 2, Are the Government aware that this delegate represents strong financial groups in New York, whose intention is to arrange the migration of 500 young cotton farmers from the State of Arizona to take up land with their own capital in Australia for growing cotton and general farming? 3, Can anything be done to get into touch with these farmers and place the resources of this State before them with the idea of securing their settlement in the North-West?

The PREMIER replied: 1, Yes. 2, The hon. member told me of the proposal. 3, Yes, if the result of the inquiry referred to in No. 1 is satisfactory.

### QUESTIONS (3)—GROUP SETTLEMENTS.

*Sustenance Payments.*

Mr. PICKERING asked the Premier: 1, Is he aware that considerable delay takes place in the payment of sustenance allowance to group settlers? 2, If so, will he see that steps are taken to expedite such payments? 3, Is he also aware that the system of payment by cheque necessitates the collection of large amounts by representative group settlers, which might, through untoward circumstances, result in considerable loss to the groups? 4, If so, could not a system of payment in cash be substituted?

The PREMIER replied: 1, No. There was some delay, but payments are now made at regular monthly intervals. 2, Answered by No. 1. 3 and 4, Payment is by cheque, and this system cannot be altered.

*Furniture and Blankets.*

Mr. PICKERING asked the Premier: 1, Is it a fact that no provision is made for absolute necessities in the way of furniture and blankets for group settlers, but that any requirements of this nature have to come out of sustenance allowance? 2, If so, will he consider the desirability of capitalising a sufficient sum for this purpose on similar lines to the practice in connection with freights and fares?

The PREMIER replied: 1, Yes. Local married men have their furniture, etc., before going on to groups. The Migration Department in London has been advised that married migrants should bring their bedding and cooking utensils with them. 2, Answered by No. 1.

*Busselton Show, Holiday.*

Mr. PICKERING asked the Premier: In view of the fact that Friday, the 14th December, is the date for the Busselton show, will

he favourably consider the granting of a holiday to group settlers to attend this educational function?

The PREMIER replied: Yes, if members apply for leave, but group members are only allowed to draw sustenance for days actually worked. If they take a day for this purpose and wish to be paid the living allowance, the time must be made up. It must be remembered that every payment is an advance to the group member and a charge against his land.

#### QUESTION—WOOROLOO SANATORIUM.

Mr. LUTEY (for Mr. Marshall) asked the Colonial Secretary: 1, What was the number of inmates at the Wooroloo Sanatorium for the years ending 30th June, 1921, 1922, and 1923? 2, What was the cost per inmate for each of those three years? 3, For what period has the hot water system at the institution been out of commission? 4, Is he aware that patients in the institution are obliged to carry and heat water outside for the purpose of bathing during cold weather? 5, Can he give a definite or approximate date when the hot water system will again be in commission?

The COLONIAL SECRETARY replied: 1, 1921, 198; 1922, 165; 1923, 136. 2, 1921, 8s. 9d.; 1922, 8s. 10d.; 1923, 9s. 10d. 3, The hot water system has been entirely out of commission for about six weeks, although, owing to the corrosion of pipes sections of the institution have been cut off from the hot water service for some months past. 4, Patients occasionally have had to carry their own hot water for bathing purposes. 5, The difficulties in connection with the securing of copper piping for the restoration of the hot water service have now been overcome. The work has been authorised, and will proceed immediately. It is anticipated that the whole of the hot water service will be restored within two months, but sections of the service will probably be completed in four weeks.

#### QUESTION—STOCK DISEASE, FREMANTLE DISTRICT.

Mr. McCALLUM (without notice) asked the Minister for Agriculture: Will he inform the House what steps the Agricultural Department are taking to cope with the serious outbreak of disease amongst the dairy herds in South Fremantle, whether the district is being quarantined, and whether any milk from the cows affected is being supplied to the public?

The MINISTER FOR AGRICULTURE replied: Strict quarantine measures are being enforced over the area affected, and the Public Health Department have been asked to co-operate in protecting the public against the milk being supplied from within this particular area. Prompt and almost stringent measures will be taken to suppress any likelihood of the spread of this disease.

#### BILL—WEST AUSTRALIAN TRUSTEE, EXECUTOR, AND AGENCY COMPANY, LIMITED, ACT AMENDMENT (PRIVATE).

Received from the Council, and, on motion by Mr. Mann, read a first time.

#### BILLS (4)—FIRST READING.

- 1, Land Act Amendment.
  - 2, Native Mission Stations.
  - 3, Public Institutions and Friendly Societies Lands Improvement Act Amendment.
- Introduced by the Premier.  
Introduced by the Premier.  
Introduced by the Minister for Agriculture.

#### BILL—KOJONUP RACECOURSE.

Read a third time and transmitted to the Council.

#### MOTION—GOVERNMENT BUSINESS, PRECEDENCE.

The PREMIER (Hon. Sir James Mitchell—Northam) [4.47]: I move—

*That for the remainder of the session Government business shall take precedence of all motions and Orders of the Day on all sitting days.*

This is the usual motion moved at this time of the year. I assure hon. members that an opportunity will be found to deal with all business brought forward by private members, and I shall meet the convenience of those members who desire to place business before the House. It is getting late in the session and, from now on, Government business should take precedence over all other matters on the Notice Paper.

Hon. P. COLLIER (Boulder) [4.48]: The motion is not on all fours with those usually moved at this period of the session, for we generally eliminate private members' business by degrees.

The Premier: As a rule, that motion comes earlier in the session.

Hon. P. COLLIER: It has been moved earlier at times. There are a number of matters brought forward by private members appearing on the Notice Paper. I have no objection to the motion, subject to the undertaking given by the Premier that private members will have an opportunity for the discussion of their business before the session closes.

Mr. WILLCOCK (Geraldton) [4.49]: It is usual for the Premier, in moving such a motion, to give members some idea of the programme for the remainder of the session, some idea as to how long the House will

sit and what Bills are to be dealt with or dropped. Bills continue to be introduced and, in the circumstances, members should have some information as to what policy the Government intend to pursue regarding the business on the Notice Paper.

The PREMIER (Hon. Sir James Mitchell—Northam—in reply) [4.50]: The business appearing on the Notice Paper does not contain many items of first class importance, and most of the Bills are continuation measures. The Bills of which I gave notice to-day should not take much time, as they deal with small proposals.

Mr. Willecock: Is there to be a new assessment this session?

The PREMIER: No, there will be no alteration in the Land and Income Tax Act. If the House settled down to deal with the business, we could clear off half-a-dozen of the Bills in one evening. There may be one other Bill to be brought forward.

Mr. McCallum: What about the Redistribution of Seats Bill?

The PREMIER: That is here now. I will let the House know as soon as I can what will happen regarding that Bill. The financial proposals represent the only really important matter to be dealt with.

Mr. Lambert: The Premier should tell us something more definite about the Redistribution of Seats Bill.

Mr. SPEAKER: Order! The Premier has replied, and I cannot allow any further debate.

Question put and passed.

## LOAN ESTIMATES, 1923-24.

### *Message.*

Message from the Governor received and read transmitting the Loan Estimates for the year 1923-24, and recommending appropriation.

### *In Committee of Supply.*

The House resolved itself into Committee of Supply for the purpose of considering the Loan Estimates; Mr. Stubbs in the Chair.

Vote—Departmental, £91,598:

The PREMIER AND COLONIAL TREASURER (Hon. Sir James Mitchell—Northam) [4.54]: In introducing the Estimates, I realise that the Government proposals are clearly set out in the printed Estimates before hon. members. The State is progressing, and that fact makes it necessary to face considerable loan expenditure. In a great undeveloped country such as Western Australia, the task of financing is not quite the same as in older and more developed countries. There is much that the Government must do. Financing just now is very difficult, because it is impossible to transfer money from London to Western Australia, on account of the exchange being

against us. It makes the task of government difficult. It must also affect private activities. The difficulty of getting money from London has been greater than ever during the past few months. The progress of the State is due to expenditure on primary industries and the development, even though it may be small, of our secondary industries. One thing leads to another and money spent in these directions sets up a demand in town and city for many facilities, such as means of transport, water supplies, and sewerage. Thus, a huge expenditure has to be faced in providing these services. These demands are unavoidable and in many cases the works are urgently required. In the country, too, facilities are wanted; it should not be otherwise. Before dealing with the figures I intend to place before the Committee, it must be realised that all costs are much higher to-day, due to high protection, than was the experience in the past. This means an increase in the cost of living and, in turn, more expensive working. I hope the Committee will realise that the effect is that the Government require more money to do a given amount of work than was necessary a few years ago. It will be admitted that the value of the State is proved. There is nothing we cannot do in Western Australia. Our 350,000 people can do little beyond what we are doing now. It is the duty of the Government to hold the balance fairly between all people and all interests. Regarding the cost of works, taxation is high because all costs are high. Everything done costs more than in the past. All realise this fact, and all are doing their best to pass the burden on to others. The cost cannot be avoided, because it is due to high protection. By increased production we can relieve the burden generally, and I will show how this has been done to a considerable extent. We have had our deficits and they have been unavoidable, since the war period. I hope we shall see the end of the deficits before very long. In framing the Loan Estimates, we must have regard to the ability of the State to meet interest and sinking fund charges. This means a searching inquiry into the ability of each investment to carry its own load of cost—interest and sinking fund—the necessity for the expenditure and the result likely to accrue from the expenditure on works that are urgently needed. There must be further inquiry into the results likely to accrue from the expenditure of these moneys. For the convenience of members I have classified the expenditure under four heads. The first is money loaned to individuals, that is to say, money borrowed by the State and lent to individuals for whose benefit it was raised and who pay interest on it. The second is money expended for special areas, such as metropolitan water supply and sewerage for which the users pay. I have often thought it would be better if the local authorities carried out this class of work. Under our system, however, the Government do it, that is to say, we find the money and we charge for services ren-

dered, and the money expended is secured by the rates imposed to cover the cost of the particular work. Our loan indebtedness is considerably increased by this fact, whereas in Victoria the loan indebtedness is much lighter because in that State special boards and local authorities borrow for services of this description. The Government in Western Australia do all work of this nature, with the result that our loan expenditure appears to be much heavier than it is in some of the other States. The third classification is money expended on public utilities that will pay something now, and the full cost in the future. I may mention such works as the construction of railways and harbours and other public utilities. The fourth classification is money that will not earn a direct return—money spent on roads, bridges, buildings, and drainage, in some cases works, too, for which the user should pay. If we erect a building the users should pay sinking fund during the life of that building. The same thing should occur in regard to the construction of roads and bridges and works of that character. The Loan Estimates provide for advances to individuals to the extent of £2,039,500. The amount to be expended for special areas—interest and sinking fund being covered by rating and charges—is £358,930, while on public utilities that should earn interest and sinking fund the total set down is £954,459. On roads and bridges and buildings we propose to spend £621,176. On this we shall get very little direct return. The total of the Loan Estimates is £4,474,065. This includes last year's Loan Suspense Account of £271,217. The sum to be advanced will include an amount for soldier settlement and also an amount that will be spent under the agreement we have entered into with the British Government. We shall receive in refunds from the Federal Government for soldier settlement to cover rebate of interest and losses a sum of £80,000, being  $12\frac{1}{2}$  per cent. on the expenditure. Under the British scheme we shall get this year £25,000, representing two-thirds of the interest on immigration expenditure. When we have used the £6,000,000 which has been advanced to us in connection with land settlement under the migration scheme, we shall have in hand £1,000,000. This will be used to cover losses on the expenditure of money by the Agricultural Bank. In connection with the British scheme, there will be something on account of railway losses for a few years as well as for roads. I hope the House will realise that this is the only satisfactory way to deal with the money. After all, we are using the money to guarantee the taxpayer as far as we can against loss. We have never been in this position before. The total loan indebtedness on the 30th June last was £58,485,854, while the sinking fund amounted to £8,781,051, leaving a net loan indebtedness of £49,704,803. I would like to point out how this money has been expended. On public utilities and trading concerns the total on the date mentioned came to £23,924,964. On works for special areas, the

cost of which is covered by rating and charges, the amount is £7,938,029. On advances to individuals the total is £10,637,843 and on roads, buildings and goldfields development works that are not directly interest earning, the amount is £6,358,342. For the four years ended 30th June last we spent on public utilities £2,170,992; on works for special areas £1,227,937; on advances to individuals, £6,986,487, and on roads and buildings and goldfields development £708,532. This year's estimated loan expenditure, including last year's Loan Suspense Account expenditure, is as already stated on public utilities and trading concerns £954,459; on works for special areas £358,930; on advances to individuals £2,039,500, and on roads and buildings and goldfields development £621,176. To spend money on public utilities is one thing; to spend money on production in order that the public utilities may be used and may be made to pay is another thing. Increased production will, of course, bring our public utilities into use and give them a better chance to pay. In 1919 the loss on public utilities was £630,000, representing interest on £13,000,000. Since then we have spent on agricultural development £7,359,651. The loss on public utilities was reduced in the last financial year to £250,821, an improvement since 1919 of £379,000, more than the amount represented by interest on borrowed money loaned, interest which the general taxpayer does not pay. I hope hon. members will realise the value of this expenditure. I know that it has increased the earnings of the railways and other utilities, and if we continue to spend the money wisely we cannot fail to get increased traffic. We estimate that in the financial year on which we have entered the loss on public utilities will be £150,000. I trust it will be less. This improvement has been brought about notwithstanding all our borrowings since 1919. The public has had the advantage of the expenditure of this money and they will continue to derive a benefit from it. I have shown indirect advantage that is gained from this expenditure; it is probably greater than the direct advantage. Indirect advantage is shown in so many ways that one can hardly estimate it. We take interest from the borrowers and pay interest to the man who lends us the money. Year by year the expenditure of this money has increased production. That increased production provides increased freight and profit for all sections of our people. If money is wisely invested in production, it means a permanent increase in employment. There is no greater work-finder than the man on the land. His cropping has to be done, and that means work at the time. Then there is the transport of heavy quantities of produce, the handling and the shipping, or if not shipping, the turning of the produce into marketable commodities. This wealth remains in the State, circulates here and provides work in all directions. No trader, business man or worker fails to benefit from the increased production and the increased trade consequent upon it. Some of my friends representing the wheat belt seem to think there is a vast dif-

ference between the policy of the Government as applied to the wheat belt and the South-West. There is no difference whatever in the policy of advances for farm making. The law provides for all land alike. On wheat lands we advance money to cover the cost of clearing, fencing, water supply, houses and other things. There, where the individual holding is big and the work is simple, the settler arranges for the carrying out of the work. Some of it he does himself; for the other he employs men. The Agricultural Bank makes a contract with the settler based on the current rate of wages. That is the only system in the wheat belt. We are spending far more money in the wheat areas than in the South-West, and we are anxious that the wheat farmers should take advantage of the advances we offer in order to clear further areas. We all realise that land in the wheat belt can be brought to the stage of production more quickly than can land in the South-West, and we are finding the money necessary to do the work of clearing and to increase production. I doubt whether at any previous stage in the State's history there was more work in hand in the wheat areas than there is to-day. The system adopted in the South-West is one suited to the locality. The cost of clearing is higher than in the wheat belt, the work of clearing is more difficult, and the conditions are totally different from those prevailing in the lightly timbered country. There is no difference between the methods of making advances to the wheat farmer and the group settler. Some people think we are doing more for the group settlers in the way of advances than we did for the wheat farmer. That is not so. The group settler is allowed to draw 10s. a day instead of being given a contract based on the current rate of wages. He works under control. He is not isolated as is the wheat farmer. He works as a member of a group, and thus his farm is made for him. No man working single-handed in the South-West could hope to make a farm for himself in a reasonable period of time, but under the group system he can. His every effort is directed to an end, and that end is farm making by the quickest and cheapest means. We are not dealing with experienced men. There are few experienced men available for this class of work. Experienced men were not available for the wheat belt, either. We had to take the best men we could find and use the material at our disposal. We are doing the same thing to-day in the South-West. There are no experienced farmers in the world that can be spared for Australia, and so we have to make farmers of the men offering. The member for Sussex (Mr. Pickering) says that men of experience are available, and that the work on the group settlements should be done by them. I know that such men are not available. We have put 1,500 men on group settlements, and I am quite sure there were not available so many men experienced in this class of work. It is necessary to develop the South-West. The farmers there are directing their efforts to a definite end—dairying, pig-raising, and the production of root crops—

and later on the running of fat stock and the growing of apples and other fruit, tobacco, and hops, will receive attention. But why are we so anxious to develop the South-West just now? It is because we have been paying large sums of money to the Eastern States to supply the food we eat. Last year we imported butter, milk, cream and cheese to a value of £762,121, bacon £156,905, poultry and eggs £92,211, potatoes £55,882, jams and preserves £250,050, in all £2,000,000 worth for the year. How long do we propose to buy our foodstuffs from our Eastern neighbours? To produce them they have no opportunities greater than ours. Further, I should like to know where we are going to get the £2,000,000 to pay for this imported food. Last year we imported from the Eastern States goods to the value of £7,000,000, and sent to them goods to the value of a little over £1,000,000. The difference represents so much cash sent out of the State. How long can we stand that? To provide that £2,000,000 worth of food each year would mean £400 per annum for each of 5,000 settlers. Thus there need be no fear for that number of settlers. There are opportunities, too, for exporting butter, pork, and sheep in any quantity. Some potatoes are being sent to the Eastern States, and it seems fitting that we should be able to supply them with some of the commodities they have been sending us. Later on, we should be able to export fruit in greater quantities. Seeing that we are spending a good deal of money on group settlement, members should know that the control of the work is in very good hands. It is entrusted to a board with Mr. McLarty at its head, and with him are Mr. Anketell, executive engineer; Mr. Richardson, controller of group settlement; Mr. Courtenay, accountant; Mr. Anderson, stores; and Mr. McCay, in charge of the clerical work. It has been arranged that an engineer of the Works Department shall sit with the board and advise on questions of drainage and road construction. All these officials, who are watching the work, are competent men. Then we have a field officer in each centre with assistants to control the men. Although the list may sound somewhat formidable, the cost of administration is probably the lowest of that of any department.

Hon. P. Collier: You mean for the whole of the groups?

The PREMIER: Yes; I think it is the lowest on record for work of this description. The men I have mentioned are thoroughly experienced in the work of preparing farms. On the groups we have nearly as many men, women and children as are settled in the towns of Northam and York, and Northam probably has more than any other town in the State. The wants of all these people have to be supplied; the settlers have to be controlled and catered for chiefly by road transport. So we have undertaken a big work. I wish to acknowledge the work done by the officials, and I would like to acknowledge, too, the wonderful way in which the group settlers have responded to the call of the men in con-

trol. We have experienced surprisingly little trouble. Here and there we find a man that grumbles a little, but on the whole the settlers have been simply wonderful. Under the system the members of the group can make it impossible for any one of their number that will not work to remain on the group, and I do not think they like to have amongst them a man who is always grumbling. I assure members that these men have worked well. A candidate for election to another place said the group settlers were not working and were not earning half a crown a day. I assure him, the House, and the public generally that these men are working well. What would have been the position of the country if the wheat farmers had not worked? What will happen if the group settlers do not work? They are working as hard as are any men in the State. Apart from the work allotted to them, many of them have improved land that had not been touched by us to any great extent. The other day I saw group settlers working on their home sites. It was Sunday, too. I did not tell them they were breaking the law. The law states that one must go to church on Sunday, and may be fined for not doing so. I am glad to tell members of the effort these settlers are making. The land is carefully selected by Mr. H. Brockman and other expert officers. The settlement that will take place from now onward will be on lighter timbered country than that with which we have been dealing. The land adjacent to the line at Pemberton is pretty heavily timbered, but much of the land along the railway authorised to be built is more lightly timbered, though it will need to be drained.

Mr. Willecock: What is the average cost per acre?

The PREMIER: I have not the figures before me. An hon. member asked that question a little while ago and I supplied the information. The cost of railway construction will be met with the cheapest money the State has ever had, in that we shall be paying one-third of the interest, while the British and Federal Governments undertake the responsibility for the other two-thirds for five years. Wages and costs cannot be and will not be as they once were, owing largely to high protection, which means an enhanced cost for all commodities, and dearer living. Everything is affected by the tariff. I am a protectionist, but I consider the present tariff unnecessarily high. So long as we submit to high protection, we must be prepared to pay for it. It is the experience of the Government as well as that of private people that costs generally are much higher than they used to be. We have to face the position as it is. Our lands are now being developed at a much higher cost than Eastern States lands in the years gone by. We have to see to it that we produce at least what we eat; we should produce a great deal more for export. I do not know how it is that over so many years we have been able to pay away so much for the very food our people have eaten.

Mr. Willecock: The gold-mining industry did a lot towards that.

The PREMIER: Yes. When we were producing from five to eight millions of sovereigns annually, we had plenty of money to pay for food. Western Australia would be a very rich State indeed if from the days of the gold discoveries we had been able to supply our own requirements in the way of food. I have already referred to the work being done in the South-West by the men for whom the Committee are asked to approve some of this loan money. Those who say that the men are not working faithfully, are saying what is not right. The money being expended in the South-West is being expended wisely. As regards the North-West, we know that there are cattle stations and sheep stations, and we know that from the sea pearl shell and pearls are got. Further we know that a turtle industry has been established, and that some whaling is going on. Everybody is greatly concerned about the settlement of that part of Australia, one reason being that we need people to settle there in order to defend the North. I hope we shall get men with money to develop the tropical section of this State. We must do things there in the same orderly fashion as they are now being done in the South-West. Subject to the advice of the expert, Mr. Wise, and others who have reported on the Wyndham district, we should endeavour first of all to get settlers there to grow cotton, which it has been proved is no longer an experiment. America obtains many millions of money from the cotton-growing industry. Fruits, too, should be grown for our own market in the Wyndham district. I should like to see the first hundred settlers put there engage in production of that kind. Wyndham is a centre with wharves and water supply, and has power for industry; and therefore it could be better used to-day than any other centre for this particular work. Our first aim should be to establish at Wyndham a colony of 100 settlers. The land on the river being subject to floods, the selection will have to be carefully done. Subject to that, men can be put in there just as they are being established in the South-West. Once the worth of such industry has been proved, we shall be able to build round the original colony of 100 settlers until the land near the port has been absorbed.

Mr. Willecock: Will you take the land on the river front from the pastoral lessees?

The PREMIER: We shall have to do so. That is provided for. Having established around Wyndham as many men as that centre will carry, with due regard for the question of transport, we would utilise other centres. At Carnarvon there is a rainfall of 60 inches, and the soil is particularly good. Around other harbours of the North-West, too, the soil is suitable for the cultivation of tropical fruits and cotton. Working from north to south, one could try experiments at other centres. I do not know why it is so, but this kind of cultivation is very attractive, and probably we shall find that other products—

tea, coffee, rubber—can be grown in the North-West, if capital can be introduced to establish such industries. The centres well known to have a good rainfall should be utilised first, and in those circumstances settlement in the North would really not be in the nature of an experiment. The only way to conquer the problem is to deal with it as we dealt with the settlement of the wheat belt and are now dealing with the settlement of the South-West. Careful selection of settlers will, of course, be essential. In determining what can be done with the lands of the North, we must have proper regard for the climate. Too often when we bring experts here to report, they come along and see the land, talk with the people of the locality, and probably turn up the records of rainfall, and then make their reports. It is not possible for a man after a brief visit to a district to declare what it can grow.

Mr. Willecock: A lot of notice was taken of Colonel Evans. He did not know much about it.

The PREMIER: I think Colonel Evans was a first-class man.

Hon. P. Collier: The whole thing was stopped on his report, although he was not there very long.

Mr. Willecock: He blasted the prospects of the North-West for a couple of years.

Hon. P. Collier: He certainly gave the North-West a set-back.

The PREMIER: It is not fair to ask a man to report unless he knows the climatic conditions. We all know that climate is an important factor, but we do not all realise how important it is to plant-growth. Experts who report should stay a season at least.

Hon. P. Collier: And we need to be very judicious in the selection of experts.

