

INDUSTRIAL CONCILIATION AND ARBITRATION BILL.

SELECT COMMITTEE, EXTENSION.

HON. J. M. SPEED moved that the time for the presentation of the report of the Select Committee on this Bill be extended to the next Tuesday. He would like to say that, although he was a member of the Select Committee, he was not in any way responsible for the delay.

THE PRESIDENT: It was not necessary for the hon. member to make that statement. All he need do was to move for an extension of time.

HON. J. M. SPEED said he wished the House to understand his position.

Question put and passed.

ADJOURNMENT.

THE COLONIAL SECRETARY moved that the House do now adjourn.

HON. F. WHITCOMBE suggested that as Tuesday next was to be a public holiday, it would be a convenience to hon. members if the House adjourned until half-past seven in the evening instead of half-past four in the afternoon.

THE COLONIAL SECRETARY accepted the suggestion, and moved that the House at its rising do adjourn until the next Tuesday at half-past seven o'clock, evening.

Question put and passed.

The House adjourned at 5:30 o'clock until the next Tuesday evening.

Legislative Assembly,

Thursday, 1st November, 1900.

Papers presented—Sessional Order—Guano Leases Bill first reading—Exportation of Arms Bill, second reading, etc.—Coolgardie Exhibition Lands Repeal Bill, second reading, etc.—Trustees (Colonial Securities) Bill, second reading, in Committee reported—Kalgoorlie Roads Board Tramways Bill, select committee (change of member)—Cottesloe, etc., Electric Light and Power Bill (private), second reading (amendment passed, six months), Points of Order—Distillation Bill, Council's Amendments—Annual Estimates, in Committee of Supply, Railways vote (debate adjourned)—Adjournment.

The SPEAKER took the Chair at 4:30 o'clock, p.m.

PRAYERS.

PAPEES PRESENTED.

By the PREMIER: 1, Fire Brigades Board, Report for 1899; 2, Perth Municipal Council, By-laws (general traffic); 3, Metropolitan Waterworks Board, Annual Report; 4, Industrial Conciliation and Arbitration Bill, Cablegrams.

Ordered to lie on the table.

SESSIONAL ORDER.

ADDITIONAL SITTING DAY.

THE PREMIER, in moving that Monday be an additional sitting (from 7:30 p.m. onward), said: There seems to be a general consensus of opinion in favour of meeting on Monday evening, in order to expedite the work of the session.

Question put and passed.

GUANO LEASES BILL.

Introduced by the PREMIER (for the Commissioner of Crown Lands), and read a first time.

EXPORTATION OF ARMS BILL.

SECOND READING.

THE ATTORNEY GENERAL (Hon. R. W. Pennefather), in moving the second reading, said: This is a Bill that has been introduced, I may say, almost simultaneously in all the other colonies, to prevent the exportation of arms to foreign countries with which Great Britain may be at war. The initiation of this legislation is due to the recent war in China. Similar complications may arise, and for the protection of the Queen's forces it has been deemed advisable to

introduce this measure to prevent the exportation of arms from any of the colonies under the circumstances mentioned in the Bill.

Question put and passed.

Bill read a second time.

IN COMMITTEE, ETC.

SIR JAMES G. LEE STEERE took the Chair (in the absence of Mr. Harper).

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

Bill read a third time, and transmitted to the Legislative Council.

COOLGARDIE EXHIBITION LANDS REPEAL BILL.

SECOND READING.

THE PREMIER (Right Hon. Sir J. Forrest), in moving the second reading, said: The object of this Bill is to revest in the Crown the lands on which the Coolgardie Exhibition was built. This land was vested in the Municipality of Coolgardie, in order to raise money upon it; and now the municipality want to get back the £1,000 which they lent to the Exhibition Commissioners, and the Government have undertaken to recommend the House to pay over the £1,000, taking the land in lieu. That sum is on the Estimates for this year. The condition of the repayment is that the land shall be revested in the Crown, so that it may be used for any other purpose. The municipality agreed to this, and the Bill is introduced with their concurrence, and with that object in view.

MR. VOSPER (North-East Coolgardie): I doubt very much whether the Government are making a good bargain in taking back this land and paying the municipality £1,000 for it. I do not think the land is worth that amount.

THE PREMIER: There are five acres.

MR. VOSPER: The position of the land is such that I do not think £1,000 will ever be received by the Government for it, even although it is five acres. Besides that, as far as my memory serves me, the municipality of Coolgardie promised to give £3,000 towards this Exhibition; but instead of that it appears they lent £1,000, and they propose practically to leave the whole weight of the cost of carrying out this Exhibition

on the shoulders of the Government. Now we are to have this piece of land for £1,000, which amount is to be paid out of the public funds. I am much inclined to oppose the second reading of the Bill.

MR. WILSON (Canning): I do not agree with the hon. member who has just sat down, for the land is valuable, and there are buildings and timber on it. The timber alone would cost £700 or £800. Let us pay the £1,000, accept the liabilities on the building, and take them over; and if afterwards we want to sell the whole thing for a couple of thousand pounds, I dare say we can find a buyer.

Question put and passed.

Bill read a second time.

IN COMMITTEE, ETC.

SIR JAS. G. LEE STEERE took the Chair.

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

Bill read a third time, and transmitted to the Legislative Council.

TRUSTEES (COLONIAL SECURITIES) BILL. SECOND READING.

THE ATTORNEY GENERAL (Hon. R. W. Pennefather), in moving the second reading, said: It will, I think, be within the recollection of most of us that last year the Imperial Parliament passed an Act enabling trustees in the United Kingdom to invest moneys in colonial stocks; but in order to safeguard the trustees, and give them every facility for obtaining judgment and payment of that judgment, if so required, the authority was contingent on a reciprocating Act, such as that I present to the House this evening, being passed by the various responsible colonies. In New Zealand and Canada they have already passed an Act similar to this. In South Australia they have a similar Act before the Legislative Assembly; and, from what I learn, New South Wales and Victoria are following suit, for they either have placed or are in process of placing, such Bills as this before their respective legislatures, in order to give effect to the Imperial Act under which trustees can, after the passing of this measure, invest their funds in the inscribed stock of the colony. It will be seen that the Act gives increased facilities enabling the

trustees who invest these moneys in Government stock to obtain judgment in England without coming to this colony at all, and the obligation is imposed on the Treasurer of the colony to satisfy those judgments in England. Formerly, in order to satisfy a judgment obtained against the Government in England, it was necessary to transfer it here, and register it, but all that has been done away with, and when once a judgment is obtained in England it becomes a charge upon the public revenue of this colony, and must be satisfied by the Colonial Treasurer. I think members will agree with me that this is a proper and legitimate safeguard to give to the people who for the first time are permitted by the Imperial Act to invest trust funds in the inscribed stock of this country.

MR. ILLINGWORTH: What is the meaning of Clause 4?

THE ATTORNEY GENERAL: That is to say that if at any time hereafter this Legislature alters the terms of the contract existing at the time the trustees invest their money in this stock, the condition of the trustees shall not be prejudiced by such subsequent legislation, and hon. members will see that is a very legitimate protection for the benefit of the trustees.

MR. ILLINGWORTH: It is giving them power to override the Act in this colony.

THE ATTORNEY GENERAL: No. It is not essential in that respect, but it is protecting the contract which exists between the trustees who invest and the Government of this country. For instance, if an investment in the stocks of this colony were made under certain conditions, say under existing conditions which are considered fair by the investor, and if this Parliament were to take any action which would alter the conditions under which the investment had been made, the provisions in Clause 4 would prevent this Parliament from altering the contract so as to be different from what had already been agreed upon. I beg to move that the Bill be now read a second time.

MR. VOSPER (North-East Coolgardie): I wish to say a word with regard to Clause 4. So far as my reading of Parliamentary history and law goes, I think this Parliament can have no right

to bind the action of future Parliaments in this colony as to what they shall do with regard to colonial securities or anything else; and when we go on to say that any such legislation passed by a Parliament of this colony shall not be assented to by Her Majesty, we may rest assured that future Parliaments will be as honest as this Parliament, and will not be likely to interfere with vested rights; and we may also be sure that if such interference be attempted, any Act of Parliament in this colony which contemplates such interference will be properly disallowed by Her Majesty without our legislating to that effect in this Bill. It appears to me to be contrary to all Parliamentary principle to attempt to prevent Her Majesty from using her prerogative in such manner as Her Majesty may think necessary, and nothing that we can do will prevent it. I hope Clause 4 will be struck out.

MR. ILLINGWORTH (Central Murchison): From what source have the Government obtained this Bill?

THE ATTORNEY GENERAL: It is a copy of the New Zealand Act.

MR. VOSPER: Clause 4, and all?

THE ATTORNEY GENERAL: Yes.

MR. ILLINGWORTH: I want to say that the Imperial Act which has empowered trustees in England to invest trust moneys in colonial securities is one of the most desirable measures it is possible to conceive, so far as our finance is concerned; and it has been the desire of Australian and other British colonies that this privilege should be granted to people who are willing to invest in colonial securities. As a corollary to that, I can quite understand that persons who do invest trust moneys in colonial securities should have the right to obtain their judgment in London, where the investment is made; and that seems a necessary procedure. With regard to Clause 4, by which the British Parliament is permitted to veto the Acts of this Parliament—

THE PREMIER: Only in this matter, in case the Parliament here wants to break the contract.

MR. ILLINGWORTH: If the British Government for the time being have the power to veto the Acts of this Parliament, I think that is going a step too far; but if it is to apply only to existing con-

tracts, there can be no particular objection. It is not likely, however, that any Government or Parliament in this colony would propose any legislation that might interfere with existing contracts. I hope not, although we did something of the kind the other evening in regard to the MacArthur-Forrest business, and we did it at the suggestion of the Attorney General. It may be in the interests of this colony to do something of this kind in reference to our bonds, at a future time; and we may have the same Attorney General recommending to Parliament the same course, which in my opinion is utterly at variance with ordinary process of law. The British Government are empowered by this Bill to veto the Acts of this Parliament; and I would like to hear the opinion of the only legal member of the House now present, the member for North Murchison (Mr. Moorhead). This is a legal point, and I do not feel competent to discuss it; but it seems to me to be a provision we ought not to pass without clearly understanding it. Clause 4 gives power to the British Parliament to veto the Acts of this Parliament. There are certain things which the British Parliament has power over now, and that is sufficiently troublesome at times; but to go further and say that the British Parliament can interfere with our finance and veto some Act we may pass in this colony, and for the British Parliament to do that at their own sweet will, is entering on a dangerous course.

THE PREMIER: We get a concession by this Bill.

MR. ILLINGWORTH: Yes; but it is possible to get an advantage with one hand and to do much mischief with the other. Clause 4 is a law point entirely.

MR. MOORHEAD: I will give my opinion in Committee.

Question put and passed.

Bill read a second time.

IN COMMITTEE.

SIR JAS. G. JEE STEERE took the Chair. Clauses 1 to 3, inclusive, agreed to.

Clause 4—Acts affecting securities may be disallowed:

MR. ILLINGWORTH asked the member for North Murchison to state his opinion on this clause. The Attorney General had not made the meaning clear.

THE PREMIER: The meaning of the clause was as plain as a pikestaff.

MR. ILLINGWORTH: It might be as clear as mud, but he could not see the meaning. What did it mean, anyhow?

THE ATTORNEY GENERAL: It must be borne in mind that the moneys which would be invested under this Bill were trust moneys, and that hitherto there had been a very conservative feeling on the part of the Courts in the United Kingdom against any investment of trust moneys being made outside the immediate jurisdiction of those Courts. Therefore it seemed to be a privilege for the benefit of this country that trust funds in England could be invested in the Government securities of Western Australia and of other British colonies. As to Clause 4, if trust moneys were invested in colonial securities under conditions existing to-day, the contract of that investment was determined by the conditions then existing; and if in regard to investments in the securities of this colony the Government here were at any time hereafter to attempt to vary that contract by altering the conditions—because the Parliament here had power to legislate on everything affecting the colony, under certain restrictions—then those trustees who had invested money in our stocks under the present conditions might have those conditions altered by the Act of the local Parliament, and if this were attempted to be done without the consent of the investing trustees, such alteration would be a violation of the contract. Therefore the object of this clause was to prevent that. The application of the clause was general. Anyone who bought a security in our stocks, under this Bill, could assign his contract to anyone else in the ordinary way.

MR. MORAN: Subject to fluctuation in the value of the stock.

THE ATTORNEY GENERAL: It had nothing to do with the fluctuation in value, but was solely a question of interfering with the conditions of the contract as made at the time of investing the money.

MR. WILSON: Might not this Bill be disallowed by Her Majesty?

THE ATTORNEY GENERAL: This Bill did not affect the Constitution, and for that reason it was not likely to be disallowed, although of course it might

be disallowed. Hon. members would see that this Bill, and the objects contemplated by it, were entirely in the interests of this colony, and that the Bill sought to give necessary protection to those who invested in the securities of this colony.

MR. KINGSMILL asked for explanation as to the causes which might lead the Imperial Parliament to take action in this matter.

THE PREMIER: The Parliament of this colony might tax the interest, and the British Parliament would not consider that a fair thing to do.

MR. KINGSMILL: Would the Bill affect the consolidation of our loans? What would be the probable causes of the Imperial Government intervening? It was desirable that the meaning of the clause should be made more clear.

THE ATTORNEY GENERAL: Supposing the stock had a currency of 30 years: if the Parliament of this colony attempted to shorten or extend that period, this Bill would prevent that being done, as it would be an alteration of the conditions under which the contract was made.

THE PREMIER: Even without this clause, there was no doubt the royal veto prevailed in a case where the interests of persons living outside the colony were affected by any Act done by a Parliament of this colony. That was the class of Bill which colonial Governors were instructed to reserve. The clause was inserted to show the people of the mother country that this colony was most anxious to protect the British investor by permitting any unjust colonial Act of our Parliament affecting his securities to be "properly disallowed."

