

one of urgency, and he desired to get on with the business.

MR. GEORGE moved, as an amendment, that the word "Friday" be struck out and "Monday" inserted in lieu thereof.

THE PREMIER: The House would meet on Monday evening, anyhow.

MR. GEORGE: That might be. He wished to raise a protest against the conducting of business, for he thought hon. members had been played fast-and-loose with throughout the session. The work had not been properly brought down, and a lot of time had been wasted. Tomorrow would be a public holiday, and there was not the slightest reason why the House should not sit to-morrow night.

THE PREMIER: The House never had done so on a public holiday.

MR. GEORGE: Members were engaged in business, and most of them had their time fully mapped out for the rest of the week. This question of public holidays was a great nuisance in the colony. The House had been sitting for several months, and what work had we done? Speaking with all due respect to the right hon. gentleman who controlled the movements of the House, he made bold to say that if there had been any intention of carrying out the business, it might have been accomplished very much earlier during the session. A lot of measures had been brought forward which were never meant to be passed, and a lot of time had been wasted.

MR. MONGER seconded the amendment.

MR. MITCHELL: The way we had been going on was absurd. The House had been sitting getting on for five months, and nothing had been done. It was time we did something. He would be willing to second a proposal to sit seven days a week.

Amendment put and negatived.

Question put and passed.

The House adjourned at 10:58 o'clock until Friday evening.

Legislative Assembly.

Friday, 10th November, 1899.

Land Act Amendment Bill (private). Select Committee's Report—Paper presented—Petition: Tramways Act Amendment Bill (in opposition)—Discussion of Estimates: A Notice—Annual Estimates, in Committee of Supply, Treasury Votes, Miscellaneous, Premier's Department, Division, progress—Adjournment.

THE SPEAKER took the Chair at 7:30 o'clock, p.m.

PRAYERS.

LAND ACT AMENDMENT BILL (PRIVATE).

REPORT OF SELECT COMMITTEE.

MR. JAMES brought up the report of the Select Committee on the Land Act Amendment Bill (private).

Report received and read.

MR. JAMES gave notice for the second reading of the Bill on the next Tuesday.

PAPER PRESENTED.

By the COMMISSIONER OF CROWN LANDS: Land Selection for the six months ending June, 1899.

Ordered to lie on the table.

PETITION—TRAMWAYS ACT AMENDMENT BILL.

MR. JAMES presented a petition in opposition to the Tramways Act Amendment Bill.

Petition received.

Ordered that the petition be printed, and be considered at the next sitting.

DISCUSSION OF ESTIMATES—A NOTICE.

MR. GEORGE: I give notice that on Tuesday next I will move "That the Estimates be passed *en bloc*, as the discussion in the present House is futile and of no avail."

THE SPEAKER: I cannot allow that notice to appear on the Notice Paper. It is not respectful to the House.

MR. GEORGE: There was no intention on my part to be disrespectful to the House. If it is considered so, I will withdraw it unreservedly.

THE SPEAKER: The notice certainly was disrespectful, in the wording in which it was given.

Mr. GEORGE: My only desire was to facilitate business.

ANNUAL ESTIMATES.

IN COMMITTEE OF SUPPLY.

Consideration resumed from 7th November, at page 31.

TREASURY DEPARTMENT (Right Hon. Sir J. Forrest).

Vote, *Miscellaneous Services* £85,195 :

Item, *Incidental Expenses* £8,000—Amendment moved by Mr. Leake at last sitting, that the item be reduced by £4,000 :

Mr. GEORGE moved that progress be reported. Not much progress would be made this evening with the Estimates, in which a great number of debatable questions were involved, and the Notice Paper was loaded with measures of importance which could well be dealt with in the meantime. He had no desire to be presumptuous, or to appear to interfere with the order of the work of the House as laid down by the Premier; but this was an occasion on which the Estimates might well stand over. Had the House met on the previous evening, considerable work might have been done; and hon. members had been practically told to-night that there was to be an adjournment next week because, as one member had put it, a "potato and pumpkin show" was to be held. If the business of the House could be postponed for such a purpose as that, it could not be wrong to urge the postponement of the Estimates until Monday evening.

THE PREMIER: The Government had no desire to do anything against the wishes of hon. members, but there ought to be an attempt made to get along with the Estimates to-night. The session was very advanced now, and there was no more important work on the Notice Paper than the Estimates.

THE CHAIRMAN: The Premier was out of order in debating the motion to report progress.

Motion—that progress be reported—put and negatived.

THE PREMIER: To reduce this item would mean—

Mr. LEAKE: If the Premier would give the information, that was all that was asked for. The amendment had not

been submitted with the object of reducing the vote.

THE PREMIER: Of the amount to which exception was taken, interest represented £3,403, exchange on drafts £270, Federal Convention £1,189, law costs £464, Parliamentary trips £371, Penal and other Commissions £570, totalling £6,267. The rest of the sum was made up of hundreds of smaller items. All expenditure not for works and buildings, and not provided for under the heads of Estimates, were charged to the Miscellaneous vote. All considerable items of expenditure not under specific votes were sent to the Treasury, and had to be scheduled under a particular heading. This miscellaneous expenditure came from all quarters and all departments, and when a heading could not be found under which to put an item of which the Auditor General would approve, it was placed amongst the Miscellaneous expenditure.

Mr. SOLOMON: Was any provision going to be made this year for fire brigades? There appeared to be no amount in the Estimates.

THE PREMIER: It was by misadventure that provision for fire brigades was not included in the Estimates, but care would be taken to submit a provision as heretofore.

Mr. LEAKE: The amendment to reduce this vote had been moved merely to enable the Premier to give an explanation. There was no intention to force this amendment to a division, and with the permission of the Committee it would be withdrawn.

Amendment by leave withdrawn, and the item passed.

Item, *Subsidy to Municipalities*:

Mr. ILLINGWORTH: The subsidy for municipalities was put down at £45,000, the same amount as last year. Was there not an understanding that the subsidy had to be £ for £? Was it intended to limit the amount to £45,000? If so, how was that to be divided?

THE PREMIER: The intention of the Government was to spend only £45,000 under this head. Last year 15s. in the £ was the subsidy provided in the Estimates, and the limit of £45,000 was not exceeded. The Government thought it better this year to place a lump sum on the Estimates and distribute that sum as

far as it would go at the beginning, and probably the distribution would be 10s. in the £, the last payment including any balance remaining.

MR. ILLINGWORTH: Would the subsidy be uniform for all municipalities?

THE PREMIER: Yes; that was so every year.

MR. ILLINGWORTH: Confusion might arise in estimating what each municipality would have available, when a definite sum per £ was not fixed.

THE PREMIER: The subsidy would amount to 10/- or 12/- in the £, out of the £45,000.

MR. VOSPER: It was satisfactory to have an assurance that the distribution to the municipalities would be uniform.

THE PREMIER: It always had been uniform.

MR. VOSPER: But to vote a lump sum now was placing a large power in the hands of the Treasury.

Item passed.

Item, Commission on interest paid by the Crown Agents and the London and Westminster Bank:

MR. VOSPER: What commission was this? What was it on, and who were the Crown agents? The item was rather obscure.

THE PREMIER: This commission was paid to the Crown agents of the Colonial office for paying interest on all loans raised before the colony got responsible government. These agents paid the interest until the loans matured, and the colony had to provide the money.

MR. VOSPER: It was easily-earned money.

THE PREMIER: On the contrary, there was a great deal of trouble. The colony provided the money, and the agents had to pay the interest and keep the accounts. The London and Westminster Bank were also paid for similar work done since responsible government came in.

MR. A. FORREST: Could not the Agent General do this work?

THE PREMIER: The work could not well be carried out by the Agent General. The allocation of the loans was governed by statute, and the commission was not great.

MR. MORGANS: It was a commission on interest.

THE PREMIER: Yes.

MR. MORGANS: It was a very considerable payment, £4,000 a year.

THE PREMIER: The Crown agents superintended the conversion of inscribed stock, a process which was continually going on; and nobody would do work of the kind for nothing. Hon. members did not know all the particulars.

MR. VOSPER: That was what hon. members were asking for.

THE PREMIER said he would be glad to lay a return on the table at the next meeting of the House, giving the details of the £4,000 paid last year.

MR. VOSPER: The question was asked because if the colony was floating loans below their face value, paying heavy interest and also a commission on the payment of interest, and other expenses, the price seemed very stiff, one way and another.

MR. MORGANS: It was always the rule.

THE PREMIER: A lot of money was paid for this sort of work. For instance the London and Westminster Bank inscribed the colony's loans, receiving he thought £500 per million for looking after the transfers and the business generally. All the other colonies paid similar charges.

MR. ILLINGWORTH: This item was commission on interest paid.

THE PREMIER: Yes; the Crown agents paid the interest, and must be paid for doing so.

MR. ILLINGWORTH: Did the London and Westminster Bank pay interest.

THE PREMIER: The London and Westminster Bank had paid all the interest on the colony's loans raised since responsible government.

MR. ILLINGWORTH: Who were the Crown agents?

THE PREMIER: These loans were raised before the institution of responsible government by the Crown agents who managed all loans for Crown colonies. Since responsible government was granted to Western Australia, the Crown agents gave notice they could not carry on the work any longer; and then the business had to be placed with the London and Westminster Bank. A return would be prepared and presented on Monday, showing the details of this expenditure, and he would also ask the Under Treasurer to give full particulars.

Item passed.

Item, Perth Park:

MR. A. FORREST asked the Premier whether the Government had any intention of providing, as was done in Victoria, South Australia, and New South Wales, a subsidy of £ for £ for the maintenance of parks and open spaces, which were a great expense to the civic authorities. The Estimates provided only £2,500.

THE PREMIER: What municipal parks were there in Melbourne?

MR. A. FORREST: The Mayor of Melbourne, when in Western Australia, gave the information that although the Government in Victoria had not much to do with the open spaces in the municipalities, they granted a subsidy of £ for £. A communication had been addressed to the Premier of this colony on the subject, and a reply was received that he could not see his way to recommend a subsidy. Since then, the Perth Council had taken steps to gather information as to what was done in other colonies in this direction, and it was found that Government subsidies were paid elsewhere.

HON. S. BURT: Those other Governments had plenty of money.

MR. A. FORREST: The hon. member liked to see the city beautified, but did not like to pay his rates, and, at the same time, he objected to asking the Government for a subsidy. Municipalities were put to great expense in keeping up these public reserves, from which they obtained no revenue, and the least the Government could do was to help to support these public parks in all large towns. He urged the Premier to place £5,000 on the Supplementary Estimates for the upkeep of municipal parks in the country, so as to pay £ for £ subscribed by municipalities. The several parks in Perth were originally put in order by the Government, but the upkeep was expensive to the municipality.

THE PREMIER: This year he could not make a promise, he was afraid, but he agreed it was good to provide pleasure grounds and open spaces for the people. The Government had endeavoured to do so to some extent, but not so much in Perth, because we had a large park on the Mount which was kept up out of public revenue. There was also a new park in East Perth.