The PREMIER: Undoubtedly. Still, one must be guided by experts in these matters; and we have a very good man now. Four or five tons of cotton grown by station owners and by the Forrest River Mission have arrived at Fremantle from Wyndham, and will be sent Home in a few days. It is very good cotton, and I have no doubt it will be appreciated. There is no question that tropical plants can be grown at Wyndham. There ought to be a great fishing industry in the North-West. I do not know that British people are suitable for settlement in the North, but I do know that we can get people with white faces from other parts of the world who would be able to help us to develop that part of the State, and would become good Australians in a very little time. When suitable men are obtained we shall find that the sea will give up, year by year, a great deal of wealth. The member for Rosbourn (Mr. Teesdale) necessarily knows more about the North-West than I do. As members are aware, he has had much experience in the North-West—in mining, in store-keeping, on the land, on the sea, and in the water. Now that he is associated with the member for Coolgardie (Mr. Lambert), his advice regarding the development of the

North-West will be greatly sought and will prove of much value. Most of the railways for which the Committee will be asked to pass money on these Estimates are of long-standing authorisation, the principal exceptions being the Pemberton-Denmark and Piawaning Northward lines. The working railways, too, require money for additional rolling stock in view of the coming harvest, which we anticipate and hope will be a record. At Geraldton the Government are carrying out a promise of long standing for the improvement of the harbour. There is also some harbour work to be done at Bunbury. Silting of the harbour there has created a serious position, and one which involves the State in much expense. We have to be continually deepening the Bunbury harbour in order to admit vessels of greater draught from year to year.

Mr. Wilson: Who was responsible for putting that breakwater there?

The PREMIER: A Scotchman.

Mr. Wilson: Well, he did not do his job.

The PREMIER: He may have been a Cornishman. At all events, he was not an Australian. The Bunbury breakwater is a very good breakwater, but I do not know that it is doing the work it was expected to do. For our very long coastline we have very few harbours, and must make the most of them. Geraldton is 250 miles north of Fremantle, and Bunbury 100 miles south, and then there is Busselton, another 30 miles away. After that there is a distance of 250 miles right round the coast before one reaches the harbour of Albany. Necessarily, money must be spent on harbour accommodation. The metropolitan water supply and sewerage are provided for, as are also tramway extensions, in every instance an urgently needed work that should have been undertaken long ago but for the high cost of material and money. I would again point out that the users of these works have to pay for them. This expenditure should not appear in General Loan Fund, for it is a special work for a special area. However, when we have a tramway system we must meet the needs of the people; it is idle to have such a system and not extend it.

Hon. W. C. Angwin: But you should not build trams alongside railways. You ought to build them where there are no railway facilities.

The PREMIER: My friend does not practice what he preaches. In his electorate is the only agricultural tramway in the State.

Hon. W. C. Angwin: If your tramways laid as well as that does, they would be all right.

The PREMIER: My friend's tramway almost runs over the railway. Some time ago a cow fell on it. That has never happened on a Government tramway. The construction of these tramway extensions will be undertaken as soon as possible. It must be remembered that those who work the longest hours and get the least pay have to live the furthest away from their work, and so have the greatest need for tramways. We have expended £

the metropolitan area on water supply and sewerage £2,426,376, on tramways £839,394, and on electricity supply £701,388, or a total of £3,967,158. This, of course, has been due to the growth of the metropolitan area. Another facility to be attended to is that of abattoirs. Provision is made for this. The expenditure is necessary because of the increasing population and because the time has come to instal better facilities. Cold storage is an urgent necessity. It is proposed to add cold storage and further killing facilities at Midland Junction. Then, too, it is proposed to make arrangements with the Westralian Meat Works to kill for the Fremantle end of the metropolitan area under conditions that cannot be improved upon.

Hon. W. C. Angwin: Anybody would be prepared to build abattoirs if you would find the money for it, as you did for the Westralian works.

Hon. P. Collier: The executive were lucky to get that thing through before they were tossed out.

The PREMIER: I do not know about that. Hon. members must realise that it is proposed to kill the meat under better conditions for the metropolitan area. At Midland Junction cold storage will be added, and it is proposed to enter into arrangements with the Westralian Meat Works, where cold storage is adequate and the conditions up-to-date. However, it will mean a further loan of £15,000 to make it possible for the works to kill for the metropolitan area.

Hon. P. Collier: Another £15,000!

Mr. Hughes: I see their interest is in arrears now.

The Minister for Agriculture: It is purely a business arrangement.

Mr. Hughes: Well, that is something new.

The PREMIER: If the House vote this money, the Westralian Meat Works will be used for the advantage of the metropolitan area. The agreement will be laid on the Table of the House. If the money be not voted, of course the project cannot be gone on with, but it is necessary that our meat should be killed under the best conditions and with cold storage. If the advance be agreed to, the works will be leased. This is a much cheaper way of getting the meat handled than by building works ourselves.

Mr. Lambert: It is a cheap let-out for the other people.

The PREMIER: We have no quarrel with the other people. But for them the Government would have had to erect export meat works at Fremantle. The company have spent a great deal of their own money, and I think they ought to be encouraged in that.

Mr. Lutey: They spent a lot of ours, too.

Mr. Hughes: They will get the profits, while we get the minimum interest.

Hon. W. C. Angwin: You are throwing over those who have already expended money on abattoirs down there.

The Minister for Agriculture: No, we are not.

The PREMIER: All people down there will be well looked after by their members. This is the cheapest and easiest way by which the work can be done under improved conditions. Charges against the butchers will be slightly higher, but the facilities needed for the proper killing and care of meat will be provided.

Hon. W. C. Angwin: The charges will be slightly higher against the consumer.

The Minister for Agriculture: No, not one scrap higher.

The PREMIER: When we come to the votes, the Minister for Agriculture will explain just what it will mean to the consumer.

Hon. W. C. Angwin: When we get this chilled meat going, we shall not want cold storage.

The Minister for Agriculture: Oh yes, we shall.

The PREMIER: Coming to migration, I might remind hon. members that the State is not responsible for any part of the fare. We are settling British people under the £6,000,000 scheme. The British Empire Settlement Act limits assistance to half the cost of any scheme up to 15 years. Thus, the British authorities have voted only £1,500,000 for the first year and £3,000,000 for subsequent years. I got all that I could from them while I was at Home, and pretty difficult I found it. Now, of course, it has been suggested that we might order material from Home, and the British Government pay three-quarters of the interest on the money for five years.

Hon. W. C. Angwin: It was not very generous of the Prime Minister of Australia to put forward other States as against ours.

The PREMIER: That does not matter. We shall get our share of whatever may be going. Under Mr. Bruce's proposal I should like to get fencing wire for our people. I hope we shall be able to make some use of that scheme. However, just now I am dealing with migration. I have suggested to the British Government that they take the risk on money advanced to British people for land settlement in this State. We could then do much more for them, not only by absorbing their surplus people, but by providing a market for them for all time.

Hon. W. C. Angwin: Mr. Bruce declared that the other States offered better advantages to British migrants.

The PREMIER: I am not responsible for what he said. If the British Government will join in, take the risk and find the money, we shall be able to do a great deal for them, and I am certain the result will be very fine indeed. Already much work and trade has resulted from the settlement of the land. I agree that we do want secondary industries. Also we should like to see increased activity on the goldfields.

Mr. Lambert: What about putting half a million on the Estimates for mining?

The PREMIER: Well, even that might be done. The Agricultural Bank is doing a great



deal for the development of our land. Last year the bank authorised £1,105,314. Of that amount £585,249 was for clearing alone. For the first four months of this year the bank authorised £384,300, of which £210,250 was for clearing, £28,296 for fencing, £18,956 for water supply, and £24,497 for buildings. We want to double our wheat production just as quickly as possible. Soldier settlement loans approved to date total £5,412. The expenditure to the 30th September last was, through the Agricultural Bank £4,518,625, and through the Lands Department £1,146,631, or a total of £5,665,256. The Agricultural Bank approvals amounted to £5,180,016. Up to the 15th July of last year we had 21 groups and 282 group settlers. During 1921 seven groups were established. In 1922 37 groups were established, and this year to date we have established 42, or a total of 86 groups with 1,628 settlers. The expenditure on the groups, apart from roads, has been £637,212 and on roads £58,832. All this expenditure is necessary for the development of a vast and wet territory.

Hon. P. Collier: That total of 1,628 represents men, women and children?

The PREMIER: No, settlers; heads of families. There are in all on the groups some 6,000 men, women and children. The proposal to expend this vast sum of money is due to the fact that we must very largely increase primary production, and must spend money on works necessary to meet the growing needs of a growing population. We must have increased money for the increased work. If we could revive the goldfields, what a wonderful thing it would be! On the goldfields we have expended enormous sums on railways, water supplies, public buildings and administration, sufficient to meet the requirements of a gold yield of nearly nine millions, whereas now the yield is only £2,500,000. So, it will be seen that all the State's expenditure on the goldfields can be made reproductive only if the goldfields revive. Our secondary industries are coming, but under great difficulties. Notwithstanding the high protection enjoyed by Australia against the rest of the world, we have no protection for our local manufactures as against the established industries of the Eastern States. We have to compete without any assistance except in matters of freight, with the eastern people. Every manufacturer here is compelled to do that. The eastern manufacturer had to be protected against the established factories of the world when he began to build up secondary industries. We have here some courageous men who are doing splendid work in establishing secondary industries. There is some loan money for education, and there is also an amount set down for the agricultural college, and for the completion of a building at the university. An agricultural college is a necessity. We ought to train our own young people, and to have some means of training our own agricultural experts. Agricultural advisers will be wanted for all time. There is also an amount for road making. The Federal people have offered £96,000, if the State will provide a

similar amount. This is to be used for main road making. The heavy motor traffic in the State has made it impossible for local authorities to keep their roads in decent repair. The effect of the traffic around Perth, Geraldton, Bunbury, Northam, Albany, and other big centres is more than the local authorities can cope with. The roads are, therefore, getting into a bad state of repair. It is hoped that the sum of nearly £200,000 will do a good deal in helping to improve the roads that are radiating from the centres. If the money is made available year by year, as time goes on we shall be able to extend this expenditure over a great many miles of our roads, and in that way improve them.

Mr. Willecock: We have been waiting for a long time for this money.

The PREMIER: Yes. We had to submit proposals for the expenditure to the Federal Minister for Works. No approval has yet come back, and they have questioned what we proposed to do. One of the Commonwealth engineers is coming here to consult with our own officers over the matter. It is so difficult to borrow money that the Federal authorities are not in a great hurry to find this sum. It is not easy to borrow money within the Commonwealth.

Mr. Willecock: South Australia got a million.

The PREMIER: That State raised one million out of two millions required. We have a redemption loan of £1,000,000 falling due in January, borrowed years ago, and we have to find the money for that. I have something to say about the goldfields water supply. The total cost is £3,445,024, and the sinking fund is £2,846,458. The position in 1927 will be, so far as we can work it out, that the capital will stand at £945,024, to which must be added whatever other loan money is expended in the meantime. There will be a sinking fund of £469,143 against that amount. Some of the loans were not all raised at the one time, and were not all raised in London. The mining position to-day is such that we feel some relief must be given to the industry. We propose, therefore, to reduce the water charges to the extent of £45,000 per annum.

Mr. Willecock: To the mines?

The PREMIER: Yes. This proposal will no doubt meet with the approval of members.

Mr. Lutey: We shall have to consider it in view of the award. We shall not want much water.

The PREMIER: I devoutly hope the mines will want it. We do not want to argue about that now.

Mr. Lutey: All sections disapprove of the award.

The PREMIER: I am not discussing the award.

Mr. Willecock: We shall discuss the award in connection with the water business.

The PREMIER: I would have no objection if members did so.

Mr. Lambert: It is a pity we cannot drown the award.

The PREMIER: This amount, and a similar amount each year for the next three years, will be added to the outstanding charge against the work in 1927. The position will then be that the work will be costing about £800,000, on which the interest will be about £48,000, and sinking fund £4,000, making an annual payment of £52,000, as against the charges to-day amounting to £91,599 per annum. If the goldfields had maintained their vast consumption of water it would have been a simple matter to reduce the price, but in view of the falling off of consumption each year it has been a difficult matter for the Minister for Water Supply to make any reduction. We propose, however, to reduce the charges to the mines and to the householders in the way I have indicated. With regard to the Midland railway line, valuations have been made, and negotiations will be carried on in London with the representatives of the Midland Railway Company by Mr. Colebatch, the Agent General, who knows all the facts. There is a vast difference between the Government valuations and the company's valuations, and it is necessary that someone in London should negotiate with the authorities on the spot.

Mr. Chesson: The final act will take place here.

Mr. Lambert: It will be subject to the approval of Parliament.

The PREMIER: Members may be quite certain of that. No offer will be accepted without the approval of Parliament, and it would not be right to accept any whether we could do so or not. Negotiations in connection with a big sale like this must, of necessity, take time.

Hon. W. C. Angwin: If the price is a fair one I advise you to close with it. Parliament will vote the money after.

The PREMIER: We cannot do that without consulting Parliament. No purchase will be effected without that approval. There is nothing to be gained by doing otherwise. Mr. Colebatch will conduct the negotiations, and we shall know what the best offer is. There are many considerations in connection with the purchase of the line. There is not only the line itself, but the land, and there is land that has been sold by the company subject to contracts. These contracts would have to be taken over by the Government. The consultations at the other end must have regard to all these matters.

Mr. Lambert: The Midland Company ought to be told they are the biggest squeaking curse that ever came to this country. At every annual meeting they squeak.

Mr. Lutey: The Chamber of Mines are worse than they are.

The PREMIER: There will be a good time in store for some of these gentlemen before this discussion is over. I do not know about the company being a squeaking curse. The directors have said things in London about us which they should not have said. They have spoken adversely of the Government railways

50 miles away from their own, whereas this has not made an ounce of difference to them. When they got their concession the Murchison goldfields were not thought of, and no traffic there was contemplated when they got their rights.

Mr. Lambert: It is a shame they are allowed to broadcast lying statements about Western Australia.

The PREMIER: I discussed with the chairman of the company in London what had been said about this State, and I hope no more of the statements will be made. It was wrong for the directors to have said what they did.

Hon. P. Collier: They slandered the State.

The PREMIER: There was no justification for these statements. They did slander us, and did us a lot of harm.

Mr. Lambert: The chairman ought to have his beard trimmed.

The PREMIER: We have no control over the utterances of some of our friends who sit quite close to us, and we have none over people as far away as the Midland Railway Company directors. I do not think they are unfriendly to us now. When directors have to answer for the results of a great investment before a big body of shareholders, and if they think someone else is responsible and not they, they will of course lay the blame at the door of the other fellow.

Hon. P. Collier: It is the sort of explanation we would make to the electors.

The PREMIER: Our electors are intelligent and watchful, and they know the value of every one of our acts. In the Old Country the people do not know.

Mr. Willcock: They never stand up to their obligations.

The PREMIER: It is one thing to ask other people to stand up to all they have promised to do.

Mr. Willcock: And not do it yourself.

The PREMIER: It is quite another thing to do oneself all one should do. We forget our own faults so readily and cheerfully, but do not forget the faults in others quite so easily. The loan expenditure I have outlined is necessary because of the growing needs of the State. The amount seems big, but it is largely due to the added cost of everything we do. Costs are not likely to come down for a long time, but we have to go on with the work of development. A great deal of the money is to be loaned to other people. We can use the collective credit of the people for the development of our lands and our industries, so long as the taxpayers have not to foot the bill. Members will find that is the position with the works that are now proposed. The advantage will be with the taxpayer, and the payments will be made principally by those who use our money in this work of development and production.

Progress reported.

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

## ANNUAL ESTIMATES—1923-24.

Report of Committee of Ways and Means adopted.

## ANNUAL ESTIMATES—STATE TRADING CONCERNS.

*In Committee.*

Resumed from 8th November; Mr. Stubbs in the Chair.

Division—*State Ferries*, £8,316—agreed to.

Division—*State Hotels*, £52,465:

Hon. W. C. ANGWIN (North-East Fremantle) [7.38]: If there is any section of the Government Departments that should be inquired into this session, it is the State hotels branch. If members have perused the report of the Public Service Commissioner, who conducted an inquiry a little while ago, they must come to the conclusion that the management is rotten.

Mr. Underwood: Rotten or rotting?

Hon. W. C. ANGWIN: Both. When the State hotels were started, it was given out to the public that if there was any benefit to be obtained from the supply of good liquor, it would be secured at the State hotels. The Commissioner's report indicates that adulteration has been rampant and the report of the Government Analyst is very strong on that point.

The Colonial Secretary: That has always taken place locally.

Hon. W. C. ANGWIN: We have nothing to do with that just now, but we have much to do with the State hotels. On looking carefully through the evidence, I find that a good deal, if not all, of the adulteration is carried out at the head office.

Mr. Chesson: That is where the liquor is broken down.

Hon. W. C. ANGWIN: That is so, and the Government Analyst says that some of the liquor taken from the head office store was found to be adulterated below the standard stipulated by the Licensing Act.

Mr. Underwood: The liquor was badly blended and there was misrepresentation.

Hon. W. C. ANGWIN: I am coming to that too. We find also that the State Hotels Department put up a special brand of whisky. They mixed Scotch and Australian whiskies and called the result the State hotel hulk whisky. They did that for the purpose of committing a fraud on the people who patronised the State hotels. They used a 6d. brand which was mixed with a 1s. brand of whisky, and charged 1s. for the mixture. That shows clearly that these officials have acted fraudulently. If this had been done in a private hotel, the manager would have been dismissed. The report of Dr. Simpson, the Government Analyst, set out that the sample of liquor dealt with was not genuine and had been adulterated with water. There are a number of similar reports showing that the liquor has been adulterated below the standard prescribed by the existing legislation. Report

after report by the Government Analyst shows clearly that it is a common practice for adulteration of liquor to be carried out in the State hotels. It is a strange feature that the late Government Inspector of Liquors who, in consequence of the new Licensing Act, was removed from that position, has now been appointed Inspector of State hotels. Yet that gentleman was the one responsible, according to the evidence, for the watering down of the spirits. He is the man who must carry the responsibility. Further than that, no charge was laid in connection with the State hotels for some considerable time past until that change was made. It looks strange to me that immediately the present officer took over his position, he lodged a complaint against the State hotels which were under the control of the late Chief Inspector. In my opinion, the man who was responsible for the adulteration is the man who, as Chief Inspector of Liquors, had control at that time. Someone had to carry the blame, and the result was that two barmen were sacked.

The Colonial Secretary: A manager and a barman.

Mr. Underwood: The office boy should have been sacked, too!

Hon. W. C. ANGWIN: Someone had to be made the scapegoat. Right through the evidence it shows that the adulteration took place at the head office.

The Premier: That is not established by the evidence; the adulteration varied at the different hotels.

Hon. W. C. ANGWIN: A reason is given for that, namely, that the bottles were dirty. When the liquor taken from those hotels was analysed, the same result was obtained from the analysis as was obtained in connection with the liquor taken from the head office. The musty colouring was said to be due to the dirty bottles. Perhaps that is the reason why a barman and a manager were dismissed. The responsibility attaches only, in my opinion, to the officials at the head office. Parliament should take action for the protection of the public, and get rid of those in charge of the State hotels.

The Premier: We should get rid of the State hotels.

Hon. W. C. ANGWIN: Let me tell the Premier we did not establish the State hotels; it was the Premier's party who did that.

The Premier: Not my party. You are wrong there.

Hon. W. C. ANGWIN: There is another matter to which I will draw attention. Some strong communications have passed of late between the State Hotels Department and Seppelt & Co. I moved for the tabling of the papers the other day, and I find that, because this firm asked for the payment of an amount of approximately £38 outstanding since 1915, they have been debarred from the trade altogether. Seppelts were of the opinion that they were not securing fair treatment, such as was extended to other wine and spirit

merchants. In order to test their position in connection with the State hotels they put in a special price for wine. The trade wholesale price for that particular line was 12s. 3d. per gallon, and Seppelts quoted 7s. 6d. for it. The State Hotels Department turned down the firm, showing conclusively—at any rate it was *prima facie* evidence—that Seppelts were marked, because they had claimed an account which was justly due to them. The first letter sent by the firm merely pointed out to the department that the account had been outstanding for a long time, and that the auditors were demanding an explanation as to why it was not paid. The letter stated—

You will note that this account has been current in our books since March, 1915, and although we have repeatedly made application for a settlement we have received no response.

Mr. Teesdale: How much was the account for?

Hon. W. C. ANGWIN: It was for £36 8s. 5d. originally. It had been going on continually. The firm's letter to the Department continues—

We have now received definite instructions from our auditor that a full explanation of why the account has not been settled must be handed to him on or before the next balance, the 20th April this year. There is nothing wrong in regard to that letter. The reply of the manager of the State hotels was this—

You draw attention to the fact that the amount has been current in your books since March, 1915, and that you repeatedly made claims for settlement without response. I have been through the files of this department and I have questioned the staff, and I can find no trace whatever of any claims ever having been made, nor indeed am I aware of any request for settlement.

That seems all right, but I have here a copy of the accounts as they were rendered month after month. The fact remains that no notice whatever was taken of them. Eventually this was written by the Department—

Your claims for the year 1915 cannot in any sense be verified at this stage in this office, and unless you can produce documentary evidence, it will be useless to proceed further in the matter. Regarding claims for casks since January, 1918, I will endeavour to verify your account, and if this can be done, I will either return the casks or make a settlement.

No further action was taken, but there is a certain gentleman in this town who deals in casks and he took 13 casks to Seppelts for sale. By arrangement the money paid for the casks had to be transferred to the persons who owned them, and consequently the State hotels cheque was kept for the amount due to the firm. Next day when Seppelts came to examine the casks they found that one of them was a disputed cask, and which the State hotels manager said could not be found. Apparently because the firm has laid a complaint

in regard to the matters I have related, they were boycotted by the manager of the State hotels. They were boycotted because they claimed merely what was due to them. I find in the margin of one of the letters sent by Mr. Campbell, the manager, "No knowledge of the accounts in this office." The manager of Seppelts wrote stating—

The account has been rendered practically every month while at the request of your Mr. Jennings, a full and detailed statement was forwarded in August last and addressed as usual to "State Hotels Department, Perth." When settlements have been effected these have been on your Form 10, on which you have left the amount for casks in abeyance.

Mr. Campbell said in a marginal note in regard to that "Denied by the officer." The letter goes on—

Our accountant, Mr. McKenzie, has on several occasions spoken to Mr. Parkinson and Mr. Jennings over the 'phone respecting this account, and has received the assurance that the matter would receive prompt attention.

And yet the manager of the State hotels denies that any discussion whatever took place with any officer of the department! This shows clearly that the officers cannot be depended upon. The evidence given before the Commissioner regarding the adulteration of liquor bears out that it did not take place on the hotel premises. If we cannot depend on officers in one instance, we cannot depend on them in any other.

The Colonial Secretary: What you are referring to took place before the inquiry.

Hon. W. C. ANGWIN: The letters I have read were written after the 31st March of this year. I have no wish to go through the whole file; I merely give the instances I have quoted to show the manner in which the State hotels have been carried on by the officers in charge, and also to prove that in their conduct there has been no business acumen whatever—I had better use that word; that so far as the department are concerned, they "don't know where they are." Those who supplied the casks demanded payment for them, and the department replied that they knew nothing whatever about them. Accounts were rendered month after month, and the department know nothing about them. Eventually the department compromised, and made a settlement. This took place within the last few weeks—a settlement affecting a dispute that has lasted since 1918. It is about time that some attention was given to the management of the State hotels. I am pleased to see that Inspector O'Halloran intends to include the State hotels in his supervision, and that his desire is to bring them into line with privately owned institutions. The State hotels should be as well, if not better conducted, than the private hotels. Before the Licensing Act was passed no charge was ever made against them; and no one knew how they were being conducted. I consider it about time that

a change was made in the management. There is no doubt that the bad management of the past is due to the fact that those in charge do not know anything at all about the business. That being the case, they are learning the trade at the expense of the State, and if I may say so, at the expense of the insides of the people who drink the liquor.

Mr. Underwood: We can stand it.

Hon. W. C. ANGWIN: I do not know so much about that. Of course the hon. member likes a little drop occasionally, though not too much. At the same time I believe he expects what is served to him to be good.

The Premier: They put water in it.

Hon. W. C. ANGWIN: No, they mix two brands, the inferior with the good, and charge the higher price. In that way in the past they made the liquor they sold inferior. The system of control at the present time is loose and should be altered, and the only way to alter it is to bring about a change in the management. Take away some of the officers who, because they do not speak the truth, are not fit to be there. I hope the Minister will look into this matter more thoroughly than he has ever done before, and do his utmost to see that the hotels are conducted in the manner that Parliament desires. The first State hotel was established at Gwalla, many years before a Labour Government came into power. The establishment of this enterprise, therefore, cannot be laid at the door of the Labour Party.