MR. MORAN: The ten or eleven millions of West Australian Government stock now held was not subject to this protection. Would not the clause be retrospective, and apply to all our Government stock?

THE PREMIER: Was there any reason for breaking a contract?

THE ATTORNEY GENERAL: The clause was simply declaratory of the law on the subject.

MR. MORAN: No. It practically prohibited an English holder of West Australian stock who came to this colony from being charged income tax, and might injuriously interfere with the con-

solidation of Australian loans or with the Government buying back their stock, for either of these operations might be looked on by the Imperial Government as an interference with a contract.

MR. ILLINGWORTH: The Bill could not possibly apply to the question of interest.

THE ATTORNEY GENERAL: Supposing the place of payment of interest were changed, would not that be an alteration in the contract?

MR. ILLINGWORTH: No.

THE ATTORNEY GENERAL: Yes.

MR. ILLINGWORTH: The Attorney General's explanation was incomplete. Only a small proportion of our stock was held by trustees, and the clause would extend to all stock-holders a privilege they did not now possess. A judgment given now against this colony in England must be registered in Perth before the Government were bound to pay. It might be proper that trust-fund investors in our stock should have a right to recover and enforce judgment against the Agent General in London; but the Bill extended the principle to the whole of the money the colony had borrowed, and the Agent General might be made to pay half a million in London without any appropriation being first made by this House. There was no objection to any honest judgment being satisfied in London, but it should be clearly understood that the clause provided for such payments without reference to this colony. It was estimated there was some 70 millions of trust moneys in Great Britain for investment in certain specific securities, amongst which colonial stocks were not previously included. To secure their inclusion, we should be prepared to make some sacrifice, but the clause was making the law regarding trust moneys so invested the same as as that governing ordinary loan funds. Apparently the clause simply sought to extend the Queen's prerogative in regard to this particular Bill.

THE ATTORNEY GENERAL: Yes.

MR. MORAN: The Bill, when passed, could not be repealed without the consent of the Imperial Parliament.

MR. KINGSMILL: Clause 4 apparently provided that certain future Acts might be disallowed by Her Majesty. Why not confine that provision to this Bill? Otherwise, if in the opinion of the

Imperial Parliament this colony had "out-run the constable" and was continuing to borrow money, thus depreciating the value of our Government stocks, Acts authorising such further borrowing might be disallowed. Better strike out "injuriously affects the holders of Western Australia Government securities, or."

THE ATTORNEY GENERAL: Better put in the word "and" instead of "or."

MR. KINGSMILL: If the royal prerogative were intended to affect this Bill only, why did the clause read "that Act" instead of "this?"

MR. MORAN: Better drop the Bill till next session.

THE ATTORNEY GENERAL: The only question was whether the clause was too wide in its application. The question arose whether, if this clause were eliminated altogether, it would interfere to any material extent with the constitutional law on the subject; and in his opinion this would not alter it one iota. There must have been a reason why the clause was inserted in New Zealand and Canada, as a kind of finger-post to indicate to anyone hereafter that this sort of thing must not be done. If the Committee were with him, there would be no harm in omitting the clause altogether. He moved that Clause 4 be struck out.

MR. MORAN: It might be well to postpone this matter for a day or two, so that members might look up the debates on the subject in both South Australia and New Zealand.

MR. VOSPER: If this matter was to be postponed, the Speaker might with advantage look into the question. He (Mr. Vosper) had an impression that in *Todd* or *May* there was a statement as to inability to bind future Parliaments. Before we decided, we might take the Speaker's ruling on that point.

Amendment put and passed, and the report adopted.

KALGOORLIE ROADS BOARD TRAMWAYS BILL.

SELECT COMMITTEE.

MR. PIESSE moved that the member for East Perth (Mr. James) be discharged from attendance on the select committee, and the member for Central Murchison (Mr. Illingworth) be added in lieu.

THE SPEAKER: This was not exactly the proper time to do what was proposed,

but he would put the motion if the House had no objection.

Question put and passed.

COTTESLOE, ETC., ELECTRIC LIGHT AND POWER BILL (PRIVATE).

SECOND READING (MOVED).

MR. MOORHEAD (North Murchison), in moving the second reading, said: I do not propose to say anything in connection with the Bill beyond the fact that practically the measure is a repetition of the provisions of an Act passed last year empowering another company to supply that district with both electric light and gas. The evidence given before the Select Committee showed that the former company, for some time at any rate, took practically very few steps to carry out the powers conferred upon them. It is true the company have up to 1902 to comply with the conditions of the Act, but up to the time the committee prepared its report in connection with the present Bill no practical steps had been taken to carry out the measure I have alluded to. We heard a great deal the other evening when the committee reported to the House, and it was intimated at any rate that some opposition would be urged against the present measure, but, as I have already intimated, I prefer to reserve any remarks I have to make in connection with the Bill until I have heard the opinions of hon. members. The Bill itself in its provisions protects the ratepayers, and it also compels within a reasonable time the initiation of the works. The fact that it is in the hands of the promoters whose names are attached to the petition is a sufficient guarantee, I think, that the works will be carried out within the time specified in the Bill. I formally move the second reading of the Bill.

MR. VOSPER (North-East Coolgardie): I promised, when the consideration of the select committee's report was before the House, that on the second reading of the Bill I would move an amendment that the Bill be read "this day six months," and I intend to carry out that promise. In the first place, the member for North Murchison (Mr. Moorhead) has pointed out that the company which passed the original Bill were allowed till 1902 in order to carry out their work. If Parliament allowed them

till 1902 to avail themselves of the terms of the Bill, it is obvious that Parliament must have considered this a reasonable period; therefore, until April of 1902 expired, it would be highly unjust to interfere with that company's rights. Practically speaking, there was a contract with those promoters, who were allowed until 1902 to fulfil their portion of the contract. Leaving out all extraneous matter, and assuming that the company have not done anything, as the mover has said, then the only complaint lodged against the company is that they have not yet undertaken what they have been allowed till 1902 to carry out. There is evidence to show that at least they have taken some preliminary steps; but they have nearly two years yet, and not till that time has elapsed should they be interfered with by any act of the Legislature. Yet, before one-third of the time allowed by Parliament has expired, we find a Bill introduced into this House which would have the effect of utterly destroying the rights conferred upon that company by Parliament; and I contend that to pass a Bill of this description would be to perpetrate a manifest injustice. I have confidence in the good sense of this House, when I plead for due protection to be afforded to this company. It matters nothing to me nor to members generally by which of the two companies the work is done, because in the interests of the district and the country generally we desire to see the work carried out; but we cannot fail to notice the fact that we have already allowed a certain time for the carrying out of this work, and it would not be fair to break the conditions deliberately laid down until those persons have had full opportunity of complying with the conditions made. The promoters have placed in my hands a memorandum, in which they say :

The promoters of the Cottesloe Lighting and Power Private Act, 1899, having been granted certain rights and privileges by the Legislature of Western Australia under the said Act, and acting under the provisions thereof, have lodged with the Government the sum of £140 as a guarantee for the fulfilment of the requirements of the said Act.

MR. MOORHEAD: They got a "provisional order."

MR. VOSPER: I think the money is in the hands of the Government yet. It is a mere quibble to say they paid the

money to obtain the provisional order, and not to obtain the passing of the Act. The memorandum continues :

They also have expended the sum of £150 in the purchase of a site for the works, and have engaged Mr. Hoare, late assistant manager of the Perth Gas Company, at a salary of £300 per annum, and further have incurred other liabilities in connection with the undertaking, amounting to over £200. The promoters urge these facts as satisfactory guarantees of good faith. The Legislature having specified a time within which the works should be completed by the promoters, and that time not expiring until the 30th April, 1902, the promoters respectfully submit that the Legislature should not grant duplicate powers within the same districts until such time as they, the promoters, have shown their inability to carry out the obligations imposed on them by the said Act. The fact that Parliament fixed the limit as above indicates that the time allowed is reasonable, and that the promoters should be allowed the time thereby granted. The promoters would respectfully point out that the districts mentioned being at the present time sparsely populated it would be an impossibility for two companies to operate successfully therein.

Therefore if we pass the present Bill, it means that we shall be practically confiscating the rights of the company, and that the powers we granted to them in 1899 will become null and void, and their Act so much waste paper; not in consequence of anything disclosed in the evidence, but because the company have not done in 12 months what the Legislature allowed them three years to do. The memorandum continues :

The promoters undertake to supply both electric current and gas, whereas the Bill objected to provides for the supply of electricity only.

The member for North Murchison the other night was guilty of an error in speaking on this Bill, as he said the original measure provided only for the supply of gas. As a matter of fact, the Bill provides for the supply of both gas and electricity. This memorandum also says :—

If this Bill is passed, the promoters of the Cottesloe Lighting and Power Company would not be justified in proceeding further, and the district would lose its only chance of the supply of gas for cooking and heating purposes, which they are looking forward to. It would be impossible to establish a company to supply gas, if it had to compete with an established electric light monopoly. The Cottesloe Lighting and Power Company would have been working by this time had it not been for the action of the promoters of the present Bill in

advertising their intention to apply to Parliament for a Bill giving similar electric lighting rights and privileges to those granted by the Legislature to the promoters of the Cottesloe Lighting and Power Private Act. The said advertisement appeared on the 13th of April last, just a little over three months after the passing of the said private Act.

It will be seen that no sooner had an Act been passed in this House, than these rival promoters advertised their intention to apply for an Act; and the undertaking was engineered by one of the original promoters of the original company; the result being that the promoters of the original company have been unable to raise the necessary capital; and that has been their position ever since.

POINTS OF ORDER.

MR. MORAN: I rise to a point of order. I notice with some regret that every time this Bill is discussed, communications are sent from the Strangers' Gallery to the hon. member on my left (Mr. Moorhead). I think that is a bad practice for anyone to adopt, to furnish information to members of this House. It is a practice which I think we ought not to permit, and the sooner the Speaker's attention is drawn to it the better.

THE SPEAKER: I quite agree with the hon. member. I think it is a reprehensible practice, and should not be done.

MR. VOSPER: I can only say I am glad to find I am not the guilty party on this occasion. As I was saying the position is—

MR. MOORHEAD: As an interesting point of order, may I ask you, Mr. Speaker, if it is in order for the promoters to stand outside the entrance to the members' inclosure, and hand a document to my friend who is now reading to the House?

THE SPEAKER: Does the hon. member mean that this has been done here in the House?

MR. MOORHEAD: No.

THE SPEAKER: We cannot take cognisance of what occurs outside the House.

DEBATE RESUMED.

MR. VOSPER: As far as I am concerned, the document I am reading to the House was handed to me in a draper's establishment called the "Bon Marché," and I am not aware that the "Bon Marché" is in any way connected with Parliament or comes within the scope

of its proceedings. The argument I was endeavouring to illustrate (before this interlude) was that within three months of the passing of the original Bill, proceedings were taken before Parliament for the purpose of passing a rival Bill; and that interference has had the effect of destroying all chance these people had of raising the capital to carry out the purpose of the original Bill, and they have been kept back ever since by this interference. If the original company are going to obtain more capital to carry out the work, and the work is to be done efficiently, this Bill should be rejected. As long as the House contemplate going against the provisions conferred by the Bill of 1899, it will be impossible to raise the necessary money. Even if the second Bill be passed, the result will be precisely the same, for it will simply mean that there will be two rival companies, and both will meet with the same result, for neither will succeed, and between two stools the people of Cottesloe and the neighbourhood will fall to the ground. The passing of the second Bill will result in neither company being able to carry out the system of electric lighting and gas supply, and such system will be indefinitely postponed. Then the memorandum goes on to say:—

There is no doubt the company already authorised will be floated, the shares having been fully underwritten, conditionally that the privileges sought for by the present applicants are not granted; and the works will be completed for supplying both electric current and gas within the time specified in the private Act referred to. The pendency of the present Bill alone blocks the way.

I shall not trouble the House by reading the remainder of this memorandum, except to give the statement put forth by the promoters, that

The extended scheme will, so far as the districts are concerned, consist only of wire connections, the generating machinery being at Fremantle.

I do not desire to detain the House with arguments *pro* and *contra* with regard to the advantages or disadvantages of this company as compared with the other company; but what I do urge is that the House having once granted powers and rights to certain promoters of a local undertaking, we ought to abide by our contract made with those promoters, and allow them to proceed uninterruptedly with their work until April, 1902.

THE PREMIER: There was no monopoly granted.

MR. VOSPER: No; there was not; but if an individual made an agreement with me to allow me seven days to carry out a contract, I should be much annoyed if that individual came to me after and asked me to complete the contract in two days. The House is practically in the same position, by having made a contract with the original company; and unless they are allowed time to carry out their undertaking and obtain the necessary capital, we shall hardly be fulfilling our contract with them, and in addition to that they will have been put to a large amount of unnecessary expense. I beg to move, as an amendment:

That the Bill be read a second time this day six months.