MR. A. FORREST: The Government had not contributed much to that.

THE PREMIER: A thousand pounds had been given towards that park, and a like amount, he believed, was given in connection with the Third Swamp, now called Hyde Park. The Government contributed to recreation grounds and places all over the country. He would bear the matter in mind.

Item passed.

Item, Bonus for erecting Smelting Works at Fremantle, £5,000:

MR. LEAKE moved that this item be struck out. If so large a sum as £5,000 could be saved, the thanks of the Government would be deserved.

MR. A. FORREST: Let the amount be given to the parks.

MR. LEAKE: As long as it was not given to the smelting company, who did not deserve the slightest consideration from this House, he did not care to whom it went. The present smelting company working at Fremantle was not the smelting company to which the Government agreed to give this bonus. The company had been reconstructed. In the law courts in London it was stated that the old company and the reconstructed company were separate companies, but now it was said they were the same company. He happened to know something about this, because he had had a little dispute with the company. He wanted to tell the House exactly the position, and to say that the company, and the body of gentlemen who represented the company, did not act as honest, straightforward people. On the flotation of the company a certain number of shares were represented by the promoters of the company. As a matter of fact, the matter was carried out in his (Mr. Leake's) name, and the whole of the promoters' shares were supposed to have been transferred to him by the promoting company, known as the Brookman's Exploration Company. The company held a parcel of shares, and a parcel of shares were held by himself as trustee for certain others who were interested. The company started business in Fremantle, and erected these works, which were undoubtedly good and useful works, but they got into financial difficulties, so it became necessary to make an assessment to reconstruct, and the company proposed an assessment

of 2s. 6d. a share on all the shares, including of course the original purchase shares, as well as those which were subscribed. That happened this time last year, and the secretary of this company, who was also the secretary for the Brookman's Exploration Company, sent him (Mr. Leake) a telegram asking him if he would consent to the reconstruction and the assessment of 2s. 6d. a share. The shares he (Mr. Leake) was entitled to ought to have been transferred into his name, but they had not been, and they were sufficient to prevent a reconstruction; hence the necessity for asking for his (Mr. Leake's) consent, for under the Act in England the company had to carry a reconstruction by a vote of three-fourths of the shareholders. Without his assistance that necessary statutory majority could not be obtained. In response to the telegram asking if he would consent to the reconstruction, he telegraphed asking for further particulars, wishing to be fully advised as to what position the finances were in, and how the company proposed, on the reconstruction, to carry on the business. In this matter he conferred with his banker, the manager of the Western Australian Bank, and there was no attempt to do anything but what was strictly straightforward and business-like. He was advised it would be imprudent to consent to this reconstruction, unless he had the full particulars. As he had said, he telegraphed that he desired the full particulars; but knowing that it was a matter of considerable urgency he sent a further telegram to this effect: "I am leaving for London at once. Delay matters until my arrival." That *prima facie* would appear to be a perfectly open and straightforward action on his part. He left for London about this time last year, and arrived on Christmas-day. He found that not only had matters not been delayed, but that the meeting for passing the original resolution for reconstruction, and the meeting for the confirmation of that resolution, had both been held. His wishes had been entirely disregarded, and the scheme of reconstruction was carried against him and those whom he represented.

MR. MORGANS: Were the shares of the hon. member represented at those meetings?

MR. LEAKE: No. As a matter of fact those who held the shares, namely the Brookman's Exploration Company, had the voting power and knew his views, but carefully abstained from voting, the result being that there was a sufficient majority to carry the reconstruction. His telegram went to the secretary of this second company and of the promoting company, who knew perfectly well what his wishes were. There was his request that the matter should stand over until his arrival, in order that all parties might be represented and properly considered, and the result was that the shares he represented were absolutely forfeited.

MR. ILLINGWORTH: That sort of thing had often been done.

MR. LEAKE: This could not have been done had we had in force an Act similar to that on the statute book relating to foreign companies.

A MEMBER: The hon. member meant enforced.

MR. LEAKE: Well, enforced. He was called upon to make a contribution of several thousands of pounds, which it was not likely he could do in London. Curiously enough, those shares which were forfeited were actually applied for by the firm of brokers who were representing the promoting company, Brookman's Exploration Company, to whose secretary he had telegraphed. That company went into liquidation, and a new company under the same name took over all the assets and discharged the liabilities of the old company. He took it that when the understanding was come to between the original company and the Government, it was assumed that everything would be carried out in a straightforward manner, and that at least those persons in the colony who were interested in the company should be fairly and honestly protected. He did not like dragging what would appear to be personalities into a debate of this kind, but he was bound to do so in order to explain why he asked for this item to be struck out. If we struck this item out there would be no breach of faith on the part of the Government, because the undertaking or understanding was not with this company, but with the original company, whose assurance they had that it was able and willing to carry out its part of the arrangement.

MR. MORGANS: Was that assurance by the Government given to the promoters?

MR. MOORHEAD: Promoters or their assigns, he thought.

MR. LEAKE: It was, as a matter of fact.

MR. MORGANS: If it was given to the promoters, and the promoters were wiped out, what happened then?

MR. LEAKE: Of course whatever interest the promoters had they assigned over to the original company, but that original company having failed, and never having completed the arrangement to smelt 5,000 tons of ore, the Government were relieved from their liability. Whatever contract there was with the original company no longer existed, and the company committed a breach of the agreement; yet we were asked to give this bonus to those people who now stood in the shoes of the original company.

MR. MOORHEAD: Had it not been ruled that a reconstructed company was the same company?

MR. A. FORREST: The two parties were practically the same company.

MR. LEAKE: One rose out of the ashes of the other. From a practical point of view they might be the same company, but the huge bulk of the shares forfeited went to a fresh list of subscribers, there having been over 100,000 shares thrown on the market. He had commenced an action in the High Court of England against the Exploration Company, but as that concern was in liquidation, a judgment against them would probably be valueless. But the secretary and several directors were common to both companies. If the Committee struck out this bonus, the Government could not be accused of any breach of honour or of agreement, because the company to which the Government promised the bonus no longer existed, and had not fulfilled the specified conditions. The directors of both companies had not acted in a manly, straightforward, or honest manner, and therefore deserved no consideration at the hands of the Committee. He moved that the item be struck out.

THE PREMIER: No doubt the hon. member (Mr. Leake) felt strongly on this matter, or he would not have brought it before the Committee. The hon. member, by his statement, had no doubt been treated badly by this company; but after

the Committee had heard the facts which he (the Premier) would place before them, he feared they would not be able to take into consideration the treatment the hon. member had received from those with whom he had been associated. One sympathised with the hon. member in respect to that bad treatment, but that was a private matter, after all.

MR. LEAKE said that in bringing the matter before the House he had not been actuated by private spleen.

THE PREMIER: No; still the hon. member's grievance was private. The papers he (the Premier) had before him showed that on the 22nd February, 1897, the Minister of Mines submitted to his colleagues a minute which, as approved by the Cabinet, read as follows:

I have made full inquiries into the matters appertaining to Mr. Aarons' proposal, and recommend the following reply be sent:—
(1.) That the Government recognise the merits and importance of the scheme, and are fully in accord with it. (2.) That a lease of some 25 acres at Rocky Bay, as shown on attached plan and coloured green, will be granted for 21 years, at a rental of £100 per annum, payable in advance on the 1st of March in each year. The Government reserve the right to use any portions that may not be actually in use for the Smelting Works, also to run roads and railways over it, and quarry stone, provided no injury is done to the works. The works to be commenced at once and continued without delay, and completed within 12 months at most, otherwise lease to be liable to forfeiture. (3.) A sum of not less than £40,000 is to be spent on and in connection with the said Smelting Works, in the time stipulated above. (4.) The Government will place a sum of £5,000 on the Estimates for next year, for approval of Parliament, to be paid as a bonus so soon as the said amount of £40,000 is expended, and 1,000 tons of ore are successfully smelted. (5.) The Government agrees to extend the line of railway to the quarries, to the site of the Smelting Works.

The company started work; the site was changed to Owen's Anchorage, and the smelting works erected; and on the 2nd June, 1899, there having been no communications in the interval, he received the following letter from Mr. Kohler, the general manager:—

Referring to a communication from the Minister of Mines to Mr. G. Aarons, dated the 23rd February, 1897, with regard to the starting of a smelting works, and a promise that an amount of £5,000 would be placed on the Estimates for approval of Parliament after certain conditions were performed, I beg to advise you that about £50,000 has been spent by the above company in the construction of

the smelting works, and up to yesterday morning the quantity of gold ore smelted was 4,581 tons, and in addition 275 tons of lead ore raised in the Northampton district has also been treated, making a total of ores smelted of 4,856 tons. Owing to the change of the proposed site from Rocky Bay to the present site, considerable delay occurred in starting the erection of the works, as nothing could possibly be done in the way of placing material on the ground until the Government had completed the railway: this was not open for traffic until April, 1898, and consequently we, having fulfilled the terms laid down in the communication referred to, request that you will place the sum of £5,000 in this year's Estimates for the approval of Parliament.

To that letter he (the Premier) replied on 12th June:

I have the honour to acknowledge the receipt of your letter of the 2nd inst., and in reply I am directed by the right hon. the Premier to request that you will forward to him a certificate, showing that over £40,000 has been expended by your company on the Smelting Works at Owen's Anchorage, and that over 1,000 tons of ore have been smelted at the works, and to inform you that on receipt of a satisfactory certificate to that effect the Premier will place the sum of £5,000 on the next Estimates for the approval of Parliament as desired.

A communication was then received from Messrs. Ford, Rhodes, and Ford, auditors, to the effect that they had audited the books of the company from the commencement of its operations to December 19, 1898, and certifying that the company had expended over £40,000 on furnaces, buildings, and other construction works at Fremantle; and another certificate from the general manager of the company certifying that over 1,000 tons of ore mined in Western Australia had been successfully smelted at the works. These two certificates were covered by the following letter of 14th June last:

As requested in your letter, No. 878/99, dated the 12th inst., I have the honour to enclose herewith the two certificates asked for by you, viz., one certificate from our auditors that over £40,000 has been expended by us on construction work at our works, Owen's Anchorage, Fremantle, and a certificate signed by myself, duly attested, that over 1,000 tons of ore, mined in Western Australia, have been successfully smelted on these works.

To this communication he (the Premier) replied on 19th July:—

I have the honour, by direction of the right hon. the Premier, to acknowledge the receipt of your letter of the 14th instant, enclosing two certificates, viz., one from the auditors of your company certifying that over £40,000

has been expended on construction work at the W.A. Smelting Company's works at Owen's Anchorage, Fremantle, and the other, signed by yourself, certifying that 1,000 tons of ore, mined in Western Australia, have been successfully smelted at these works; and in reply to inform you that the sum of £5,000 will be placed on the next Estimates, as desired in your letter of the 2nd instant.