Hon. T. Walker: The State hotels were started by Sir Walter James.

Hon. W. C. ANGWIN: If the original intention regarding these hotels was carried out, I have no doubt they would be a great boon to the public. Instead of that they have been permitted to become a curse; they may be described as worse even than third-class hotels. Patrons cannot rely on getting what they ask for. The manager on the premises may be running the hotel to the best of his ability, but he is not responsible for the liquor supplied to him from head office. The adulteration was always done at headquarters, and the manager of the hotel was bound to sell what was sent to him. Therefore he was selling an inferior article because of the action of the general manager in Perth.

Mr. Teesdale: The barman could do it, too.

Hon. W. C. ANGWIN: I will admit that, but if the hon. member will read the evidence taken at the inquiry he will see that it discloses the fact that the adulteration took place at head office. The manager wanted to know what credentials were possessed by the chief inspector and what experience he had in connection with the analysis of liquors. He also questioned the chief inspector's ability to act, because that officer discovered that the hotels were selling adulterated liquor. It is time that the Minister investigated the position and placed the hotels on a proper footing. If he cannot do that, he should close them altogether.

Mr. LAMBERT (Coolgardie) [7.58]: Having read the evidence taken at the inquiry into the State hotels recently held, I have come to the conclusion that the one man responsible for the adulteration of liquor is Mr. Durham. The adulteration of liquor in this State is responsible for the greatest possible corruption, and it is time that Parliament and the public knew of it. Mr. Durham has been protected too long.

Mr. Teesdale: Prove it and we will deal with him.

Mr. LAMBERT: If the hon. member will pursue the evidence taken at the inquiry, he will make deductions sufficient to lead him, as a reasonable man, to believe that one man—his name is Durham—is practically responsible for the adulteration of liquor in the State hotels. I think I should say that for a long time the public have felt rather uneasy as to Durham's qualifications and bona fides for the duties of inspecting liquor. Lots of rumours are current. Some of them may be true; I hope all are untrue, but it is openly stated that Durham's dishonoured cheques are floating about many portions of the State and that publicans are not game to claim the money. I hope to God the statement is untrue, but it has been given out as true.

Mr. McCallum: Are those cheques in the hands of publicans?

Mr. LAMBERT: Yes. If the statement is untrue, it would be easy for Durham to disprove it. The allegation is sufficiently serious, taken in conjunction with the recent adulteration of liquors at State hotels, to warrant a thorough investigation. The Commissioner absolutely went out of his way to whitewash Durham, and showed himself totally and absolutely incompetent and unfit to conduct in a judicial and common sense way, an inquiry of this description.

Mr. Munsie: The Government should certainly prosecute someone.

Mr. LAMBERT: These are strong statements, prompted by the circumstances attending the conduct and findings of the commission. I hope the Government will realise it is essential to carry the inquiry further. If Durham is being blamed, and I know he is being blamed on almost every street corner—

Mr. Underwood: What about Campbell?

Mr. LAMBERT: We can deal with him afterwards. It has been openly said for years that certain hotel-keepers were almost immune from Durham's investigations.

Mr. Mann: Do you know that the inspection is now in the hands of the police?

Mr. LAMBERT: Yes, but this was prior to the passing of the amending Act.

Mr. McCallum: It is strange that adulteration was discovered immediately after Durham's time.

Hon. P. Collier: Yes, it was discovered only after he got out.

Mr. LAMBERT: I am not in a position to judge, but for years past there has been an uneasy feeling on the goldfields that harsh treatment was being meted out to some of the publicans, while other publicans were alto-

gether immune. Connected with this we have the statement that Durham has cashed cheques with certain hotel-keepers, those cheques have been returned dishonoured and have never been paid. It is only fair for me to say I do not know whether those statements are true.

Mr. Latham: It is unfair to make such statements without knowing that.

Mr. LAMBERT: I am suggesting that the matter be investigated. As I have given the statement, it is not serious. It is more serious that it should go unchallenged as it has gone unchallenged for years. It is time that Durham was given an opportunity to contradict the statement. I believe I know Durham by sight, but to the best of my knowledge I have never met him. We should jealously guard the work of liquor inspection. Most members have felt shocked at even the mild findings of this commission, and are not satisfied that the finger has been put on the culprit. The member for North-East Fremantle (Hon. W. C. Angwin), who is not given to making extravagant statements, said unqualifiedly that the liquor as supplied under the then chief inspector of liquor, now the inspector of State hotels, was adulterated. The Government should suspend this officer pending a further investigation. Apart from all other considerations, I should hardly imagine that Durham, after being retired as chief inspector of liquors, was quite a fit person to appoint as inspector of State hotels. We have quite a considerable sum of money invested in State hotels. A previous Administration started them with the idea of providing decent accommodation and good liquor in certain centres. I cannot believe that the benefits and satisfaction desired have been attained. I remember the conduct at the Gwalia State hotel in 1916 or 1917, when I saw dozens of Austrians pouring pints of beer upon the floor of the front bar until one could almost swim in beer. It was an absolute disgrace to any civilised community, a blot upon the State. I think there was a beer strike at the time.

Mr. Heron: There have been four beer strikes at Gwalia.

Mr. Underwood: Ginger beer.

Mr. LAMBERT: The Austrians took a delight in pouring pints of beer over the floor of the front bar. To these diabolical foreigners it seemed a playful pastime. If the Government cannot conduct these institutions better than that, they should permit private individuals to control them. I believe the road to safe liquor reform lies in nationalising the trade—manufacture, wholesale and retail.

Mr. Johnston: Mr. Walker in his report condemns that.

Mr. LAMBERT: He is at perfect liberty to condemn it.

Mr. Underwood: No one has read the report.

Mr. Johnston: I have read it.

Mr. LAMBERT: That may be the decision that maturer years have led the hon. member to arrive at. My belief is founded on experience, and I doubt whether the member for Kanowna or the member for Williams-Narro-

gin could shake it. Some of us felt hopeful regarding the future of the liquor trade when we adopted a modicum of nationalisation in the shape of State hotels, but the recent history of these hotels has shaken the confidence of the public in them. One of my brothers residing at Bolgart spoke of the wines and whiskies supplied there, and it was current talk in the Bolgart district—

Mr. Heron: Wines in particular.

Mr. LAMBERT: Both wines and whiskies were the subject of comment, and the manager was made the scapegoat and was dismissed.

The Colonial Secretary: He was not dismissed.

Mr. Munsie: The manager at Dwellingup was dismissed.

Mr. Mann: Norman was dismissed from Bolgart.

Mr. LAMBERT: The people of Bolgart believe that Norman was selling the liquor as it was supplied to him, and that he was made the scapegoat for the present inspector of State hotels. I hope a searching inquiry will be made. The miserable inquiry made by the Public Service Commissioner indicates a desire to whitewash the inspector of liquors and does not redound to the credit of the Commissioner.

Hon. P. Collier: He did not even call any of the accused managers.

Mr. LAMBERT: No, he took good care not to call any evidence that was likely to conflict with the interests of Durham. If this inquiry is a fair indication of Mr. Simpson's qualifications, the sooner he gets a well-deserved rest from the Public Service the better.

Mr. Underwood: Put him in a State hotel.

Mr. Munsie: Judging from the inquiry, he is not fit to manage a State hotel.

Mr. LAMBERT: It is unpleasant for a private member to have to bring forward a matter of this kind, but the quality of the liquor supplied to the State hotels has been a byword for such a considerable time that the matter has become a scandal, and the man blamed, rightly or wrongly, is Durham. In my opinion the findings of Mr. Simpson are altogether against the weight of evidence adduced at the inquiry. The Government should now go a step further and make a searching inquiry, in order to decide who was responsible for supplying the liquor, and whether the serious statements in circulation regarding Durham are true. I hope that members with a more intimate knowledge of Mr. Durham and his ramifications as an inspector of liquors, will address themselves to this subject. The Government ought to realise that the State hotels are worth putting on a satisfactory basis. Having regard to the amount of money invested in them, having regard to the importance of the trade and to the fact that State hotels cater exclusively in certain districts, a thoroughly good and reliable man, with a complete knowledge of the liquor trade, should be engaged as general manager. Mr. Campbell has other duties apart from the State hotels. Besides him, there is that old gentleman who borders on the scrap heap.

That old gentleman is taken by the scruff of the neck and told, "You have failed at everything else, but you are good enough to be inspector of State hotels." That old gentleman lacks the confidence of the people of this State, and in particular the confidence of the patrons of State hotels. Mr. Durham's appointment as inspector of State hotels is almost a joke with the liquor trade. Mr. Durham may be a very good officer.

Mr. Latham: It does not sound like it, from what you say.

Mr. LAMBERT: According to the evidence, Mr. Durham was responsible for the blending of Australian whisky with Scotch whisky and for selling the mixture as State hotel bulk. That alone should get him his walking ticket straight away.

Mr. Mann: Would you condemn him if he was doing that with the consent of the chief of his department and of his Ministerial head?

Mr. Munsie: In that case the chief and the Minister ought to go as well as Durham.

Mr. LAMBERT: If the inspector was committing this fraud with the consent of the Ministerial head, I would put the Ministerial head in a cask of Australian whisky for 24 hours. At all events, the Minister is here to answer for himself. Possibly there are other explanations of the supplying of adulterated whisky and of utterly inferior wines to the customers of State hotels. I trust that members with a knowledge of the subject will make out a compelling case for a thoroughly searching investigation.

Mr. ANGELO (Gaseoyne) [8.20]: I agree with the member for North-East Fremantle (Hon. W. C. Angwin) that greater attention should be paid to the State hotels and that various changes are desirable. A change that I would like to make would be to cut out the State hotels altogether.

Hon. P. Collier: So would I, if the Government cannot run the State hotels better than they are doing.

Mr. ANGELO: Every year on this division we have edifying debates concerning Austrians swimming in beer, about the general manager not being fit for his job, about the Chief Inspector of Liquors not attending to his duties, and as to cheques of officials being sent back. What do we gain by all this? About £5,000 a year. We could make that amount by leasing the State hotels.

Mr. Latham: We could make more than that.

Mr. ANGELO: Possibly an excuse or two may be made for other State trading concerns, but there can be no excuse for the position here disclosed. Recent legislation has tightened up the conditions under which liquor may be sold, and private lessees could certainly conduct the State hotels more creditably than they are being run by the Government. I have had experience of two or three State hotels. We were at the Gwalia hotel the other day. Can anyone compare the conduct of that establishment with the conduct of a well run country hotel? About 18

months ago I was at the Cave House, and there was not even a decent towel for one to dry one's hands.

The Colonial Secretary: The Cave House does not come under this vote.

Mr. ANGELO: If it is necessary for the Government to keep the Cave House going, surely it could be handed over to the Tourist Department. Is it good for the public to hear that our officials have been adulterating liquors and selling them to the customers of State hotels? I would very much prefer to see the State hotels wiped out altogether and at once.

Mr. UNDERWOOD (Pilbara) [8.24]: I was very sorry to read the charges against the management of the State hotels. When these hotels were established, I had hopes that the result would be a considerable measure of reform in the running of hotels generally. Although it is a year or two since I have been in a State hotel, I must say that I have always found the accommodation good and the places well run. The last speaker referred to the want of a towel.

Mr. Angelo: To the want of a clean towel.

Mr. UNDERWOOD: I have been in a pub in the hon. member's town where there was no towel at all.

Mr. Angelo: That was not a State hotel.

Mr. Munsie: That was private enterprise.

Hon. P. Collier: Three Carnarvon hotels were recently fined £25 each for refusing to admit a woman because she had a child or two with her.

Mr. UNDERWOOD: That is so. We have no proof so far that private enterprise has run hotels better than the State hotels have been run. I deeply regret the outcome of this inquiry, but it is only what one could expect from our Public Service system. In using those words I fully expect an open letter to Rufus Underwood from the "Civil Service Journal." The trouble with a good few of our State enterprises is that we hand them over to civil servants. The Public Service Commissioner seems to consider it his duty to find employment for people already in the service, without any regard whatever to their qualifications. Consequently, for the conduct of State enterprises he picks out civil servants at random. When we want a manager for State ships we put on a manager who has never been at sea. The engineer for State ships was an engineer who had never been at sea. To manage the State hotels the Public Service Commissioner picks out of the Colonial Secretary's Department an officer who may have been in a hotel once or twice, but only on the paying side of the bar. I take exception to certain statements of the member for Collingwood (Mr. Lambert). I do not know Mr. Durham, and cannot say whether he is as incapable as has been made out. But it is a good solid maxim in managing affairs, that if anything goes wrong the manager should be held responsible. It is useless to put the blame on the second or the third in command. The most extraordin-

any feature of the inquiry is that it has resulted in the sacking of a barman and not in the sacking of an office boy. I wonder how the office boy got out of this under our Public Service system. If the captain is on deck when there is trouble on a ship, the mate is never charged; in such circumstance the captain is responsible. For anything that has gone wrong in the State hotels, the general manager should be held responsible unless he can prove beyond a shadow of doubt that there has been duplicity, that he has been misled by another man. I am convinced that the deplorable police strike in Melbourne was brought about by bad management. We must alter our Public Service system. If we are to run anything in the nature of State trading concerns, we must get out of the habit of placing men in charge of them for no other reason than that they are in the Public Service. We must pick a man for his special ability to run a particular concern. And we must get out of the habit of sacking the office boy when there is trouble. We must get into the habit of sacking the manager when something has gone wrong.

Mr. JOHNSTON (Williams-Narrogin) [8.29]: I would ask the Colonial Secretary, when he is replying, to state whether the Government, in the event of their intending to carry on the business of State hotels, are going to give the road boards power to levy rates on the premises occupied by the State hotels. These establishments are found in a number of towns, and it is a matter of constant complaint to me from the road boards that they are not permitted to levy rates on those properties. If the Government conduct such establishments, they should do it under the same conditions as other people, and should contribute their fair share towards maintaining the roads and footpaths in front of the State hotels. I should like to know, too, the policy of the Government in regard to extending the accommodation at the State hotels. I was at the Corrigin State Hotel recently with a Minister of the Crown, and in order that the Minister might have accommodation for the night, a couple of boarders were turned out of their rooms. For the last two or three years, successive managers have complained to me of the inadequacy of the accommodation. Corrigin is the centre of a big district, yet when the regular boarders are accommodated, there are only about four rooms available for the public. On the present demand at Corrigin 25 new bedrooms ought to be added to the State hotel there.

Mr. PICKERING (Sussex) [8.31]: In my opinion, several of the State hotel managers are very capable men.

Mr. Lambert: Nobody has said anything about individual managers.

Mr. PICKERING: I thought something had been said about them. If they have not the necessary accommodation at their respective hotels, why blame them? At Bruce Rock

the other day the manager of the State hotel told me he had need for forty additional rooms, and had frequently applied for the accommodation. If that increased accommodation is required, the travelling public ought to have it.

Mr. Latham: They have not the ground space at Bruce Rock.

Mr. PICKERING: But the adjoining block could be secured at a reasonable price. If the Government are not prepared to provide the additional accommodation, they ought to allow a private hotel to be opened.

Mr. Latham: They cannot stop that now.

Mr. PICKERING: I should not care to apply for a license in the Bruce Rock district, because I do not think I should have much chance against the State hotel. I am not in favour of State hotels; the Government ought to let them to private licensees.

Mr. Mann: Would you do that with the Cave House?

Mr. PICKERING: The Cave House does not come within this Vote. Just the same, the Cave House is a most difficult proposition for the manager. Anyone who can carry on that place during the stress of the summer season deserves every credit.

Mr. Munsie: There is no residential hotel in Australia that can successfully cater for everybody in the height of the season.

Mr. PICKERING: Of course not. If we are to continue the State hotels we should face the position and provide the necessary accommodation. I regret that liquor adulteration should have been charged against the State hotels. Certainly steps should be taken to shift home the responsibility. Another thing: it is time the State hotels were fitted with modern sanitary conveniences. The Licenses Reduction Board are demanding such conveniences for private hotels, and certainly State hotels should have the same responsibility. Personally I would call tenders for the ingoing of the State hotels, for I believe that under leases the hotels would be much more efficiently run than they have been under State control.

Mr. CHESSON (Cue) [8.27]: I strongly disapprove of the way the State hotels have been run. The Chief Inspector of Liquors has admitted responsibility for the breaking down and blending of bulk whisky. It was shown at the inquiry that cheap Australian whisky and a Scotch whisky had been broken down and sold as Sanderson's bulk.

The Colonial Secretary: You mean it was sold in one of Sanderson's decanters?

Mr. CHESSON: Under the Act the decanter or the bottle has to be labelled. In this case the decanter or bottle was labelled "Sanderson's Whisky." Yet all that happened as the result of the disclosure was the discharge of a manager and a barman. If that is the way the State hotels are run, it is time we got out of the business. The Chief Inspector of Liquors admits that he alone was responsible for the breaking down and blending of the whisky.



Mr. Underwood: But the manager should supervise, surely!

Mr. CHESON: After all, when we have a qualified man such as Mr. Durham, naturally the manager would leave that part of the business in his hands. According to the analysis, the liquor was adulterated. Each year we have a good deal of comment on the running of the State hotels. When first the State decided to go into the business, the chief objects were to supply the public with good brands of liquor, to prevent the serving of drunken men, and to avoid keeping bar tenders at work after hours. Yet, according to the findings of the inquiry, we have been selling inferior whisky. Moreover, no care has been taken in conveying the liquor from the cask to the bottle, and so dust, and even street sweepings, have got into the bottle. Also we are told that some rum smelt as though it contained an infusion of tobacco.

The Colonial Secretary: Some tobacco is flavoured with rum.

Mr. CHESON: It is not the first time I have heard of tobacco in rum. Also it appears that some rum smelt like kerosene. If liquor like that is served to the public at State hotels, it is a very poor advertisement for the system. I trust the responsibility will be put on the proper shoulders, those of the general manager and the Chief Inspector of Liquors.

Mr. LATHAM (York) [8.47]: In view of the charges made to-night I am going to ask the Minister to take up this matter and have a proper inquiry made. It is unfair for members to come here and make charges against officers unable to refute them; the only means by which we can allow officers to give their side of the story is to have an inquiry. I hope the Minister will appoint a competent person to go into this matter, and clear it up, not only in respect of the liquor question, but also in respect of the charges made against Mr. Durham. I have met Mr. Durham, and from my knowledge of him I say confidently that I do not believe a word of the statement repeated by the member for Coolgardie (Mr. Lambert). At all events, we stand for the abolition of the State Trading Concerns, and here is a fine opportunity to dispense with one of them. Our State hotels are not any better run than are private hotels. Apparently there are in the department too many officers, or we should not have these frivolous little tickets every time one has a bed or a drink at a State hotel. Neither should we have to pay for our beds in advance. Apparently some departmental officer with not sufficient work to do has thought out this wonderful system to preclude the possibility of the department being robbed. He might have spared himself, for the system certainly will not prevent anything of the sort. The State hotels should be put on the same basis as other hotels in the treatment of guests. In the State hotels notices are placarded all over the place. In the dining room the walls are covered with

notices from the head office. One says, "Cheques will not be cashed."

The Colonial Secretary: That is not an unusual sign in hotels.

Mr. LATHAM: It is not usual to see these notices placarded in every part of a hotel. The manager should be given the right to refuse to cash a cheque if he so desires, but should not be compelled to refuse. Both the State hotels in the York electorate are well run.

The Colonial Secretary: You do not suggest the manager should cash any cheque that is brought along?

Mr. LATHAM: He should be allowed to exercise his own discretion. Other hotel managers have to accept the responsibility, but in this case the instructions are definite. In the country people often go to hotels after hours, and cannot get change elsewhere. They, therefore, want to cash a cheque. One has to pay 2s. 6d. before getting a bed, and to get a ticket and carry it about to show that the bed has been paid for. These hotels are revenue-producing utilities, and the department should see that better service is given to the public. There is no State hotel in Western Australia with a hot water service. In the country it is almost impossible to bath on a frosty morning in the water that is available. Hot water services should be installed throughout State hotels. There are some districts where State hotels enjoy a monopoly of the trade, and where local entertainments bring a lot of revenue to them. They contribute nothing in return, however, and one cannot even get a donation for the local hospitals from them. The manager of the State hotel has no power to give anything, but very often contributes out of his small salary of £6 or £7 a week. I do not know how they manage upon that money with all the claims that are made upon them. The department should make an allowance for contingencies of this sort. It is the duty of the Minister to have a searching inquiry made, and either punish the officer concerned or prove to the public that the charges are unfounded.

Mr. MANN (Perth) [8.48]: Mr. Durham has been in the service of the State for 20 years. It was no fault of his if he blended Scotch and Australian whisky at the bidding of the management and the Minister. Both the management and the Minister knew this was being done a year ago, and that the blend was being sold as bulk whisky.

The Colonial Secretary: It was mentioned on the occasion of the last Estimates.

Mr. MANN: Yes. The Minister said it was a blend of Australian and Scotch whisky. I questioned the Minister last week on the subject.

Mr. McCallum: There is no complaint about that, is there?

Mr. MANN: The complaint is that it was sold as bulk whisky.

Hon. P. Collier: The inference was that it was a blend of two different kinds of Scotch or other whisky, but it was not stated

that it was a blend of Scotch and Australian whisky.

The Colonial Secretary: The label now states that.

Hon. P. Collier: It did not do so then.

Mr. MANN: The point is that the public were deceived and overcharged, but the fault does not lie at the door of Mr. Durham.

Hon. P. Collier: The public were being deceived and robbed in being supplied with an inferior whisky.

Mr. MANN: It is not right that the blame should be laid upon one officer. The department should take a lead from the member for Williams-Narrogin, who owns nearly as many hotels as does the State. He runs them himself, and they are run equally as well as the State hotels.

Hon. P. Collier: The same percentage U.P.?

Mr. MANN: He maintains no big staff in Perth, but controls them himself. We could also follow the example of the Emu Brewery Ltd. This company owns hotels in various parts of the State, but the responsibility for the conduct of each one is in the hands of the manager. A big staff in Perth is not employed to control them. If the manager is a capable man he is paid a salary in accordance with his position.

Mr. Heron: The trouble is that the State hotels are run from Perth.

Hon. P. Collier: There are 11 officials in Perth.

Mr. MANN: There is a manager and a housekeeper in each hotel as well. If the State hotels were run as private institutions each manager would be responsible for his own hotel. The staff in Perth should be wiped out. Mr. Campbell, who is an excellent accountant, should be moved to the Treasury, and deputed to control the receipts from the State hotels. It could then be seen whether each manager was capable of running his own hotel. The managers do not get a fair deal.

Mr. Heron: They cannot even employ a yardman without authority.

Mr. MANN: He has to be sent from Perth. The following was sent to the manager of the Bulgart hotel:—"Please explain how you used 30 dozen eggs last month." That is a dozen eggs a day. Is it necessary to keep a clerk in Perth to send such pettifogging messages to the managers? There are dozens of such messages that I could quote. The department should employ managers and pay them in accordance with the responsibilities of their position. If my suggestion were carried out there would be a saving of £1,400 or £1,500 a year and the hotels would be better run. We would also know on whose shoulders to place the blame if anything went wrong. At present if anything happens at one of the State hotels, the manager throws the blame upon the Perth officials. With the information that has now been placed before the Minister he should be able thoroughly to inquire into the position. He would be well advised to do away with a large portion of the staff in Perth and to make the managers

individually responsible. A navy gets as much pay as some of the State hotel managers, and it cannot therefore be expected that they could be the most capable men.

The Colonial Secretary: Most of them get more than that.

Mr. MANN: Some of them do not. A full inquiry should be made into the conduct of this department.