MR. JAMES (East. Perth): My sympathies are entirely with those who have obtained the existing rights, and my desire has been that they should have every possible opportunity of presenting their case before the select committee which has been inquiring into this matter. But I cannot shut my eyes to the fact that the local body most concerned, so far as they have expressed an opinion, have not raised any opposition to the promoters of the Bill now before us. On the contrary, I believe the local body want to see both concessions granted. We have had placed before us a petition which shows that the residents in that locality are very desirous of having the electric light, although it is also their desire to have gas for purposes other than lighting. The owners of the existing right under the Bill of last session have not proceeded with their undertaking with that energy which Mr. Crowder and Mr. Hoare have since brought to bear in regard to their opposition to this Bill; and if they had shown the same energy in the first instance, they would not now find themselves in the position they are in to-day. The complaint they make is that by reason of the pendency of the present Bill, they have been unable to obtain the necessary capital from persons in England who were inclined to support them in this undertaking, and who are said to regard the undertaking with some hesitation because they think the district is not sufficiently large to warrant two electric lighting companies attempting at

the same time to supply electric light. It must be evident that in regard to the company which is promoting this Bill, they are likely to have far more capital than the local company can command; and as the principal argument of those who hold the existing rights is that they have not been able to obtain the capital because of this threatened competition, it appears to me that the difficulty will not be less by waiting another year, but that they will still have to face the same difficulty, seeing that the promoters of this Bill have stated their intention that, in the event of not getting the Bill passed this year, they intend to apply to Parliament again next year for this concession. To defer the matter for twelve months, therefore, will not relieve the local company from their present difficulty, but will rather increase it. If this House has to consider the same application next year, will this Parliament be justified in taking up the position it may take now in saying this Bill ought to be delayed in order to give the company who hold the existing concession further time to carry out their undertaking, and raise the necessary capital. If these arguments *ad misericordiam* are good and valid to-day for protecting the rights of the local company against this threatened competition, then these arguments must be good for all time, for we may in the future have to take the same position and refuse to give any rights to competing companies on the ground that existing companies have not had sufficient time in which to carry out their undertakings. When this application comes before us next year, as it may do, the present arguments of those who hold the existing rights will not then be available to them; but in that case the local company will still have the same trouble and difficulty, and will have to face the same position; so, unless some new arguments were adduced next year, this House would presumably give to the promoters of this Bill the powers which they now seek, and those powers when granted to this company twelve months hence would be just as injurious to the existing company, indeed more injurious than they will be now, because the existing company will have spent more money on the undertaking, and will still have to face the same competition. It is a natural position for those who hold the existing

rights to object to the application which is now made under this Bill; yet I do ask hon. members not to overlook the fact that there is no special feature in this connection and in regard to these companies which gives added weight to these objections. They are objections which are always brought forward by those whose interests are being interfered with by competition, and there is no reason why these objections should not prevail in every case, if they are to prevail in this case. The wishes of the local authority, so far as they have been expressed, should, I think, be regarded by this House; and the local authority are not opposed to the granting of this concession. Those hon. members who know the holders of the existing rights, who know them as friends or respect them as acquaintances, must feel a large amount of sympathy with them in their present position. On the other hand, the company which is now applying for this concession is an English company that has no local friends, and naturally we sympathise more with the persons we know and respect than with promoters of an undertaking who are not connected with the district. But I do think we ought to eliminate that feature from our minds. Here is a concession not opposed by the local authority, and the concession, if granted, will tend to increase the conveniences of the district. As against that position, we have urged upon us arguments which, if good at all, will be good twelve months or two years hence. The company promoting the present Bill have expressed their determination to apply next year for this concession if they fail to obtain it this year. Therefore all the objections and dangers which are felt now in regard to those who hold the existing rights will arise next year, when the present applicants come again for this concession. It is said that those who own the present rights will have their works ready by that time. Well, the more money they will then have expended on the works, so much the more will they have at stake when they have to face this competition which is threatened by the English company who are applying for this concession; therefore all the more injury will that competition do them. We know that a local company representing (I under-

stand) some £16,000 of capital cannot have the same resources of capital at their command as will an English company which is undertaking to carry out not only this work, but which will have concessions in Fremantle, and may also apply for concessions in East and North Fremantle, and will therefore be in a position to compete successfully with any local company that may be established. We know the narrow limits of our local money market, and if there is a doubt as to whether the company holding the existing rights can carry out their undertaking, we must see that the English company who are now applying for this concession will be able next year to do far greater injury to the holders of the present rights than they can do to them now, because more money will then have been expended on the undertaking by those who have not hitherto been able to carry out their intention. These are facts we should bear in mind. My sympathies are entirely with the original promoters, who have the present rights; they are personal friends of mine, for whom I have endeavoured to do my best; but I think, in the best interests of these who hold the present rights themselves, we shall be wise in passing this Bill.

MR. ILLINGWORTH (Central Murchison): I should like to point out that the company to whom we gave certain rights last year propose to supply not only electric light but gas. We have got into the way of imagining that electric light is the highest pinnacle at present reached for illuminating purposes; but those who have noted the signs of the times will remember that some of the largest cities in Great Britain, outside of London, are getting rid of electric light in favour of gas, and that some of the continental cities are doing the same. The cost of electric light must be reduced to something like $2\frac{1}{2}$ d. per unit, instead of 8d. or 9d. as at present. The original company propose to supply both gas and electric light; and although it is argued that the local company will not be able to complete their work, which may be so, yet I would suggest that this will not injuriously affect the people of the district. The persons applying under this Bill are proposing—indeed I think they have the right already—to instal electric

light in Fremantle; and they intend to have their works at Fremantle and to extend their sphere of operations to this particular district. Then supposing the amendment be carried that the Bill be read this day six months, it will give the original company an opportunity of seeing what they can do, while it will not delay the new company at all, because they will go on with their works at all events in Fremantle, and will be enabled to get so far ahead. Nor do I see how the throwing out of the Bill can injuriously affect the district. But even if it do, we have given certain rights to a lighting company, and every hon. member who considers the subject will know that the essential element of gas and electric lighting is that as large an area as possible shall be in the hands of one company. This proposition, therefore, would undoubtedly be in favour of the old company, who propose to supply both gas and electricity. There are many things, for which electricity is not so suitable as gas. We have given certain rights to the original company, and I think we ought, in fairness, to give the company an opportunity of trying what they can do, and I do not think the new company will be injuriously affected by the short delay. In view of these considerations, I shall support the amendment of the member for North-East Coolgardie (Mr. Vosper).

MR. WILSON (Canning): I do not think any member of this House wishes to create a monopoly either in electric lighting or in gas in any district. We have to consider how far competition of this sort will affect the public. We cannot close our eyes to the fact that in the old country the Board of Trade is very chary indeed about granting duplicate powers in matters of this kind. The argument has held good that if too much competition is brought to bear in the matter of lighting, the cost to the general public is not permanently reduced. For a time the price may be lowered, but eventually the companies are bound to come together, with the result that the public pay. However, as I believe in competition, I do not wish to advance that argument in connection with this Bill, excepting to point out that this is a sparsely-populated district. We have not at Cottesloe a large city, an

immense population, able to support two companies of this sort; and I am strongly of opinion that the first company which gets its works erected will remain in that district for several or for many years to come. What was the power conferred last year on the original company? The right to erect gasworks and electric lighting plant; indeed, I think we bound them to supply both illuminants; and we gave them nine months in which to commence the erection of their works. That nine months, I think, expired on the 1st October last; but the Act contains a clause empowering the local authorities to extend the time, and I understand the company received an extension for three months, which carries them up to the 1st January next; so that they are well within their powers, and have not yet made a breach of contract; for if they commence erecting their works any time before the 1st January, they will have obeyed the provisions of the Act. Therefore I think in fairness to the original company we ought to delay the passing of this Bill till next session. I agree with the last speaker that to throw out the Bill cannot affect the company now applying for power to supply electricity in this district. The Select Committee report that the company, if refused the present application, will certainly apply to the House next session for similar power. They may or may not do so. My opinion is they will not apply if the original company have in the meantime erected works, for I think the new company will be content with establishing their works at Fremantle for the supply of Fremantle and suburbs. I do not think we should take this threat or promise into consideration. We want to treat both companies justly, and to give the inhabitants of the locality the best and cheapest light procurable. If I thought the passing of this Bill to-night would assure the people of Cottesloe getting the light any sooner than under the original Act passed last year, I should vote for this Bill; but I do not think that would be the result. I think the best thing we can do is to delay this Bill till next session, see what the original company can do in the way of erecting their plant and supplying light; and then, if they fail, let the new company come forward again for power, when

undoubtedly that power will be granted. In the circumstances, I must vote against the second reading.

MR. MOORHEAD (North Murchison): I hold no brief for the present applicants. I am simply supporting the Bill because of the impression left on my mind by the evidence adduced before the Select Committee, evidence which, I am sorry to say, the member for North-East Coolgardie (Mr. Vosper) has not read. Instead of reading the evidence, the hon. member confines his attention to a pamphlet put into his hands. Had he read the evidence, he would have gleaned that there was sufficient proof adduced to leave on one's mind the impression I now wish to convey to the House. There was nothing before the committee to disclose that the original company took any active step whatever, for a considerable time, to carry out the rights given them under the original Bill. The company or syndicate produced evidence to show that they had recently engaged a manager, Mr. Hoare, at a salary, I think, of £300; but it turned out that Mr. Hoare was with the original promoters—he was a gentleman whose service could have been at the disposal of the syndicate from its very initiation. Mr. Hoare is a practical man; he was engaged for a particular purpose, to canvas for support in the district; and the result of his canvas was that he obtained something like 3,000 shares in a share capital of £30,000. The company required something like £20,000 or £30,000 to carry out their scheme, and in 12 months' time they had obtained subscribers to the amount of £3,000. Secondly, not one iota of the machinery was ordered; and, thirdly—as I said the other evening and shall repeat now—the original idea of the company was a gas supply. There was produced before the Select Committee one of their prospectuses which dealt solely with the supply of gas to this district; and it was only when this new company came forward with a proposal for electricity that a supplementary prospectus was issued by the old company offering to supply that illuminant also. Further, the Select Committee had before them a petition of residents in the district, most influentially signed, embracing nearly all the residents of any importance, at least those who would take electricity; and

they had also the qualified approval of the roads boards of this district. I have every sympathy with the original promoters; and my sympathy would be greater had I evidence to warrant my coming to the conclusion that they were really *bona fide* in their intention of carrying out that contract. But the evidence left the impression on my mind that they were in the same position as ordinary company promoters; they were hawking about their concession, were unable to get sufficient subscribers, and there was little prospect of their being able to carry out their scheme. For these reasons, I cannot support the amendment.

MR. VOSPER: The other fellows also are hawking their prospectus.

MR. MOORHEAD: But they are in existence.

Amendment (that the Bill be read this day six months) put, and passed on the voices.

Bill thus arrested.

DISTILLATION BILL.

COUNCIL'S AMENDMENTS.

Schedule of seven amendments made by the Legislative Council considered.

IN COMMITTEE.

SIR JAS. G. LEE STEERE took the Chair.

No. 1—Clause 9, line 24, strike out "at his office in Perth" and insert "at his principal office."

No. 2—Clause 13, lines 15 and 16, strike out "at his office in Perth" and insert "at his principal office."

No. 3—Clause 19, line 1, after "distillery" insert "licensed under this part."

No. 4—Clause 22, line 21, strike out "at his office in Perth" and insert "at his principal office."

No. 5—Clause 38, line 8, strike out "fresh water from salt."

No. 6—New Clause, to stand as Clause 83:—

Any person aggrieved by any order or conviction of a Justice under this Act may appeal against such order or conviction under the provisions of "The Police Act, 1892," with respect to appeals.

No. 7—Fourteenth Schedule, line 7, strike out "25" and insert "10s." Line 8, strike out the whole line and insert the following: "For every license to distil water, 1s."

THE ATTORNEY GENERAL: The amendments had been made and sug-

gested by the Government since the Bill left this House, and they were comparatively speaking of an unimportant character. He proposed to accept them. The first was an alteration as to the situation of the office of the Chief Inspector of Distilleries. In the Bill as it left this House that office was mentioned as being in Perth, whereas, as a matter of fact, the office was at Fremantle. In order to provide for which ever place the office might be in, this amendment had been introduced, striking out the words "at his office in Perth" and inserting "at his principal office," without designating where the office was. The same applied to Nos. 2 and 4. The third amendment defined more particularly that the license granted under that particular portion of the Bill applied only to that part of the Bill. By the fifth amendment there was no distinction to be made between fresh water and salt. There was a new clause giving power to appeal under the Bill, and that was a salutary provision which he commended to the Committee. By the seventh amendment a license fee had been reduced from £5 to 10s. In the South Australian Act the amount was £5, and by this amendment we reverted to the original sum. By the last amendment line 8 of the 14th schedule was struck out and the following inserted: "for every license to distil water, 1s." The object of that amendment was to effect registration, so that the Distillery Officer should know who had stills throughout the whole of the community. It was merely passed for the purpose of having a complete register of the stills in use. He moved that the amendments be agreed to.

Amendments put and passed.

Resolution reported, and * the report adopted.

At 6:20, the SPEAKER left the Chair.

At 7:30, Chair resumed.

ANNUAL ESTIMATES.

IN COMMITTEE OF SUPPLY.

Resumed from 18th October, fifth day.

Sir JAS. G. LEE STEERE took the Chair.

RAILWAYS AND TRAMWAYS DEPARTMENT (HON. B. C. Wood, Commissioner).

Vote — Railways and Tramways, £840,571:

MR. PIESSE (Williams): In rising to speak in this debate, without the responsibility of a Minister, in regard to the important vote which was being discussed, he felt that it would be well that this discussion should not close without a few remarks from him on those matters with which he was perhaps more in touch than any other member of the Committee. It would probably be well to afford a little information in regard to various matters which had transpired during the past year when he had been Commissioner of Railways, more especially relating to the working of the railways and to the report of the General Manager. This report embraced the period of his administration during the past year; and although his successor had taken up the work of the department, still the new Commissioner would probably agree with him in giving the statement he was about to give in regard to some matters that had cropped up concerning this department. During the past year, as would appear from the report, no new railways had been opened, and consequently the mileage had not been increased as compared with the previous year. The capital amount, however, had been increased to the figures stated in the report, namely £6,856,000; but this increase was accounted for by additions to rolling-stock, also additions and improvements to opened railway, and by general improvements made in connection with the construction of the railways; these various things bringing up the total to the amount stated in the report. Comment had been made at various times in regard to the low cost at which our railways had been constructed, and on the goldfields especially those persons who had given some attention to the matter and thought they were in a position to offer a definite opinion had stated that most of the railways in this colony were constructed at the expense of the goldfields. It might appear to those who had taken the trouble to go into figures that the difference between the estimated cost of these works and the amount at which the works were actually carried out would probably be considerable; but taking the capital cost at £6,856,000, it would be found that

the difference between the estimated cost and the actual cost amounted to something like £378,000. In other words, if the railways had been constructed at the estimated cost, and taking the ordinary traffic that would be on these railways and not the abnormal traffic which we had seen in some cases, the contractors would have received £378,000 more than they actually received from the Government for the whole of the railways constructed.