Not being behind the scenes, it seemed to him that the company had carried out the terms of the contract, and that the Government should fulfil their promise by placing the amount on the Estimates for the approval of the House; and the Government were bound to urge that the item be passed. If the bonus had been promised without the knowledge of Parliament at all, hon. members might reasonably object; but the transaction had been carried out in the light of day. Everyone at the time had been delighted that a smelting company was being established at Fremantle, so as to obviate the necessity of sending refractory ores to the Eastern colonies. Since the arrangement had been made, Parliament had met three times—in 1897, 1898, and 1899; and during that period of over two years there had been no protest.

MR. VOSPER: There had been a protest at one stage.

MR. MORAN: Was not the grant to be subject to the approval of Parliament?

THE PREMIER: The Government only undertook to place it on the Estimates, but that was practically a promise that the money would be voted.

MR. ILLINGWORTH: There might have been a new Government.

THE PREMIER: New Governments generally carried out the undertakings of their predecessors. After all, what were the hon. member's (Mr. Leake's) objections? That he had the opportunity of using certain powers as the holder of shares, but that his London agent had not used those powers. His London agent had "sold" him.

MR. LEAKE: But the agent was the very company itself. He had been "sold" all along the line.

THE PREMIER: Why had not the hon. member appointed some agent who would look after his interests?

MR. LEAKE: The directors took good care not to transfer his shares.

THE PREMIER: That was the result of getting into bad company.

MR. MORAN: Bad companies.

THE PREMIER: It seemed to him, if the hon. member did not use the powers he possessed, and the persons acting for him did not do so either, no one else was to blame but the owner of the shares and the agent who acted badly towards the hon. member. The matter could not be taken into consideration by the Committee.

MR. LEAKE: It was those very men who were asking for the £5,000.

THE PREMIER: All we knew was that the original people who entered into the undertaking agreed that if they did so and so the Government should do so and so; and it was never thought for a moment that the Government were going to put the amount on the Estimates to have it knocked off. The Government promised to use all their influence, if the company carried out the work, to try and get the money voted. It was two years and nine months since the offer was made and accepted, and he knew nothing of the company, he did not know them by name, he did not know them as the Brookman's Boulder Company until to-night; he only knew them as the Smelting Company and nothing more—all he knew was written in the documents. The company had carried out their bargain, and the Government must try to carry out theirs. What had the Government to do with the working of the company? If the company had acted well towards the member for Albany, that hon. member would have made a good profit? It was an unfortunate business for the member for Albany, but the Committee could not take notice of that. He would like to see the money in the hon. member's pocket much rather than in the pockets of people who did not live in the colony, because the member for Albany took a lot of trouble over this matter. But the Government could not fall in with the view the hon. member expressed. All the Government had to do was to keep faith with the company, as the company had kept faith with the Government. He supposed the company had spent £100,000, and they were doing good work in dealing with refractory ores from the goldfields, instead of the ores being sent away from the colony; in addition the company employed a large number of

people. It was an institution doing a lot of good to the colony, and the undertaking which had been entered into was a good bargain for the colony. The £5,000 would be nothing to the colony compared with the good the company had done. Why should the Committee, therefore, go out of their way so as not to keep faith with that company? The company had done all that they agreed to do; they had done twice as much; and because the company had not kept faith with certain individuals, but had done what many companies in this colony had done before—those on the spot had taken advantage of their position, and had not dealt fairly with those far away—the Committee were asked not to vote the money. There were many instances in which people had been done out of their shares, but the Committee could not take that into consideration at all: it was not our business. We should only try to keep faith with the people who undertook to do certain work, and had done that work well. The company were doing a lot of good, and were employing a large number of people at Owen's Anchorage. He did not suppose the amendment, if carried, would do any good to the hon. member now.

MR. LEAKE: It would be no advantage to him at all.

THE PREMIER: He hoped the hon. member would not press the amendment.

MR. VOSPER: It was his intention to oppose this item, but for different reasons from those which actuated the hon. member for Albany (Mr. Leake). He noticed with interest the correspondence which had been read by the Premier, and he observed that on the 22nd February, 1897, the then Minister of Mines (Mr. Wittenoom) forwarded a certain minute to the Cabinet in which he said he had made certain inquiries, and recommended the Cabinet to indorse his view. Mr. Wittenoom suggested that the Cabinet should give the company a lease for 50 years of 25 acres of land at Rocky Bay, at a rental of £100 per annum; and also that the Government should place £5,000 on the Estimates to be given as a bonus to the company so soon as 1,000 tons of ore had been smelted.

THE PREMIER: And when £40,000 had been expended.

MR. VOSPER: Yes; and further that the Government should construct a railway line to the works. This was carried on the 22nd February, 1897. On the 6th February, 1897, Mr. Wittenoom became a director of this company, consequently at the time he made the recommendations he was not only a Cabinet Minister, and giving recommendations to the Cabinet, but he was the local director, and therefore one of the promoters of the company.

THE PREMIER: He did not decide the matter. There was his (the Premier's) own writing, "The Cabinet approves."

MR. VOSPER: On the 22nd February, 1897, he (Mr. Vosper) brought this matter forward in the House on a motion affirming the undesirability of Ministers of the Crown being directors of public companies, but he was not then sufficiently behind the scenes to be acquainted with the facts which now, after a lapse of time, came out. It appeared, however, that the Minister of Mines, while a director of the company, acting in his capacity as Cabinet Minister, was advocating for the company large concessions from the Government. One was not going to cavil at anything in regard to what the Premier had said as to the company carrying out their agreement; but did not all this illustrate, in the most forcible manner, the desirableness of passing a motion such as he had proposed on the 22nd December, 1897? He found by looking back into *Hansard* of that date all these statements made by the Premier were quoted by the company in their prospectus at that time, and he (Mr. Vosper) quoted a statement that

The Government of Western Australia have promised (a) to extend the line of railways to the works with the main trunk line from Kalgoorlie and the Northern fields, by a branch line, free of all cost to this company. Then again it said further on:

To ask Parliament to provide a sum of £5,000, to be paid to the company as a cash bonus, as soon as the works are erected under the lease, and 1,000 tons of ore successfully smelted.

Then again the prospectus said:

As showing the importance attached by the Western Australian Government to this scheme for the erection of smelting works at Fremantle, the following extract from a letter from their Minister of Mines may be instanced: "That the Government recognise the merits and importance of the scheme, and are fully in accord with it."

It almost appeared from the wording of the letter which had been read that this gentleman quoted the minute which he placed before the Cabinet, or else the Minister must have repeated himself in the letter which he sent to the board of directors, because the wording was the same in both cases. Then the prospectus stated further on:

It will be noticed that the Hon. E. H. Wittenoom, Minister of Mines in Western Australia, has consented to act as a local director; and the following telegram received from him on the 6th instant shows his view of the undertaking:—"I accept appointment director. Push the work forward as much as you can. Government, public, anxious commencement."

MR. MOORHEAD: The hon. member for Albany was the solicitor for the company.

MR. VOSPER: The hon. member was the solicitor for the company, but it was not a company then; it was only a promotion; and the Minister of Mines was one of the first persons who was invited to act as a lure, a bait, a tempting decoy, which would lead investors in England and elsewhere to take shares in the company.

THE PREMIER: Mr. Wittenoom did not settle the matter.

MR. VOSPER: The Minister of Mines was not deprived of his vote in the Cabinet, though.

THE PREMIER: It was decided unanimously by the Cabinet.

MR. VOSPER: When a Minister joined in schemes of this kind, he of course used his influence; and there was the confidence reposed in him by the other Cabinet Ministers. He (Mr. Vosper) said at the time this matter was brought up that it was a nefarious transaction that was going on.

THE PREMIER: Not nefarious.

MR. VOSPER said he chose his own terms, and he said for a Minister of the Crown to be mixed up in transactions of this sort was not right.

THE PREMIER said he agreed with the hon. member in that.

MR. MORAN: It would never occur again.

MR. VOSPER said he hoped not.

THE PREMIER: The Minister of Mines did not get any advantage from the transaction. The terms agreed upon

were all reasonable, as hon. members would see from the agreement.

MR. VOSPER: The Premier had stated that the Minister of Mines got no advantage.

THE PREMIER: What he meant was that the promoters got no advantage. The terms were fair.

MR. VOSPER: Mr. Wittenoom was a gentleman possessed of great commercial sagacity, and one refused to believe that that gentleman associated himself, as a local director, with any company unless he got some benefit to himself. All one could make out of it was that the company in the first place used the Government as a tool to promote the scheme; then they used their position for cheating the leader of the Opposition; after that the company went into liquidation—there was a peculiar transformation, and we were told that the two companies had been rendered distinct. Then the second company came along and demanded from the Government their pound of flesh, which had been promised through the influence of Mr. Wittenoom. That was where he joined with the hon. member for Albany in opposition to the vote. The leader of the Opposition said the two companies were distinct, that the present company had nothing to do with the old company; and if that was the case, it was quite sufficient to absolve the hon. member for bringing forward the amendment.

THE PREMIER: A company could transfer to assigns.

MR. VOSPER: A company could hardly transfer promises as realisable assets. The new company bought the assets, and the promises of Mr. Wittenoom were evidently bought and sold as assets of the company.

THE PREMIER: When the transfer was made the works were finished.

MR. VOSPER: No; the right hon. gentleman was wrong there.

MR. LEAKE: They had not been commenced.

MR. VOSPER: The company did not spend anything like £40,000 until the change took place. The company at the present time were in a perfectly solvent position, in a flourishing condition, doing good business, and were not in urgent need of money.

THE PREMIER: That had nothing to do with it.

MR. VOSPER: Certain allegations had been made by the leader of the Opposition, that the present company had nothing to do with the old company. Were we going to vote the £5,000 without some inquiry? Let the Committee pass the amendment of the leader of the Opposition, and let the Government in the meantime make inquiries: if the inquiries were concluded in time, the £5,000 could be put on the Supplementary Estimates; but if they were not concluded in time, the vote could be postponed until next year. But the item should not be passed without inquiry. A good case had been made out by the member for Albany. He (Mr. Vosper) contended that the promise was improperly made; and if the country at large had been consulted upon Mr. Wittenoom's action in this matter, the verdict would have been one of disapproval.

THE PREMIER: There had been three sessions in which to do it.

MR. VOSPER: The Premier knew the question had been discussed before, and, when it first was raised, said he did not approve of the attitude then taken.

THE PREMIER: The hon. member did not disapprove of giving £5,000.

MR. VOSPER: That was because the facts were not then known, his own impression being that Mr. Wittenoom became a director after the bonus had been granted. Now, however, he found that Mr. Wittenoom was actually a director of the company at the time he first suggested this bonus should be given.

THE PREMIER: The Government did not know at the time: he (the Premier) did not know it.

MR. VOSPER: The motion of the member for Albany (Mr. Leake) gave a further opportunity for investigation, and that opportunity should be taken advantage of before voting this £5,000.

THE PREMIER: The Government must keep faith.