Hon. P. COLLIER (Boulder) [8.53]: The inquiry held a few months ago into the management of this department revealed a state of affairs that is utterly discreditable to Western Australia. I agree to a large extent with the remarks of the member for Perth. Although it is not proper to discuss the private affairs of any member, I do think that the illustration given by the member for Perth is a striking one. The hon. member to whom he referred manages his own business and his public affairs as well. The State Hotels Department employs a number of clerks and managers, who apparently can find employment only by questioning the quantity of eggs that are consumed by a certain State hotel over a limited period. The department seems to be particularly hostile towards the consumption of eggs by their manager. The wife of one manager informed me that she was continually being questioned by the head office about the consumption of eggs. She had seven children, the eldest being about 15. The head office complained that the family was too large, and suggested that it had been eating all the eggs. She was so harassed by the complaints that she sent two of her children to boarding school in Perth and paid for their schooling out of her wages, rather than submit to this kind of petty hostility. We are spending millions of pounds on a migration scheme, and it should not be laid as a charge against State hotel managers that their families are too big. A perusal of the evidence taken at the inquiry leaves no room for doubt that there has been a systematic adulteration of liquor sold in the State hotels. This has been going on for years. There is no doubt either that the adulteration took place at headquarters, and that the managers of the hotels were not responsible. It took place in the cellars in Perth, and was done by those who sent out the adulterated liquor. It should not be difficult to ascertain who was responsible for this. The whole office staff was present day after day at the inquiry. The report of the day's sittings occupied nearly a sheet in setting out the names of those who were present. The two managers who were dismissed, however, were not called upon to give evidence. I suppose it will be said they could have volunteered to do so.

The Colonial Secretary: The Dwellingup manager had been discharged before.

Hon. P. COLLIER: Only a little while before. In all fairness he should have been asked to give evidence. I know the manager of that hotel and would not care what a hundred Durhams swore. I would not believe

that he had been responsible for the adulteration. He declared to me that he had not interfered with the liquor in any way, and I believe him.

Mr. Mann: The manager at Bolgart had been there only a week when he was dismissed.

Hon. P. COLLIER: That is so. The extent of the adulteration, which varied from 25 to 32 per cent. underproof, was practically the same. There was a manager at Bolgart and another at Dwellingup, the hotels being about 200 miles apart. It is strange that, if they did decide to put water in the whisky, they should do so to almost the same extent. This rather indicates that the liquor was adulterated by some person at headquarters. The evidence also shows that even with all the headquarters staff they were not able to keep the cellars in decent condition. It was not denied that the cellars were in a filthy condition; the whole of the surroundings were abominable. It was not denied that the most inferior wines were on sale.

Mr. Heron: You could never drink their wine.

Hon. P. COLLIER: At the Gwalia hotel the manager refused to offer it for sale, and suggested to the inspector that it should be thrown out. The inspector replied, "You need not do that; it will do for vinegar." The two hotels at which the liquor was adulterated showed adulteration to the same extent, and it is significant that the contents of the two bottles found in the cellar labelled "Check samples" were adulterated to a corresponding degree. Durham's explanation of the two bottles in the cellar was that the contents were the remains of a cask, and he had watered it in order to give a drink to the drivers. But those bottles were labelled "check samples."

Mr. McCallum: That was a cock-and-bull yarn.

Hon. P. COLLIER: The member for Perth (Mr. Mann), would not have swallowed that tale. It reminds me of the tale often put up when a man's banking account is inexplicably augmented, "I won it at the races." The tale about those two bottles is only a variation of the tale "I won it at the races," especially when we remember that in the three instances I have mentioned the degree of adulteration was precisely the same. Let me quote from the evidence. Mr. McHenry was then an inspector of liquors. Both Campbell and Durham did their best at the inquiry to discredit him. They reflected on his qualifications.

The Minister for Mines: They did not start it then, either.

Hon. P. COLLIER: I believe not. Yet McHenry has recently been appointed chief inspector of liquors. The man, whose qualifications the general manager of the State hotels questioned, has been promoted.

Hon. W. C. Angwin: Previously he was blocked from visiting State hotels.

Hon. P. COLLIER: McHenry strikes me as being a most efficient officer. I do not

know him but I know of him, and I think he will be a very great improvement on Durham as chief inspector.

Mr. McCallum: He has proved that already.

Hon. P. COLLIER: McHenry, in evidence, said—

The present manager at Bolgart stated that he believed the whisky had been bottled at Bolgart. The sherry referred to by him was a very inferior one. The fixed acidity was high, and the wine was very unsound. The reason he thought that the whisky had been placed in bottles not thoroughly dry was that the strength in the various bottles varied. . . . He had recently been to Gwalia and had drawn attention to the unsatisfactory quality of the wine there and the manager had informed him that his customers had complained about it. The manager considered it was only fit for dumping, but he, Mr. McHenry, had pointed out that it could be made into vinegar. The manager had stated that Mr. Campbell had been there a few days previously and had been informed regarding the matter. The sherry on sale at Gwalia is the same as that referred to at Bolgart.

All through, the evidence shows that they specialised particularly in cloudy, dirty, inferior wine that McHenry said no respectable house would offer for sale. McHenry added that when he was working under the State Hotels Branch, namely under Mr. Durham and Mr. Campbell—he is now under the Licensing Board—he was instructed not to inspect State hotels, and had therefore not previously found any cause for complaint at those hotels. He added—

He had not, for the last 18 months prior to his transfer to the Police Department, inspected any State hotels. He had been in the districts where State hotels were located, but as such inspections were not part of his duty, he had not taken any action. The Chief Inspector, Mr. Durham, was the officer who gave him instructions not to inspect the State hotels.

All those things lead me to one conclusion, that this liquor was adulterated at headquarters. The liquor was blended, prepared and sent out by Mr. Durham, who was aware that Inspector McHenry was an efficient and active officer. Durham gave McHenry instructions that, even if he was inspecting private hotels where there was a State hotel, he was not to inspect the State hotel. When he was asked why those instructions were given, he replied, "Mr. Campbell will answer that question." Now let me read Mr. Campbell's explanation—

Mr. McHenry's statement regarding his not being allowed to inspect State hotels was generally correct, because, as a matter of fact, Mr. McHenry was a very stormy petrel whilst in his department and he and the chief inspector, Mr. Durham, thought it advisable to keep Inspector McHenry away as much as possible, because he was continually interfering in matters that did not concern him.

That was the only reason why he was not permitted to inspect the State hotels. What a nice explanation! He was a stormy petrel while he was in the department, and both Campbell and Durham thought it advisable to keep him away as much as possible! I am quite satisfied why they thought so. They knew very well—

[*Mr. Angelo took the Chair.*]

Mr. Heron: What he would find.

Hon. P. COLLIER: They knew very well that if McHenry was allowed to do his duty, he would do it properly. In the first two months after McHenry went over to the Police Department, he brought this state of affairs to light. But for his transfer under the Licensing Act Amendment, there is no doubt the same state of affairs would be continuing to-day, and that the sale of adulterated whisky and inferior wines by State hotels would be going merrily on. According to the evidence Mr. O'Halloran questioned the analyst, Mr. C. E. Stacy, as follows:—

Would the quality of the whisky broken down or bottled in the cellar where the filth from the street drifted in and horse manure was blown in be affected thereby?—I should think it would. It would contaminate it with dirt, certainly.

You saw the condition of the cellars. Do you think it was a proper place to break down whisky or bottle it?—I certainly did not like the appearance of the cellar.

Did you say the conditions under which you found the cellars were unsatisfactory?—They were very dirty.

Was it a proper place to break down whisky or rum and bottle it?—I do not think it was.

The Colonial Secretary: Structural alterations were being made at the time.

Hon. P. COLLIER: Structural alterations were not responsible for horse manure blowing about in the cellars.

The Colonial Secretary: When I went there—

Hon. P. COLLIER: I bet the place had had a general cleaning up by the head office staff before the Minister got there.

The Colonial Secretary: It was full of bricks and debris.

Hon. P. COLLIER: Mr. O'Halloran questioned Mr. Durham as follows—

In the three years prior to the 1st January last, you did a good many inspections of hotels?—A fair number.

Did you have one single prosecution for false trade description?—No.

Mr. McHenry had 46?—Very likely.

For three years Inspector Durham had not one prosecution for false trade description while Inspector McHenry in the same period had 46! During all the years that the State hotels had been in existence, the inspection had been carried out by Mr. Durham, and not one case of adulteration or improper practice had been brought to light. He relinquished charge in February of this year, and Inspector McHenry took over

under the Police Department. In the very first month after McHenry took over, he made this discovery of adulterated liquor. There seems to be an accumulation of facts telling against Inspector Durham and also against the general manager of the State hotels. All through the cross-examination of Inspector McHenry Mr. Campbell tried to discredit him. He wanted to know where the inspector qualified, and what experience he had, thus attempting to cast doubt upon the evidence he had given.

The Colonial Secretary: I do not understand how the adulteration of liquor in the head office would be of any personal financial benefit to either of those officers.

Hon. P. COLLIER: The Minister is very unsophisticated. I appeal to the member for Perth to give him a little quiet advice.

The Colonial Secretary: It would not go into the pockets of either of the officers.

Hon. P. COLLIER: I am not saying that it did, but there would be no insuperable difficulty to its going there. I am surprised that a shrewd business man like the Minister should ask such an innocent question.

Mr. Mann: Why are the managers allowed to stock only certain whiskies sent from the head office?

Hon. P. COLLIER: Yes, and one brand in particular.

Capt. Carter: And wines too.

Hon. P. COLLIER: Yes.

Mr. McCallum: And how is it that certain breweries cannot get their beer into State hotels?

Hon. P. COLLIER: When only certain brands of whisky, wine and beer were allowed to go into State hotels, why should anyone in the cellar benefit?

The Colonial Secretary: It would affect the percentage return, but not the officers personally.

Hon. P. COLLIER: Oh, no! However, life is too short for me to attempt to explain it to the Minister. I recollect that some of the whisky in question was No. 10. It was notorious that No. 10 had a special footing with the State hotels. In order to test the business methods or the sincerity or honesty of the State hotels management, Seppelts submitted a price of 7s. 6d. for 12s. 3d. wine, but they did not obtain an order.

Capt. Carter: Was that high class wine?

Hon. P. COLLIER: Yes. The tender was put in as a test. Perhaps the Minister will ask how that would benefit any of the officers. It reveals a state of affairs which requires wiping out entirely. The general manager of any concern must take the responsibility for what goes on, though, of course, he cannot be held answerable for the honesty of every man he employs. Generally, however, the condition of things disclosed by this inquiry, which was by no means thorough, proves that a very full investigation is required, to be followed by a clean up from top to bottom. Whilst Mr. Durham has been Chief Inspector of Liquors for 17 or 18 years, or at all events a very lengthy period—

Mr. Mann: Before the establishment of State hotels he was in the Excise.

Hon. P. COLLIER: He was Chief Inspector of Liquors for the whole State. One would imagine that he would continue in that position under the Police Department. But not so. He is remaining with Mr. Campbell. To that end a new position is created for him on these Estimates. We have a general manager and an inspector and an accountant for seven hotels. The general manager himself is an accountant. Now a new position as inspector is created. If the State hotels got on during all the years of their existence without an inspector, why cannot they continue to get on without one? The extraordinary feature is that previously the inspection of liquor at State hotels was done by Mr. Durham. Henceforth inspection is to be carried out by the Police Department at State hotels in the same way as at private hotels. Nevertheless, a new position is created on these Estimates in order that there may not be, I suggest, a divorce of Mr. Durham from Mr. Campbell. There is no other explanation. I intend to ask the Committee to strike out the new position.

Mr. MUNSIE (Hannans) [9.19]: I agree with every word that has been uttered by the Leader of the Opposition. It is time the Government took steps to ascertain definitely where the blame lies for the adulteration of liquor in two State hotels and in the State cellar. The member for York (Mr. Latham) and the member for Perth (Mr. Mann) said that it was not right for a member to make statements here against an officer, seeing that the officer had no right of reply.

Mr. Mann: I did not say that. I said Mr. Durham did these things under the direction of his chief and the Minister.

Mr. MUNSIE: If the general manager and the Minister knew what was going on, neither of them is fit for his position.

Hon. W. C. Angwin: I do not think the Minister knew until the police drew attention to the matter.

Mr. MUNSIE: The member for Perth said both the general manager and the Minister knew. If that is so, they should both be sacked immediately. We can never expect successful conduct of State hotels while those two are in their present positions, if the evidence is true. I know nothing about the running of hotels, but I do know that before the recent hubbub it was rumoured about this city and in districts where State hotels exist that immediately upon the news that the managers of the Bolgart and Dwellingup State hotels had been carpeted for the discovery of adulterated liquor on their shelves, Mr. Durham left post-haste by motor to visit all the other State hotels in agricultural areas and to remove from those establishments the liquor sent to them from the State cellar. But for that, it is freely asserted, the police would have discovered adulterated liquor in those other State hotels. Surely that rumour has reached the ears of the Government. I have

heard it 20 times around this town. To whitewash Mr. Durham, the Government sack a manager. Another manager had put in his resignation, but unquestionably he had to resign on account of adulterated liquor. Had not adulterated liquor been found at the Dwellingup State hotel, the Dwellingup manager would not have had to send in his resignation. He had to resign because he told Mr. Campbell that he (the manager) had only sold liquor about the quality of which he had complained time after time. With reference to the statements of the member for Gascoyne (Mr. Angelo), I know there have been complaints of insufficient accommodation at the State hotels. At some of the hotels I have visited, there has not been sufficient accommodation. I believe that the accommodation at the Corrigin Hotel, in particular, should be increased to meet the actual weekly requirements of the district. The member for Gascoyne also complained of the management of the Cave House. I have visited that establishment a couple of times, and have stayed at private hotels here and in the Eastern States while on holidays, and I must say that never have I had better accommodation, either in Western Australia or in the East, than I got at the Cave House. To build sufficient accommodation to meet the requirements of all who desire to visit the Cave House at certain times of the year would mean the expenditure of a quarter of a million of money and then the accommodation would be idle for nine months out of every 12. People must take their chance at holiday resorts. However, I consider there is ample reason for building an extra dining room at the Cave House, and for turning all the existing accommodation into bed-rooms. There was money for a new dining room on the Estimates a year or two ago. However, on every occasion that I have visited the Cave House I have found accommodation, food, and attention first-class and thoroughly up-to-date. I trust the Minister will urge upon the Government the need for some further inquiry into the matter of adulterated liquor. The inquiry by the Public Service Commissioner was an absolute farce. Before the tabling of the papers, for which I am glad I moved, I had heard all manner of rumours as to the evidence given before the Public Service Commissioner. Some of the statements made I could not credit, but the file shows that they were actually given in evidence. The position disclosed by the report and evidence amply warrant the Government in going further to ascertain who actually is guilty. Unless something at present absolutely unforeseen should develop, it is evident from the report who are the guilty persons. Mr. Durham and Mr. Campbell appear to be responsible.

Capt. CARTER (Leederville) [9.27]: This illuminating debate constitutes, in effect, a most damning indictment of the conduct of this enterprise under Government management. The evidence quoted to the Committee

by the Opposition Leader is in itself sufficient to entitle us to demand of the Minister the fullest possible investigation. The matter has become public property, and has been talked about to the detriment of the good name of the Government, which means also the good name of the State. We have here in evidence proof of practically every charge and every rumour that has been current.

Mr. Munsie: Absolutely so.

Capt. CARTER: Then the Minister in charge of the enterprise should give the Committee an assurance that he will undertake an immediate clarifying of the position. The speech of the member for Perth (Mr. Mann) was the most practical delivered during the debate. He suggested certain reforms which, according to the evidence we have heard, are long overdue. Not only should there be a cleaning-up from a business point of view, but also a big reduction in the staff. Apparently we have had one set of officers working against another set of officers. According to the evidence, one set of officers have been working in the interests of a certain set of wholesale traders, and against the interests of another set of wholesale traders. One or two officers have been trying to do their duty, but have been hampered by other officers, who had axes to grind. The State is in this business, and it is a rotten business, a business which I do not like to see touched by the State in any way. However, since we are in it, it is up to us to conduct the business in a clean and wholesome way. The Minister is now in a position to make the necessary reforms. The evidence on the files quoted by the Leader of the Opposition, surely, should have caused the Minister to take positive and drastic action long ago. I cannot understand why he has delayed. The fact remains we have had presented to us to-night a state of affairs the like of which I have not heard before in connection with any other Government undertaking, or any business with which I have come in contact. I hope the Minister will give the Committee his assurance that he will take the responsibility of placing the onus on the officers who have been named this evening to prove their bona fides, and of giving them an opportunity to refute the statements made to-night and those that are contained in the file to which I have referred. I hope the Minister will give us some information regarding this matter which, to say the least of it, is a disgrace to Western Australia.

Mr. TEESDALE (Roebourne) [9.32]: I have seldom heard such a wholesale condemnation of State hotels as I have listened to to-night. Apparently there is no redeeming feature about them. More details should have been given as to where these scandalous things have happened, rather than that the whole of the State hotels should have been dismissed *en bloc* in the condemnation. Surely there are some that are in a different category. I have stayed at three State hotels and have pleasant recollections of them.

Mr. Munsie: There are some that are well conducted.

Mr. TEESDALE: I cannot agree with the statement made that no clean towels are to be found at State hotels. In my experience the hotels are as clean and wholesome as many privately conducted hotels in Perth.

Mr. Munsie: I have had that experience, too.

Mr. TEESDALE: It is unjust to speak of the State hotels collectively. Let members specify the hotels concerning which they complain, and not reflect upon men who are acting decently in the interests of the State.

Hon. W. C. Angwin: We did not complain against the managers of State hotels.

Mr. TEESDALE: One or two members have spoken of the hotels collectively. That is not fair. From what I have heard, and from the extracts read from the files, I am satisfied there have been some scandalous transactions on the part of officials in high positions, and I agree with those members who contend that everything possible should be done to sheet home the responsibility to those who mixed the grog. Of course there is no particular crime in blending grog. Every hotelkeeper in Western Australia does it more or less. I know a little more than most members about this matter because I have run two or three hotels.

Mr. Corboy: Did you blend more, or less?

Mr. TEESDALE: There are few hotelkeepers who can say they do not do some blending. So long as the Australian grog is good spirit and does not drop people in bars like logs of wood, I do not know that much harm is done by using it. There are some imported whiskies that can do with a little rectifying. If the liquor is represented as being of a certain brand, it should be sold true to name. I object to the whole of the State hotels being besmirched as they have been to-night. I am sorry reference was made to the Cave House. We are spending money here and in the Eastern States to advertise our caves and the excellent accommodation the Government provide for visitors there. Despite that fact, certain members have referred to the Cave House.

The Colonial Secretary: No one said a word against the Cave House.

Mr. TEESDALE: The division refers to the accommodation house at Yallingup and at least one member spoke about it.

The Colonial Secretary: Nothing detrimental was said.

Mr. TEESDALE: I happen to know that the Cave House is run satisfactorily. I have also stayed at the State hotel at Bruce Rock and no one could cavil at the management there. It is true that at times the bedroom accommodation is not adequate, but the meals are wholesome and the linen and napery as clean as can be found in Perth hotels. I have seen a lot worse in Perth hotels and if that cap fits any of the licensees, I hope they will wear it. It is up to the Minister to have inquiries made. Opposition members would not make such serious charges without having

grounds for them. If we have officers in the Public Service who have prostituted their positions by doing what has been suggested, the proper course is to out them quickly, without any compensation whatever.

Mr. CORBOY (Yilgarn) [9.38]: The Minister has two or three times given evidence of his desire to speak. If he does so, will he close the general discussion?

The CHAIRMAN: There is no rule governing the position, but if the hon. member wishes to speak, I presume the Minister has no objection.

The Colonial Secretary: When I reply, I take it the general discussion will be concluded.

Hon. P. Collier: We can have it all over again on the first item.

The CHAIRMAN: The question is: That the division be agreed to.

Mr. CORBOY: That is pretty sharp practice on your part, Mr. Chairman. You tried to get a snap-vote.

The CHAIRMAN: No, I want a speaker.

Mr. CORBOY: It was a deliberate attempt to get a snap-vote.

The CHAIRMAN: That is not so.

Mr. CORBOY: I do not wish to reflect upon the Chair, but the Minister rose in his seat three times to speak and to claim that he is not ready is ridiculous.

The Colonial Secretary: I am ready to speak. I thought members had finished the discussion.

Mr. CORBOY: To some extent I join with the member for Roebourne (Mr. Teesdale) in taking exception to the general condemnation of the conduct of State hotels. I have stayed at three of them and found the accommodation satisfactory, particularly in the outback areas. Long prior to the inquiry there were grave charges and rumours concerning the Chief Inspector of Liquors. The story in connection with the two bottles of whisky in the cellar is, to my mind, a cock-and-bull yarn. Even accepting it as the true explanation, any man holding the qualifications Mr. Durham is supposed to possess, and who has been for so many years in the position of Chief Inspector of Liquors, and yet can supply men with the liquor he says he did, has no right to hold an official position. He said the liquor represented the dregs from the casks drained through towels and put aside to supply carters who delivered the liquor at the hotels. If he gave healthy men such stuff, he deserves to be fired from his job at once. If we accept that explanation, it must be admitted that it was a stupid thing to do. I do not believe the story. He explains that the men delivering whisky at the State hotel cellars drank whisky to such an extent that he had to keep filling up the bottles with water, and that accounted for the liquor being so much under proof. That is a ridiculous yarn. The men delivering liquor from the wholesalers would be able to get as much good liquor as they required

without drinking the rotten stuff supplied by the State hotel management.

The Colonial Secretary: That was special dope.

Mr. CORBOY: That correctly describes it. The Leader of the Opposition has put up a most convincing case and has pointed out that bottles were labelled and check samples taken, and the results showed that the adulteration was similar to that of the liquor taken from the State hotel stores. The evidence convinces me that there is no doubt as to the person responsible for the adulteration of the liquor supplied to the State hotels being in Perth and not in the back-country areas. Long before the inquiry was held, wholesale traders in Perth complained to me—I can give the names to the Minister and the necessary evidence, too, or I will withdraw the statement—that they had repeatedly informed Mr. Durham, when he was Chief Inspector of Liquors, that specified hotels were supplying whisky in the wholesalers' bottles, although the liquor was not their respective line. They complained that the whisky so supplied was considerably below the standard of their whisky, and that this was damaging their trade. They asked me to take action. Almost invariably, the only result that followed from these complaints was a telephone ring from one or other of the hotel-keepers complained of, informing the wholesale traders that if they did not stop that sort of thing, retaliatory action would be taken.

The Colonial Secretary: Has that happened recently?

Mr. CORBOY: It has happened within the last three years.

The Colonial Secretary: I shall be glad to have those particulars.

Mr. CORBOY: This is a most serious state of affairs. If the man who held the position of Chief Inspector of Liquors made himself available to protect hotel-keepers concerning whom complaints had been lodged with him, it is not right that such a man should hold any Government position. I did not realise that this debate would take place to-night or I would have endeavoured to get sworn statements bearing out what I have said. I am sure that the evidence will be forthcoming. These people have been incensed for a long time regarding liquor inspection. Each of the wholesale dealers depends on the reputation of his liquor for maintaining his business and each is content with the present inspection of liquors. They consider that nothing could be more satisfactory than to have an efficient officer like Mr. McHenry as a check against the hotel-keepers and upon the whisky retailed. I appeal to the Minister not to do as he did about the frozen meat, accept the explanation of the officials, but to find out for himself who has been at the bottom of this thing. Let him take the file and examine the evidence, and he can come to no other conclusion than that the managers out in the country, who were dealt with over this business, were not really responsible for it.

Mr. J. H. SMITH (Nelson) [9.47]: I should like to say a few words in favour of Mr. Durham, whom I have always found to be a thoroughly conscientious officer. Let me tell hon. members that in practically every cask of whisky there is a cloud, a certain quantity of dregs which have to be drained, but which do not depreciate the quality of the spirits. The individual managers of State hotels ought to exercise the same care as is exercised by the manager of a private hotel: before any whisky is put in front of their customers it ought to be tested. Mr. McHenry is one of the most conscientious officers I have met. It is possible that too much is being made of this cloudy spirit in casks. Even when the last of the cask has to be strained, the strength is found to be there. Of course, if a man gradually waters it down, he is certainly doing something he ought not to do. I repeat, that the managers of State hotels have no right to put a spirit on the counter without first testing it.

The COLONIAL SECRETARY (Hon. R. S. Sampson—Swan) [9.48]: Hon. members will agree that in most of the State hotels the service is satisfactory. I have been in a number of the hotels, and each has impressed me with its cleanliness. I have had meals at Gwalia, Bruce Rock, and Dwellingup, and I found the food good, the linen clean, and the service all that could be expected.