MR. MORAN: That was for the whole system?

MR. PIESSE: For the whole system, thus bringing the total cost of the railways up to £7,234,363. So that, though much had been said as to the goldfields having paid for their railways, when the cost of such railways was compared with the capital cost of the railways as a whole, the former amount would, after all, be found not very considerable. Some mention had been recently made, by the member for Coolgardie (Mr. Morgans), regarding the public debt and the colony's position generally; and that hon. member had said, if the railways, as a going concern, were sold upon the English market, they would realise a sum sufficient to pay the whole of the public debt of the colony. Such would undoubtedly be the case, and the figures he (Mr. Piesse) would quote to-night would show that the railways, if sold, would furnish a good investment. Take the credit balance remaining after paying working expenses last year. The balance was £398,000. That would provide interest at $3\frac{1}{2}$ per cent. on a capital value of a little over 11 millions, and would offer a very good investment to the capitalist. Nor must it be forgotten that though $3\frac{1}{2}$ per cent. was not, in our eyes, a high rate of interest; still, in the eyes of British investors it was a very reasonable return, for which they would be glad to advance their money. Further, it must be remembered, if our railways were in the hands of the British investor and were worked by a company instead of by the State, they would be worked at much less cost. [MR. ILLINGWORTH: A great admission.] The admission was made to point out to hon. members that the public of the colony, through Parliament, asked for much to be done by the Government which would not be done by private companies. That was why the working expenses of the

railways were in a great measure disproportionate to the income.

THE PREMIER: A private company would not tolerate interference by Parliament.

MR. PIESSE: No; they would doubtless carry on their business in a way to suit themselves, and would not take the colony into consideration. Consider an instance recently under the notice of the House—the Perth Electric Tramways, a private enterprise undoubtedly conducted much cheaper than if in the hands of the Government, for the company carried on their work without political interference, and consequently with much greater economy than the State could achieve. Regarding the result of the working of the railways for the past year he would like for the purposes of comparison to refer to three periods—the year 1890, the year 1896, when he took office as Commissioner, and the year 1900. In 1890, the date of the introduction of Responsible Government, the railways were a small concern; yet that was only ten years ago after all, a very short period in the life of this colony; and in comparing the figures for 1890 with those for 1900 the colony had every reason to congratulate itself upon the wonderful success which had followed the efforts of the Railway Department. In 1890 the total amount spent in construction and equipment was £833,083; in 1896 that expenditure had reached £2,316,824, or an increase of 175 per cent.; while in 1900 the total cost reached the high figure of £6,856,363, or an increase over the year 1896 of 195 per cent. The total mileage open for traffic in 1890 was 188 miles; in 1896, 588 miles, or an increase of 212 per cent.; and in 1900, 1,355 miles, or an increase on the year 1896 of 130 per cent. Coming to the gross revenue of the railways, this amounted in 1890 to £45,113, equal to 13 days' revenue at the present time; in 1896 the revenue amounted to £529,616, or an increase over the year 1890, for a period of six years, of 1,071 per cent.; and in 1900 the revenue had reached the very creditable figures of £1,259,512, or an increase of 138 per cent. These figures showed an enormously increasing revenue. The cost of working the railways in 1890 was £51,640; in 1896, £263,705, or an increase of 410 per cent.; the working

expenses in 1900 reached £861,470, or an increase on 1896 of 226 per cent. In 1890 there was a loss, after paying all expenses, of £6,527; in 1896 a profit of £265,911; and a profit in 1900 of £398,042, or an increase of 49 per cent. In 1890 the percentage of working expenses to revenue was £114·46; and in 1896 £49·79, which was the lowest reached in the colony's history. At that time all were congratulating themselves upon the low cost of working the railways and the large income received. In 1900 the percentage of working expenses reached £68·40, or an increase over the previous year of 38 per cent. The earnings per average mile open in 1890 were £240. This increased in 1896 to £913, or an increase of 280 per cent.; and in 1900 they increased to £930. The working expenses per average mile open in 1890 were £275; in 1896, £455; and in 1900, £636. The net return per average mile open was always an indication of how the railways were progressing, and this in 1890 was £35 loss; in 1896, £458 profit; and in 1900 £294 profit; or a decrease as compared with 1896 of 31 per cent. The gross earnings per train mile were in 1890 38·01; in 1896, 82·44; and in 1900, 71·70. The working expenses per train mile were in 1890, 43·51; in 1896, 41·05; and in 1900, 49·04. In 1890, after paying working expenses, there was a loss of 5·50 per train mile; in 1896, a profit of 41·39; and in 1900 a profit of 22·66, or a decrease of 44 per cent. The percentage of profit to capital invested showed a loss in 1890, with a net profit in 1896 of 11·48, and in 1900 of 5·81. In 1890 the number of passengers travelling was 251,898 persons; in 1896, 1,679,816, or an increase of 566 per cent. In the past year the number had increased to the enormous figures, for this colony, of 6,225,068, or an increase of 270 per cent. As another good indication of progress, in 1890 the goods tonnage was 60,692; in 1896, 427,919; and in the past year, 1,364,429, or an increase over the year 1896 of 223 per cent. The passenger traffic of 1890 was equal to only 15 days of the traffic at the present time, and that of 1896 was equal to only 99 days of the present traffic. The goods traffic of 1890 was equal to only 16 days of the present traffic, and in 1896 to only 112 days of the same.

MR. MORAN: The larger increase had been in the passenger traffic.

MR. PIESSE: That was accounted for by the Boulder railway. Looking at these figures, there was great cause for congratulation; but it would be noticed that the year which showed the greatest profit in proportion to working expenses was 1896, the year in which he took office as Commissioner, when the profit was undoubtedly very satisfactory, but it had gradually fallen until this year, when the net profit per train mile, after paying working expenses, amounted to only 22·66. The working expenses also had increased, and were now 49·04 per train mile. This was the critical question after all—that of earnings and working expenses, and upon that everything depended. Turning to page 7 of the General Manager's Report, it would be found that the gross percentage of working expenses to gross earnings amounted to £68·40, a decrease of £2·51 as compared with the preceding year, and £8·71 as compared with 1897-8. There was ground for congratulation here in the fact that there had been an improvement since the year 1897-8, for the figures had decreased by 8·71 from that year to last year, and had since diminished by 2·51, thus showing there had been some economy practised, and that the department were returning toward the point reached in 1896. There were many reasons why the figures of 1896 would probably not be reached. It would be interesting to turn to page 8 of the report, where would be found what might be termed the "pulse" of the railway system, or, as it were, the barometer giving for the years 1896 to 1900 the average revenue per ton of goods handled, including live stock, and it would be found the amount received was 15s. 4d. in 1896. Those who remembered the traffic in 1896 knew that the goldfields receipts were enormous, and the department were getting 50 per cent. more for all goods conveyed over the railway towards Coolgardie, and the contractor who was completing the line was carrying goods free of expense to the Government; therefore the profits were greater during that year than they had been since. In 1897 the revenue per ton fell to 11s., accounted for by the reduction made in the rates; for the 50 per cent. was knocked off, and the rates assimilated

throughout the whole colony, on the 1st July, 1896; and there was a considerable loss in consequence of this reduction of goldfields receipts. In March of that year we promised that as soon as the railway reached Kalgoorlie we would introduce a new rate, assimilating all rates throughout the colony. We kept that promise by introducing a new rate altogether on the 1st July, 1896. These rates were reduced, and we found in the following year the average per ton of goods handled (including live stock) came down to 11s. In 1898 we found it came down to 9s. 4d.; and we found, too, that the percentage of working expenses to revenue had gone up from 49·79 in 1896 to 77·11, simply because we were carrying our goods at too low a rate. We had to look round for the reason why there was such a difference between the revenue per ton of goods handled and the percentage of working expenses, and we came to the conclusion that the rates needed revising, with the result that a new rate-book was issued, coming in later on, and increasing the rates by about 14 per cent. all round. Not on all goods were the rates increased, but the actual gross increase amounted to about 14 per cent. We saw the result of that very shortly afterwards, for in 1899 we found that the average revenue per ton of goods handled (including live stock) was 10s. 2d., and there was a reduction of percentage of working expenses to 70·91, so that the change began to tell at once. Although there was such a clamour at the time, it was absolutely necessary that such a revision should take place; and when it had taken place the tables began to turn again, and we were on the upward grade. That increase went on steadily, and in 1900 we found the average revenue per ton of goods handled rose to 11s. 5d., with a reduction of percentage of working expenses to revenue to 68·40. Members would agree with him that the course the Government adopted at that time was the right line to pursue. Had we not faced the difficulty and a great deal of abuse, he might say, from people on the goldfields and other parts of the colony, as to the change made in regard to the rates, instead of making such an amount of profit this year as we had done the profits would have been much less, and, in fact, there would

probably have been a loss. When we remembered the increases made in our rate book, and compared the rates with those in the Eastern colonies, we found that, after all, Western Australia was still behind those colonies in regard to her rates. The tariff in Western Australia was the most moderate in the whole of Australia. Therefore we were doubly fortunate in being able to show such a result as we had done this year. When we looked at the low tariff and the high rate of wages (because after all we were equal to New South Wales and higher than all the other colonies), and when we remembered the high cost of water, the heavy cost of maintenance, and all the other charges consequent upon the working of our railways—although we certainly had some saving with regard to coal—the statement given was a very satisfactory one. The member for East Coolgardie (Mr. Moran) in alluding to this matter last night, mentioned that the cost of our railways was lower than the cost of those in any other part of Australia; and that was quite correct. The cost of our railways in 1896 was as low as £3,995 per mile, but it had since risen to £5,060. This, however, could be accounted for by the fact—and no doubt it was a wise arrangement—that in the early days these works were carried out in the most economical manner, the lines being, indeed, merely tramways. Railways were put down in different parts of the colony as cheaply as possible, and the equipment was quite inadequate for the work to be done at the present time; but it was probably sufficient for the period when the railways were built; and although we had congratulated ourselves frequently on the low cost of our railways, and perhaps had questioned the increases, still those who watched the work of the railways would agree that the increase had been necessary in consequence of the great increase of traffic. From time to time we had added, first, rolling-stock probably, and then additional equipment upon our lines in connection with our interlocking, and also facilities for our station yards, new stations, additional sidings, and improvements in every direction, which had brought the cost of our lines up to the figure at which it stood to-day.

THE PREMIER : Heavier rails.

MR. PIESSE: Yes; heavier rails, in different parts where they were necessary, and of course that method of action was still in progress. After all, we must not forget the fact that although there had been this increase, it had been wanted, and to-day our railways were beginning to get at the stage they should reach, a stage which would favourably compare with that in the Eastern colonies. He had listened with great interest to the speech by the hon. member for East Coolgardie (Mr. Moran)—with whose figures he did not disagree—for there was much in it to one who understood the matter as he (Mr. Piesse) did. The figures quoted showed it was absolutely necessary there should be a further addition to the cost of our railways within the next year or 18 months, and probably the sum would reach the amount mentioned by that hon. member. We would have to get it very quickly. We had heard a great deal about the low cost of carriage, and one instance here went to show we should be very careful in regard to reducing the rates. We had had numbers of instances in which strong representations had been made for the reduction of rates, and in the early part of last year there were large deputations giving powerful reasons for a reduction. He opposed most of those applications. We were not able to do anything better than we did at the time, and the action taken then had been justified. We had the working of the South-Western before us, and what did we find? The report said:

The result of the low rates charged is especially brought to notice on looking at the working of the South-Western Railway (*vide* tables 1, 6, and 7), on which the principal traffic consists of local timber and coal. The net results of the whole traffic on this line showed a percentage of £92.35 as the cost of earning each £100 of revenue. The earnings were £75,042 from goods, and £50,290 from coaching traffic, live stock, and other sources, totalling £125,332. The cost of earning this amount was £115,750, leaving a profit of £9,582 only to meet the interest (£232,420, *vide* table 2) on the loan capital of the railway. The gross earnings per train mile—in spite of heavily loaded trains—on this line were also lowest of any of the sections into which the system is divided, being 4s. 5d. per train mile.

MR. GEORGE: There was long through traffic and this line had to bear the initial cost.

MR. PIESSE: One was not saying anything against that. What he said was that this system had been initiated in 1896, or at least the timber traffic was initiated in 1896, so that gave another reason why there had been a falling off in our earnings. Then, when we had the coal traffic, naturally we did our best to try and develop that trade, and he might say with good results to the Department. The rate at which the coal was carried, a half-penny per ton per mile, was non-paying, and it would not pay to carry the coal at that rate until we had greater facilities, a heavier road, better engines, and certainly a greater capacity of wagons. Our wagons were of a design which would not admit of larger quantities being carried than were carried at the present time, in proportion to the number of wheels running.

MR. WILSON: As broad as it was long.

MR. PIESSE: That did not meet the argument one was adducing. He was only speaking of the cost. If the public asked for further reductions in regard to the carriage of coal or any other commodity, it meant that our earnings would be reduced and our working expense proportionately would be higher.

MR. ILLINGWORTH: Was it the Government's own coal that was carried?

MR. PIESSE: The Government took the coal at the price delivered at the pit's mouth. There was no debit made of the carriage of coal.

MR. GEORGE: It affected our percentage, anyhow.

MR. PIESSE: Seeing that the cost of bringing a ton of coal from the pit's mouth to Fremantle was only 5s. 8d., the rate was very low, the distance being over 140 miles. He merely pointed that out as a reason why the working expenses had risen so high on the South-Western railway. That railway was the big cart horse of the system, as the Premier had pointed out before. It was doing the heavy work and haulage at a very low cost.

MR. GEORGE: And no credit was given for the carriage of the Government's own coal.