MR. MORAN: All that Parliament was interested in was the encouragement of an industry which did not exist at the time this bonus was granted; and he did not suppose any member particularly cared who did the smelting. A certain work was undertaken at Fremantle in the

erection of smelting works; and supposing the company had been most successful, and there had been no reconstruction--supposing the member for Albany had received his fully paid-up shares, and supposing, what very often happened, that the shares had gone to a premium and every one of the original shareholders had sold out--in such a case nothing would have been heard about the matter. Shares changed hands every day, and companies were placed in difficulties and had to reconstruct, as individuals had to occasionally. Surely it was the same company as long as the same work was carried on; and the point to be considered was that a successful industry had been established at Fremantle. The only regret was that more enterprises of the kind were not carried out. He would not be unwilling to see Ministers of the Crown directors of other similar enterprises, provided they acted openly and above-board. Under such circumstances he could see no objection to a Minister using his intelligence in promoting companies of the kind, and his regret was that there were not other Ministers, or indeed private members, who had the energy, enterprise, and ability to act in a similar way. Western Australia required the establishment of industries of all kinds, and he looked on the granting of the £5,000 bonus as a fleabite in comparison with what the works would ultimately become. He hoped to see the House enter on a policy of granting bonuses, by guarantee or some other way, to other industries which it might be proposed to establish here. As a member of Parliament he felt bound by the promise of the Government to grant £5,000 to this company, which was working on the same piece of land, with the same machinery, and carrying out the intention of the original promoters. Indeed, so far as Parliament officially knew, the company consisted of the same persons. The position of the member for Albany afforded a striking illustration of the carelessness of the Chamber in not having carried out the Companies Act in the colony long ago.

MR. LEAKE: The Act was in force then.

MR. MORAN: It was not in force now. The member for Albany had been treated exactly in the same way as many other

people in the colony. He (Mr. Moran) thought he was solely and wholly responsible in getting a concession for a half-rate for bringing down ore for a company with which he was connected. He had a lot of shares allotted to him, and he used his position in the House, openly and above-board, in endeavouring to get that concession, because he thought the company was doing good, and he would do the same thing again to-morrow. But what was the result of his efforts? He got notice of a meeting of the company in London, but long before the notice reached him, the meeting had been held, reconstruction agreed upon, and a call made upon him of four shillings each on 4,000 shares. He had not the "boodle" to "ante up," and no doubt hon. members had all had experiences of the same kind. There was no doubt a screw loose somewhere, and the member for Albany merited the sympathy of every honest man. All men were honest except mining promoters, especially mining promoters in London; and he hoped the subsidy would be passed and that the company, which was in initiatory stages, would have a successful career. He further hoped that the present difficulty in getting the proper base metal for the treatment of ores would be overcome; and, indeed, it had lately been almost unanimously agreed in the House to give a bonus for the discovery of such metal in the colony. Every assistance ought to be given by Parliament in pushing ahead local industries, and it was to be hoped the effect of the remarks of the member for Albany (Mr. Leake) would be the passing of the Companies Bill on the Notice Paper.

THE ATTORNEY GENERAL: That Bill explained the difficulty.

MR. MORAN: It should not be possible for people to be robbed in this way by unscrupulous mining promoters in London, and there could be no demur to granting £5,000 to the deserving people who were carrying on the smelting industry now. Hon. members might leave the personnel of the company out of consideration altogether, and have regard only to the machinery and plant with which the work was being done, because it did not matter by whom the work was carried out, so long as the country reaped the benefit from the establishment of the industry.

MR. MOORHEAD expressed regret at hearing the remarks which had fallen from the member for East Coolgardie (Mr. Moran). He thoroughly agreed with another hon. member (Mr. Vosper) that the interference of a Minister in joining a company, commercial, mining, or otherwise, was to be deprecated, and in assisting the flotation of which he might have a voice in the Cabinet. The member for East Coolgardie had told the committee frankly enough that he had in the House advocated the promotion of a company. He (Mr. Moorhead) would be very far indeed from insinuating that the member for East Coolgardie utilised his position for the purpose of assisting himself financially; but, what the Committee had to consider was that the impression left on the minds of the public was that, when a member took an active part in promoting a company in which he was financially interested, he was really utilising his position in the House for the purpose of assisting himself. A member ought to rise above such undertakings, and he (Mr. Moorhead) had been astonished to read some time ago that hon. members stated there was no objection to their receiving payment for introducing Bills into the House, that as solicitors there was no objection, constitutionally or otherwise, to their receiving payment for Bills which they introduced and promoted. That was a practice which was strongly to be deprecated, because it practically meant that hon. members were assisting themselves. In the same way he deprecated strongly the action of members taking a prominent part in debates on matters in which they were financially interested; but while he resolved to vote against the motion of the member for Albany, that member had his most sincere sympathy. The member for Albany was not alone, as had been pointed out, in being, as it might be said, swindled by English companies, which were continually going into reconstruction; but at the same time it would have been better had the objection to the vote, and the grievance which the hon. member had enunciated with such force to-night, come from the lips of some other member.

MR. LEAKE: In this vote he was not in any way financially interested.

MR. MOORHEAD: It was unfortunate that the hon. member who moved the reduction of the vote should be the

party primarily affected by the conduct of the company. The hon. member said he was not financially interested in the vote, but that made matters worse still, because then his action must be dictated by malice, or by a motive of revenge.

THE CHAIRMAN: It was hardly parliamentary to charge an hon. member with malice.

MR. MOORHEAD: What was meant was malice in law, and not malice in fact; and it meant simply—

MR. LEAKE: The member for North Murchison (Mr. Moorhead) was hardly in order.

MR. MOORHEAD: Then the observation was unreservedly withdrawn, and the matter could be put in another way. The member for Albany (Mr. Leake) stated that he was not financially interested in the vote. What then was his object in cutting down what practically amounted to a contract? The hon. member said he was willing to admit, and he must admit, this company had expended over £40,000, and had smelted over 1,000 tons of ore; but he further stated that bad treatment had been meted out in the reconstruction scheme, and that he was not financially interested now. What then was the hon. member's argument but this: "Because I have been badly treated, and stand in the position of other shareholders, let us punish the other shareholders for doing this particular act." If that were not the exact language in which the hon. member would himself characterise his action, it was, in effect, what he meant; and therefore he (Mr. Moorhead) could not see his way to support the hon. member in making the House the arena of personal matters. On looking at the correspondence referred to by the Premier, he found that the Government had practically entered into a legal and binding contract. In a matter of this description, the Government were not in the place of A, B, and C, who agreed with X, Y, Z, on certain terms. If the Government said, "We will place such an amount on the Estimates," and led other parties to expend certain amounts, and the Government were sued, they would be bound to show they were not in a position to carry on the undertaking—that they could not influence hon. members to give their votes for the granting of this particular amount

Here it was in black and white, written by the member for Albany himself, who, at the time, was acting as solicitor for the promoting parties, that this amount should be placed on the Estimates in consideration of each party doing certain work. The company had expended this amount, and smelted this thousand tons of ore, so that legally the Government would be cast in this amount of damage were the matter to go to Court in this colony. Furthermore, on higher grounds he was opposed to the amendment, for morally the Government and the country were bound to carry out the undertaking with the company. It was nonsense to say it was a different company. We had no legal cognisance of a different company in this colony. No other company had been registered in the Supreme Court.

MR. LEAKE: The hon member was quite wrong. The second company had been registered here.

MR. MOORHEAD: Supposing it had, would the hon. member say it was not the old company reconstructed? The hon. member knew as well as he (Mr. Moorhead), that a company reconstructed for a purpose such as this assumed and took over not alone the liabilities, but also the assets; and this was an asset, if his contention were correct.

MR. LEAKE: The company had a separate corporate existence.

MR. MOORHEAD: Under the order of the Court, but it was a continuance of the old company.

MR. LEAKE: No.

MR. MOORHEAD: It was useless to attempt to get rid of our legal and moral obligations by a quibble. We were bound not only legally but morally, and this vote would seriously influence the opinion of the commercial world in London, if it were found to-morrow or next day that because the hon. member for Albany had by some oversight on his part, or on the part of his agent, or by the absence of better communication, lost his shares, we were willing to repudiate what his friend (Mr. Leake) would admit was a moral liability. If we adopted this course, it would seriously hamper any further commercial undertakings; and not alone the Government but the entire colony would suffer by the repudiation of what, even if it were not a legal obligation, was at least a moral one.

MR. MORGANS: The system of reconstructing with regard to enterprises in Western Australian companies, which was growing rapidly in London, could only be characterised as monstrous swindling, so far as the majority of cases were concerned, and the particular instance under discussion was a striking example. In this case a company in London received a valuable concession from the promoters in Western Australia, and agreed to put up a certain amount of money to carry out the terms. It did put up that amount of money, and doubtless spent more than it agreed to spend, but for some reason did not carry out the original intention, which was to have sufficient capital to carry out the enterprise properly. A sum of £40,000 was absolutely ridiculous for the establishment of works of that kind, the amount required being at least £100,000, for the business was a most expensive one. The company in London knew there was an obligation to spend £40,000 in order to secure the £5,000, and that the amount would have to be very largely increased in order to carry out the work. It had been said, and he thought correctly, that a great deal of money was spent there unnecessarily. In the first place the intention was to put up two furnaces, but afterwards it was decided to put up four, and the company had not at its disposal the capital for carrying out such a large enterprise as that. Then an enormous stock of coke was bought, and freight had to be paid. The coke was in the yards now, and a great deal of it would not be used for the next 18 months. How was it that the company expended this enormous sum of money upon these works and then all at once came to a full stop and called upon the members to reconstruct? Because a man was not in a position to put his hand into his pocket and pull out 2s. 6d. for each share he held, they wiped him out. That was a monstrous swindle.

THE PREMIER: They did it in Adelaide, too.

MR. MORGANS: Another feature which the Committee should express an opinion on consisted of the particular circumstances relating to the shares of the promoters. This company registered itself in London and never handed over those shares which it was agreed should

go to the promoters, but simply stuck to them. When this meeting was called in London to reconstruct the company a cable was sent to the member for Albany asking him if he had any objection to the reconstruction. That gentleman very properly consulted his bankers, and the only thing for him to do was to go to London. The company had those shares in its possession, and knew the member for Albany was going to London, but what did it do? It got the reconstruction meetings, at the same time having these very shares locked up in its safe, and those shares could not be used in a vote against the proposal made. He doubted whether there had ever been a more glaring case of rascality. If the member for Albany had had those shares in his possession or if his agent in London had had them—

MR. LEAKE: The people could have used them, but they kept them back.

MR. MOORHEAD: Was that a good ground for us to repudiate the contract?