Hon. W. C. Angwin: Nobody has complained of that.

The COLONIAL SECRETARY: Some reference was made to dishcloths and the absence of linen. The evidence brought forward to-night in respect of the central office suggests that there is a plus in the staff. I will immediately look into this and see if a reduction can be made. There appears to be seven officers—one of them is but temporary—a number out of all proportion to the number of the hotels. From a State hotel a higher service is expected than from a private hotel. As a private member, I would not defend State hotels at all. It is not the function of the Government to conduct State hotels, or indeed any other trading concern; but while the Government are conducting the hotels, they should see to it that the hotels are properly conducted and that the liquor is in accordance with a high standard. The manager and the barman of the Dwellingup hotel were discharged prior to the inquiry.

Mr. McCallum: The barman was reinstated.

The COLONIAL SECRETARY: Not to my knowledge. At Bolgart no dismissals were made, the slight adulteration of one line being regarded rather as accidental than as deliberate. The manager has since left the service.

Mr. Johnston: I think he was discharged.

The COLONIAL SECRETARY: It may have been suggested that he should leave. The member for North-East Fremantle (Hon. W. C. Angwin) has brought up a question concerning Messrs. Seppelts, a highly respected firm.

Mr. J. H. Smith: One of the best in the State.

The COLONIAL SECRETARY: It has been pointed out that a test was made in respect of a certain wine quoted at a price very much below market rates, notwithstanding which the line was not taken. I will see to it that neither Seppelts nor any other firm is discriminated against.

Hon. P. Collier: But is it not a very significant instance? Does it not need an explanation?

The COLONIAL SECRETARY: Certainly it is significant. Even connoisseurs of wine may find difficulty in determining the quality. Recently in a wine cellar my attention was directed to a cloudy wine. The manager pointed out that although it was cloudy it was of very fine quality, notwithstanding which the public did not like it, and so it had to be filtered. In London, the manager said, that wine would be sold in its cloudy state without any difficulty. The member for North-East Fremantle (Hon. W. C. Angwin) has arrived at the definite conclusion that the management of the State hotels is rotten. In view of the report of that inquiry, I am not going to defend the management, but I will say that the individual managers are hard working.

Hon. P. Collier: And generally underpaid.

The COLONIAL SECRETARY: In considering that aspect, it must be remembered that they are living at the hotels. It has been said that if the hotels are not properly conducted they ought to be leased or sold. I say they should be leased or sold whether they are properly conducted or not. The circumstances of the missing cask possibly may be explained by the structural alterations at the cellar. At all events mistakes do happen, and I do not think any of us will give the general manager or any other officer discredit by believing there was intention to behave unfairly to Seppelts to the extent suggested.

Hon. P. Collier: Eight years to get an account settled!

The COLONIAL SECRETARY: Everything is in order now, and I repeat the assurance that this firm shall not be discriminated against. The blending is done at the Perth office. One point of significance about the inspection made at Dwellingup was that in many of the proprietary lines of whisky the corks had been removed and replaced upside down. Since the contents were underproof, it is evident that a portion had been withdrawn and replaced with water. It has been suggested that everything done took place in Perth. But that is such a pettifoggish, miserable, paltry method of stealing that I hesitate to believe that any permanent officer would be guilty of it.

Mr. Mann: Would the hotel manager be more likely to do it?

Hon. P. Collier: It is strange that none of it came to light until it got away from Durham's inspection.

The COLONIAL SECRETARY: I will see if it be possible to run to earth the rumours repeated by the member for Coolgardie (Mr.



Lambert) and others, and ascertain whether there be any foundation for the statements made. Probably it will entail a good deal of work, but the situation calls for action. So too do the remarks about cheques cashed at the hotels but returned by the bank.

Mr. Mann: That is a pretty old matter.

Mr. Davies: You mean it is a pretty old game.

Mr. Mann: No, I merely say I think the complaint is ancient.

The COLONIAL SECRETARY: I will endeavour to ascertain whether the practice be still in vogue. It does not require very much acumen to realise that cheques cashed at the hotel but declined by the bank constitutes a method of obtaining money by false pretences. The member for Gascoyne said that the State hotels should be leased. If it were in my power to do so I would lease them.

Hon. P. Collier: The axe might not have fallen had you taken action earlier.

The COLONIAL SECRETARY: I have never faltered in my attitude towards State trading.

Mr. McCallum: You have extended State trading to the gaol.

The COLONIAL SECRETARY: I am not more strongly opposed to any State trading concern than I am to State hotels. The hon. member does not suggest that the prisoners should be kept in idleness.

Mr. McCallum: The principle is the same.

Mr. Lutey: You would not suggest they should take a strong hand in the marketing of fruit?

The COLONIAL SECRETARY: Not to take it up as trading concern.

Mr. McCallum: We shall see that you do not waver when that question comes up.

The COLONIAL SECRETARY: My head may be injured, but it is unbowed.

Hon. P. Collier: Amputated.

The CHAIRMAN: That is not the question before the Chamber.

Hon. P. Collier: But you know it is a fact.

The CHAIRMAN: The hon. member must not reflect upon Ministers and others.

The COLONIAL SECRETARY: They are not in an exceptional position in that respect. The member for Williams-Narrogin has asked if it is the intention that the State hotels should pay rates? It is a well justified complaint that the local authorities do not receive rates from Government institutions, which contribute nothing towards the local authorities and local matters. I am told that when a hotel is started a policeman is at once required.

The Minister for Mines: They ought to be made to pay his salary.

The COLONIAL SECRETARY: The member for Cue referred to the improper labelling of certain whisky. He said that whisky purporting to be Sanderson's had been sold in bottles so labelled.

The Minister for Mines: A false trade description.

Hon. P. Collier: That was true.

The COLONIAL SECRETARY: I take it the hon. member does not allege this is being done now.

Mr. J. H. Smith: This does not apply only to State hotels. I have had cheap American whisky at refreshment rooms.

The COLONIAL SECRETARY: Steps are being taken to ensure that in State hotels containers supplied for advertisement purposes are not improperly used to hold other brands than those mentioned on them. I will have some inquiries made with respect to the alleged issue of floating cheques.

Mr. Johnston: What about additions to State hotels?

The COLONIAL SECRETARY: There is a sum of a little over £20,000 on the Loan Estimates for works at Dwellingup, Wongan Hills, Corrigin, Kwolyn, the Cave House at Yallingup, and so on. The member for Yilgarn might let me have particulars of the complaints he has brought under notice. I am indebted to the member for Nelson for an explanation with regard to cloudy whisky. Most people prefer a clear whisky, but experts tell me that is not an indication of its purity. As far as possible Western Australian products are used in the State hotels and at Caves House. Although we have to stock a line of imported cigarettes, we make it a rule to stock the different brands made by the Michelides Company. We stock local jams, local lemon squash, and every other local product that can be used in these institutions. For the year just ended the profit upon State hotels was £7,502, and for the previous year £8,768. The net profit on capital invested last year was 14.2 per cent., which is quite a reasonable profit.

Hon. P. Collier: On the capital invested?

The COLONIAL SECRETARY: The liquor trade is generally looked upon as a very profitable one.

Mr. Latham: And no rates or taxes!

Mr. Johnston: And no license fees!

Mr. J. H. Smith: It is disgraceful!

The COLONIAL SECRETARY: Let us hope we shall soon be able to get rid of them.

Mr. McCallum: Let us get rid of the Minister first. The axe has fallen.

The COLONIAL SECRETARY: All the hotels with the exception of Gwalia have shown a profit. Last year the Gwalia hotel showed a loss of £408, but this year the loss was reduced to £38. The price of liquors has been reduced, the schedule of charges having recently been revised.

Mr. Latham: They are not lower.

The COLONIAL SECRETARY: Yes. Whisky is now sold at 9d.

Mr. J. H. Smith: Where?

The COLONIAL SECRETARY: That is the blended whisky.

Hon. W. C. Angwin: According to the evidence the charge was 1s.

Mr. J. H. Smith: You can buy Australian whisky anywhere for 6d.

The COLONIAL SECRETARY: The proprietary lines are 1s.

Mr. Latham: There is no reduction.

The COLONIAL SECRETARY: The prices have recently been reduced.

Mr. J. H. Smith: What absolute rot. It is sold for 6d. all over the country, but at the State hotels it is 9d.

Hon. P. Collier: It must be a special blend.

The COLONIAL SECRETARY: I will look into the question of the staff in the Perth office, and to the other points raised by members.

Mr. McCALLUM (South Fremantle) [10.11]: I am surprised that the Minister has not indicated what he proposes to do in view of the case put forward by the Leader of the Opposition. Grave doubt exists as to whether the liquor sold at the Bolgart and Dwellingup hotels was adulterated there, according to the finding of the Public Service Commissioner. The report shows the probability that this was done at head-quarters. It was definitely asserted that this was so. Is the Minister satisfied? Is nothing further to be done, and is the finding of the Public Service Commissioner to be final? I do not think the Committee will be satisfied until something further is done. In connection with proprietary lines of whisky that were found in the State hotels, it was shown that the corks had been drawn and put in the reverse way. The evidence proved that the whisky had been bottled at the hotels. The evidence of the management showed that the proprietary lines went direct from the warehouse to the hotel, and were not handled at the head office. The hotel managers were not asked to state their views, and there was, therefore, no check upon the statement of the manager, Mr. Campbell. The manager at Dwellingup was not asked whether he got his supplies direct from the warehouse, or whether they were sent from the State hotels cellars. The excuse, that a man who was outside the service could not be called, was a paltry one. The inquiry was really into the dismissal of this man, and as to whether the liquor had been adulterated, and by whom.

Hon. P. Collier: He was on trial.

Mr. McCALLUM: He was found guilty without a hearing. It was a most extraordinary action to take. I hope the Minister will not allow the matter to rest, and will see that a fuller inquiry is made. Why is it that the moment Inspector McHenry found adulterated liquor in State hotels, and it was made public, the general manager went post haste to every State hotel to collect liquor from them? Why was that done? How is it the adulteration was discovered on the first visit of Inspector McHenry to the State hotels? During the last two years the reports submitted to Parliament stated that the State hotels had been visited by inspectors. Yet at the inquiry it was stated that the inspection had been made by Durham only. Thus the House has been deceived. In evidence it was said Inspector McHenry was not temperamentally fitted to inspect the State hotels. Yet he was the right man to inspect the private hotels.

Hon. P. Collier: And he is now temperamentally fitted to be chief inspector for liquors for the State.

Mr. McCALLUM: Yes, he is now permitted to inspect all the hotels, and on his first inspection of State hotels, he discovers this badly adulterated liquor offered for sale. The attack made on the ability of Inspector McHenry by Durham and Campbell reflects no credit upon either of them.

Hon. P. Collier: It was discreditable.

Mr. McCALLUM: If their attack was justified they should never have had McHenry in their department.

Hon. P. Collier: They really asked for his qualifications after he had been working under them for years.

Mr. McCALLUM: Quite so, and he has now become chief inspector of liquors for the State. When he discovered something wrong, the officers under whom he formerly worked maligned him and endeavoured to discredit his ability. The Minister should make a declaration that the inquiry will not be accepted as final. Something further must be done. Until recently the State hotels bore a good name. Everyone in the community regarded them as ideal for the accommodation they provided. I have stayed at every one of them and have found their accommodation up-to-date and have heard their supplies spoken of highly. What is the reason for the recent drift? Some members, after referring to the discovery of adulterated liquor, wanted the State hotels sold immediately. After they have depreciated their value—

Mr. Latham: The quality of the liquor would not depreciate the value of the building.

Mr. McCALLUM: They depreciated the value of the asset, and endeavoured to discredit the State hotels. That has been the attitude of the member for York.

Mr. Latham: Will you agree to sell them and test it?

Mr. McCALLUM: Now the hon. member wants to offer them for sale.

Mr. Latham: I did not depreciate their value.

Mr. McCALLUM: The hon. member did not advocate restoring them to their original standard.

Hon. P. Collier: No hot water services or bathing accommodation!

Mr. McCALLUM: The hon. member merely endeavoured to depreciate their value, and suggested offering them for sale. That is how he proposes to deal with a State asset, so that private individuals may benefit at the expense of the whole community. One member complained that he went to a State hotel and could not get a clean towel. Yet he comes from a town having three hotels, the licensees of which were recently fined for having refused to give accommodation to a woman and her three children. The hon. member should pay attention to his own district first of all. He should clean up Carnarvon before starting on the Cave House. While the Minister is inquiring why Seppelts did not

get fair treatment from the department, I hope he will ascertain why no beer is taken from the Castlemaine Brewery.

Mr. Latham: Perhaps it is not as good.

Mr. J. H. Smith: You have to supply what customers require.

Mr. McCALLUM: I do not profess to be an authority, but I think there should be as great a demand for Seppelts as for any other wine, and for Castlemaine as for any other beer.

Mr. J. H. Smith: But people have a knack of going off at times.

Mr. McCALLUM: There should be no discrimination; justice should be meted out to all. It has been proved that it took eight years for one firm to get its account settled. If that was the experience of one firm, we can depend upon it there are others, particularly as a number of brands have failed with this department. The Minister should give an undertaking that something further will be done. The cock-and-bull tale about the two bottles being kept in the cellar for the drivers should not be accepted. It is too thin for even adulterated whisky. When the contents of the bottle proved to have been adulterated to the same extent as the liquor at Bolgart and Dwellingup—well, anyone who accepted the explanation must be very unsophisticated indeed.

Mr. Corboy: He must have been a teetotaler.

Mr. McCALLUM: It goes to show that the adulteration took place not at the hotels but at headquarters. There is evidence that Bruce Rock returned a cask of whisky, the manager having refused to offer it for sale. Why was the manager of one hotel singled out when complaints had been received from several hotels? There was wine in the cellars smelling of kerosene and nicotine. The structural alterations would not account for the presence of horse manure where the whisky was being blended. Those who permitted this state of affairs should not be allowed to continue in office. I was disappointed that the Minister did not indicate what he proposed to do in view of the significant statements that have been made. Before the vote is passed, I hope he will give an undertaking that further inquiries will be made.

[Mr. Stubbs resumed the Chair.]

Mrs. COWAN (West Perth) [10.26]: It has been extraordinary to hear such unedifying revelations as have been made regarding State hotels. When State hotels are conducted in such a manner, we can hardly wonder that a large section of the community favour prohibition. It makes one think that possibly the private hotels have not been any better inspected. I urge the Minister strongly in the interests of the men against whom members have spoken so strongly—the heads of the department—and in the interests of the public to see that further inquiry is made. Otherwise, I cannot imagine that members of

the House will be satisfied, and certainly the general public will not be satisfied.

Item—Inspector, £408:

Hon. W. C. ANGWIN: I move—

*That the item be reduced by £200.*

This is a new office. We have a general manager at £600 and he should be able to inspect the State hotels. There are also an accountant and clerk in charge and two clerks in the office. It is true that the inspector had to give up the position of chief inspector under the Licensing Act, but it seems to me he has become an excess officer and is not required. In addition to the salary the office will involve travelling expenses which will probably run into another £400. The State hotels are situated in distant parts and to inspect them will involve much travelling. The amount of £208 will provide his salary till the end of the year. But for the fact that portion of the year has expired, I would have moved to strike out the whole amount.

The COLONIAL SECRETARY: I am unable to accept the amendment. The House has received my assurance that I shall give the matter of the city office of the State hotels immediate attention. Mr. Durham's services, however, are utilised for other purposes than inspection. For instance, he relieves the various hotel managers during their annual holidays. He also inspects the Cave House.

Hon. P. COLLIER: I hope the Committee will take a stand that is consistent with what ought to be done in this case. Every member who has spoken to-night has declared that the head office of the State hotels is over-staffed. From our own everyday knowledge we know that that is so. There are in this city men who own and control as many hotels as are run by the State, and do it without any staff whatever, without even a typist. I could give two such instances. And here we are asked to create a new position. Up till February of this year Mr. Durham was Chief Inspector of Liquors for the whole State. Of all that work he has been relieved, which shows that hitherto only a very small proportion of his time could have been devoted to State hotel work.

The Colonial Secretary: He was responsible for all the cellar work.

Hon. P. COLLIER: There are hundreds of licenses in Western Australia, and he was responsible for the inspection of liquor in connection with every one of those licenses as well as seven State hotels. Now he is to be retained to inspect the liquor at the seven State hotels. What has the general manager to do? Here we have a general manager, an accountant, a clerk in charge, and three clerks assisting. On top of all that, there is to be an inspector for seven hotels. What is the general manager going to do? An hour once a week would be quite sufficient for him to perform his other duties, and the rest of his time would be available for the inspection of the seven hotels. Here is an instance of

how we load up the departments. This position is being created for no other purpose than to find a billet for Mr. Durham. If it is not so, why did not Mr. Durham go over to the Police Department under the recent amendment of licensing legislation? Did he decline to go over to the Police Department? I can quite imagine that he would prefer a cosy little job of inspecting seven hotels, apart from breaking down and blending whiskies and buying. But all that should be done by the general manager. If he is unable to do it, he is unfit for his position. In fact, to inspect seven hotels which are all on the railway line, and buy the liquor for them, is not enough work for one man. Yet it is proposed to appoint two men to do it. The travelling expenses of the inspector would probably run into another two or three hundred pounds a year. If we are going to pass this item, all the time expended on the vote this evening will have been wasted, and all this discussion must be regarded as insincere. The item was not on last year's Estimates. In fact, whoever prepared this year's Estimates has not done so correctly, because they show one inspector as having been on last year's Estimates, when no such position existed. What is the use of talking about State trading concerns not paying if we are going to load up this vote with an unnecessary officer simply in order to find a position for him? One general manager with a correspondence clerk could do the whole of the work, and this item should be struck out. In his new position, moreover, Mr. Durham will have no inspecting of liquor to do, because all that work will be done by Mr. McHenry and his staff. At a time when the work of the State hotels has been actually reduced to that extent, we are asked to create a new position of £480 a year.

Mr. PICKERING: I support the amendment. I had hoped that the Minister, in his reply, would have stated that steps would be taken to cut out this department altogether. From the opinions expressed in this Chamber to-night, the Minister might have taken heart of grace to make such a declaration. Even hon. members opposite have had such experience of the misconduct of the State hotels that they would not object to their abolition.

Hon. W. C. Angus: The hotels are all right; it is the liquor that has been wrong.

Mr. PICKERING: The State is overloaded with financial responsibility in running these few hotels. The Government are faced with the necessity for exercising the utmost economy in administration. The appointment under consideration is a new one. If reliance is to be placed upon the statements made as to the conduct of this officer, the investigation which will follow may result in his dismissal.

Hon. P. Collier: Even if the officer were thoroughly efficient, the fact remains that the office is a new one and is not required.

Mr. PICKERING: That is so. If the question of inspection is eliminated from the appointment, that is another argument in favour of cutting out this position. If it is

necessary to have some relieving manager, surely a young officer should be trained to take up such a position. There is no justification for the appointment and I trust the amendment will be agreed to.

Mr. LAMBERT: The Police Department is supervising the inspection of liquors, and the creation of an office such as inspector of State hotels is not justified. Seeing that we have only seven State hotels, a manager receiving £600 a year should be able to carry out all the inspection necessary in a few days each month. The fact that this is a one-man job should convince the Committee that the item should be struck out. The Government should be convinced by the debate this evening that the Opposition desire to be helpful and see the State hotels placed on a good footing. The Premier must know that the general management of the State hotels, apart from the actual management of each hotel, is far from satisfactory, and this will afford the Government an opportunity to review the whole position. The Committee should not be prepared to tolerate the existing state of affairs.

The PREMIER: I hope the Committee will not agree to the reduction of the vote. While we have only seven State hotels, they are widely scattered and must be controlled. I believe they are well run and those I have been in have been well conducted.

Mr. Lambert: We are not attacking the hotel management, but the general supervision.

The PREMIER: I cannot see how the general manager can attend to his duties and travel round supervising the hotels.

Hon. P. Collier: What has he to do that would prevent him carrying out that duty?

The PREMIER: We do not want these blessed State hotels or the State trading concerns at all. The discussion shows that we do not want them. The Public Service Commissioner investigated the matter and it was on his recommendation that this appointment was made.

Hon. P. Collier: If we got along for so many years without an inspector of State hotels why is such an official necessary now?

The PREMIER: We got along without State hotels for 85 years, so why the necessity for them at all? The member for Sussex spoke of the financial obligations entailed, but he must recognise that supervision is necessary. Some of the statements made this evening demand investigation and that investigation will be made, particularly concerning the statements of the member for North-East Fremantle. The Minister has given an assurance on that point. I am surprised at the recent occurrences the member for North-East Fremantle mentioned. Certainly, such things were not done with the knowledge of the Government.

Mr. LAMBERT: It is distressing to think that, without advancing any argument whatever, the Premier has asked the Committee to pass the item.

The Premier: Without any argument whatever, you asked for it to be struck out.

Mr. LAMBERT: Merely to say that the item should not be struck out, should not be sufficient to induce the Committee to allow the present state of affairs to continue. If the Committee view the matter in the light of the discussion, the item will be struck out. An inspector could go round the seven hotels and do the necessary inspection in a couple of days.

The Premier: Did you say, in a flying machine?

Mr. LAMBERT: No. If he wishes to have it, I can give the Premier some information regarding the way the general manager carries out his country tours. The Premier said he did not want the State hotels.

The Premier: We cannot discuss that now.

Mr. LAMBERT: I hope some regard will be shown for the business side of the undertaking, and that if the general manager be not able to control the hotels in a businesslike way we shall find one who can. We should not require to go outside the metropolitan area for a man who would put the hotels on a thoroughly satisfactory footing, and one who would work for less than £600 a year, without requiring a supervisor.

Mr. TEESDALE: The Minister has promised the House to go into the matter immediately with a view to reducing the staff. In face of that promise, surely, members ought to be satisfied.

Hon. P. COLLIER: The Minister has a conscientious supporter in the hon. member. What kind of a promise did the Minister give us?

Mr. Teesdale: I was not here.

Hon. P. COLLIER: Merely that he would inquire into all the allegations made here to-night. He gave us no promise to reduce the staff. The Premier himself says the position is necessary. Of what value, then, is the Colonial Secretary's alleged promise to reduce the staff? It is ridiculous to say we want a general manager and an inspector, in addition to the office staff, to run seven hotels, more particularly since in years gone by they were run without the aid of an inspector. If the inspector has an expert knowledge of liquor he ought to be the general manager. Either Mr. Durham or Mr. Campbell ought to be retired. There is no room for the two. As showing the value to be placed on the Minister's so-called promise to reduce the staff, we are told the Public Service Commissioner considers the position necessary. It is merely creating a new position for a man out of work. The proper place for Mr. Durham, with all his experience, is under the Licensing Act. He came to Western Australia with pretty high credentials, and if there be need for his services it is in the department that administers the Licensing Act, not in a department where he is merely relieving a manager on holidays and where he will not have any inspection of liquor to do, since it is to be done by the police. I do not see why he did not go over to the other department.

Mr. Richardson: He refused.

Hon. P. COLLIER: Because he had a nice cushy job provided for him.

Mr. Richardson: That is it.

Hon. P. COLLIER: If he refused to go over where his expert knowledge could be utilised, there is only one place for him, and that is outside the Service.

Mr. MANN: In view of what the Leader of the Opposition has said, I desire from the Colonial Secretary an assurance that he will make inquiry with a view to eliminating the position.

Hon. P. Collier: Is any inquiry needed?

Mr. MANN: I do not think it is needed very much, but if the Minister will promise to make inquiry with a view to abolishing the office, I will support him. If the inspector be necessary, the general manager is not necessary. One or the other should go.

Hon. W. C. ANGWIN: The general manager is the higher salaried officer, and so in all probability the lower grade man will be thrown out if the Committee does not settle the question here.

Mr. RICHARDSON: We have only seven State hotels and the Cave House. It seems unreasonable that there should be a general manager and an inspector. Obviously there is duplication. I do not care what promises the Colonial Secretary may give about an inquiry, we should make up our minds whether the inspector is necessary. I was disappointed because the member for North-East Fremantle (Hon. W. C. Angwin) did not move to strike out the whole of the item.

Hon. W. C. Angwin: Six months of it has been paid.

Mr. RICHARDSON: I am not inclined to support the Colonial Secretary, for either the general manager is not capable of the inspection, or he has a very nice soft job and is trying to build up the department. It is continually said that we create new departments and then allow them to be built up.