MR. PIESSE: We now came to the Locomotive Branch. It was not his intention to touch upon any more figures, except casually. He had given reasons why all these things had occurred. He

had shown that although the cost of our railways per mile had increased, that increase had been rendered necessary by what had taken place from time to time. He had also shown that the high cost of working as compared with the Eastern colonies was attributable to many causes, which he mentioned just now—higher wages, the high cost of water, the heavy cost of maintenance in consequence of the difficulties we had had in regard to shops; the high cost of maintenance, too, upon our roads, which had not been in perfect order in consequence of the lighter rails. Now we were overcoming these difficulties by having heavier rails, by the improved condition of our grades, and by many other circumstances. It was hoped some little improvement would be made in the direction of reducing our working expenses. Of course, there was one thing to be said. If representations were made from time to time for increased wages or shorter hours, or other things which had been alluded to in this House, that would naturally mean an increase in the working expenses. He thought the member for East Coolgardie, when alluding to this last night, said that public clamour should not be brought to bear upon the railway authorities, either to increase the working expenses or reduce the rates, at the present juncture. He (Mr. Piesse) thought we ought to go on as we were going now, and endeavour to make the railways pay. If we gave way to this pressure, we should find ourselves in the difficulties which the member for East Fremantle (Mr. Holmes) mentioned last evening. During the past year there have been many improvements in the railways in regard to interlocking throughout, also providing signals at various stations, improvements in station yards, and other works which had done so much to minimise the risk in running over our railways, and also the improved condition of working within our yards. In regard to Collie coal, this had been of great assistance to the department during the past year, lessening the expenses; and he would like to refer to the way in which the men who had to use the coal had risen to the occasion, and had done the best that was possible with it. To their efforts a great deal of the success attained in using Collie coal was really due, with the result

that we had now a good return from it, and the men using it were getting accustomed to it, and the coal was meeting the requirements of the railways very satisfactorily. He would like to refer to what the Engineer-in-Chief stated on this subject in his report of 1895, page 16. [Extract read.] This showed what was anticipated in 1895, and we saw the result to-day, for although he regretted that the Collie coal industry was not developing as fast as some people would like, yet we must go on steadily in accordance with the requirements of the colony. The department were suffering now from the want of appliances in the time being for the more economical carrying of the coal, but that would be obviated in the near future. In regard to the railway stores, referred to by the General Manager in his report, he (Mr. Piesse) agreed with the General Manager that something should be done in the way of providing a stores department for the railways. The present system of having numerous small stores throughout the railway system, each branch having its small separate store, did not result in economical working, nor was it convenient to the department; and referring again to the report of the Engineer-in-Chief of 1895, at page 13 it would be seen that he alluded to the system then and now in existence in connection with the Government stores, and stated that we required a proper store system. Nothing had been done in the direction indicated by the Engineer-in-Chief, and the General Manager during his administration had strongly advocated this change, which must come very soon. It would be necessary to provide a suspense account for this purpose, not a small amount, but an amount of probably £150,000 to £200,000, which would enable the department to overcome one of the difficulties of the present time. Take the purchase of coal as an instance: large stocks had to be taken in by the loco. branch, and these were at once charged to working expenses; whereas if we had proper stores accommodation with a suspense account, that method of dealing with the coal would be more satisfactory. For some years to come we should have to deal with supplies of Newcastle coal as well as Collie coal, and there were many other things which should be

placed in the suspense account, rather than be supplied as they were now from the Government Storekeeper. In regard to the relaying of the line with heavier rails, this had been alluded to by the Premier a few nights back. It was a work that should be proceeded with, and he understood the rails had been ordered. No more necessary work was required than that the Eastern railway, from the point where relaid now, should be completed to Kalgoorlie with heavier rails. The report of the General Manager referred to the re-ballasting of the line. This was a necessary work, but was one that need not be carried out very rapidly, as it would run into a very large expenditure; but the object was to place the road in a much better condition. The ordinary ballast used at present was of a character that did not answer very well, as it was easily crushed by the heavy weights going over it, and there was also the constant dust caused by it. The other colonies were not troubled by this dust nuisance on the railways to any great extent; but in this colony it was a serious trouble, as anyone would observe who travelled over the line between Perth and the goldfields, and on some other sections of the railway. This dust nuisance was not only an inconvenience to persons travelling over the line, but it deteriorated our rolling-stock. Reference was made by the member for East Coolgardie (Mr. Moran) to the continuous brakes, and he said it was necessary that something should be done to place all the rolling-stock in such a condition as to make it safe by the application of these brakes. He (Mr. Piesse) had mentioned last evening, in regard to the passenger stock, that the brakes were already supplied and in use; but what the hon. member referred to, and what was still required, was to supply these brakes on our goods stock. Arrangements were now made for all goods stock imported to be fitted with the brake-pipes before being sent out, so that we were working up to date in that particular. The Mechanical Engineer in his report referred to the fitting up of the stock which had been in use on our railways many years, and on which it was desirable that these brake appliances should be fitted. Still, we must go along steadily, and this work would involve an

expenditure of some £200,000 to complete the requirements, so that this outlay might well be spread over a few years. In regard to rolling-stock requirements, several members had blamed the House and also blamed the Government for the inadequacy of the present rolling-stock. No doubt we were suffering from the want of rolling-stock to-day; but this deficiency was nothing like that which existed in 1897. The pinch was beginning to be felt now, and would be for some time to come; but, after all, the Government were not to blame in regard to this matter. The Government had, in fact, met the requirements of the department in every particular in regard to rolling-stock, during the past three years. Some hon. members had stated that the General Manager said in his report the Government had not done so. If members would refer to the report, they would find nothing in it of that kind, but what did appear was that the General Manager asked for additional rolling-stock. No one was to blame in this instance. All those concerned had done their best to provide the railways with rolling-stock; and we must not forget the remarks of the member for Central Murchison (Mr. Illingworth) about two years ago, when we were getting a large quantity of rolling-stock in this colony, and when he reminded us of what took place in Victoria, by a large quantity of stock being obtained in excess of requirements. No doubt those remarks were intended as a caution to us, and at that time there was in this colony some depression, and we were beginning to find ourselves burdened with a little more rolling-stock than we actually required. The heads of the Railway Department realised that fact, and having this knowledge they exercised caution. To this he might add what the General Manager pointed out, that there was always a difficulty in estimating the requirements of the future in a country that was developing rapidly. There might at any time be an unforeseen change and perhaps a little depression, and after all it was hard to estimate the requirements very closely. In regard to present requirements, when it was pointed out some time ago that we required more stock, 300 new wagons and 30 engines were ordered. These wagons were now in the colony, and

the engines he hoped would be here shortly. It was decided to order some 40 new locomotives of a new type, the designs for which were prepared during the late Mechanical Engineer's administration. A short period intervened between his leaving and the arrival of the new officer in this colony, and the plans were not proceeded with at the time.

MR. ILLINGWORTH: Were the plans prepared here?

MR. PIESSE: Yes.

MR. GEORGE: What, the working parts?

MR. PIESSE: Yes; all the parts had been designed here, and the designs had been sent to the consulting engineer in London, and if he approved of the plans as submitted, or advised that they should be modified, the engines were constructed accordingly. In this way there had been some delay in this connection; but now that the Mechanical Engineer had taken up the work, there would probably be no further delay. It had been said the Government had not met the wishes of the responsible officers of the department; but he (Mr. Piesse) could assure the Committee that no one had been more anxious to meet the requirements of the department than had the Government; and, after all, no blame could attach to them in this connection. If there had been delays, they were of a character which could not well be avoided. Neither he (Mr. Piesse) while Commissioner, nor the officers of the department, had caused the delay in the matter; but there had been delay caused in connection with the preparation of designs and plans, which had interfered with the orders going forward. Therefore he wished to correct misstatements which had been made in regard to this matter. In regard to rolling-stock, since 1896 we had ordered and placed on the railways of the colony rolling-stock to the value of £1,177,877, and this House had most liberally voted the funds necessary for this most important work. Though there was a scarcity to-day and the department were much exercised regarding pressing requirements; still, if the public would, as in the past, use a little forbearance and try to assist the department, the existing difficulty would soon be overcome. If it were impossible to get stock from England in time to relieve

the present shortage, it might be obtained elsewhere. The member for East Coolgardie (Mr. Moran) made a mistake last night, or was wrongly reported in a manner which might mislead the public to the belief that they were running some danger in travelling on the railways. The hon. member was reported to have said the service was unsatisfactory and unsafe for want of proper rolling-stock, and that the railway officers had reported they were running their trains at great risk for want of adequate power, and that their words were "working with inadequate, unsafe, and unfit rolling-stock." Evidently the hon. member did not wish these words to be placed in inverted commas, as they appeared in the Press; and as a fact, in no instance had the officials used these words in speaking of the rolling-stock. One officer said the stock was in fair order. [MR. GEORGE: Only "fair."] Much of it was in good order, and there was some in only fair condition.

MR. GEORGE: The officer simply said the departmental records showed the condition was fair.

MR. PIESSE: The officer in question had only recently taken up his work, some six weeks prior to his making a report; consequently he had to refer to the records, which showed the condition of the stock was only fair. The words used might be misleading, for there was no real cause for anxiety in regard to the safety or fitness of the stock, some of which was in fair and a good deal in excellent condition. For passenger traffic, however, the carriages and brake appliances were quite safe. Regarding administration, the member for East Fremantle (Mr. Holmes) stated last night it was his intention, when the items of increases in salaries came before the Committee, to deal with them individually and to move certain reductions. This was regrettable, because the small increases set down were fully justified by the long service of the officers and the onerous duties they performed. Even in 1895, the report of the Engineer-in-Chief stated that the administration of the railways was good, and went on: "That the whole of the decreases in working expenses are due to improvements in construction works should not, however, for a moment be imagined, as it is in the

power of the traffic branch (whilst performing its most important functions of keeping in touch with, and meeting the requirements of, the public) to very considerably diminish or increase the working expenses, not alone in its own branch, but also of all other branches of the working railways service, by good or bad administration, as the case may be. That is to say, the results as a whole must necessarily depend very largely on the arrangement of the train services so as to work with the least possible waste of time and power; and it cannot, therefore, I think, be doubted by anybody that the satisfactory results which have recently accrued on the railways are largely due to the General Traffic Manager, and also to the loyal service of the officers he has got around him." That referred to Mr. Davies in 1895.

MR. HOLMES: The Engineer-in-Chief would not say so to-day.

MR. PIESSE: Having had an experience of Mr. Davies since 1896, he (Mr. Piesse) had every confidence in that officer, for the success of the railways was largely due to Mr. Davies's unswerving loyalty and determination to do his best in the interests of the country; and an officer who, in 1891, was engaged at £800 a year to work a railway system with an income of only £43,000 a year, should surely be paid something extra when the earnings reached the magnificent figures of one-and-a-quarter millions sterling. The increase of salary was very small; for if this were a private concern it would be felt the responsible officers were not properly paid unless their salaries were doubled. Although the public were sometimes dissatisfied with the General Manager, still, from his own knowledge of that officer's work, he (Mr. Piesse) could say the General Manager had done his duty without fear or favour in the interests of the country; and when the item of his salary came before the House he hoped the hon. member (Mr. Holmes) would not move as he had threatened last night. Mr. Short, the Chief Traffic Manager, was respected throughout the whole of the service, as well as by the public. He was a most deserving officer, very highly thought of by his previous employers, had some 23 or 24 years' experience of railways, and had worked night and day since entering the Govern-

ment service. He had been first engaged at £600 a year, which was subsequently increased to £800; and now, after nearly four years' work, it was proposed to increase his salary to £900. If this were a private concern, the position would be worth at least an extra £300 a year. The department earned a large sum of money for the country, and qualified officers were necessary for its success. The position of the Chief Accountant was also very important. Since 1896 he (Mr. Piesse) had made it a rule to adequately recognise the service of all railway men. They should be well paid for their work, because they had in their hands the making or marring of this great department.

MR. HOLMES: Had the Chief Accountant compiled the figures in this report?

MR. PIESSE: They were compiled in the Accountant's office.

MR. HOLMES: But that officer was in London at the time.

MR. PIESSE: The Chief Accountant entered the service with a good reputation, and since his arrival nothing but good had been heard of his work. That was proved by the Auditor General's report. In 1896 both the Railways and Works Departments were in difficulties; but in the recent report of the Auditor General praise was given to the Chief Accountants in both branches of the service.

MR. HOLMES: The Auditor General had said the Railway Department misappropriated funds.