MR. MORGANS: There was no suggestion on his part that the contract should be repudiated, but this was an exceptionally bad case. The company actually deprived the member for Albany and his friends of using those shares in a vote against itself, taking away from him the only weapon he had by locking the shares up in the safe. It was the duty of the House to protest against transactions of this kind. He did not blame the present company for this in any way, and did not intend to hold them responsible for it, although he supposed a large number of the present directors of this company were the directors of the old company, and probably they were running it pretty much as before and the same men were connected with it. He repeated that he did not wish to say the present company were responsible, but we must raise our voice against these iniquities, and if it were possible for the House to expunge this item without bringing any discredit upon Parliament or the colony, he would be glad to see it struck out. He did not think, however, that it could be struck out, because in his opinion we were morally bound to pay the amount. The member for North Murchison (Mr. Moorhead) had pointed out that a contract had been entered into between the Government and these people.

This House would have to do something at an early date to prevent these swindles being carried out as they had been of late.

MR. GEORGE: An eye must be kept on the Ministers, then.

MR. MORGANS: This company had simply followed the lines of several other companies that had perpetrated swindles in Western Australia, especially some of the mining companies. He knew last week of a gentleman in Perth who had been deprived of 4,000 shares in a timber company, owing to the company having gone in for reconstruction. If a company was a solid one and had a good foundation for its existence, there were other means of raising money besides reconstructions and making calls upon shareholders; and this was a case in which the company, having had splendid works at their command, should have issued preference debentures.

MR. MOORHEAD: And should have been registered here.

MR. MORGANS: Yes, and then there would have been no necessity for this reconstruction scheme. The House might consider whether or not they should stay their hand for a little while in regard to this £5,000. He would not say it should be done, but he felt strongly on the point, and he thought that of all the cases of reconstruction that had taken place with regard to enterprises in Western Australia, this was the worst. He was sorry he was not able to support the motion. He would give the matter further consideration, but he was glad to have had an opportunity of entering his protest against the actions of some of these London companies.

MR. RASON: There could be no doubt as to the evils attendant on reconstruction schemes, and he sympathised with the member for Albany (Mr. Leake); but the House was not called upon to consider such matters, or the circumstances in which this bonus had been offered to the company. The required conditions had been fulfilled, and the money well earned; and it would certainly be an injustice not to grant the bonus which had been held out as an inducement to the company to do the work it had accomplished.

MR. GEORGE: This case more than any other showed the inadvisableness of

Ministers of the Crown occupying positions on boards of public companies. In the discussion on this subject some years ago, the Premier had pointed out that the salaries paid to Ministers were insufficient, and that it would therefore be unfair that they should be debarred from thus supplementing their incomes.

THE PREMIER: No; he had never said anything of the sort.

MR. GEORGE: The Premier's memory was at fault. Was not the right hon. gentleman the director of an insurance company? The repudiation of words spoken in the House was a cogent argument for the *verbatim* reporting by *Hansard* of speeches made in Committee. The Premier had evidently forgotten his previous statement. A Minister's salary should be sufficient to enable him to throw aside all such extraneous sources of income, so that his energies might be confined to the business of the country.

MR. MORAN: Then it would be necessary to give him permanent employment.

MR. GEORGE: In this case a Minister, as director of the company, had induced the Executive Council to promise a bonus. That was a disgrace to the Minister, to the Government, and, if the bonus were passed without question, a disgrace to the House, though no doubt the item would be passed like all other items. Would the Premier say whether there were any other bonuses to be given to companies with which any past or present Minister had been or was associated?

THE PREMIER said he had never heard of any within the last two-and-a-half years.

MR. HUBBLE: Was the hon. member (Mr. George) in order in making a reference to the fact of an ex-Minister of the Crown having been a director of a public company?

THE CHAIRMAN said he could not stop the hon. member, though the reference was rather wide of the mark.

MR. MORAN: The gentleman in question was not now a Minister of the Crown.

MR. GEORGE said he would vote against the item.

MR. MORAN: The last speaker knew that he (Mr. Moran) would never countenance any member of Parliament using his position to further his private

interests; but it was hard for hon. members in business to take part in discussions from time to time without being occasionally accused of furthering private objects. Had any hon. member ever heard of the Black Swan Foundry?

MR. ILLINGWORTH: Not in this House.

MR. GEORGE: But no bonus of £5,000 was ever given to that establishment.

MR. MORAN: By customs duties the hon. member (Mr. George) was absolutely kept from ruin.

MR. GEORGE: What! By five per cent.?

MR. MORAN: The hon. member frequently said a good word in the House on his own behalf.

MR. GEORGE: Certainly.

MR. MORAN: Then why cast such imputations on an absent man? The former Minister of Mines (Mr. E. H. Wittenoom) had been the means of creating a new industry in the colony, and there was no dishonour attached to anyone in connection with this scheme. Surely members of Parliament and Ministers must live. What objection was there to the Premier being a director of an insurance company? He was chosen for that position because people had confidence in his integrity.

MR. GEORGE: Yes; but the Premier did not ask for a bonus for his insurance company.

MR. MORAN: That was an unfair and unworthy imputation to cast against an absent man. Let it be established that Ministers should not be directors of public companies, but do so without making un-British and unmanly imputations. The former Minister of Mines had the idea of establishing smelting works, and had also the idea of promoting lead-mining in his own electorate; but it was regrettable that the name of that gentleman should be dragged into this discussion in his absence.

MR. VOSPER said he had attacked Mr. Wittenoom when the latter was in the colony.

MR. MORAN: Such discussions should take place without stones being thrown at anyone, unless guilty of some secret and dishonourable action.

THE PREMIER: In regard to this "red herring" drawn across the trail by bringing into the debate the action of the former Minister of Mines in introducing this agreement for the consideration of

the Cabinet, all knew that Mr. Wittenoom was at the time in business in Geraldton, and that he was not very well acquainted with the rules of official life, and did not know that it was undesirable for Ministers to be directors of public companies.

MR. MORAN: The Premier of New Zealand was a director of scores of mining companies.

THE PREMIER said he had always expressed the opinion that it was undesirable that a Minister should have anything to do with companies, especially those companies connected with the department over which the Minister presided. The House had expressed itself pretty clearly on that point on two or three occasions. The hon. member for East Coolgardie (Mr. Moran) had thought fit to refer to him (the Premier) as a director of an insurance company. He did not think that company had much to do with the public life of the colony, or the business of the Government, and he could not see where any objection came in to a Minister being a director of an insurance company; but if there was any objection, he (the Premier) would certainly be very glad to resign his position to-morrow. He (the Premier) might have been a director of 50 companies in this country; but, with the exception of this solitary company, he was not the director of any company. The present Agent General, when he put forward these recommendations, had not become a director by stealth: it was publicly known that he was to be a director. It was published in the prospectus and everything was done above-board. As to the terms which Mr. Wittenoom put forward, he (the Premier) believed the terms were recommended after consultation with himself; and the terms were so advantageous to the colony that no one could be found in the House or out of it to object to them. A smelting company was to be started, a thing everybody desired, so that refractory ores could be smelted here, and the lead from Northampton was to be used. This was the establishment of an industry on the coast, and the terms were altogether advantageous to the colony. Hon. members had taken the opportunity for the second time of airing their views with regard to a Minister being a director of a company. He could not understand why this matter should be

brought forward, because it was discussed two years ago. The Committee were now dealing with the advisability of voting £5,000, which had practically been promised, and hon. members on a previous occasion did not say anything about bad terms made with the company.

MR. GEORGE: Members did not know probably, then.

THE PREMIER: The whole thing was published in the Press, and was well known at the time. Now, two years and eight months afterwards, hon. members brought up a matter about which they said nothing on the former occasion. Because members of the company had not behaved well one to another, and the member for Albany had suffered, this matter was brought under notice again. He agreed with the member for North Murchison (Mr. Moorhead) that it would be much better if these matters were brought forward by members who had no interest in them. It was not well for anyone to bring forward their grievances in the House. He agreed that the member for Albany had been badly treated, but he regretted the matter had been brought forward. Many shareholders had been treated similarly in this colony, and we could only get over the trouble by legislation. There was a Bill on the table of the House which he hoped would be passed in a day or two, and which he believed would overcome the difficulty. If not, he hoped some legal gentleman in the House would put it into shape so that it would do so. It was not only English companies which treated shareholders in this way; but there were Adelaide companies which did so too. He (the Premier) had received notice from an Adelaide company, informing him that a call would be due on a certain day, and that if it was not paid on that day the shares would be sold. He had only received the notice on the morning the call was due, and he was obliged to telegraph the money to Adelaide or he would have lost the shares: This was an action by these Australian brothers of ours who wanted to federate with us. Now that hon. members had fully expressed their views, we should all come to the conclusion that the views expressed by the member for North Murchison (Mr. Moorhead) and the member for East Coolgardie (Mr. Moran) were right.

We could not do as proposed by the member for Albany (Mr. Leake): it would be considered a breach of faith, and do the country a great injury. If Parliament wished to object to the agreement, it ought to have been done two years ago; but now the other party to the contract had fulfilled their obligations, it was right that the Government should carry out their obligation.

MR. VOSPER said he wished to explain why he brought the name of Mr. Wittenoom into the discussion. Hon. members knew that he (Mr. Vosper) held strong views on this subject, and the Premier, in explaining Mr. Wittenoom's position, when this matter was brought forward on the 22nd December, 1897, said:

All that he (Mr. Wittenoom) knew about the matter was that there was a subsidy to be given by the Government, together with a piece of land near Fremantle, and that the company had to put up smelting works on the land, and carry on the business of smelters; and as it was a very important work, and much required in the interests of the colony, the Minister of Mines assures me that the reason which actuated him was that he thought, by joining the board of directors, he might be able to help forward this important scheme, and thus help the colony.

That was the explanation given at the time. But the documents read by the Premier to-night, compared with the date of the prospectus, showed that Mr. Wittenoom, instead of becoming a director after the agreement, was a director at the time.

THE PREMIER: That was not what he said.

MR. VOSPER: He had quoted what the Premier said at the time.

THE PREMIER: Mr. Wittenoom was not a director at the time, he thought.

MR. VOSPER: He was; because the Premier had read the recommendations, which were dated on the 22nd February, and Mr. Wittenoom was appointed a director on the 6th of February; consequently at the time Mr. Wittenoom made the recommendations he was a director and a Cabinet Minister. The right hon. gentleman declared in his speech that the land had been granted and the money promised before Mr. Wittenoom became a director at all, which was not the case.

THE PREMIER: Mr. Wittenoom withdrew at once when an objection was taken.

MR. VOSPER: Not until after the recommendations had been made and signed by him, and not until his name had been paraded all about Europe as one of the directors of the company. He (Mr. Vosper) did not think the Government had any right to pledge themselves on the recommendation of a Minister of the Crown, when the Government knew that that gentleman had consented to become a director of the company. That was the objection he (Mr. Vosper) took, and he thought it was a very strong objection and one that could not be too strongly urged. As to the remarks of the member for East Coolgardie, he did not want to carry this matter to an extreme position. Members were placed in a difficult position when they found their interests and those of the country clashing. Members were not going to commit political suicide. What should be carefully avoided by members, and especially by Ministers, was to identify their names with anything of a public nature, and some members of the Ministry had been very prone to do this.