Mr. Hughes: It is the best way to get a rise in the Service—to show that you have a lot of men under you.

Mr. Lambert: That is how the hon. member got a rise.

Mr. RICHARDSON: He probably endeavoured to build up his department. However, he is not to be blamed if that is the prevailing practice. If the general manager is put to it he could run the State hotels, because he is a man of ability. If he were bound down to the position of accountant or clerk in charge he could faithfully carry out the duties of the position.

The Colonial Secretary: What about relieving the managers of hotels when they are on holidays?

Mr. RICHARDSON: The Minister could see to it that the managers took their holidays in succession, and by the simple process of advertising he could obtain a relieving manager who could take over each hotel as its manager became due for his leave. I support the amendment.

Amendment put and a division taken, with the following result:—

Ayes	..	..	..	20
Noes	..	..	..	11

Majority for .. 9

#### AYES.

Mr. Angelo	Mr. Mann
Mr. Angwin	Mr. McCallum
Mr. Chesson	Mr. Munsie
Mr. Collier	Mr. Pickering
Mrs. Cowan	Mr. Piessie
Mr. Heron	Mr. Richardson
Mr. Hickmott	Mr. J. H. Smith
Mr. Lambert	Mr. Troy
Mr. Latham	Mr. Willcock
Mr. Lutey	Mr. Corboy

(Teller.)

#### NOES.

Mr. Carter	Mr. Sampson
Mr. Durack	Mr. Scaddan
Mr. George	Mr. Teesdale
Mr. Gibson	Mr. Underwood
Mr. H. K. Maley	Mr. Mullany
Sir James Mitchell	

(Teller.)

Amendment thus passed.

Vote, as amended, agreed to.

Vote—*State Implement and Engineering Works*—£133,005:

THE MINISTER FOR WORKS (Hon. W. J. George—Murray-Wellington) [11.7]: We are asking this year for an expenditure of £133,005, as against an expenditure of £115,888 last year. Our stocks of raw material, which had been fairly large for the past two years, have been depleted. The markets for steel, iron and other metals, used at the works, have been steadily falling, and the management considered it to be the correct policy to proceed on the hand-to-mouth principle, rather than buy large stocks and possibly drop money. It is expected we shall require, at the rate we are growing, very much more material than we required previously. The turnover last year was £137,779. On the engineering side there is a decrease of about £6,000. This is accounted for by the unfortunate difference of opinion between the management and the engineers. Many of them went out on strike, and consequently we could not accept the orders we otherwise would have taken. Our sales of agricultural implements increased by £7,000, and of spare parts by £3,200. The result of the year's trading has not been very reassuring, for there was a loss of about £7,000.

Hon. M. F. Troy: To what is that due?

THE MINISTER FOR WORKS: It is very difficult to trace all the items in a big undertaking of this kind. The strike made some difference to us. During the previous year there was a loss of over £20,000, but before that we just about balanced the ledger. A good deal of the £20,000 loss occurred during

the war. Our stock of bar steel, etc., had been purchased at high prices and when the war ceased prices came down. The loss of the £7,000 last year no doubt is partly attributable to the same cause. The number of men employed during the year averaged 250 and at the 30th June last stood at 254. We have charged against depreciation during the year £9,566, of which amount £1,641 represents investment fund at the Treasury. Sundry debtors to the 30th June stood at £40,731, of which Government accounts represent £17,215 and general agricultural debtors £23,516. The amount debited to the sundry debtors for June was £27,657. Considering all the conditions, the business has been well maintained. We are compelled to manufacture quite a number of lines on which there is only a small margin, but we must have them because people dealing with us for any portion of their implement needs expect to be supplied with practically all requirements. We have great competition to meet with the McKay people of Sunshine, who are well established and have their works fitted with up-to-date machinery capable of turning out parts at a very much lower price than is possible at our works. The greater proportion of our machinery is obsolete. I have told members that before. Some of the machines were considered obsolete when I served my apprenticeship. If I were going into the business on my own account, I know that a number of the lathes at the Implement Works would go into the scrap heap quickly. The State, however, cannot afford to scrap them, because it has not the money with which to equip the works with up-to-date plant. During the last 12 months, with the concurrence of the Premier, I arranged for the manager, Mr. Shaw, to visit the Eastern States. He inspected engineering and implement works in Victoria, New South Wales, Queensland and South Australia, and acquired a great deal of knowledge that can be applied to the works at Fremantle. Mr. Shaw has since initiated different methods of manufacture in the moulding and blacksmith shops and other parts of the works, and I am satisfied that the knowledge he has acquired will lead to considerable economy. Whether it will be sufficient to make the works pay, I cannot tell, but the knowledge he has acquired has been of value, and will be so long as the works are continued. In one operation, where spokes for wheels had to be screwed, we were getting through comparatively few—about 200 or 300 a day. Mr. Shaw saw some up-to-date machinery, and on his return was able to alter our machines, and he is now getting roughly the same number done in an hour. There are other instances of improvements too numerous to mention. Every effort has been made to keep down expense. The works part has been well looked after by Mr. Shaw and I am satisfied he is a man that would not waste one penny. The sales and business part have been attended to by Mr. Brodribb. Outlying centres have been visited frequently; otherwise we should lose our trade. In the

time I have been able to devote to the works, the best possible has been done, but I have to rely upon the responsible officers. When the member for North-East Fremantle (Hon. W. C. Angwin) was speaking a while ago, he referred to the sales charges as being 20 per cent. of the total sales of implements and spare parts. I asked Mr. Brodribb to supply his views on this matter and his statement is as follows:—

The figures on the balance sheet embrace the whole of the accounting costs, including the preparation of wages sheets, dissection of time dockets and payment of wages at North Fremantle. If we eliminate the accounting costs, which amount to £3,603, our actual selling expenses—that is the cost of getting our business and the handling of it—show a percentage of 16 per cent. Mr. Angwin, when speaking in the House, said he had been informed that we were paying 15 per cent. commission on agricultural machines—

[Mr. Munsie took the Chair.]

Hon. W. C. Angwin: The firm had to stand all loss.

The MINISTER FOR WORKS: I am coming to that. Mr. Brodribb says—and the firms accepted the responsibility for the cash. This information is incorrect. On agricultural machinery the following rates of commission are paid:—Cash sale value £1 to £49, 7½ per cent.; £50 to £74, 6¼ per cent.; £75 to £99, £5 per machine; £100 and over £7 per machine. Windmills—10 per cent. on cash business, 7½ on booked business. Spare parts—if an agent sells on our booking and risk, he is allowed 10 per cent.; if he is supplied with spare parts, consignment account and makes sales through his business, his booking and risk, he is allowed 15 per cent. payable on the stock difference on stock-taking twice annually. If agent buys spare parts straight out, he is allowed 20 per cent. off. If agent accepts district debit, that is goods ordered direct by a client on ourselves, goods are forwarded to the client and the agent of the district is charged with the goods and he charges out to the client, he is allowed 20 per cent. Our commissions, both as regards machines and spare parts, are much on a par with our competitors', but International Harvester Company and Sunshine as well are higher on spare parts. It must be remembered that unfortunately State implements will not sell themselves like those manufactured by H. V. McKay. We have to battle for every machine we sell.

The Implement Works have had an uphill fight. I would have been more pleased had I been able to report that they were paying their way, but I should be sorry to think that anything more than has been done on my part could have been done. As an engineer, I know that a great saving could be effected if we employed additional capital to instal a

number of up-to-date machines, but it is not possible to do that. Consequently, we have to make the best of the machines and tools we have. The spirit shown by the employees, so far as I can judge, is good. The men are interested in their work and no doubt they are giving as good service as they can. When Mr. Shaw returned from the Eastern States he called his foremen together, and pointed out how in various ways manufacturers on the other side, with whom we were competing, were getting a larger output per day. The matter was considered by the foremen, who brought it before the men, and in many lines we are now getting a larger output than formerly. Like Mr. Shaw and Mr. Brodribb, I am hopeful that this may tell its tale in the financial year now running its course.

Hon. M. F. TROY (Mt. Magnet) [11.21]: The Minister, quoting his departmental officers, said that the State Implement Works did very well, but that they had to battle for all their sales, as against the fact that competing firms are operating under more advantageous conditions. The State Implement Works, employing in this country some 200 men, must necessarily be of great value to the farming industry. The establishment of the works did not displace any other business employing anything like such a number of men. Despite what has been said by the opponents, some of them interested, of State enterprise, the works did not displace any successful business of a like character. This State enterprise is the only agricultural machinery business operating in Western Australia, employing local men and giving a local product to the community. That is an aspect which ought to be considered by the Committee in dealing with the question. The fact that the works have to battle for every order they get, whilst their competitors apparently are not under the necessity of battling, is due to a reason which I desire to emphasise. The reason is that the security and permanency of the State works are undermined by the repeated attacks made upon the undertaking in this House and outside by interested persons. It is not to be expected that a man will buy high-priced machinery from works whose life is threatened. Every man who buys machinery knows that in order to get the full amount of use out of it, he must secure spare parts. No person will buy a machine, no matter how good it may be, if he has reason to fear that in 12 months or two years he will be compelled to scrap the machine because then he will be unable to secure the necessary parts for replacing. That is the great difficulty with which the Minister and the administration of the State Implement Works are faced, a difficulty that arises from the disloyal attitude of people in this country who are out, not to create a new industry to take the place of the State enterprise, but to destroy that which exists here. There was a gentleman who operated in the manufacture of machinery at South Perth for a number of years, but his

operations were only on a small scale, and the State Implement Works did not put him out of business. If the State Implement Works were abolished to-morrow, there is no guarantee whatever that any similar works would be inaugurated in this country to take the place of the State undertaking. I wish to point out to members who believe themselves to be representing the primary producer that they are not acting in his interests, or in those of the country, when they continually threaten to destroy the State works, and then insist that the Minister shall present a balance sheet showing that the works are operating at a profit.

Mr. Pickering: But the farmer cannot be compelled to buy from the State Implement Works.

Hon. M. F. TROY: There is no such thing as compulsion in the matter, but anyhow we are entitled to ask that men who live in this country, men who pretend to have an interest in the development of Western Australia, should not endeavour to destroy a local institution in the interests of businesses in the Eastern States, for instance.

The Minister for Works: If we sold the State Implement Works, surely the purchaser would not proceed to scrap it.

Hon. M. F. TROY: If the Government sold the works, the purchaser would be more interested in introducing his own particular class of machinery in order to sell his own spare parts, than in producing the same kind of machinery as the Government have been making.

Mr. Teesdale: The ploughs made by the State Implement Works are good.

Hon. M. F. TROY: I use quite a quantity of State-manufactured machinery.

Mr. Mann: Have you used the State drills?

Hon. M. F. TROY: They are good, and they are the simplest drills on the market. It is true that I have on occasions pointed out to the Minister that the steel used in them is of soft material; but the Minister has explained to me that during the war the works were not able to obtain the best material. Apart from that aspect, I have had no cause for complaint. I would like to get another drill from the State works. But if the State machinery business is to be done away with, neither I nor any other man on the land can afford to buy State-made machinery, since we will have to scrap it long before it is worn out. Those who, pretending to speak in the interests of Western Australia, declare that the State machinery enterprise should be done away with, have an interest in bringing about a position in which the farmers would have to purchase new machinery. In this connection I recently saw a letter from a farmer published in the "Primary Producer."

Mr. Underwood: But you do not pay much attention to the "Primary Producer" surely.

Hon. M. F. TROY: I do pay attention to letters from farmers published in that journal. The writer pointed out that the farmers had never been consulted concerning the sale of the State Implement Works. If the Government sell the works, unquestionably the State

implements now in use here will have to be scrapped by the farmers, who, let me point out, can ill afford to scrap machinery, inasmuch as the price of their commodity is going down.

Mr. Hughes: The Government have no intention of selling the works.

Hon. M. F. TROY: If they do sell them, the farmers will no longer be able to get spare parts, and will be compelled to replace the State-manufactured machinery by machinery made in the Eastern States. What would the purchasers of the State Implement Works care about the old plant there? That is not their concern. Their concern is that the farmer shall buy their machinery, and the more he buys of it, the better for them from the point of view of supplying spare parts. I know that it is very difficult for the State Implement Works to secure sales, simply because there is no guarantee of the permanency of the works. Further, I wish to state that there are civil servants on certain boards who do not encourage the purchase of State-made machinery. I want to know why they do not. The State works employ some 200 men at Fremantle, apart from officers in Perth and salesmen travelling about the country. If the State Implement Works were sold, those men would be employed in the Eastern States, and not here. No institution here except the State Implement Works has ever been able to compete with the Eastern States, and none is likely to be able to do so for years to come. I am quite unable to grasp the reason why members of the Industries Assistance Board deprecate the purchase of State machinery. Of course the farmer can please himself where he buys, but I do know of men who wanted to purchase State machinery and were turned down by the I.A.B. The Minister has stated that one reason why the Government are not able to make the works a success is that the machinery is obsolete. If the machinery were not obsolete and the Government were in a position to get good machinery installed, the Minister suggested that the works could produce more cheaply. Despite the fact that the prices of the State implements approximate those charged by the private companies for their machines, I am convinced that if the State Implement Works were not in existence the prices of agricultural implements would be much higher. We have that security at the present time, and I deplore the fact that the Government cannot bring the works up-to-date. I do not condemn the Chamber of Manufactures or the Chamber of Commerce for seeking to have these works destroyed, as they are only fighting for their own interests. I do, however, deplore the fact that in Western Australia we have a body of men, supposed to represent the primary producers, who are also engaged in encouraging the scrapping of the State Implement Works. Such a result will not be in the interests of the people they are supposed to represent. If such an end be secured, it will mean a big loss to the primary producers. Many of them possess



machinery manufactured at the State Implement Works, and if those works are scrapped, duplicate parts will not be obtainable. I sympathise with the Minister, despite the criticism levelled at him by those who look upon him as representing their views in Western Australia. He has stood manfully to his task and I hope, if he remains in office, he will endeavour to bring the works up-to-date. The ploughs, drills, and other implements manufactured at the works are good machines.

The Minister for Works: It is acknowledged that we manufacture the best plough in Australia.

Hon. M. F. TROY: That is so. Sometimes I think the harvester I have is not as good as it might be. Some of the material used is a bit soft. Then again, some of the parts forwarded from the works are not in a fit condition to be sent out. They are rough and that is not as it should be. Frequently the file has to be used on them before they can be fitted to the implements concerned. There should be a supervising officer to see that the spare parts are sent out in proper order. In many respects I have received every consideration from the State Implement Works, but I emphasise the necessity for the appointment of a supervising officer to assure that the spare parts are sent out in as good a condition as those turned out by private firms.

The Minister for Works: I will see the manager about that at once.

Hon. W. C. ANGWIN (North-East Fremantle) [11.33]: It is true that I commented on the sales department when discussing the Public Works Estimates. In my opinion that is the weak spot in connection with the State Implement Works. The Minister has stated that the cost of the sales branch in relation to the implements and spare parts sold last year—I said it was approximately 20 per cent.—showed that the cost of the branch was £16,417 16s. 1d., while the implements and spare parts sold last year represented a value of £82,984 17s. 2d.

The Minister for Works: We sold a great deal more but we had to cancel sales because we could not deliver.

Hon. W. C. ANGWIN: I am going on the balance sheet. Undoubtedly some of the sales had to be cancelled, but that applies to everyone who deals with goods of any kind. In any case, the figures show nearly 20 per cent. The Minister said that the accountant in supplying the statement pointed out that the officers had to keep time sheets and pay sheets, and carry out other necessary requirements in connection with the works, and the balance sheet shows that the salaries at the works totalled £3,003 14s. 6d. The Estimates disclose the fact that 14 clerks are employed.

The Minister for Works: What, at the works?

Hon. W. C. ANGWIN: I do not know whether the item, wages and salaries paid at head office, £5,027 9s. 5d., includes them.

The Minister for Works: There are not 14 clerks at the works.

Hon. W. C. ANGWIN: There was paid at the head office during the year £10,692 10s. 11d. for the sale of machines. That was for selling a total of £33,086 2s. 9d. worth of implements and spare parts at the head office. Of that amount £9,644 represented the value of spare parts. I pointed out to the Minister some time ago that the Westralian Farmers were receiving 7½ per cent. commission for selling the State Implement Works machinery.

Hon. M. F. TROY: For the machinery they did not sell.

Hon. W. C. ANGWIN: At any rate, they got 7½ per cent. commission. This is not a new matter, because we had to expect an increase on account of the war conditions. I had it from a most reliable authority, a man who has sold hundreds of thousands of pounds worth of agricultural implements, that the amount he was allowed for the sale of agricultural implements was 15 per cent. and that he had to bear all losses. I told the Premier who that gentleman was.

The Minister for Works: Does that apply to-day?

Hon. W. C. ANGWIN: I have indicated that it may have changed.

The Minister for Works: That applied at Sandover's 20 years ago.

Hon. W. C. ANGWIN: I am not talking of 20 years ago. I refer to the time when the Minister allowed the Westralian Farmers 7½ per cent. commission, without requiring them to stand any loss.

Hon. M. F. TROY: And that firm did not sell the machines.

Hon. W. C. ANGWIN: I notice that wages and salaries have increased considerably during the past two years. There is something wrong with the sales department. We used to have the manufacturing costs shown, but those details are not included in the balance sheet to-day. We cannot say how the works are progressing in the manufacturing department. The figures are all lumped together. This shows clearly to me that the establishment of the shop in Perth has been a failure. For some years I worked in an agricultural implement manufacturing workshop and we had no shop or selling depot. The works I was connected with sold many machines of all descriptions. Their contention was that when the farmer came to town he was anxious to see how the machines were constructed.

Hon. M. F. TROY: The North Fremantle site is too far away to allow them to do that here.

Hon. W. C. ANGWIN: The works I refer to were not in a much better position, but farmers were anxious to know the class of material put into the machines before making a purchase and they were anxious to get information from the management as to the working of the implements. They could not get that information at the sales office so well as at the works. One thing noticeable is that when the shop was established in Perth, the cost of the sales went up considerably. In

1920 the cost of selling £124,000 worth, or £13,893 worth less than last year, was only £10,229, which last year was increased by over £6,000. That would wipe out the deficit on the concern. That deficit is sustained in the sales department, not in the works. The whole of the office side of the business should be carried out at the works. I know the Minister does not agree with that. I have a little soreness on the point. Some years ago it was said in the House that the manager at the works should at all times have full control of his accountancy charges. As the outcome of those remarks a conference was held between the manager of the implement works, the Under Secretary of Public Works, Mr. Brodribb the works accountant, and the Under Treasurer. They decided that the bulk of the office business should be carried out at the Implement Works. They pointed out to me that the change would necessitate enlarging the office. As Minister in control I had it enlarged at a cost of about £500. Just when it was completed our Government went out of office. The department was not anxious to carry out the decision arrived at by the four principal men concerned, and they must have advised the Minister to upset the previous arrangement.

The Minister for Works: I don't know that they advised me. It has always been my opinion that the office should be in Perth.

Hon. W. C. ANGWIN: The Implement Works sales cost about £17,000 per annum; the works employ 250 men, and the salaries of the staff to look after the works amount to £8,031 per annum.

The Minister for Works: No.

Hon. W. C. ANGWIN: Yes. The salaries paid at the offices amount to £5,027, while the salaries paid at the works represent £3,003. That is shown on this balance sheet. I guarantee that if the Minister had full charge as manager of the works he would cut that down by one half. In addition to that, we are paying £5,725 per annum by way of commission on sales. Before the office in Perth was started the total cost of the sales was some £6,000 or £7,000 per annum. Now it has jumped up to £16,417, and we are told the works show a loss—a loss sustained in the Perth office. I have here a letter declaring that instructions have been given to I.A.B. inspectors that harvesters are not to be purchased from the Implement Works. I do not know why.

Mr. Latham: The cost of repairs is too great.

Hon. W. C. ANGWIN: We have had a favourable report from a member who has used them.

Mr. Latham: I have used them, and found the cost of repairs too great.

Hon. W. C. ANGWIN: A Government officer who issues instructions that materials or goods shall not be purchased from another Government department—the sooner he is out of his position the better, unless, of course, he can show good grounds for his instructions.

Mr. Latham: The same instructions have been issued in respect of the Massey-Harris reaper-threshers.

The Minister for Works: You hold the view that all Government requirements should be purchased from Government concerns?

Hon. W. C. ANGWIN: Yes, if their price and quality compare with those of outside goods. I do not say the Government should give £10 for an article if they can get it elsewhere for £8. It is a wrong policy for one department to refuse to take the goods of another department.

The Minister for Works: Who signed that letter?

Hon. W. C. ANGWIN: It has come to me from the Fremantle District Council of the A.L.F. When on the select committee, I was informed that the farmers were allowed to please themselves where they got their machinery; that if tenders were called by the I.A.B. for the supply of a certain line, any farmers who wanted to go elsewhere were allowed to do so. I cannot vouch for the accuracy of this letter, but if it be true, the Minister should look into the question and see to it that the State Implement Works get fair play; because, as the member for Mt. Magnet (Hon. M. F. Troy) has said, there is more in this than merely buying from the State works, for the money involved in the manufacturing costs is paid out in this State. Not only does it affect the Implement Works, but it affects all other trades in the State. The Premier to-night asked whether the time had not come to cease purchasing goods from the Eastern States. And yet we find officers of the department encouraging the buying of implements from the Eastern States while the Premier is spending millions of pounds to avoid sending our money to the Eastern States. I have been informed that a farmer can purchase his goods where he desires, but that if tenders are called and the farmer chooses another make of implement outside the tender, and the price is higher, he has to pay the difference.

The Minister for Works: I will inquire into that.

Hon. W. C. ANGWIN: Some farmers prefer a State harvester and a privately made drill, or a State plough and a privately made winnower. I hope everything possible will be done to build up the trade in this State to avoid sending our money outside. If other people are anxious to manufacture farming implements in Western Australia, they have the market here worth, approximately, £300,000 per annum outside the State Implement Works. It is here to be opened up, and there are plenty of orders available for them if they desire to get them.

Mr. PICKERING (Sussex) [11.53]: The Minister has pointed out some of the difficulties in the way of making a success of the State Implement Works. The reason why they are not paying is that they are inefficiently equipped in the matter of

plant. In these days of improved facilities of manufacture and the improved lay-out of buildings, it is necessary that the State works should conform. Unless the Government can reconstruct the whole of the lay-out of their works and instal up-to-date machinery for turning out different machines and parts, it is hopeless for the State Implement Works to make a success of their undertaking. If the Government persist in State enterprises they must do so along business lines. What would be the cost of a new lay-out and new machines to put these works on a sound business footing? I suppose the Minister has an estimate. If we take it that a certain sum would be required to make this ineffective plant effective, the question arises whether it would not pay the Government to spend that money. There is an annual loss because the plant is of the nature described by the Minister. No matter how capable the Minister may be in his administration, for which we give him every credit, or how shrewd he may be, if he is handicapped in this way it is impossible, in spite of his good intentions, to make a success of the works. Even if he had sole control, and had nothing else to do, I would defy him to make a success of them as they now stand. Australian manufacturers recognise that, with obsolete plant and ineffective buildings, they cannot hope to compete with manufacturers in other parts of the world. I have heard the Minister say that the State Implement Works were wrongly laid out in the first instance.

The Minister for Works: I would not have them myself.

Mr. PICKERING: He also said that the machinery should be more or less scrapped. If the Government intend to continue this policy of State trading, it is up to them to put the works on an efficient basis. Let us put those who are responsible for carrying on these works in a position to make good. It has been suggested that farmers have been more or less coerced into buying from the State Implement Works. That is a ridiculous suggestion. It is impossible to coerce the farmers.

Mr. Willcock: Government officials are harracking for other firms.

Mr. PICKERING: Such officers should be dismissed.

The Minister for Works: You want to know what caused them to do that.

Mr. PICKERING: If officers employed by the Government in the interests of the State Implement Works are advocating other types of implements, they are not fit for their positions.

Mr. Latham: They are not agents for the State Implement Works.

Mr. PICKERING: Who are the agents? When the Westralian Farmers had the agency I think a better return accrued to the works than has accrued since.

The Minister for Works: Nonsense.

Mr. PICKERING: The loss this year was greater than it was last year.