MR. PIESSE: That officer could judge of the capabilities of the Accountant, and the Committee would doubtless agree to the increase. Regarding the Chief Traffic Manager, there was ample justification of his work in the claims settled during the past three or four years. In 1896 the claims, outside of fire claims, amounted to £4,000; in the next year they were reduced to £450. They had gone up slightly since, but had not exceeded £1,000 per annum; so that there was a reduction, by carefully looking after the work, of some £3,000, and in one instance of nearly £3,700. Take the proportion of working expenses in 1897, when the Chief Traffic Manager assumed office. This proportion was then 26 per cent.; it had now come down to about 20 per cent.; so there was a saving of 6 per cent., and for this year alone that meant

a saving of nearly £40,000—an enormous saving, achieved simply by careful application to duty and proper placing of the men in their positions. The Chief Mechanical Engineer entered the service with a good reputation, the result of some 26 years' experience, most of which was gained in New Zealand, where he had held a similar position. Reference had been made to the Interlocking Engineer, who had gone on a short trip to England for a well-earned holiday. That officer, at the time of the strike, had assumed control for a short period until the new Locomotive Engineer was appointed, and had done this without extra remuneration. A slight extension of leave was, however, given him, and he took a trip to England. It was desirable in the interests of the country that officers of various branches should have an opportunity of taking leave at stated periods, for they could thus look at other railway systems, and perfect themselves in their profession, no man being too old to learn. As to another officer in connection with the permanent way (Mr. Dartnell), he was absent for a time, and during his absence the work was taken over by the next officer, Mr. Light. During the year all those officers had done their utmost to carry out their work satisfactorily, and on the whole the country was to be congratulated upon having a deserving class of men who were doing their very utmost in the interests of the service. One wished to pay this tribute to these officers, who had worked with him during the past four years. He could only speak of them all in the highest terms, and he would like to say again that he was sure we had at the head of our railway system a most capable man. He certainly thought, notwithstanding little differences which had arisen from time to time, and which the public had mentioned in a way not too complimentary, with regard to the working of the Railway Department, the railways were a credit to the country. He had made inquiry in other places he had visited, and found that the little difficulties which cropped up here cropped up there. The railway authorities were not at any time in very great favour with the public. They came very much into contact with the public, and there was constantly a little jarring which went on from time to time—people endeavouring

to get their goods carried probably at lower rates, or to get more goods than they should do under the regulations. People tried to obtain all sorts of concessions, vexing the spirit of the Minister and trying him to the very utmost, by the most unreasonable and unheard of requests. They asked for things that no man would ever believe could come from the brain of other men to annoy and worry a man occupying such a position as that of Commissioner of Railways. With his long experience of four and a-half years he could assure members that if they wanted to do an injury to a fellow man, the way to do it would be to appoint that man Commissioner of Railways, in a country such as this, where there was so much interference on the part of the public. He had nothing more to add to-night, except that he thought this country had in its railway system a system which was equal to anything in Australia. It was making headway, and it had done an immense work. [THE PREMIER: Hear, hear.] Had it not been for the extension of a pioneer character which had been carried out during the administration of the present Government, we would not have seen the great development which had taken place in this colony. We must attribute to the railways the great success which we had obtained to-day, and that success would not have been achieved had it not been for the foresight displayed. He gave credit to the statesman who had filled the position of Premier in this colony, because, after all, many of these works had been initiated by the right hon. gentleman, and had it not been for the work which the Premier had done from time to time in advocating the building of many of these railways, we would not have seen the great system we beheld to-day. Our railway system was a creditable one; it was one of which this colony could be proud, and he said in all earnestness, let us not vex the spirit of the people who had the control of this system, the men who had in their hands the making or marring of the destinies of the railways, but let us give encouragement to men whom we had placed in control, and not trump up—and he said this to the public of this country—so many vexatious and minor complaints which caused trouble and difficulties to

those who had the working of the railway system.

MR. GEORGE: As one of the members representing the much attacked South-Western Railway, he wanted to point out to the House and the country that the South-Western Railway was not "the old man of the sea." The great traffic that had come on the South-Western Railway had been the goods, a large proportion of which went long journeys over the Eastern Goldfields railways, yet the South-Western Railway had, on account of its geographical position, to bear the whole of the initial expense in connection with the making up of trains and starting them. He would refer members to the report of the General Manager, in which that gentleman stated most distinctly with regard to this line that the coaching on the line paid, but the goods traffic did not pay. And why did it not pay? There was a tremendous quantity of stuff used by the Government for their own railways, this passing over the South-Western Railway, and the railway getting no credit whatever for it. One would like to point out a little matter in connection with the report that had been laid before us, and he was going to congratulate the new Mechanical Engineer—although that officer had been here only a little time—on the fact that he knew how to write a report and say what he meant. That officer stated distinctly all he knew, and as to what he did not know, he gave the source of his information, so that hon. members could form a fair judgment upon it. The House and the country were to be congratulated on the fact that at last we had a man in charge of the locomotive workshops who was not only a first-class engineer, not only a first-class tradesman, but a man who understood the just mean between employers and employees, and he (Mr. George) believed that the new mechanical engineer would make a great success of the department over which he had been placed. It was desirable to emphasise what was said in the report of the General Manager as to the workshops. Now it had been settled that the workshops were to go to Midland Junction, let us have no shilly-shallying about it, but if we had the means—and the Premier said we had—let us put up the workshops, which were more needed day

by day than they had been for years. The period during which the repairs might be deferred, or the repairs might be very slight, had practically gone with regard to our locomotives, and it had nearly gone with regard to our coaching stock. Unless we enabled our officials to put the rolling-stock into good condition, one would not envy the Commissioner of Railways his position in less than twelve months from now. When the next report had to come forward, unless we could get more adequate appliances for dealing with this great and important matter, the balance sheet would, he was afraid, be one that would not make the poor unfortunate Treasurer smile. If there was one thing more than another which this colony required in relation to the increasing amount of traffic, it was that we should have a uniform system of heavy rails throughout our railways. The days of light rails, like the days of light budgets, had gone, and gone for ever. Light rails were not suitable for the traffic we had now, and they entailed upon this colony an enormous expense in connection with our locomotives. If members would turn to the report dealing with locomotives they would find there were seventeen distinct classes of locomotives in this colony, and a great number of those classes were rendered necessary by the fact that we had rails of different strengths. There had been some talk with regard to various advances to different persons connected with the railways. He was not going to discuss persons; he desired members to put entirely on one side the individual who occupied the position, and to ask themselves first of all what was the position occupied and what was an adequate return for the responsibilities which had to be undertaken. If members would make up their minds what was a fair thing to be done, we could discuss the merits or demerits of the present holders afterwards. To hold these positions successfully men required not only a life-long training and skill, but such qualities of tact, patience, and endurance as few men indeed possessed unless trained to the positions. It was easy to launch out from the fair lines of criticism to actual prejudice or feeling against individuals. If the men in charge of the railways—whether one referred to the men

at the top or the men at the bottom—were simply actuated by the feeling that there were so many pounds and shillings going to them, we should never have what we had a right to expect, what this colony wanted, and what we strove for in our private capacity—a feeling of loyalty to the employment which could simply result in administrative success. In these matters, while broadly we could criticise officials, we must be very careful not to kill the spirit of zeal, without which the administration of our railways or any other thing was not worth a snap of the fingers. He had intended to refer to what he thought had been a jarring element in connection with the department for some years, and before he sat down he might perhaps make some slight references to that in as kindly a way as he could. A great deal of the trouble, which had not been allowed to die out—he hardly liked to say which had been fanned up—came from the fact that some few years ago it was considered necessary, in the interests of the whole of the colony, that a gentleman, against whom there was not much to say, who was then General Manager of the railways, should be relieved from that position and allowed to direct his great intellect and great qualities to the duties of engineer to the Public Works Department, of which he was now chief. In private life, anyone who had been engaged in a certain work and was relieved of his duties, had always a sort of feeling of semi-jealous criticism towards the person who succeeded him. It was only natural one should imagine and believe that no one could do the work as well as oneself; and he thought he was speaking within bounds when he said that was the feeling which had actuated that gentleman, for whom he had great respect, and who had served his country far better as Engineer-in-Chief in the Public Works Department than he could have done as General Manager of the Railways.

MR. CONNOR: The results were better than the hon. member had said.

MR. GEORGE: What did the results show? This gentleman was made not General Manager of Railways, but was made Engineer-in-Chief, to reorganise the grades and facilities in connection with the railways. He went thoroughly into that job and, well qualified as he was,

did it well; and in order that the department might carry on the work without any friction between himself and the gentleman who was practically general manager, that gentleman applied for and got the title of General Manager of Railways. So far as the general management of the railways was concerned, in connection with the traffic or anything of that sort, Mr. O'Connor had practically little to do, and would not himself contend he had more to do with the general business than what had been indicated.

A MEMBER: The hon. member was wrong.

MR. GEORGE: The statement was not wrong. From the day on which the Royal Commission on which he sat, gave its recommendation and this gentleman was relieved of his duties, this had been the sore point with Mr. O'Connor, and every member must be aware of that fact. He (Mr. George) could say unhesitatingly that had he occupied the position which had been filled by the member for the Williams (Mr. Piesse), he would have felt it his duty to let Mr. O'Connor understand that if he left the railways alone and attended to public works, it would be better for Western Australia and for Mr. O'Connor.

MR. CONNOR: The railways had paid better under Mr. O'Connor.

MR. GEORGE: Figures could be made to show almost anything. But let hon. members compare the mileage when Mr. O'Connor was general manager with the mileage of the present day; let them compare the condition of the rolling stock, which then was practically nil, with the condition of the rolling stock to-day; and let them compare the quantity of goods that had to be carried then and the quantity carried now. If that were done, no inference could be drawn that the railways had paid better then than they paid now. If the member for East Kimberley (Mr. Connor)—though this was far below the hon. member's dignity—had a small grocer's shop outside Perth—

MR. CONNOR: Or even a brass-foundry.

MR. GEORGE: Or even a brass-foundry, which was not a bad thing at all, because there were no "ticks" on the metal, and the "pigs" were perfectly pure. If the hon. member kept a small store in the neighbourhood of Fremantle

or Perth, and managed to sell 12 tins of jam at a profit of 2d. per tin per week and made 2s. on the transaction, and if six years afterwards someone else took up the work and sold 200 tins of jam at $\frac{1}{2}$ d. per tin profit, the hon. member might just as well say that in selling the dozen tins at 2d. profit he had made the business pay better. He (Mr. George) deprecated strongly the idea that the head of any department had a right, either privately or publicly, to assist in fomenting disloyalty to the head of another department. This was pretty strong language to use.

A MEMBER: Did Mr. O'Connor do that?

MR. GEORGE: In his opinion, Mr. O'Connor did, and he believed it could be proved beyond doubt that one person in the Engineer-in-Chief's department was for some considerable time engaged in getting up facts and figures and in writing pamphlets, the bulk of the information in which had been riddled—he hardly knew whether he should say “riddled,” and perhaps he had better say dribbled out in the House by one member and then by another. The head of the Railway Department was not found employing his men to search into matters in connection with the Public Works Department, nor had the head of the Public Works Department been made the subject of adverse criticism. If such a course had been taken, the House would in a moment have said that it was an impertinence bordering on impudence; and he (Mr. George) applied the same term as strongly as he could to any officer of a department who, instead of attending to his own work, used the officers and the information at his command, and the time the country paid him for, in fomenting disturbances and disloyalty, which could only result in the destruction of all zeal in the administration of the railways.

SEVERAL MEMBERS: Quite right.

MR. HIGHAM: Let the hon. member give real facts.

MR. CONNOR moved that progress be reported. The discussion was assuming rather a serious tone, when charges of this kind could be openly levied in the House against the head of one Government department. If such charges were to be passed over in a light manner, he did not see any use in hon. members being in the House.

Motion (progress) put, and a division taken with the following result:—

Ayes	7
Noes	18

Majority against ... 11

AYES.

Mr. Connor
Mr. D. Forrest
Mr. Holmes
Mr. Kingsmill
Mr. Moran
Mr. Solomon
Mr. Higham

(Teller).

NOES.

Mr. Durlot
Sir John Forrest
Mr. A. Forrest
Mr. George
Mr. Hubble
Mr. Hutchison
Mr. Illingworth
Mr. Leffroy
Mr. Mitchell
Mr. Pennefather
Mr. Piesse
Mr. Rason
Mr. Sholl
Mr. Vosper
Mr. Wallace
Mr. Wilson
Mr. Wood
Mr. Gregory

(Teller).

Motion thus negatived.

MR. WILSON: So many excellent speeches had been delivered, and so many figures placed before hon. members, that very little was left to be said; indeed, it was scarcely possible any new light could be shed on the Railway Department. The member for the Williams (Mr. Piesse) had given a mass of information, and he (Mr. Wilson) could not help thinking the conclusions arrived at by that hon. member showed private railways were not so bad as the Government always tried to make out; in fact the ex-Commissioner of Railways had convinced him that private railways could be run even more cheaply and better than Government railways, and that we might possibly be making a mistake in sticking to the old plan of insisting that all our railways should be owned and run by the Government. What we wanted in a new and young country with a limited population, and therefore, limited borrowing powers, were the best and cheapest facilities which could be provided for the public generally; and it did not matter whether these facilities were provided by the Government or private capital, so long as the public convenience was made the first consideration. The Premier, hon. members knew, did not believe in privately-owned railways, because his attempts in that direction had proved failures, as illustrated by the Midland Railway and the Great Southern Railway. They had proved failures, so far as the

country was concerned, for the reason that they were built on the land-grant system, large areas of country being consequently locked up in a manner injurious to the people of the country; but the fact that mistakes had been made in the past was no reason why we should condemn privately constructed railways: and if land-grant railways were objectionable, as be admitted they were and that they were not in the interests of the public, yet there was no reason why we should not allow railways to be privately constructed, leaving out the land-grant principle. While he was not in favour of allowing private enterprise to construct trunk lines, yet such enterprise might well be allowed and encouraged in the case of lines like the Collie-to-gold-fields direct, or a line from Port Hedland inland, or a line from Esperance inland. The construction of these lines by private enterprise would not only be in the interests of the travelling public, but would also stop the borrowing policy of the present Administration. With regard to the enormous increase in the capital cost of our railways, and also the enormous increase in revenue from them, these increases had been remarkable to an extent beyond experience in other colonies of Australasia; yet while our railway revenue had increased greatly, our expenditure had increased equally, and in fact had gone up by leaps and bounds. Therefore, we had to keep a tight grasp on the expenditure, so as to keep it in fair proportion to the working capacity of the railways. The reason why we had such a good time in regard to our railways was that the passenger traffic was the largest in proportion to population in any part of Australia; and this large proportion of passenger traffic was due to the fact that we had an unsettled population, that the greater portion of our population being adults, they travelled to a greater extent than in more settled countries. Therefore so sure as we got our centres settled and got the women and children settled in them, so surely would our passenger traffic not continue in the same large proportion, but would fall away in proportion to our population. We must keep this fact in mind, so that in the future we should not expect our enormous revenue to keep up and go on increasing. The railway tariff in this colony, as had been

stated by the member for the Williams (Mr. Piesse), was about the most moderate tariff in Australia, and in fact goods could be carried here not only as cheaply but more cheaply than was the case elsewhere. This was only to be expected in view of the capital cost of our railways being so much less than the cost elsewhere in Australia. Nature had lent its aid to the economical construction of our lines; and as this was the main factor in the expense of working the railways, therefore we were enabled to carry goods cheaper than similar goods were carried in other colonies. But against that we must take into account the fact that we had our railways running through large areas of unpopulated country, passing from one centre of settlement to another, with no traffic between, and this necessitated an increased cost of working. The more closely the country became settled with population, the better these railways would pay; and taking this into consideration, our railways had accomplished a great work in the development of Western Australia. Considering the low rates of charge and the low capital cost, together with the large areas of unoccupied country to be crossed, our railways had produced as good results as could have been expected, and better results than had been obtained in other colonies of Australia. As to the rates charged on the South-Western railway, he admitted they were too low, especially as the main products carried were timber and coal; but so far as coal was concerned, it did not affect the profit on the railway system very much, because nearly all the coal conveyed to Perth and Fremantle was used for locomotives on various parts of the railway system, so that whether the coal was carried for half-a-crown or five shillings a ton was of small moment as to profit and loss on the whole system. But there was a certain proportion of coal, though not much, that was carried for the Public Works Department; and if this were carried at a loss, that loss would affect the profit on our railways. He believed about 1,500 tons of Collie coal were consumed in connection with the Works Department during the past 12 months; so that if we had lost 1s. or 2s. per ton on this amount, it was not of much moment. A halfpenny per ton per mile for the carriage of coal

ought to pay the cost of haulage. He had this on the authority of one who had been connected with private railways for many years, and who said he would be glad to haul as much coal as possible at this rate and for any distance, and he would undertake to show a margin of profit.