THE PREMIER: How many Ministers were directors of public companies?

MR. VOSPER: Not now. He was glad to find that the opinions which had been expressed previously, on two or three occasions, had done some good, or this abuse might have grown to considerable dimensions.

MR. WOOD: If the member for Albany pressed his amendment to a division, he (Mr. Wood) would have to support it. He could not go so far as the member for North Murchison (Mr. Moorhead) and consider the correspondence a legal agreement. We had heard several complaints by hon. members of how they had been treated by companies, and these members had not had an opportunity of retaliating. There was the chance to-night to show disapproval by striking out the item.

MR. DOHERTY: It was to be regretted that this debate had taken the turn it had. If any commercial firm or individual repudiated a debt in the way suggested, the reputation of that firm would be gone for ever. We had received an opinion from an hon. member who was a legal gentleman, that the correspondence which had taken place was equal to an agreement; and for the Gov-

ernment to repudiate this small amount of £5,000 would have a bad effect on the people of this colony, the people of the other colonies, and in England. The Government had agreed to pay £5,000 to a company on certain conditions. The company had carried out their part of the agreement, and the other portion of the agreement should be faithfully carried out by the Government. It did not matter who constituted the company. Members should not bring their private matters into the Assembly. The company had spent £40,000, had smelted 1,000 tons of ore, and this was the agreement made with the Government. Members should consider what advantage the company had been to the country. He believed that in freight alone the company was paying to the Government £600 or £800 a month; so that the £5,000 would soon be returned to the Government in freight. The company had been the means of establishing a thriving township where only a few months ago there was a wilderness of sand. A large number of people lived on this company, which was doing great good, especially to Fremantle. We should not even discuss this matter. Parliament was in honour bound to carry out the contract. It would be a bad day for the country if by any action of the Committee a contract was repudiated. If the Assembly repudiated a contract, the honesty and honour of the country were gone. He would vote against the amendment.

MR. LEAKE: The Government were bound to put this sum on the Estimates because they had promised to do so when 1,000 tons of ore had been smelted. He had no doubt that the members of the Government, having placed this sum on the Estimates, would vote for it. At the same time, knowing what he did about this company and its transactions, he was bound to tell the House. There was no breath of censure in anything he had said, on the Government, and he wished that to be distinctly understood, while he thanked the Premier for the way in which he had handled the question. He (Mr. Leake) was conscious that with some members of the House, the mere fact of his having proposed this motion would be quite sufficient to make them object to it, and perhaps it would delight some hon.

members to think they were giving him a "back-hander," so to speak.

MR. DOHERTY: No, no.

MR. LEAKE: At any rate, that was his feeling in the matter, and he certainly felt bound to bring the matter before the House. Had he kept silent, it might have led the Government in future transactions with this or other similar companies, not to exercise the degree of caution which was necessary. He could assure the House that, whatever the result of this vote might be, it mattered not one tittle to him personally. He had absolutely no financial interest in the decision, and he had not brought this matter into the House with the idea, as suggested by the member for North Murchison (Mr. Moorhead), of airing his personal grievances or from motives of malice or revenge.

MR. MOORHEAD: That charge was not made against the member for Albany (Mr. Leake). What was said was that such would be the impression on the public.

MR. LEAKE: The suggestion made by the member for North Murchison was not in a spirit of characteristic generosity expected of him; and he (Mr. Leake) might just as well have said that the hon. member was actuated by personal spite in opposing the motion. But nobody would think him capable for a moment of entertaining such an idea with regard to the member for North Murchison; and the matter might be allowed to pass. If he (Mr. Leake) had been actuated by personal motives, it would have been perfectly easy for him to report the matter directly to the Premier, and to air his grievances; but the Premier would bear him out in that he had not made any request that this matter should be taken up, or that this item should not be placed on the Estimates.

THE PREMIER: Hear, hear.

MR. LEAKE: It was to be hoped hon. members would believe him when he repudiated any suggestion of being actuated by motives which might in certain instances be deemed unworthy. There was no doubt gross injustice had been done. His name had naturally been mixed up in the matter, because, as he had already told the Committee, he represented other people. The shares were in his name, but they were not all his shares, though it was considered he had

an interest in them; and, whilst he had been told it would have been better if someone else had moved in the matter, he confessed he had considered the question, and thought it more honourable and outspoken to bring the matter forward himself than to attempt to make anybody a cat's-paw. He was conscious of the delicacy of his position, and he did not flinch for a moment from saying in public what he had said in private, and this was the first opportunity he had had of saying what he thought of the particular transaction. He did not hesitate to say that the people who were interested in this company had been positively swindled. He used the word "swindled" advisedly, and he was more than ever intent on bringing the matter forward, because hon. members would be considering the proposed amendments of the Companies Bill in a few days, and to emphasise the position of Australian shareholders, it became incumbent on him to give prominence to this particular instance. If the Companies Bill had come under discussion before the Estimates, he had fully made up his mind to say then what he had now said, but had he waited for the Companies Bill members might fairly have asked him why he did not bring the matter forward when it was proposed to place this vote on the Estimates. As a matter of fact, his agent in London did apply for those shares, and sought to be allowed to vote at those meetings when he (Mr. Leake) was on the water. The agent was refused permission, and refused by the very man who had sent him the telegram; and that telegram, as could readily be seen, was misleading so far as he (Mr. Leake) was concerned, because it led him to assume he had power to vote. But the transfer of these shares was, as a matter of fact, offered to his agent between the date of the first meeting and the date of the second meeting, when the shares were not worth a snap of the fingers for purposes of voting. He hoped hon. members would not blame him, because if they did he confessed he should feel it. If hon. members thought him wrong in bringing this matter forward, he would certainly express regret to think he had attempted to do anything not directly within the bounds of Parliamentary practice and the fair rules of fighting. He did not wish to say any

more, and did not propose to divide the House, unless he could see a good substantial majority in his favour. Whatever might be the result, he repeated there was not a breath of censure upon the Government for placing this sum on the Estimates. The Government were perfectly right in doing so, and he should have felt bound to do the same had he been favoured with the opportunity. He was perfectly content that this matter should be decided on the voices.

Amendment—that the item be struck out—put, and negatived on the voices.

Item passed; other items agreed to, and the vote passed.

Premier's Department, £880:

MR. VOSPER: There was no such thing known to the Constitution as "the Premier," and consequently it was difficult to see how there could be such an organisation as the "Premier's Department." He was informed that in Victoria there was formerly something called a Premier's Department.

THE PREMIER: There was now.

MR. VOSPER: No. After a trial of some years, the Premier's Department in Victoria was abolished.

THE PREMIER: But there was the Premier's Office in Victoria.

MR. VOSPER: A "Premier's office" was one thing, and a "Premier's Department" was another.

THE PREMIER: Be honest.

MR. VOSPER: An incoming Premier might be put to much inconvenience by having this department placed under his control. There was an under secretary and a registrar, and the under secretary acted as private secretary to the Premier, and the registrar as assistant secretary.

THE PREMIER: The private secretary and registrar did no more than any other officer in the service.

MR. VOSPER: It was within the bounds of possibility that an incoming Premier, if ever there was such a phenomenon, which was doubtful, would find himself in the position of having as secretary and under secretary, a man with whom he might not be in sympathy. Indeed the official might be a person whom the incoming Premier could not trust with the secrets of his party, and who might still have sympathy with his former employers, and prove a

source of considerable embarrassment. All the appointments of the Premier's department so-called should be of a temporary nature.

THE PREMIER : The hon. member knew nothing about the matter. He did not "know the ropes," although he was a wonderful gentleman.

MR. VOSPER : No suggestion was being made about the present occupants of the office.

THE PREMIER : Every man in the office was an honourable man, and would serve any Minister.

MR. VOSPER : All suggested now were possibilities. The fact of a man being an official did not make him an honourable man. There had been revelations in New South Wales and Tasmania which showed the contrary, and what was possible in those colonies was possible in Western Australia, despite the fact that the Premier occupied the supreme position. There were, and had been, and would be, dishonourable men connected with the Government in the colony, although not necessarily as Ministers. A high position in the service was no guarantee that a man was honourable.

THE PREMIER : It was assumed that officials were honourable.

MR. VOSPER : The question of personal honour was not being dealt with at the present time, and there was no desire to give the discussion a personal tinge. If the discussion did assume a personal turn, the Premier would be entirely responsible. What he (Mr. Vosper) was speaking of was the constitutional inconvenience that might arise from the Premier's department being made a permanent department. In England, where politics were conducted in the most honourable fashion of any country in the world, and no one doubted the honour of Ministers or officials immediately beneath them, all the grooms in waiting, the maids of honour, and others who surrounded the Sovereign were changed with every change of Ministry.

THE PREMIER : There was no throne or sovereign in the colonies, and in England the Premier's department was not changed.

MR. VOSPER : There was no Premier's department in England, and the Premier knew that as well as he (Mr. Vosper) did.

Here it was proposed to establish a permanent department, and appoint a number of officials whom the Premier would bequeath to his successor, if he ever had one, and that might prove extremely inconvenient. Suppose, for the sake of argument, that these officials were all they were represented to be, it was possible that under a new Premier a state of affairs might come about which that Minister would find detrimental to the carrying out of the duties of his office. It seemed to one preposterous to try and make that permanent which in the nature of things was temporary. He found that despite all the economy being exercised in other departments of the public service, Mr. H. D. North, the under-secretary of the Premier's Department, received £350 from the civil list and acted as private secretary to the Premier, and he was also to receive in the future £200 as under-secretary, getting a direct increase of £150 per annum. Mr. North was an estimable gentleman, but did he possess any particular merits entitling him to an increase of £150 per annum. The registrar, who he believed was Mr. Vernon, had his salary increased from £160 to £200, and he believed that gentleman had been in the service only a short time.

THE PREMIER : Two or three years.

MR. VOSPER : Only a little while ago he was refused a position in the Postal Department, he (Mr. Vosper) was informed, unless he was prepared to take a position at the foot of the ladder.

THE PREMIER : Mr. Vernon was in the Postal Department for a year or two.

MR. VOSPER : He had an increase of £40, whilst Post Office officials who had grown grey in the service were passed over.

THE PREMIER : He was a very good man.

MR. VOSPER : That was not being denied for a moment; but it was an extraordinary fact that these increases were given to those officials most closely associated with the Premier in their daily work. Why should that be the case?

THE PREMIER : They were paid less than other officers who did the same work.

MR. VOSPER : If that were so, that was a reason for increasing payment, but this business about the Premier's Department called for criticism. There

were constitutional objections to making this into a permanent department, and economical reasons against large increases of salary.

THE PREMIER: It was pretty difficult to please some members. At one time they said the salaries were too low.

MR. VOSPER: So they were in some departments.