The Minister for Works: It was less than in the previous year.

Mr. PICKERING: So that there is an improvement in the rate of loss.

The Minister for Works: I explained how the loss was brought about. Everyone in the trade is suffering from the fact that stocks, accumulated during the war, had to be sold for less than they cost.

Hon. P. Collier: So that there is an improvement in the loss.

Mr. PICKERING: The loss is sustained but on a sliding scale.

Mr. LATHAM (York) [11.58]: Instructions have been issued at the east end of my electorate, where guarantees are given by the Government for the purchase of machinery, that machinery must be purchased from the State Implement Works. That is usually for drills and cultivators. I have had to go to Mr. Murray, the sales manager for the State Implement Works, and negotiate with him in respect of clients of the Industries Assistance Board for machines to be sent out as early as possible. The instructions the member for North-East Fremantle got hold of were not general instructions. In the east of my district it was stipulated definitely that implements must be obtained from the State works.

Hon. P. Collier: He did not say the instructions were general; he said with regard to the harvesters.

Mr. LATHAM: A man is foolish to take a harvester costing £180 or £190 if it does not suit him. The upkeep is too costly. It is all right for a man who knows how to work such a machine, but when a man does not know the job, the cost for duplicate parts is considerable. Almost anyone could drive a Sunshine harvester without breaking it. A machine of lighter build requires greater skill on the part of the man in charge, and this has resulted in farmers placing orders elsewhere.

Mr. HUGHES (East Perth) [12.1]: It has been represented to me that fencing wire and wire netting could be manufactured profitably at the State Implement Works at the cost of installing a very small plant. Will the Minister obtain a report and lay it on the Table for the information of members?

The MINISTER FOR WORKS (Hon. W. J. George—Murray-Wellington—in reply) [12.3]: I have no objection to getting a report and tabling it if possible before the session closes, though I think I could give a report now. The members for the North-East Fremantle and Mt. Magnet have raised various questions that I have noted and will consider at the first opportunity. The Implement Works have not been laid out as they would have been had Mr. Shaw been in charge at their inception. They are not laid out as I would have them laid out if I were starting a business of the kind for myself, but once big works have been laid out, it is

very difficult indeed to alter the design unless sufficient capital is available. The best that can be done has been done and will be done in future. The visit of Mr. Shaw to the Eastern States has given him experience that he could not have gained in Western Australia, and I am satisfied the results will be reflected in increased values as the works go on. As to the instructions regarding harvesters, I do not know whether the position is as stated, but I should not be surprised if it were so. If I were seeking assistance from the Government and if the price of their granting me assistance was that I must buy an implement that I did not favour, or thought would not be profitable to me, I would endeavour to get assistance elsewhere. If I could not get assistance elsewhere, I would have to fall in with the conditions imposed by the Government.

Mr. Lambert: There are a lot of influences up against the State Implement Works.

The MINISTER FOR WORKS: That goes without saying. The hon. member knows what has appeared in the Press during the last seven years, what has occurred in this House and the talk outside. A lot of people if they could, would smash up the implement works to-morrow. If the House would give permission, I would be willing to prepare articles for the sale of the implement works and sawmills at once, and would go so far as to ask the Premier to relieve me of other duties meanwhile. The Government should not have to manage those affairs. But members opposite do not agree with my views.

Hon. W. C. Angwin: We stand for Western Australia. That is the difference.

The MINISTER FOR WORKS: Though I hold those views, I have endeavoured to do the best possible with the Implement works. So long as I have any power I shall not agree to the scrapping of any of the State works. I would sell them if I could, but only on terms favourable to the State.

Hon. P. Collier: That is the hardy annual.

The MINISTER FOR WORKS: A Minister has quite sufficient work to discharge his ordinary Ministerial duties without having to attend to trading concerns. No matter how earnest he might be, it is impossible for him to give them the full attention they require.

Hon. W. C. Angwin: I complained of instructions having been issued so that persons desiring to buy State harvesters were not permitted to do so.

The MINISTER FOR WORKS: I shall bring that matter before the Premier who no doubt will have something to say about it.

Division put and passed.

Division—*State Quarries, £16,463:*

The MINISTER FOR WORKS (Hon. W. J. George—Murray-Wellington) [12.8]: The State quarries at Boya have not been regarded by me as being on the same footing as other business concerns, because it is necessary to continue them to supply the Gov-

ernment's requirements of broken stone. For several years we have been supplying local authorities with as much stone as possible. Even if the quarries show a loss—and we have had a loss—I regard them as of great benefit to the State in being able to supply stone for the making of roads. Since the 1st July the quarries have made a profit and are making a profit now. The reason is the demand for broken stone is so great; and the new machinery installed, together with other machinery borrowed from the water works, has enabled us to increase the output largely. Still we cannot break the quantity of stone needed for roads in the metropolitan area.

[Mr. Stubbs resumed the Chair.]

Mr. Lambert: It is not hard to get a stone cracker or two.

The MINISTER FOR WORKS: We have one coming, and I hope it will enable us to cut down expenses. The quarries were under the charge of Mr. O'Connell, the engineer for roads and bridges, but as he had a tremendous amount of work all over the State, I decided last year to relieve him of the responsibility for these works. I then put them into the hands of Mr. Bradshaw who has been managing the State Brickworks. The result has been a rearrangement of machinery, the full effects of which we have not yet experienced. But we are certainly getting very much more stone than ever before, and since the beginning of July the quarries have been working at a profit.

Division put and passed.

Division—*State Shipping Service, £195,250:*

Mr. PICKERING (Sussex) [12.11]: The Estimates show an anticipated loss of about £170,000 for the current financial year. The Minister might give some explanation on this point, and also inform the Committee of the Government's intentions regarding the service.

The MINISTER FOR MINES (Hon. J. Scaddan—Albany) [12.12]: It would perhaps be discourteous to refer the hon. member to last year's "Hansard," but he would find there a statement of exactly what has happened. I am afraid I cannot now give anything new. The conditions under which shipping operations are conducted on our coast affect not only the State steamers, but also private shipping companies, who declare themselves unable to forecast a profit. I have heard it suggested that the State Shipping Service is running under greater difficulties than probably any of its competitors. Hon. members will know that we really have only three ships operating. The "Eucla" operates on the south coast, principally from Albany to Esperance and Eucla, and intermittently, as in the past, between the ports of Fremantle and Albany as well. The "Eucla's" operations are not criticised, because they are essential for keeping open communication on the south-east coast of the State. No other

shipping company would be prepared to undertake that responsibility except at a figure much greater than the loss on the working of the "Eucla." We have not reduced the running of the steamer, because of the necessity for transporting material for the Esperance railway. When things become normal again, the "Eucla" will resume running between Fremantle and the south coast ports. As regards the "Bambra," we are in a different position from the competing shipping companies, as the "Bambra" has to run at regular intervals on to Darwin, and the State ships are the only ships which operate as far as Wyndham. Had it not been for the State Steamship Service, it is questionable whether Wyndham would have had the service it has received during recent years. The "Bambra" is an expensive boat to operate, partly because of the high cost of the commodity required by her and partly by reason of the fact that she runs under the conditions laid down by the Australian Navigation Act, and this is not done by the competing boats. Thus the cost of the crew as well as the cost of coal is very heavy in her case. The "Kangaroo" is doing the work along the North-West coast for which she was originally intended, and is also assisting to develop the trade with Java and Singapore. She has not been quite as successful as anticipated, but still is doing very well. Last year we showed an improvement on the previous year's operations, an improvement which I may term very satisfactory. The total loss for the year, after making ample provision for depreciation, etc., is £78,757. This amount includes charges for interest, £31,629, and sinking and redemption funds £5,341. These sums, with the depreciation written off the vessels, £19,159, total £56,130. Therefore the actual running loss on the vessels of the service during the year is £22,626.

Hon. P. Collier: Is that for the whole service?

The MINISTER FOR MINES: Yes, for the "Kangaroo," the "Bambra," and the "Eucla." We sometimes lose sight of the fact that the conditions under which the State ships operate are different from those applying to privately-owned ships. Shipping companies do not always distribute the whole of their profits. If they have abnormal earnings in a particular year they frequently carry forward a portion to a special fund, which is made available in the event of abnormal conditions involving loss being experienced.

Mr. Lambert: It is a matter of dividend equalisation.

The MINISTER FOR MINES: Yes. In the case of the State Shipping Service, however, losses are shown on an entirely different basis. We have to find interest on the capital represented by the ships. That payment would represent dividends in the case of a private company. On the other hand if the State Shipping Service does not return interest, the deficiency is shown as a loss. Again, we are charged interest on the advances made by the Treasury to the banking account of the State Shipping Service, although we may have funds invested from reserve—funds invested by the

Treasury itself—and also a large amount of profit accrued to the Treasury in previous years, of which, however, no account is taken at all. The "Kangaroo" has in fact earned over £300,000 and paid for herself more than twice over; but she is still debited with interest on the additional cost to which we were put for the purpose of making her conform to the conditions required for the trade between this State and Java and Singapore. I am not saying that that is not a correct view, although the Auditor General draws attention to the fact that the procedure adopted is not in accordance with the regulations under the State Trading Concerns Act. However, it does not alter the conditions. If the Treasury does not charge interest, it loses its revenue. I merely wish hon. members to understand that the loss shown on the balance-sheet is not the actual loss which accrues to the Treasury. The actual loss is only the interest on the capital invested, and the difference between the cost of operating and earnings. Those charges are not very heavy. Shipping companies have declared that they could not have distributed any profit whatever last year had it not been for earnings from subsidiary concerns, most of which are altogether outside Australia. Again, we have never attempted in connection with our State steamers to apply the usual method of gaining revenue by increasing freights and charges in directions which probably warranted such action, more especially when comparison is made with freights and charges on other parts of the Australian coast. We have always taken the view that our State Shipping Service is not an ordinary trading concern, but exists for the purpose of giving a means of communication to people who are situated remote from the railway system, but who actually contribute towards making good the losses on that railway system. We were requested by a competing company to increase our freights and fares along the North-West coast, but we declined to do it. We would rather give the North an opportunity of developing under the only conditions possible, than stifle its advancement. The question of what we will do during the current year is impossible to answer at the present juncture. We now have more competition than previously, but in spite of that extra competition we are more than holding our own. In fact, we have increased our trade notwithstanding that it has been spread over a greater number of ships. Unfortunately it happens—though I will not say it happens by design—that whenever a ship like the "Bambra" leaves the wharf at Fremantle, she is followed either on the same day or on the next day by a competing vessel. This is said to be due to the tides. We are told that the vessel following the "Bambra" must get away to catch the tides during a limited period. I will be charitable enough to assume that that is the explanation, to a certain extent. However, the result is to distribute over two ships what would be a good cargo for only one ship. If it were not for the "Kangaroo" being retained on our coast, the refrigerated service from the North-

West to Java and Singapore would not be available to the producers of this State even to the extent obtaining. I hope it will be found possible to do what we set out to achieve, namely, to give the people an opportunity to benefit from their geographical position in Western Australia by providing for the requirements of Java and Singapore at a reasonable rate. Members should remember, too, that the shipping companies operating along the Australian coast are controlled by what is known as "the conference." Freights must be adjusted in accordance with the decisions of that conference. Our goods are competing with those produced in the Eastern States. A freight rate has been quoted from Melbourne and Sydney via the north of Australia to Java and Singapore which is equal to that from Fremantle to Singapore, although the distance from Fremantle is so much shorter. If we attempted to reduce our charges we would be met with a freight war. I do not suggest that we could carry goods any cheaper than we are doing at present. Then again we have to realise that the big warehouses and firms doing business here are really agencies for the big business concerns in the Eastern States. A little time ago some of the heads of the local firms communicated with their head offices in Melbourne or Sydney and asked for permission to deal in certain lines direct from Fremantle to Singapore and Java. They were told, in effect, to mind their own business and that this job would be handled from the head offices in the Eastern States. Notwithstanding that this practice goes on, we have made some progress in the exportation of our produce. I will quote the following from a report I have:—

By the advent of the "Kangaroo" in this trade we have certainly made possible a very considerable increased value of trade, taking only such lines that could not have been carried by the other vessels trading in this direction, such as fresh fruit, live sheep, cattle, frozen beef, and the value of these lines that have been taken must now run into some scores of thousands of pounds. In the insulated chambers of the "Kangaroo" we have carried to overseas ports 29,000 cases of fresh fruit and 606,000 lbs. of beef.

That shows what has been done with two items. It demonstrates, however, that the State steamers have materially assisted in the development of the industries of Western Australia. Although the State Shipping Service is debited with all these charges in the Treasury books, the loss is not so great as may be supposed in view of the fact that we have frequently made concessions in order to help producers to place their goods in new markets. Our ships have been diverted in order to meet the convenience of the residents outback, and on one occasion when no other ship along the coast would make the necessary call, we had to divert one of our boats in order to avoid an outlying centre being three months without any mails. Our State steamers render

a service in the North and North-West similar to that rendered by the railways in the South. If we can suffer a loss on our railway system rather than increase fares and freights abnormally, then we should not quarrel too much with the small loss on the trading operations of the State steamers on the North-West coast, especially in view of the fact that we are building up the industries of the North by the utilisation of these ships. I suggest to the Committee that the loss is not so great that we should grumble at it.

Mr. WILLCOCK (Geraldton) [12.25]: It is pleasant to hear the Minister explain the apparent loss shown by the State Shipping Service. The Government, however, should give the country some indication as to what their policy is to be in the future. The original cost of the "Kangaroo" was only about £140,000, and she has returned to the State something like £300,000 net profit. In the meantime her capital cost has been increased by something like 150 per cent., and now it is out of all proportion to her value. She has been debited with the cost of alterations and renovations so that her capital cost is now over £300,000. That imposes a burden of interest that is not warranted.

Mr. Latham: It is shown that repayments have been made of capital.

Mr. WILLCOCK: That means that the money earned by the "Kangaroo" was absorbed into Consolidated Revenue instead of being put aside in a reserve fund to pay for the necessary alterations and depreciation. As a result, we have an interest bill that is by no means warranted. If private businesses adopt the procedure of setting aside an amount from profits to cover repairs and necessary alterations, the same thing should be done in connection with the State Shipping Service. The Minister has shown that the loss is more apparent than real. Had the cost of repairs been borne from revenue, the vessel would be operating now practically without any loss. The fact that the State Shipping Service has shown an apparent loss has been blazoned forth to the world, and from this has arisen the agitation for the disposal of the State steamers. This sort of thing provides food for propaganda regarding State trading generally.

Mr. Teesdale: They have been a bit quiet lately.

Mr. WILLCOCK: But they will wake up before the elections, and we shall again have these Estimates blazoned forth to the world, and it will be stated that the State steamers are being run at a loss of something like £70,000 per annum. If there was a proper system of book-keeping, the loss would not be more than £10,000 or £15,000 per annum. The Minister gave some indication of the conditions under which the shipping service is operating. The State ships go into ports that would otherwise not have any shipping service, and very often they make calls to pick up ten or 15 tons of cargo at a time. Without the services of

the State steamers that cargo would be shut out altogether. Private firms admit they are run for business purposes and not for sentiment, with the result that the small consignments provided by the settlers outback would be left on the wharves were it not for State steamers. The "Bambra," for instance, goes into Shark Bay and sometimes misses a tide and is delayed in order to meet the convenience of the people there.

Mr. Teesdale. She is going to Yampi Sound this trip, and that will cost something too.

Mr. WILLCOCK: What applies regarding the railway system should apply in connection with the State Shipping Service. The Railway Department is run at a loss, and yet the railways carry supplies necessary for agricultural development without profit. I will mention the carriage of superphosphates as one instance. There is a loss of about £80,000 per annum on that account. If the State steamers are diverted for the purpose of assisting some industry in the North-West, the charge should be debited to some developmental vote. If the "Bambra" is to go to Yampi Sound for some purpose connected with the Mines Department, the cost of the diversion should be borne by the Mines Department, and not by the State Shipping Service. As it is, the position is made to look worse than it really is. Nobody has any objection to the development of the iron ore deposits at Yampi Sound, but the cost of such development should be borne by the department immediately concerned.

Mr. Teesdale: The Darwin mail service is a dead loss, and is debited to the "Bambra."

Mr. WILLCOCK: Yes, that is so, but I do not see why she should have to bear it.

Mr. Teesdale: The Commonwealth would take the boat from us if we refused the service.

Mr. WILLCOCK: Perhaps it would not matter very much. A comparison between the cost of running the "Kangaroo" on oil fuel and of running the "Bambra" on coal fuel shows a difference of 28 per cent. in favour of the "Kangaroo."

Mr. Teesdale: Admitted, but we might not get another boat.

Mr. WILLCOCK: We have to find locomotives for the railways, yet in the development of the North-West we will not go to the expenditure of an up-to-date, economically worked vessel. On the "Bambra" is a crew of 60 or 70 men, while the "Kangaroo" is run by one of 20 or 30 men.

The Minister for Mines: And she is the bigger boat of the two.

Mr. WILLCOCK: And the oil fuel does not impose so much discomfort in a hot climate as does the coal fuel. The interest bill is not rightly debited to the boat, because she has earned more profit than would pay for the expensive alterations made to her. It is not a common sense arrangement, while it gives material for propaganda by those opposed to the State Shipping Service.

Everything possible for the comfort of the passengers is done on the State boats. That is shown by the reception given to the "Gascoyne" which, although she came out here a new ship, specially designed for the trade, has not proved as popular as the State boat.

Mr. Teesdale: And the old boat, the "Bambra," at that!

Mr. WILLCOCK: Yes. If these vessels continue to show an artificial loss, there will be an outcry, and pressure will be brought to bear on the Government to dispose of them. Twelve months ago questions were asked in the House as to the Government's policy in respect of the State boats. The "Gascoyne" was then coming out, and it was said the State steamers were to go. The North-West coast has never been operated as it should be. We have two shipping lines, one boat leaving the day before or the day after another. We have on the coast four or five vessels when there is cargo for only three.

Mr. Angelo: The full passenger accommodation is wanted.

Mr. WILLCOCK: No, not all of it; I only wish it were. There are passengers and cargo for not more than three ships. If we had an up-to-date State boat of the necessary speed, instead of showing a loss she would show a profit, and would materially assist in the development of the North-West. The Government should declare their policy as to the capitalisation of the boats. Profits earned by the vessels should be placed in a suspense account to meet the cost of alterations and repairs. I trust the Government will write down the capital of the State steamers so as to bring them somewhere near their true value. Then they would show a profit. If we were to suggest an extension of the principle of providing cheap passages on the boats for maternity cases, so as to give consideration to people up North who cannot afford an annual holiday at full rates, there would be an outcry that the State ships were losing £70,000 per annum. If this scheme of finance and writing down of capital to the value of the various vessels were adopted by the Government we should be able to give a more efficient service, treat the public with more consideration and do more for the development of the country.

Division put and passed.

Division—State Sawmills, 682,467:

Mr. PICKERING (Sussex) [12.42]: This vote shows a profit of £40,000. When the State Sawmills were established the authorities had in mind a reduction in the price of timber to the public. With that object in view the Labour Government established the sawmills. Instead of their being an advantage to the public in this way and enabling them to get homes at reduced cost, we find that the mills now belong to the combine, and have a fixed price for all commodities. Anyone dealing with the State Sawmills has no advantage compared with dealing with any other mill in the State.

The Minister for Works: There is the better quality of timber, which you cannot get elsewhere.

Mr. PICKERING: I dispute that. The best joinery produced in the State comes from Millars' Timber and Trading Company. Millars' had the choice of the best jarrah forests in the State, and have a better plant for dealing with the timber than the State Sawmills.

The Minister for Works: They do not turn out better joinery than the State Sawmills.

Mr. PICKERING: They do. Their mills are equipped with kiln drying plant. No mill or joinery works can hope to compare with Millars' in the matter of quality of work turned out. I admit that the class of workmanship at Whittakers and some of the other firms is quite as good, but they do not give that reliable work that is obtainable from Millars. The moment millers deal with jarrah which is not seasoned by scientific treatment a shrinkage occurs. Amongst the recommendations of the Forestry Commission was one that if the Government were to persist in a policy of State sawmills, they should give those mills the same advantage as is obtained in most other undertakings of the kind. Although I am opposed to the policy of State trading, if we are to persist in this the enterprise should be placed on the same basis as any other competing trading operation in Western Australia. It is impossible for the State Sawmills to turn out that quality of work without a complete plant and they cannot hope to compete, for instance, with Millars. The whole justification for the establishment of State sawmills and joinery works has been set at naught by their ungodly combination with other firms. When, as an architect, I get a quote for any special piece of joinery from Millars, for instance, I know I can get no cheaper price from any other sawmill's or joinery works. It is no use going to the State sawmills because they belong to the combine. They have a special officer in the combine, who communicates at once with any member of the combine the price given for any particular class of work. When the Labour Government initiated this trading concern, they had not in mind the pernicious principle of combines.

Mr. Hughes: It is scandalous.

Mr. PICKERING: The object of the State Sawmills was not to make money but to give cheaper commodities to the public.

Mr. Hughes: They can do that now if they are given a chance.

Mr. PICKERING: Instead of the concern being a blessing, it is really a curse. Let us be honest in the matter. It is only claptrap to talk of getting rid of the State trading concerns, if the Government have power to do so but neglect to take the opportunity. It is not fair to handicap the cost of public works by forcing them to take what they require from the State trading concerns.

The Minister for Works: You say that all the mills quote the same price.

Mr. PICKERING: They do. There is now an unholy combine between the State enterprise and outside trading concerns.

Hon. P. Collier: Is a combine only unholy when a State trading concern is associated with it?

Mr. PICKERING: I am not taking up that attitude.

Hon. P. Collier: I have not heard you condemn combines outside this one.

Mr. PICKERING: By this system we are advocating a principle to which we should object. We cannot deal with outside concerns.

Hon. P. Collier: Combines are equally pernicious when they are confined entirely to private concerns.

Mr. PICKERING: If we concede that, it does not alter my position in respect to State trading concerns. The question of combines as they apply to outside traders is not my business.

Hon. P. Collier: Any kind of combine that is injurious to the people is a matter of concern to Parliament.

Mr. PICKERING: Not to the same extent as when we ourselves join in the combine.

Mr. Hughes: Do you not think that if this State trading concern had a fair go it could knock £100 off the cost of a cottage?

Mr. PICKERING: If the Minister for Works were to act independently of the combine he could do this, but the sawmills are showing a profit which it was intended the public should have.

The Minister for Works: You mean a cut-throat business.

Mr. Hughes: That is what they are for. Under the conditions of trade you could have made a profit of £400,000.

Mr. PICKERING: It is not the business of State trading concerns to exploit the public.

Mr. HUGHES (East Perth [12.50]): It is extraordinary that these works show a paltry profit of only £40,000 though they are being operated under one of the closest combines ever known in the State. If the other people in the combine obtained no better results, they would sack their managers at a moment's notice. We are endeavouring to get homes for the workers, and yet the Minister enters a combine, thus preventing the workers from getting building material at a reasonable price. If the State Sawmills were properly administered, it should be possible to reduce the price of a worker's home by £100. The Minister, instead of entering the combine, should have stood out, and he could then have reduced the price of timber. The present state of affairs is scandalous. The Government profess to be opposed to State trading, and they talk about selling the trading concerns. They are not game to sell them; they are not game to face the public with such a proposition. It is all humbug. They will neither sell them nor conduct them properly. I would have more respect for the Government if they proposed straight out to



sell the trading concerns. It would be more honourable than handling them as they are doing.

Capt. Carter: On a point of order, are we discussing the State Shipping Service or the policy of State trading?

The CHAIRMAN: The division under discussion is the State Sawmills.

Capt. Carter: I should have said the State Sawmills. I was prevented from commenting on similar lines of policy the other night, and is the hon. member to be allowed to proceed as if this were an open discussion on the question of State trading?

The CHAIRMAN: We are not discussing the policy.

Capt. Carter: The hon. member was discussing the policy. He was charging the Government with laxness in giving effect to the policy, and he was dealing with policy only.

Mr. HUGHES: You agree that what I said was right.

Capt. Carter: I should like to know whether you are going to permit discussion on State trading generally?

The CHAIRMAN: We are not discussing the policy. The question is whether the amount provided for State Sawmills shall be passed.

Mr. HUGHES: Surely I am within my rights in dealing with the question of the Government entering the combine.