MR. MORAN: Who was this expert?

MR. WILSON said he did not mention any names. He agreed that with full loads and a great quantity, this traffic might be worked at a profit, even at a halfpenny per ton per mile.

MR. MORAN: A good deal depended on the water supply over long stretches on the goldfields.

MR. WILSON said he admitted it. If timber was being carried on the South-Western line at a loss, as he believed it was, so far as our local market was concerned the rate should be raised, and we were not justified in carrying timber at a loss to be made up by the general public. Those using the timber within the colony should be willing to pay a fair charge, and a little over; but in regard to the export of timber, the question wore a different aspect, for if it were desired to compete against timber produced in other countries, then perhaps as a matter of policy we should be justified in reducing the haulage rate below cost for carriage to the ship; but this was the only thing that could justify such reduction. He did not advocate this system, because he believed we had a timber which would hold its own in any market for special works. He believed the timber companies in this colony during the last two years had ruined their trade by unhealthy competition; therefore he did not advocate that Parliament should assist those people to cut their own throats in that manner, and so injure the industry. He agreed that the rates for carrying timber should be raised so as to cover working expenses, besides interest and sinking fund. Much had been said detrimentally to the use of Collie coal, and the other day one member of this House moved that Collie coal should not be used on railway locomotives during certain months in the year, on account of the liability to throw off sparks and set fire to farmers' produce. Fortunately that motion was not carried. The

page 13, an enormous saving through the use of Collie coal; and the table showed the average consumption and the average cost per train mile. The cost for Newcastle coal was stated as 2-49d. and Collie coal 1-66d. Had Collie coal been exclusively used, the difference in cost for last year would have been £14,580.

MR. GEORGE: The proportion of Collie to Newcastle coal was 43 to 60.

MR. WILSON: In that case, there was, last year, a saving by the use of Collie coal of something like £8,000 to £10,000. There was a net profit altogether of something like £162,000, of which at least £10,000 was the direct result of using Collie coal.

MR. MORAN: A very good interest on the capital expended in opening the Collie coalfield.

MR. WILSON: Any small loss on the haulage of coal was amply compensated by this enormous saving. In 1895 the railways were practically starved for want of rolling-stock, and the excuse given was that locomotives had to be designed in the drafting office before being ordered. That excuse was unwarranted, for the leading makers would not build locomotives to special designs. They had their own designs, and would alter them in matters of detail only.

MR. PIESSE: The locomotives were designed here.

MR. WILSON: Then such designs were merely copies of the standard drawings of the makers, with some slight alterations. Having had experience in engine building, he knew that for a fact. This was the same old excuse as that given regarding the non-erection of locomotive shops, that plans were going backward and forward for alteration. Possibly the statement of the ex-Commissioner (Mr. Piesse) might be accepted that enough rolling-stock had been ordered; but there was no satisfactory explanation regarding maintenance. If the rolling-stock on existing lines had been maintained in good order, we should not have had complaints of shortage. Without necessary appliances and tools it was impossible for the railways to be properly equipped. With workshops such as those at Fremantle, no engineer could secure an expeditious output, and with the erection of proper shops at Midland Junction the

bulk of the trouble would disappear. As the member for East Coolgardie (Mr. Moran) had stated, much capital would have to be spent on existing lines. It was no use projecting new railways until the existing lines had been properly equipped; the position exhibited by that hon. member's figures must be faced, to avoid trouble in the near future. The greatest difficulty would probably lie in raising the money, which could, however, be overcome by a little judicious manipulation and by flying some more "kites," an art in which the Premier was an expert. Regarding the railway officials, the General Manager, though, perhaps necessarily, obstinate and determined, was doubtless a very capable officer, as was shown by the result of the working of the railways. He had great difficulties to overcome, and the country was to be congratulated on having men like Mr. Davies, and Mr. Short, the Chief Traffic Manager, in charge of the railways. He (Mr. Wilson) had known Mr. Evans, the Interlocking Engineer, for some years before coming to this colony, and believed that officer to be capable, energetic, and skilful. Previously, Mr. Evans had been employed in installing interlocking gear on the Queensland railways, and this colony was not to be blamed for securing his services when he had finished the contract his company had entered into to instal interlocking gear on our railway system. Regarding the rates, whether the railways were owned by Government or by a private company, the public would always clamour for reductions, and grumble if they had occasion; and it was for the officials to remedy just complaints. The real grievances of the officers was political interference. [MR. GEORGE: Hear, hear.] It was injudicious for members of Parliament to ventilate every petty complaint in the House. [THE PREMIER: Hear, hear.] Constant dropping would wear away a stone, and must discourage the head of a department, and make him cease to take interest in his work. Unless there was something serious to complain of, the administration should be left alone, and should not be harassed with complaints brought to light by some disloyal or disaffected member of the staff. He sympathised with the General Manager's desire that railways should be

constructed under the charge of his department rather than by the Public Works, because if railways continued to be constructed by day labour, the Railway Department must have charge of the line even before completion; and to have one department constructing the line and another running the traffic was detrimental to public interests. This difficulty could, however, be overcome by allowing the works to be invariably done by contract. Then the Works Department could supervise, and the line would not be handed over to the Railway Department till completed, and there would be no confusion. Though bitterly opposed by the labour party, the contract system resulted in better and more economical work; and if it were adhered to, friction between those two departments would be averted.

THE COMMISSIONER OF RAILWAYS (Hon. B. C. Wood): It was not his intention to follow the custom of his predecessor in office and give a report on the workings of the railways; but he would content himself with the report of the General Manager, which had been alluded to in favourable terms by all the speakers on this vote. It was very creditable to the department to hear such speeches as those made by the member for East Coolgardie (Mr. Moran), the member for the Williams (Mr. Piesse), and the member for the Murray (Mr. George), which were in severe contrast to the lachrymose tone of the member for East Fremantle (Mr. Holmes), who never saw any good in anything. If the hon. member were to peep in a looking-glass, would he see anything good there?

MR. GEORGE: That was against the Standing Orders: it was a personal reflection.

THE COMMISSIONER OF RAILWAYS: The contrast between the speech of the member for Fremantle and those of the hon. members he had mentioned was very great indeed. As his (the Commissioner's) connection with the department had been of brief duration, it would be presumption to claim credit for anything that had been done; he simply said in his opinion the railways were uncommonly well managed and the results spoke for themselves. The travelling public were highly satisfied with the way in which they were carried, and in

which the traffic was taken over the lines. One hon. member referred to the traffic being very "sick," and the trains not running to time, but he had heard it said that one could set one's watch by the running of the railway trains, and he believed it too, especially the running of the Kalgoorlie trains. The railway lines compared most favourably with any of the lines in the Eastern colonies. He had travelled over those lines and had kept his eyes open, and he could assure members that the railways in this country compared favourably with the railways and the way in which the trains were run in the Eastern colonies. As to the rolling-stock, that had been a burning question for a great many years, but the department was quite alive to the responsibilities, and was making every effort, as had been the case in the past, to keep up to date and cope with the increased traffic. So far as light rails being replaced by heavier rails was concerned, and which had been referred to by the member for the Murray (Mr. George), that was being done as far as possible. There were only a few miles—a couple of hundred—left on the line between Southern Cross and Coolgardie to be completed. There were about 85 or 90 miles of heavy rails in the colony to do the work, and the balance was on the way. When the light rails were taken up there would be no difficulty in disposing of them. There was a great demand for these rails. One hon. member mentioned that these rails were not worth much, but they had a market value which was not so very far below the price of new rails. Even at the present time there were several inquiries for these rails, and the supply was not equal to the demand. It was not his intention to say much on the question to-night. We wanted to get on to the details, and if the details were attacked in any way to do his best to defend them and satisfy hon. members. Individuals in the department had been attacked by hon. members. He thoroughly indorsed the remarks which had been made by the member for the Williams, and the member for the Canning, that it was not fair to attack individuals in Parliament, as had been done. As to the General Manager, who had been referred to as obstinate, all he could say was that he was a strong

man, and we must have a strong man in the position. The General Manager of the railways of Western Australia was a man in a thousand, and it was necessary for him to receive proper support from his Minister, and under those conditions he would not go far wrong. As to the increase of the General Manager's salary, he sincerely trusted that it would not be attacked by members; if there was one man in the country who deserved recognition it was the General Manager of the railways, who was a most earnest man, and gave his whole sole thought to the railways. Therefore it would not be right for the Committee to interfere with the increase. Perhaps the proportion of the earnings of the railways was not so great as had been the case in the boom times of 1896, but all he could say was, that out of the net earnings of the railways the department had handed over to the consolidated revenue since 1897, £726,245.

MR. MORAN : That was without sinking fund.

THE COMMISSIONER OF RAILWAYS : That was without sinking fund. He commended the estimate of his department to hon. members, and he trusted the Committee would soon get through the details and get on to the next department, he did not care how soon the Colonial Secretary's estimates were reached; he would be exceedingly glad when the Commissioner of Railways estimates were passed. He trusted to the good sense, and to the good feeling of members to get through them as soon as possible.

MR. ILLINGWORTH : It had been his intention to deal at considerable length with the railway report, but after the very able and exhaustive speech of the member for East Coolgardie, it was scarcely necessary for any member to deal with the report at length. He would be only repeating with less effect remarks which had already been made. He did not intend to refer at any length to the report; the hon. member for East Fremantle had spoken strongly on the railway estimates, and we had had a very clear analysis from the member for East Coolgardie. There could be no doubt that the result reached by the member for East Coolgardie really presented the actual facts we had to face in connection with the department. He wanted to say what

he said on a former occasion that we could go a little too far in our intense desire to provide rolling-stock. The real thing we wanted done at the present moment was to get the workshops completed, and the ineffective rolling-stock put on a proper basis. We had a lot of rolling-stock that could not be used. There were reports before hon. members from the leading officials, the General Manager himself, and others emphasising the point that all that was required was effective workshops, to deal with the rolling stock. We should not be carried away too much in our desire to have new rolling-stock put upon our lines, because we should increase the cost very largely, and that meant increased interest and increased capital cost of the whole service, of which he had always had a most wholesome dread. In Victoria they had to face the effects of this. They had a tremendous wheat traffic, and the two faults there, which were likely to occur here, were worth emphasising. There was a constant howl for trucks, and new rolling stock was put on to the lines in order that traffic would be served for a few months of the year. Then, in Victoria, they had to deal with an equally dangerous thing : the political and united influence to reduce freights in certain directions for the benefit of the producer. These things had to be watched in this country if we wanted to put our railways on a good basis. He had always said that our railways should be run on commercial principles, and from that we should not depart. He was willing that freights should be so far reduced in a wise direction, but it must not be a reduction that would bring us below the actual expenses and interest and sinking fund. The Committee were indebted to the strong remarks of the member for East Coolgardie on this particular point. We had been living in a sort of fool's paradise in regard to our railways, because the lines had cost £3,000 a mile, according to the estimate, and because we had a large increase of traffic and had shown good results, therefore, we had counted on that amount as the actual cost of the railways ; but the railways were only half built. We had to build these railways to bring them into an effective condition, which they were not at present, and would not be until they were blue-metalled, and

until the whole of the lines were laid with heavier rails. He was not casting any reflection on what had been done in the past; he considered that the Government had acted wisely in starting with light rails and cheap construction. He had complained even at the amount of money that had been expended, but his complaint had been as to the waste on stations and things of that character, but on the railways themselves we had acted wisely, even though there was a considerable expense in laying light rails and taking them up to put down heavier ones. We had to feel our way, and to do a lot of work in a little time. It was important to give a railway across stretches of country, even if the railway was imperfectly made. We were establishing a railway system which must be on a soundly constructed basis. By the time we got our existing railways on a sound basis they would have cost £6,000 a mile; it might be more, but it would not be less. Our railway freights must be brought to a standard which would pay interest, sinking fund, and working expenses. The system of working as shown by the General Manager, had not arrived at anything like the standard we would like to see our railways placed in. Two years ago he spoke somewhat on this point in regard to the relative proportions of the expenses and earnings, and we got down one year as low as 57 per cent.

MR. PIESSE: Forty-nine decimal seventy-nine; that was at the time the hon. member said we would never see it again.