THE PREMIER: At other times it was said they were too high. As to the Premier's Department, he thought the only difference between this year and last was that whereas last year it was called the Premier's Office, this year it was called the Premier's Department; and whilst last year the officers were called secretary, shorthand clerk, record clerk, and messenger, this year they were called under-secretary, registrar, correspondence and shorthand clerk, messenger, and junior clerk and messenger, and a little increase had occurred in the department. He supposed that after nine years' experience as Premier, also occupying several other positions in that time, he was as well able to judge of the best way of managing the department over which he had the honour to preside as was the member for North-East Coolgardie (Mr. Vosper). He had tried at one time to do the Premier's work through the Treasury, and found it was not a very good system, because the Treasury was engaged in financial matters. Certainly there was a correspondence staff, but that was altogether distinct from the general correspondence connected with the head of the Government. The arrangement was very unsatisfactory and not efficient. Probably it might have been made more efficient if there had been more room and there had been reorganisation. He then became Colonial Secretary, and tried to carry on the various departments. He had the advantage of the assistance of the principal Under-Secretary, who was a most excellent officer, and had a correspondence staff, and that worked fairly well, although it was very hard work for all of them. The Under-Secretary had to do a great deal more than he ought to have been called upon to do. As the work increased and the burden became heavier on the Premier, he conceived the idea that it would be a good thing to relieve himself as far as possible of departmental work

in these various departments, such as the Medical, the Audit, and Registrar General's, and all the other departments under the Colonial Secretary. He decided to have a Premier's Department, in which the records of the head of the Government should be stored for all time; a department which would not prevent the holder of it from being the head of an important branch of the service, such as Treasurer. This system did not prevent him from carrying on the duties of Treasurer, and it gave him the advantage of having a distinct correspondence staff, through which he could issue the correspondence, and by means of which the correspondence connected with the head of the Government could be stored. That was the best arrangement he had tried since he had taken office. He could carry on the Treasury work fairly well, and he found that with a distinct staff to attend to the correspondence connected with the Premier's Office, he could give more time to the general administration of the Government than he had ever been able to do before. Papers came to the Premier's Department from every other department of the service. Hundreds and hundreds of them were referred to the Premier weekly, and they came through this small department. And then there was the correspondence with all the other colonies and with the general public, on the general affairs of the Government; also some of the correspondence with the Agent General, though not the financial part, which was carried on through the Treasury. All this was done by the Premier's Department; and what did it consist of?—one registrar, one secretary one correspondence and shorthand clerk, and a messenger, and recently a junior clerk and messenger had been added. No other department in any part of Australia—certainly not in this country—in which there were so few employed had such a lot to do and so many different matters coming under notice. The interviewing was a troublesome business, and it was necessary to have an officer as Under Secretary who had some tact and address to deal with persons who came to see the Premier, for it was impossible for him or any other Premier to see everyone. The Premier would have to depend very largely upon his Under Secretary to give information to the general public desir-

ing to see him, and as far as possible only allow those who had real business to do to get a personal interview. If, in forming this department, he had not made use of the Clerk to the Executive Council, he did not suppose anyone would have said anything about the £200 a year being given, because that would have been altogether inadequate for a person discharging these duties. Perhaps £400 a year or £500 would be paid to a person holding such an important position. Let members look at the under secretaries in various departments and see what they received. Those men, who were excellent officers and well known and highly trusted, were not only men of ability but of the greatest honour. The principal Under Secretary received £750 a year; the Under Treasurer the same; the Under Secretary for Lands, £600; the Under Secretary for Public Works, £600; the Under Secretary for Railways, £550; and the Under Secretary for Education, £500. They were all important officers, and all excellent officers too; but he thought that the officer at the right hand of the Premier certainly also held an important office. He did not get so much, and he (the Premier) did not think he ought to, as the principal Under Secretary, or the Under Treasurer, or the Under Secretary for Works, or for Lands. This arrangement had been in existence two years, and up to the present time the officer had received nothing. No one could say that he (the Premier) had been very eager to rush in for the formation of this department and to give the officers an increase of salary. Last year the conditions were the same as now, but he (the Premier) did not propose anything last year. Things were not good enough last year, so he said they were to go on doing the work for nothing. Last year these officers got no pay at all for carrying out the duties of the Premier's Department.

MR. GEORGE: They did good work for nothing.

THE PREMIER: They did good work for nothing, and did not receive a sixpence last year. The Clerk of the Executive Council got nothing beyond what he received the year before.

MR. GEORGE: Four hundred pounds a year.

MR. LEAKE: Who did the work of that gentleman when he went to London?

THE PREMIER: The arrangement had not been made then.

MR. ILLINGWORTH: Who did the work of these officers whilst they were doing the Premier's work?

THE PREMIER said he did not think he could answer the hon. member. The hon. member could speak on the subject. He knew the rules, but was generally interjecting, and speaking in a more caustic way than when on his legs. The Clerk of the Executive Council received £350, and for some time past £50 had been given him for acting as Private Secretary to the Premier. He (the Premier) thought he had made an economical arrangement. Some persons might say the position of the Executive Council was not an important one, but he could only state, after an experience of about 16 years, and nine years under responsible government, that the Executive Council of this colony was the one institution which he hoped would be long preserved, for it was the watch-dog of our Constitution. If it were not for the Executive Council, there would be no check whatever on Ministers: Ministers would be able to do just as they liked. They would be able to incur liabilities, spend money, and get not only themselves, but the colony, into trouble. Heads of departments, too, would have a good deal more "fling" if it were not for the necessity of getting the Executive Council's approval. The greatest care was necessary in scrutinising the papers which came before the Council. The Premier could not scrutinise every such paper, but could read the more important ones; and it was the duty of the clerk to bring under the Premier's notice all papers except those of a formal character. The Executive Council focussed the business of the colony into one channel, and very few abuses could long continue without being brought to light through the Executive Council; so that the office of Clerk of the Council, while one of the most confidential, was also one of the most important in the Government service. The Council was the keystone of the arch of good government, and was so to a larger extent in this colony than in any other colony of Australia. The system adopted made it impossible for

anyone to get sixpence out of the Treasury without the approval of the Executive or a vote of Parliament. That had not always been the case. It used to be that the money had been spent first and the approval of the Executive obtained afterwards. That could not be done now except to a small extent, and by flagrant breach of the rules. So far from the new office being an inconvenience to the incoming Premier, it would on the contrary be an advantage, because such Premier would have at his command a staff knowing all about the papers, which would be ready at hand for reference. How were new Ministers to get on unless provided with experienced permanent officers who could give them information? If the papers were scattered and unclassified, it would be impossible to carry on. He hoped this system would not be altered, and did not believe it would be, for it was too convenient. In Victoria there was a Premier's Department, though in a form different from what it once assumed; and the Premier had a suite of rooms with his shorthand clerks, chief clerk, and private secretary—a considerable staff.

MR. VOSPER: But did he bequeath his private secretary to his successor?

THE PREMIER: Certainly he did. One of the clerks acted as private secretary. And in New South Wales and Queensland there were Premier's offices. Such departments were absolutely necessary, as colonial Premiers found they could not work without some one office where they could concentrate the whole business of the head of the Government. If he were to do all his work in the Treasury, and to close this department, he would have to take the clerks with him; for no Under Treasurer could carry out the duties of the Premier, the former officer having too much to do already with the finances of the country. It was impossible for such a man to write letters for the Premier to other colonies and to conduct all the correspondence, the interviewing of visitors, and the introducing to the Premier of various applicants.

MR. GEORGE: Why not call the new officer a private secretary?

THE PREMIER: Regarding public officers on a change of Government being in sympathy with former Ministers, that idea was so exploded that it could not seriously be entertained by anyone: for

a man to hold it only meant that he had had no experience of official life. What did officials care as to what Ministry was in office? Their duty was to be loyal to those who were over them; and there could hardly be a single man in the service in a responsible position who would think for a moment of not being as loyal to an incoming Minister as to a Minister who was going out of office.

MR. VOSPER: But did the ties of consanguinity count for anything?

THE PREMIER: Possibly they did in the case of a man's own brother, but he hardly thought they would. In England there were relations of Ministers in high positions in the service; there were staunch Conservatives serving under Liberal Ministers; but the idea never went forth that a secretary or an under-secretary would not be loyal to the Minister for the time being. Why, in the Colonial Office there had been Sir Robert Herbert with Lord Carnarvon as his chief, who was succeeded by Lord Kimberley. In the old country one never thought of using such arguments. If a man could not be trusted to do his duty, if he were considered to be a spy over this or that man, he should be drummed out of the service.

MR. VOSPER: Sir Robert Herbert was not a private secretary: he was Under Secretary of State.

THE PREMIER: True; but "private secretary" was only a name. A Premier must have someone to write his letters, whether of a semi-private character or not. In the Colonial Office in England clerks frequently acted as private secretaries to the Minister for the time being. The idea hinted at, that because the present private secretary to the Premier of this colony happened to be related to the Premier by marriage, there was therefore any violent affection existing between the two men, was very ridiculous. Even blood relations did not always agree too well, and to think that because two persons happened to be allied by marriage, one must be overburdened with affection for the other, was surely going too far. He would ask hon. members to consider how they felt towards their brothers-in-law.

MR. MORAN: All preferred their sisters-in-law.

THE PREMIER: As well might he think that the present under secretary to one of his Ministerial colleagues who had formerly been his (the Premier's) under secretary, would tell his colleague the Premier's secrets. He (the Premier) would be ashamed if such an idea could possibly enter into his mind. Hon. members would notice that there was no chief clerk in this department, but merely an under secretary. With regard to the registrar, he was the worst-paid registrar in the public service, nor were his duties the least important. The registrar in the Treasury received £250 per annum; in the Land Office, £240; in the Mines Department, £250; in the Colonial Secretary's Department, £250; in the Premier's Department, £200. The last-mentioned officer had previously been in the Post Office doing similar work for some two years, and had acquitted himself with such credit that the Postmaster General had been very sorry when he left to seek his fortune on the goldfields; and had that officer remained in the Post Office he would doubtless now have been the head of the record branch, or perhaps might have been occupying a still higher position.

MR. GEORGE: He would then have earned his promotion.

THE PREMIER: Such men could not be procured in the street: they must be men of education and intelligence, and this officer had the necessary ability and education required for the performance of his important duties. With regard to the correspondence clerk, the chief correspondence clerk in the Public Works Department received £275 per annum, in the Lands Department £270, in the Mines Department £275, in the Post Office £220, and it was proposed to give the Premier's correspondence clerk £225, though there was not a better correspondence clerk in the whole public service; he was acknowledged to be one of the very best, and if he were with a private employer he would certainly receive £300 a year. Considering that this department had just been formed, that some of the officers had worked for a year at very small salaries, and some of them for nothing, surely it was not unreasonable that they should receive a little for the important work they had to do. So far from being over-paid, they were

under-paid as compared with officers in other departments. It was unpleasant to have to say these things, but the reason for the discussion was obvious. If he (the Premier) happened to have a twenty-fourth cousin somewhere in the public service, everyone seemed to find out the fact, and everyone thought the Premier was actuated by a desire to push forward that officer at the expense of the State. But what about the other officers who were not cousins of the Premier, and who were getting increases—men whom he had promoted all over the colony to good positions and to increased salaries because they deserved promotion? Why should improper motives be attributed to him in such a small matter as this? Very likely if it had not been for the fact that this private secretary happened to be some marriage relation of the Premier, this discussion would never have arisen. Anyone who understood public affairs must recognise that to have the records of the head of the Government concentrated in one department, and to leave the head of the Government a little freedom for the purpose of looking after other than departmental affairs, must be a good thing for the colony. Even supposing some hon. members thought the plan bad, did it not occur to them that they might trust him (the Premier) to some extent at any rate, in this small matter? The whole difference between the views of certain hon. members and himself would not amount to more than £250.