Capt. Carter: You were discussing the intentions of the Government.

The CHAIRMAN: The hon. member must not discuss matters of policy.

Mr. HUGHES: I take it I can discuss the attitude of the Government towards the sawmills; I do not wish to discuss the policy. There is a great demand for building material. Workers desire to get cottages of their own in order to avoid payment of the enormous rents now being exacted, and they are faced with a very high price for building material.

Mr. Teesdale: Do not forget the long list of worker's homes for sale this week.

Mr. HUGHES: There are no worker's homes for sale.

Mr. Teesdale: I should have said soldiers' homes.

Mr. HUGHES: Would the hon. member have one of them as a gift?

Mr. Teesdale: I think I would take one as a gift.

The CHAIRMAN: We are not discussing soldiers' homes.

Mr. HUGHES: The question of housing the people is wrapped up with this vote. If the people could get cheaper timber they could afford homes of their own. Building material is at a prohibitive price. The sawmills were instituted to provide the people with cheaper building material, and yet the Minister has entered the combine. His action in entering the combine to fix the price of timber amounts almost to corruption. He is using a State service to enable outside firms to exploit the people.

Mr. Teesdale: If the State dropped out, would you get any cheaper homes for workers?

Mr. HUGHES: We are not getting cheap homes at present.

Mr. Teesdale: The State mills might keep the price down a little.

Mr. HUGHES: But the responsible Minister has entered into the combine to fix the price of timber. If the State Sawmills are to be subordinated to the interests of outside firms, it would be better to sell them.

The Minister for Works: Then I shall claim your vote.

Mr. HUGHES: The Minister is not game to bring down a proposal to sell these concerns.

The Minister for Works: Yes, I am.

Mr. HUGHES: Fancy the State employing a man to manage a business with which he is not in sympathy! How can we expect it to be properly conducted with a hostile manager? How can we expect to obtain decent results under such administration? In referring to the management I am speaking of the Minister.

The Minister for Agriculture: Remember the fate of the member for Murchison the other week.

Mr. HUGHES: If the Minister would only handle the combine in that way, there would be some sense in it.

The Minister for Works: I was told that if I did it to you, I would be conferring a great benefit on the country.

Mr. HUGHES: It would be a good thing for the sawmills if someone did it to the Minister.

The CHAIRMAN: This discussion must cease.

Mr. HUGHES: The workers should be given an opportunity to get decent homes. If the Minister could only pluck up enough courage to defy the combine, material would be very much cheaper. I do not know why he should succumb to the combine.

Mr. Teesdale: Do you object to the State deriving £100,000 profit in two years?

Mr. HUGHES: Is the hon. member proud of that amount?

Mr. Teesdale: It is better than a loss.

Mr. HUGHES: The hon. member does not tell the public that the State Sawmills have made that amount of profit. The public are always told that the trading concerns are losing money and should be sold. It would be more honourable to sell the sawmills than to have them administered as they are being administered. The Minister's action is hypocritical and borders on corruption.

The Minister for Works: Is the hon. member in order, Mr. Chairman, in saying that my conduct borders on corruption?

The CHAIRMAN: The expression is not quite fair to the Minister.

Mr. HUGHES: I am perfectly willing to withdraw the word "corruption" and to substitute "an honourable understanding with the view of fleecing the public by charging them higher prices for timber." What was the Minister's object in joining the combine?

The Minister for Works: Give me an opportunity and I will tell you.

The MINISTER FOR WORKS (Hon. W. J. George—Murray-Wellington) [1.2 a.m.]: To reply to statements like those of the last speaker is extremely difficult. First the hon. member talks about the profit being "miserable." The balance sheet shows a gross profit for the year of £115,148.

Mr. Hughes: What has that to do with it? Tell us the net profit.

The MINISTER FOR WORKS: We dealt with the gross profit by writing off depreciation to the extent of £28,195, and by placing £5,000 in the mill store reserve, which is only a prudent reserve, seeing that mill stores depreciate. For bad and doubtful debts we allowed £5,000. In respect of interest on capital we paid to the Treasury £17,412. To statutory sinking fund we paid £648. These items reduced the net profit to £62,121. The appropriation account shows a special sinking fund totalling £23,156. Thus in the aggregate more than £51,000 was written off for depreciation and sinking fund before we estimated our profit. If the sawmills were a private trading concern or an ordinary limited liability company, a considerable proportion of the amount written off would be regarded as profits, and would be declared available for dividends. The member for North-East Fremantle (Hon. W. C. Angwin) has stressed that point several times. Consequently what may appear to be a loss on the balance sheet is not really a loss, seeing that we had to make provision for interest. Of the profits made during the year we paid to the Treasury £69,272. We may have extorted that amount from customers, as suggested by the member for East Perth; but by far the largest proportion of the profits of the State Sawmills is made on export shipments, and therefore not out of the Western Australian working man. It is true that an understanding exists among the timber firms trading in the metropolitan area. They have a fixed price list instead of a number of cut-throat price lists. That the policy of the State sawmills is right and their work appreciated is proved by the fact that our trade at the Carlisle yard has increased and is increasing by leaps and bounds. We cannot supply our orders there as quickly as we would like. That retail yard at Carlisle is now doing a trade of £12,000 to £14,000 per month, and we have found it necessary to establish branches at Nedlands, South Fremantle and North Perth. That these additional yards supply a public want is proved by the fact that their stocks are drawn upon by the people. They are in telephone communication with the Carlisle yard, which can deliver any quantity as needed. I am rather proud of the development of the State Sawmills. I was responsible for the purchase of the property of the South-West timber brewers. That purchase has meant many thousands of pounds for the State, besides enabling a deserving body of men to realise on a property in the South-West which they had held for many years.

Hon. P. Collier: That extension will also make the State Sawmills a better selling asset.

The MINISTER FOR WORKS: The hon. member can ascribe any motive he likes for my action. The State Sawmills employ 1,021 wages men, and the enterprise has established itself in the face of opposition which has crushed previous attempts of the kind.

Hon. P. Collier: And the State Sawmills are largely cutting a timber which previously was not being cut. It would not have been cut but for the State Sawmills.

The MINISTER FOR WORKS: If the member for East Perth considers that the State Sawmills instead of making a profit should cut their prices so as merely to cover costs, he is entitled to his opinion. The actual receipts from trading last year amounted to £701,027, a fairly large business to have been built up in a few years. The Committee might show their appreciation of the officers who have worked so well to bring about that result. However, I have been able to guide them to some extent.

Hon. P. Collier: I thought you would not let it go.

The MINISTER FOR WORKS: The Treasurer has had from the State Sawmills up to the 30th June last £86,634. That amount came out of the profits made, and represented a very welcome addition to the Colonial Treasurer's funds. The total of the depreciation reserves on the 30th June last was £170,740. The member for East Perth, who is a skilled accountant, might like to take the balance sheets of the sawmills from their inception to the present time and see exactly what the enterprise has done for the State.

Mr. Hughes: The sawmills have been an enormous boon to Western Australia.

The MINISTER FOR WORKS: The salaries and wages paid every working day total £723.

Mr. Hughes: You get good work from the men.

Mr. Teesdale: But you want to chuck them out of work. You say it should be left to the others.

The MINISTER FOR WORKS: In addition to that we conduct stores and our trade represents over £70,000 a year, while our prices are regulated. There is nothing concerning the sawmills for which I need apologise. There is no necessity to apologise for the fact that we have an honourable understanding with other sellers, for that is to the advantage of the trading concern. The arrangement does not rob the working man nor does it rob anyone else. The greater proportion of the profits derived by the State Sawmills comes from sales overseas.

Mr. Hughes: You leave the local market to private people.

The MINISTER FOR WORKS: The local markets could not keep the mills going. We have seven mills operating and only 1½

mills would be required to meet the local trade.

Mr. Hughes: If you cut the prices, you could run the others out of business.

The MINISTER FOR WORKS: If the State Sawmills cut the other fellows out, what would happen to the other employees?

Mr. Hughes: They would work for you.

The MINISTER FOR WORKS: We would not require them. If the cutting of timber in Western Australia could be concentrated, not half the mills would be required.

Mr. Hughes: Then the men could work shorter hours.

Division put and passed.

*Division—Wyndham Freezing, Canning and Meat Export Works, £291,931:*

The MINISTER FOR AGRICULTURE (Hon. H. K. Maley—Greenough) [1.13]: The most serious item the Wyndham works have to face relates to freight. The existing rate per ton to London is £10 10s. as against the pre-war rate of approximately £5 5s. In 1922 the working account showed a loss of £10,330 after paying £19,466 to the State Steamship Service and the Harbour and Light Department. That result represented a saving of £4,000 on the cost of interest, fire insurance and maintenance for the financial year. In other words, there was a margin of £4,000 in favour of operating the works as against allowing them to remain idle.

Mr. Teesdale: Hear, hear! That is very satisfactory.

The MINISTER FOR AGRICULTURE: Hon. members have seen the balance sheet and profit and loss account which have been laid on the Table. The prospects for 1923 enabled operations to be undertaken on a basis affording an outlet for the normal crop of cattle within a radius of the Wyndham Meat Works. It is interesting to note that the estimated standing charges, if the works remain idle, are as follows: Interest, £78,000; fire insurance on works and materials, £2,200; maintenance of works, Wyndham water supply and caretaking, £5,000; or a total of £85,000. Naturally, if we allowed the works to remain idle, there would be considerable expense involved as well as the deterioration that would follow. This would necessitate considerable working costs in effecting repairs and keeping up maintenance. The total number of stock put through the works during the present season was 30,418 head and, apart from shipments which have to be brought to Fremantle for reshipment to Java, to avoid vessels steaming round the coast with small lots which have to be shipped from time to time—these amount to about 50 tons or so—the following lines have been sent away: 73,873 quarters of frozen beef, 2,005 casks of tallow, 3,183 bags of frozen sundries, 422 cases of beef extract, 82 bales of horns, and 27,850 hides. In the main the meat was exported to Antwerp. The following is a brief return showing the results obtained

from the treatment of a mob of good freezer bullocks in June last:—

	Per head.
Dressed weight .. ..	667 lbs.
Yield of export beef (shipping weight) .. ..	483 lbs.
Payment to grower, on weight basis .. ..	£2 18s. 11d.
Freight saving, about ¼d. per lb. .. ..	10s. 1d.
Commonwealth bounty, ¼d. per lb. .. ..	10s. 1d.
	£3 19s. 1d.
Anticipated surplus on realisation of beef in London, etc., assumed at same figure as for 1922 beef .. ..	13s. 5d.
Total .. ..	£4 12s. 6d.

This will compare favourably with prices realised by the cattle people in North Queensland for a similar type of bullock. The average return per head for the season will not be as favourable as the one I have quoted and the average cattle treated this season were not as good as in the previous season. This has been mainly owing to the trouble experienced from the buffalo fly which has been a pest during the current season. The credit of £291,931, which is asked for in the Estimates, represents funds to enable the works to operate; it should not be confused with the profit and loss account estimates.

Hon. P. COLLIER (Boulder) [1.18]: We could have a profitable discussion regarding the Wyndham Meat Works if the hour were not so late. The works have come in for more condemnation than any other State trading concern in Western Australia. A campaign against the works has been broadcasted throughout the Commonwealth. Much could be said in defence of the whole position as it exists at Wyndham. It is very easy to talk about the loss last year. It should not be forgotten that while a loss was experienced the amount involved included interest totalling some £80,000. The Wyndham works were practically the only meat works operating throughout Australia this season. All the meat works in Queensland and the other States were closed down. The bottom had fallen out of the market for export meats. I am afraid the beef export trade of Australia is in for a bad time. The competition from North America and South America will render it unprofitable. The Prime Minister of Australia has failed to induce the Home Government to impose a duty on imported meat.

Hon. W. C. Angwin: They would be foolish if they did.

Hon. P. COLLIER: I agree, but I am afraid we are going to have a bad time with the export of beef. Only to-day I was reading the report of a speech delivered by Mr. Bruce at the Economic Conference, predicting that unless we could establish a market in the Old Country, beef growing in Australia would be

practically ruined. However, the subject is too big to be dealt with here at this hour. During last year the selling agency for the products of the Wyndham Meat Works was changed, Messrs. Brown and Dureau, our former agents, giving place to Messrs. Sheed, Thomson and Co. I think the Premier, when in London last year, was responsible for the new arrangement. I do not know whether the Premier is aware of it, but I have reliable information that our new selling agents, Messrs. Sheed, Thomson and Co. are mainly American, that the majority of the shares are held by the American Beef Trust in Chicago. If that is so, it is a pretty serious thing that we should hand over to the American Beef Trust the control of the sale of our products. Of course for many years the American Beef Trust has been reaching out for world control. Last week I received a letter from a friend in London who had looked up the share list of Messrs. Sheed, Thomson and Co., and found that the nominal share capital is £250,000, with a subscribed capital of £175,000 shares at £1. Of those 175,000 shares, 105,000 are held by Messrs. William Davis and Co. of Chicago, 46,000 by Sheed, and the balance of 24,000 by Thomson. So Messrs. Sheed and Thomson hold 70,000 shares, while Messrs. William Davis and Co., of Chicago, hold 105,000. The chairman of directors of Messrs. Sheed, Thomson and Co. is Mr. Edward Carey Fox, who is also chairman of directors of Messrs. Wm. Davis and Co. of Toronto, one of the arms of the American Beef Trust. While I have no doubt the agreement made by the Premier seemed to him favourable to us, I question whether he had in mind the possibility of this company being American controlled. The figures I have quoted are accurate. Mr. Fox, who is director in London, is also director in Chicago, while the other directors are the two Sheeds and Thomson. So they control the business of the company. We can be sure the American Beef Trust have not taken over the agency for the sale of the Wyndham products merely for the small commission they might get out of it, but that it is part of their world-wide policy they have been trying to put into operation for years past.

Mr. Teesdale: Undoubtedly.

Hon. P. COLLIER: The information was got from a man in a position to obtain it in London. I understand Sir James Connolly is to take a seat on the directorate of this company as soon as he retires. Messrs. Sheed, Thomson and Co. asked that he be allowed to become a director even whilst holding the position of Agent-General, but the Premier said that would be improper. However, it is now announced that Sir James Connolly is to take a seat on the directorate. I do not know that that will be to our prejudice. In ordinary circumstances it should be to our benefit; but it is serious that we should hand over to the American Beef Trust the control of the sale of the products of the Wyndham Meat Works.

Mr. WILLCOCK (Geraldton) [1.27]: Is it not possible to render available to the people up North the products of the Wyndham Meat Works? Meat is sold to the works by the grower at from 2d. to 2½d. per lb. None of that meat is available to the people up there.

The Minister for Agriculture: Why?

Mr. WILLCOCK: Because the works do not sell anything locally. The products are all sent away, and so the people up North have to pay 1s. a lb. for their meat.

Mr. Teesdale: It is forcing the public to buy from the local butcher, who first buys from the meat works.

Mr. Lutey: Meat sold for 2½d. per lb. in London is sold at 1s. a lb. in Wyndham.

Mr. WILLCOCK: The beef extract made at Wyndham is as good as anything in the world, and considerably better than most other meat extracts.

Hon. P. Collier: It goes overseas, where it will be diluted and then sent back to us as bœvril.

Mr. WILLCOCK: That is how it was explained to us. It is being sent to England and sold at 12s. per lb. and, after dilution, it will be returned to Australia with the price raised about 200 per cent.

Mr. Angelo: It is being offered at 9s. a lb. in Perth, but people will not buy it.

Mr. Lambert: Where is it offered?

Mr. Angelo: At the United Stores, Hay-street.

Hon. P. Collier: Well, that is not known.

Mr. Angelo: The public will not buy it, because it is Western Australian.

Mr. Teesdale: It is the finest meat extract ever put into pots.

Mr. WILLCOCK: That is a fact. The Bœvril people, who have the biggest business of this kind, were satisfied to make a contract for the total output of this commodity.

Mr. Teesdale: The manager of the works told me he could get 12s. a pound in London for all he could send.

Mr. WILLCOCK: If people knew they could buy this meat extract here, there would no longer be any room for the Bœvril product in Australia. We cannot even buy dripping from the Wyndham meat works. It is an article of excellent quality. The products of the works are not available in Western Australia in any quantity. It should be the policy of the Government to allow the people of this State to have the first advantage of these products. When the next selling agency agreement is made, a clause should be inserted in it providing for the local distribution of some of these products so that the people may have the advantage of them.

Mr. HUGHES (East Perth) [1.37]: I notice an extraordinary thing in the Auditor General's report: It says:—

Following an undertaking given in 1921 that money would be advanced by the Government for the purchase, the com-

pany purchased a compressor and erected it at the works. No advance has been made, but during the year under review an amount of £11,883 was paid to the company and charged to Loan Vote 52 for "Abattoirs Cold Storage, Freezing, Chilling, and Canning Works, Wyndham.

Hon. W. C. Angwin: That refers to the Fremantle Works.

Hon. P. Collier: It is proposed to deal with the products of the Wyndham Meat Works in Fremantle.

Mr. HUGHES: It seems extraordinary to give a private firm trading at Fremantle a £12,000 asset and charge it up to Wyndham. Have the Wyndham Works to pay interest on that money? In his special report upon Wyndham the Auditor General says:—

A test was made of the wages with the time cards, but a test could not be applied to the stores issued, as the stores requisitions and issue books had not been sent down from Wyndham.

There is something like £73,000 worth of stores there. If the Auditor General is going to make an audit he should have these requisitions and books. If he is simply going to audit the cash book it will open up the possibility of fraud. Are the Government complying with the request of the Auditor General? The report also says:—

The amount of £3,540 for architect's commission represents a payment to an architect brought over from Queensland for preparation of plans, etc., for additions to works, which, however, it was decided not to carry out.

I take it this sum is charged against the Wyndham works. It does not seem fair, if the Government decide not to go on with the works, to add this sum as a charge against the works. The Government must have drawn up plans and decided to go on with the works before bringing an architect from Queensland.

Hon. W. C. Angwin: The select committee turned it down, I think.

Mr. HUGHES: The Auditor General also says:—

As in previous years the stores ledger was not balanced with any controlling stores account in the head office books. Unless this is done it is impossible to certify as to the accuracy of the value placed on materials on hand or that all liabilities for materials have been included in the accounts.

The Auditor General brings these matters before Parliament, because he cannot get them rectified in any other way. It is unfair to him if we take no notice of his reports. If there were to be extensive frauds in connection with the stores accounts, we should want to know what he had been doing. He has no redress other than a report to Parliament. In the profit and loss account there is a lumping of items. For instance, freight, marine insurance, and commission are lumped

together. The items should be set out separately. We may want to know to what any particular item refers, but we cannot ascertain what it is as the figures are presented to us. As these figures are set down we have no means of knowing the details in connection with any one item. Each year they use £35,000 worth of material and seem to have a balance of £93,000 worth of material on hand. According to the three latest balance sheets they have a carry-over of three years' supply of material at the end of every year. Unless there is some good reason for this, they seem to be overstocked to that extent, and while £90,000 is tied up in stock, they are unnecessarily paying 5 per cent. interest on £60,000 each year, thus adding to the loss on the works. I know there is a tendency by Government departments to maintain good stocks, especially when they are not to be turned over. So far as I can ascertain the stocks used at Wyndham are all procurable during the season, and there is no need to carry more than one season's supply. When a concern is losing it is worth conserving £3,000 or £4,000 wherever possible. I understand that there is a lot of tinplate at Fremantle charged against the Wyndham works and that it has been there for years.

The MINISTER FOR AGRICULTURE (Hon. H. K. Maley—Greenough—in reply) [1.42]: There was a heavy demand for some years, but I do not think there is an accumulation now. If I may express a personal opinion, I consider there is as much justification in assisting the cattle raisers in the North-West by the erection of freezers as in establishing a butter factory to assist dairy farmers in the South. Some of the questions raised must be referred to the Minister for the North-West. I cannot satisfy the hon. member regarding the points raised in the Auditor General's report. The compressor installed at the Fremantle freezing works is the property of the Government. After several consultations with the company it was installed there on condition that additional cold storage accommodation was provided to enable us to handle Wyndham products. When we provide our own cold stores we shall require the compressor. At the moment it is not being used. The Leader of the Opposition referred to the composition of the firm of Sheed, Thomson and Co. I understand the appointment was made by the Premier, when he was in the Old Country, and doubtless the firm was highly recommended to him, but the remarks of the Leader of the Opposition will be brought under the Premier's notice. Much more could be done at Wyndham to utilise things that to-day are wasted, because of the infrequency of the shipping service, and communication with Fremantle. Expense is entailed in bringing down to Fremantle in the "Kangaroo" small lots of meat destined for Java. It would not pay to divert the "Kangaroo" to Wyndham to pick up a few tons of meat for Java. It

pays better to bring the meat to Fremantle and then take it to Java on the following trip.

Division put and passed.

Resolutions reported.

House adjourned at 1.47 a.m. (Wednesday).

## Legislative Assembly,

Wednesday, 21st November, 1923.

	PAGE
Mission: Mining Industry, Arbitration Court case	1540
Annual Estimates, State Trading Concerns, report ...	1540
Bills: Native Mission Stations, 2r., Com. report...	1540
Public Institutions and Friendly Societies	
Lands Improvement Act Amendment, 2r.,	1550
Com. report ...	1550
Gnowangerup Reserves, 2r., Com. report ...	1550
Land Tax and Income Tax, 2a. ...	1551
Land Act Amendment, 2r. ...	1551
Veterinary Surgeons Act Amendment, 2a., Com.	1552
Amendments Incorporation, 2r., Com. report...	1552
Reciprocal Enforcement of Maintenance Orders	
Act Amendment, Council's amendments ...	1552
Abbas Day, 2a., Com. report ...	1552
Motion: Sandalwood, amended regulations ...	1554

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

### QUESTION—MINING INDUSTRY.

*Arbitration Court case.*

Mr. CORBOY asked the Premier: 1, Is he aware that the mining case in the Arbitration Court, on which an award was delivered last week, was heard before a great many other cases listed prior to it? 2, At whose request was this done? 3, Who was responsible for the case being heard before its proper time?

The PREMIER replied: 1, Yes. 2, This not known to the Government. 3, The procedure to be followed as to sittings of the Court and cases to be taken is provided in Sections 65 and 68 of "The Industrial Arbitration Act, 1912." This being so, no case can be heard before its proper time.

### ANNUAL ESTIMATES—STATE TRADING CONCERNS.

Report of Committee adopted.

### BILL—NATIVE MISSION STATIONS.

*Second Reading.*

The PREMIER (Hon. Sir James Mitchell—Northam) [4.39] in moving the second reading said: The object of the Bill is to make free simple grants of 1,000 acres each to the Perth Diocesan Trustees, Forrest River, and the Benedictine Community, Drysdale River; such grants to include main buildings and improvements. Members will be aware that the two churches have spent considerable amounts of money on buildings and improvements at the respective localities; and it is desired, therefore, that they should be granted these areas. Personally I regard the proposal as perfectly reasonable, because the churches, besides spending a considerable sum of money, have done good work, and it is not much to give them the lands on which their money has been spent. The blocks proposed to be granted have not yet been surveyed, and therefore cannot at this juncture be described. With regard to the Forrest River mission, a Class "A" reserve of 100,000 acres has been leased to the diocesan trustees as an aboriginal mission station for 21 years at a peppercorn rental. The passing of the Bill will remove the area of 1,000 acres from the Class "A" reserve. The mission is kept up by voluntary contributions amounting to about £1,900 a year. There are 136 natives on the roll, and there is a mission staff of five. The possessions of the mission include 380 cows and 410 goats, and 16 buildings. In the case of the Drysdale River mission station, there is a special lease of 50,000 acres, and £1,750 has been spent on buildings and £430 on cultivation. The annual expenditure of the mission amounts to £500. Thirty natives are actually housed at the mission, and the number of natives receiving rations occasionally rises as high as 1,300. The mission has a staff of four. I hope the House will agree to the passing of the Bill, because it will mean assisting people who are doing much to help the State in its development work in the North. Certainly they ought to be given the land on which their improvements are standing. The land is not very valuable. Once we get settlement in those localities, we shall be giving away the land to settlers in 150-acre blocks. Members know of the good work that both these missions have been doing for years. I move—

*That the Bill be now read a second time.*

Question put and passed.

Bill read a second time.

*In Committee, etc.*

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