MR. GEORGE: To £285.

THE PREMIER: Yet the expenditure of £250 was a thing of sufficient gravity to cause a long debate on the first item of the Estimates and another debate this evening. Surely he might be trusted to expend such a small sum.

MR. VOSPER: The Reid Government went down because of the expenditure of £250.

THE PREMIER: That was not so. But even if it had been so, the member for the Murray (Mr. George) might give him (the Premier) a chance to try this experiment, to see whether it would not work well.

MR. GEORGE said it was the principle he objected to.

THE PREMIER: By means of this department he hoped to get a little spare

time to look after various matters of importance. Such time he had never found in all the years he had been in office. Even now, things gravitated to him with which he had nothing to do. The Minister of Mines knew that all the troubles connected with the alluvial question at Kalgoorlie seemed to gravitate to the Premier's department, though why they did so was not apparent. Such matters could not be settled without care and trouble, and there seemed to be a desire to consult him (the Premier) in regard to many matters on which he would rather not be consulted, the result being a great increase of work. He hoped hon. members would not take exception to this little "bantling" of his: he assured them it would work well, and that the next Premier would be grateful when he found this small department which would assist him so materially in carrying out duties which at the beginning must be very arduous, in a much more easy and satisfactory way than would otherwise be possible.

MR. GEORGE said he hoped *Hansard* had got that down.

MR. LEAKE: There was a way out of this difficulty. He suggested that instead of the word "department," the word "office" should be used.

THE PREMIER: It was called the Premier's Department.

MR. LEAKE: Perhaps the difficulty might be overcome by striking out the word "under" before "secretary."

THE PREMIER: "Secretary" was the Minister's title, really.

MR. LEAKE: Put in "private secretary": that was really what he was.

THE PREMIER: Not at all.

MR. LEAKE: The officer was secretary to the Premier before this.

THE PREMIER: That was before there was a Premier's Department.

MR. LEAKE said he did not approve of the idea of making a separate department. When he was in the Government service for eight or ten years, there was no necessity for a Premier's Department. Then each Minister had his own departmental duties to perform. The necessities of the moment might require a Premier's Department, but that was not the fault of the civil service but the fault of the Ministers, who, in the present circumstances, did nothing by themselves

without rushing to the Premier for advice and approval. There was not a single Minister who could act "on his own." He (Mr. Leake) did not often bother Ministers; he very seldom went to Ministers' offices; but every hon. member knew that if he went to a Minister, the Minister would say he would have to consult the Premier: he did not say he would have to consult with his colleagues.

THE PREMIER: Perhaps it would be in reference to a financial matter.

MR. LEAKE: It was known perfectly well that Ministers would not do anything without consulting the Premier. That was where the trouble had arisen. If Ministers understood their duties thoroughly and could be relied on by the Premier, then the trouble would not arise. We all sympathised with the Premier in the difficulties under which he laboured in having so much work to do, instead of throwing the duties on the shoulders of those who were responsible. What could there be departmental for the Premier to do? As pointed out by Mr. Vosper, the Premier had no official standing except as chairman of the Cabinet, and the go-between of the Government and the Governor.

THE PREMIER said he had some departments.

MR. LEAKE: As Treasurer. All correspondence which went into the Premier's office must find its ultimate resting place in one of the other departments that existed to-day; and the correspondence that could not be specifically scheduled was sent to the Colonial Secretary's office. That was where all matters of general concern went; but another pigeon-hole, so to speak, for correspondence was being created, and it would lead to complications. The Under-Secretary now was the Principal Under-Secretary who controlled the Colonial Secretary's office.

THE PREMIER: There were some other Under-Secretaries.

MR. LEAKE: Yes; there were the Under-Secretaries for Lands and Works.

THE PREMIER: There was the Under-Secretary for Railways.

MR. LEAKE: If a letter were sent through the post addressed to the Under-Secretary, it found its way to Mr. Oct. Burt.

THE PREMIER: These officers were styled on the Estimates as "Under-Secretaries."

MR. LEAKE: But if a letter was sent through the post addressed to the Under-Secretary, it would go to the Premier's Under-Secretary, which might lead to confusion. He was only trying to assist the Government.

THE PREMIER: Let us see how the department worked.

MR. LEAKE: There was another objection, that the Under-Secretary of the Premier's department must always be Clerk to the Executive Council.

THE PREMIER: A very convenient arrangement.

MR. LEAKE said he did not for a moment object to the Premier having all the clerical assistance he asked for; that was to say, he should have somebody to do the work, as it could not be expected that the Premier could sit down and write all the letters and distribute them amongst the different departments. The objection he took was that the Clerk to the Executive Council should be made permanently the Secretary to the Premier's Department.

THE PREMIER: The offices were very closely allied.

MR. LEAKE: As the Premier pointed out, the Executive Council was practically the watch-dog of the Constitution, and the clerk was consequently a very confidential officer.

THE PREMIER: No document went to the Executive Council except through the Premier.

MR. LEAKE: That was so; but the confidential officer got hold of it and saw it, and that gentleman might some day find himself both confidential man to the Premier and to the leader of the Opposition.

THE PREMIER: How could that be?

MR. LEAKE: To-day that officer would be confidential man to the Premier, and to-morrow, if the Government went out of office, he would be confidential man to the leader of the Opposition.

THE PREMIER: That would be the same in any other office.

MR. LEAKE: And as the Premier properly pointed out, the Clerk to the Executive Council was peculiarly situated: that was accounted for by the fact that his salary was provided for on the

civil list. If the Premier wanted to give that officer an increase of salary, give it to him; but the Clerk to the Executive Council should be free from every other office; he should be on a high pedestal; he should be a confidential officer, and not forced to do other duties. He (Mr. Leake) would not oppose an increase in salary to the Clerk of the Executive Council, because £350 a year was a very small salary for an officer holding that responsible position, when that officer must keep up a certain amount of appearance and maintain the dignity of his office.

THE PREMIER: We had been going on in this way for nearly two years now.

MR. LEAKE: Yes; but on a small scale. It was only a small matter when the salary was £50 a year. This showed how prone these little things were to develop into matters of great magnitude. He (Mr. Leake) was not approaching this matter in any captious spirit: he wished to prevent what might ultimately lead to confusion. He moved that the word "under" before "secretary" be struck out.

MR. GEORGE regretted the amendment of the member for Albany (Mr. Leake) did not go further.

MR. LEAKE: A further amendment could be moved subsequently.

MR. GEORGE: But the desire was to lose sight of the fact, of which the Premier had reminded the Committee, that there was some marriage connection between himself and the gentleman who occupied the position of Under Secretary. It did not matter who occupied the position, so long as the occupant was a fit man, and the Premier would not have anyone not fit for the position. But while there had been comparatively no increase in salaries over £200 a year, the occupant of this particular position had had his remuneration raised nearly 50 per cent.

THE PREMIER: A good many other civil servants had their salaries advanced.

MR. GEORGE: But a principle had been applied in certain departments which had not been applied to this particular department, and he was in accord with the member for Albany (Mr. Leake) in the opinion that if the position of Clerk to the Executive Council was worth more than £350 a year, the salary should be increased, though not in what might be

called a "back-handed" way. A few nights ago, when certain items were passed in connection with the Treasurer's Department, hon. members were a little bit misled, unintentionally no doubt. It was represented that the increases of salary were very small, whereas the actual increases were very large indeed, and in one case a salary of £325 had been raised to £425; the reason being that the former occupant of the position had retired, and a gentleman had been pushed up one step and consequently got this increase. That did not appear quite a square thing.

Mr. WOOD: That item had been passed.

MR. GEORGE: There were many past things in men's lives which it might be desirable to have wiped out. The Premier was entitled to, and was going to get, all the assistance he required to carry out his work, and members would be doing wrong if they deprived him of that necessary assistance; at the same time, members would be equally wrong if they did not discuss a matter of this sort when it was brought forward. If the Premier had been using these gentlemen for two years and not paying them, he had been doing wrong; but there was no doubt that year by year the expenditure of this department would increase. The Premier's views in regard to this department were exceedingly liberal, and he was not to blame for that, but he ought to remember that if he wanted a contented civil service he ought not to make what appeared to be invidious distinctions. This particular officer seemed to be very valuable, because he appeared to instruct the Premier what to do. He told the Premier that certain things should be submitted to the approval of his Excellency the Governor, which was the sort of knowledge the Premier might be expected to possess. If a man were useful to that extent, he ought to have a better salary.

THE PREMIER: A secretary must keep one "on the rails."

MR. GEORGE: It would be a good many years before the secretary had the opportunity of keeping him (Mr. George) "on the rails." This department should be abolished and called the Premier's Office, and no matter what salary was given, the official ought to be called the Premier's private secretary, or, as time went on, the salary would be found raised to that

of other Under Secretaries, and the department would take up a much bigger space in the Estimates. If the Premier wanted to do any good, he might relieve the Director of Public Works and the Commissioner of Railways of one of his departments.

MR. A. FORREST: There were only five seats in the Ministry.

MR. GEORGE: That difficulty could soon be got over, because the seats could be made smaller, and slimmer men got to occupy them.

Amendment—that the word "under" be struck out—put, and a division taken with the following result:

| | | | | |
|------|-----|-----|-----|----|
| Ayes | ... | ... | ... | 7 |
| Noes | ... | ... | ... | 18 |

Majority against ... 6

| AYES. | NOES. |
|----------------------|---------------------|
| Mr. George | Sir John Forrest |
| Mr. Holmes | Mr. A. Forrest |
| Mr. Illingworth | Mr. Hubble |
| Mr. Leake | Mr. Lefroy |
| Mr. Solomon | Mr. Locke |
| Mr. Wallace | Mr. Mornn |
| Mr. Wilson (Teller). | Mr. Morgans |
| | Mr. Pennefather |
| | Mr. Phillips |
| | Mr. Quinlan |
| | Mr. Throssell |
| | Mr. Wood |
| | Mr. Bason (Teller). |

Amendment thus negatived.

MR. GEORGE moved that progress be reported.

Motion put and negatived.

Vote put and passed.

THE PREMIER moved that progress be reported and leave asked to sit again.

Progress reported, and leave given to sit again.

ADJOURNMENT.

The House adjourned at 10:54 o'clock until the next Monday evening.