MR. ILLINGWORTH: On that occasion he had said that we would never see it again; that was pretty certain. In connection with the Eastern Railway, which was the big trunk line of our railway system, we had got down to 54·37 per cent. That was a very great consideration: 54·37 meant that we were earning and suffering somewhere else. That could not be maintained at 54 per cent. unless we were starving our lines somewhere, and he had contended all along that we starved the lines by not repairing our rolling-stock and keeping up the permanent way of this colony. With the long lines and the water difficulty, we could not expect to get an average much below 64 or 65 per cent., and we had reached, according to the table, an average

of 68:51. He was not stopping to deal with minor matters, but was dealing with the broad question of the railway system; and on the Northern Railways the percentage was down to 64:81.

MR. MORAN : The traffic must be very scarce.

MR. ILLINGWORTH : That was the general average, but it was a long and expensive line. The expenditure on the Great Southern Railway rose to 7:60, and, consequently, when we dealt with the money actually earned, we found that out of every £100 the sum of £92 went in working expenses. He understood—though he might be incorrect—that the Railway Department bought its coal at the pit's mouth, and carried it to the place where it was required, without making any charge.

MR. PIESSE : That went to working expenses.

MR. ILLINGWORTH : But the whole of the coal for the whole of the railway system had to be carried from Collie to Perth, and consequently, the South-Western system was loaded with the whole of the carriage.

MR. MORAN : The ex-Commissioner was not sure whether that was charged against this line or the working expenses as a whole.

MR. ILLINGWORTH : Was there any charge at all? Was it debited?

MR. PIESSE : It would be charged to working expenses for haulage.

MR. ILLINGWORTH : If it was not debited, this particular line was loaded with the whole of the coal for the whole of the railway system.

MR. MORAN : That was the point on which the ex-Commissioner was not sure.

MR. ILLINGWORTH : If this carriage was debited, was it debited to the right line? The ex-Commissioner of Railways had said it was not debited, but that the coal was taken at the pit's mouth and carried for nothing. He (Mr. Illingworth) fancied that the coal was practically carried for nothing so far as bringing it from the Collie was concerned, and as a result, the South-Western line was debited with the whole carriage of the whole of the coal for the railway system.

MR. PIESSE : It was debited to the whole of the train mileage from Collie, and was spread over the whole of the

expenses. It was generally debited against the working expenses.

MR. ILLINGWORTH : If there was not a correct debit kept, he (Mr. Illingworth) could not save the South-Western line from the charge laid against it by the General Manager of costing £92 to earn every £100.

MR. PIESSE : The same principle operated when carrying ballast.

MR. ILLINGWORTH : No doubt if the coal were carried for nothing it would come out right in the end so far as profit and loss were concerned, but it would not be right so far as the debit to the relative systems was concerned. The general result was that out of the several systems only two actually paid expenses, interest, and sinking fund; and the Eastern Railway was the particular railway which made up the general profit referred to in the report. We were getting to a dangerous point when we had three systems out of five which did not pay working expenses; and if that were to go on, we would find ourselves in a position which would show a loss in the general result, and the only way in which that could be remedied was to have fair carriage rates established on all lines. The railways must be run on commercial principles, or otherwise we would not have anything to fall back upon in the case of losses, which could not be made up by general taxation. Members of Parliament were all in the same position, in that they were approached to get the railway rates reduced. The same conflict had arisen in Victoria, and the result in that colony was that with an endeavour to crowd the lines with rolling-stock, at every man's command every minute, and with rates to accommodate certain individuals and certain producers, the whole system was brought to its knees. If hon. members had any judgment, they would try to prevent that result in Western Australia, and there was no necessity, even though the capital cost of the lines rose to £6,000, to carry on the railways at a loss. Taking the railways as a whole, he must confess that the reading of this most excellent report led him to the conclusion that we were gradually and steadily, since the abnormal times a few years ago, putting our railways on a sound commercial basis. There was a steady increase in the final capital results

that was satisfactory ; but there must not be too much yielding to the cry for rolling-stock. The rolling-stock ought to be effective ; but the first thing was to put that which we had in thorough working condition, and when that was done we would know exactly how much new stock was required. The system must be stopped of meeting exigencies of the moment by getting new rolling-stock and leaving the old rolling-stock to lie idle. That position of affairs had been caused by insufficient appliances, and he urged strongly that the Railway Department should give its first attention to establishing efficient workshops for the repair of existing rolling-stock, when, he believed, it would be found there was not such a shortage, by a long way, as was now thought. If the old system were continued the department, like that in Victoria, would find itself with a great deal too much rolling-stock ; and while there should be all the stock necessary, there should not be too much to lie waste. Speaking generally, he agreed with hon. members who regarded the results of the working of the railways as satisfactory. There were plenty of individual defects, and there always would be, because a big system like this could not be run without mistakes and a great deal of inefficiency in different ways ; and it was the duty of members to whom information came, to very firmly criticise defects, which had a habit of growing serious if not checked. He was not disposed to complain of hon. members who pointed out deficiencies in this or any other department, because they ought to do their duty to the system and to the country.

MR. PIESSE : The cheap cost of construction in early days had meant higher cost of maintenance since.

MR. ILLINGWORTH : That was understood ; but the hon. member must remember we had not reached the maintenance stage. Maintenance would be an increasing quantity, and the time would come when rails would be worn out and new rails would have to be put down out of maintenance. One of the things which would affect the system most, would be the keeping of rolling-stock in a proper and efficient condition. That must be done, and to him it appeared to be the most important thing in connection with the Railway Department. So said the

report of the General Manager, and so said all the special reports which were included in his report.

MR. PIESSE : And so said all of us.

MR. ILLINGWORTH : Let us hear no more about plans not having arrived. That was simply humbugging the whole community, for there was no necessity for plans going backward and forward, and the real explanation was that the Government had not the courage to go on with the work, because of the money. We must get this thing put on a sound basis, and he hoped the Government would take notice of what was in their own reports, and also of what hon. members had said. On the whole he was pleased to be able to congratulate the Government and the country on the efficient condition of our railways.

MR. WALLACE : A wonderful change was noticeable in the attitude of members on the question of the railway vote, as compared with previous years. No doubt the late Commissioner of Railways noticed the change, and this change of tone might be due to the change of Ministers in this department, or it might be due to the tone of the General Manager's report. Hon. members who had lately opposed expenditure on the construction of new railways were justified by the several reports on the railways now before the House, all stating that the rolling-stock was in a condition described as fair to bad, the best being fair. The reports also stated that the locomotives were unsuitable for requirements.

MR. PIESSE : Some.

MR. WALLACE : The report said more locomotives were required as soon as possible. This was the first time he had heard so many members compliment the General Manager on his report, and he (Mr. Wallace) complimented him in having sent a report which might be accepted as true and accurate throughout. Those members who travelled over the railways knew that the rolling-stock was not in the condition which it ought to be. Accepting the fact that the average cost of our railways was over £5,000 per mile, he would like to ask whether it was considered wise and economical to go on constructing railways, especially lines on the goldfields, in the like manner in which they been constructed hitherto. Take the case of the Mullewa-Cue line,

would it not have been cheaper to have made that line properly at first, to have equipped it with embankments and sleepers, and all requirements necessary for making travelling safe, rather than having to expend money continually, and large amounts in making up afterwards what ought to have been done in the first instance. One cause of complaint against the management of our railways was the defective condition of the lines, and for this defective condition the officers could not be held responsible, although they had to carry on the work. Many dangers and inconveniences were manifest on these lines, and it should be remembered that the officers were not to blame for the delays and accidents which occurred in consequence of the defective construction, and the incomplete equipment, especially on the Murchison line, which should have been constructed as a traffic line.

MR. PRESSE: That line was of an experimental character when constructed.

MR. WALLACE: Had the engineers surveying it taken the advice of old settlers they would have known that the line was in parts considerably below the old water level. He was told that the cost of making up the banks to a proper standard and doing every necessary work on that line would increase the cost to an amount almost equal to that which had been first expended. The locomotives on that line were not of sufficient power to draw the necessary loads, and if there were more than one train load to be carried, why not send one or two extra trains per week, and not burst up engines by excessive loads? The General Manager's report referred to the unremunerative rates charged on the railways, and he was glad to hear hon. members agree that the time had come to work the railways of this colony on commercial principles. It was unwise to advocate the reduction of freights when such reduction would be a very heavy charge on the working of the lines. In regard to the rates for minerals, there was a minimum of 150 tons, and in view of the erection of a State smelter at Geraldton he did not see why persons who sent smaller parcels of ore for shorter distances should not be able to send them as cheaply as was charged for ore sent, say a thousand tons, from Kalgoorlie to Fremantle. The rates for traffic of that

kind ought to be brought up to a paying point, and he would advocate that course, although he knew it would be unpopular on the fields. He hoped that any new railways to be constructed would be of a permanent scale, and not be on the scale of light railways so much advocated by some people, but which were really expensive in the long run, because of the cost of bringing them up to a proper standard. Would it not be better to build up a good traffic line with proper sleepers and heavy rails, rather than have to go to the expense of bringing the line up to a proper standard. Excessive heat in some parts of the colony affected the light rails especially, so that the weight of the passing locomotives caused the light rails to sag, thereby increasing the risks to the travelling public, and to the department in regard to compensation. The railway officials were to be congratulated on the fairness of their report, especially for its candour regarding the deplorable state of the rolling-stock, and the necessity for large expenditure on this and on locomotives.

THE PREMIER: The Commissioner of Railways as well as the responsible officers of the department must be overjoyed at the complimentary tone of this debate. It was satisfactory, too, to find hon. members giving so much attention to the department, for scarcely on any previous occasion had the speeches been so exhaustive. For their criticism the Government were much obliged to the members for East Coolgardie (Mr. Moran) and the Canning (Mr. Wilson).

MR. ILLINGWORTH: And to the member for East Fremantle (Mr. Hobnes).

THE PREMIER: No. That hon. member should not be included. His contribution was abusive merely, and showed no appreciation of the importance of the railway system. Regarding that hon. member's speech he would have something to say presently. It was pleasing to note hon. members addressing themselves to this subject so intelligently that one would think they had served a long apprenticeship to railway management. It showed how astonishing was the growth of one's intelligence when one became a member of Parliament. Take, for instance, the case of the leader of the Opposition, who talked as if he had been connected with railway management all his life.

MR. ILLINGWORTH said he was still learning.

THE PREMIER: No; evidently the hon. member had learnt. It must be very satisfactory, not only to hon. members themselves but to the country, to find that railway management was so well understood in Parliament, and that figures were quoted with such glib accuracy, even to two or three points in decimals, showing the interest taken in the working of the department, which was further evidenced by the frequent use of technical terms, as, for instance, in the speech of the member for Yalgoo (Mr. Wallace). Last night the member for East Fremantle (Mr. Holmes) repeated what he had said on two previous occasions; and notwithstanding the explanations he (the Premier) had given, the hon. member again stated to the country that the Government accounts were so arranged at the end of the financial year as to show £16,000 as a credit when it ought to have been a liability. He (the Premier) had again and again explained that this £16,000 had been paid by the Treasurer on account of wages, and that the amount had not been recouped to the Treasury by any voucher; that it represented two weeks' wages, which would give fifty-four weeks in the year; and that he was not prepared to pay fifty-four weeks' wages in a year, seeing that he had authorisations for only fifty-two weeks; and having taken over two weeks at the beginning of the year, he was not prepared to pay two weeks at the end of the year as well. It was inexplicable that such an explanation should be unsatisfactory. If the Treasury paid fifty-two weeks' wages in a year, surely that was all that could be asked of the Government, as of an individual firm; and how could an hon. member, who was expected to be fair-minded, repeat such statements and make assertions, such, for instance, as that the whole of the wages was not paid in June, but that a portion was charged against July. That allegation, he believed, had been abandoned.

MR. MONGER: Did the Premier apply the same fifty-two weeks' principle to revenue as well as to expenditure?

THE PREMIER: No more than fifty-two weeks' revenue could be got in one year. The year commenced on the 1st July and ended on the 30th June. The

books were always closed at the end of the month. Of course there were collections for several days afterwards, but they were collections of revenue due and not collected during the year from the different out-stations all over the colony. Why should a member so identified with the progress and development of the colony as the hon. member in question (Mr. Holmes) desire to make out that the country was in a worse position than it really was? The hon. member's policy could not benefit himself, and was the result of a desire to disparage the Government of the day. Surely the desire should be to believe, as far as possible, that the finances were satisfactory. Something had been said about the accounts not being paid at the end of the year. If any Government or company were to manipulate accounts by keeping some back and not paying them at the end of the year, that would be very improper. But there always would be accounts unpaid at the end of the year, and the payments would run through the whole of next year, and perhaps for a longer period. If at the end of the year the whole of the year's operations were examined, there must be found some payments made in respect of the previous year, or even of the year before. And the same applied to the other side of the ledger. In all businesses, were there not many accounts outstanding at the end of the year? How many thousands of pounds were due on the 30th June to the Railway Department which were not collected during the year in which the debts were incurred?

MR. GREGORY: There should be none.

THE PREMIER: Here was another wiseacre who knew everything. Could he carry on a business and get all his debts in on the 30th June? It was impossible. No doubt there was a large outstanding amount due to the railways alone that came into another year. It was impossible to get the accounts exactly up to date, and the Government could not take credit for outstanding amounts which we were going to get in two or three days' time, or two or three weeks.

MR. PRESSE: The outstandings of the railways sometimes amounted to £36,000.

THE PREMIER: For the year. The next year it might be the same. There were always a lot of outstanding accounts,

and if we wanted to go into that matter of what accounts were unpaid and due on the 30th June and not submitted for payment, we must also take into account the amount of debts not collected.

MR. WILSON : In business, debts were taken into account.

THE PREMIER : The Government could not do that : they must have the cash.

MR. A. FORREST : The Government got in as much as they could : so did every man in business.

THE PREMIER : The Government got as much in as they could. He did not know why in regard to the Railway Department, where there seemed to be nothing but praise from most hon. members, we should have these pin-pricks from the member for East Fremantle. This was the third speech which the member for East Fremantle had made, attributing dishonourable motives to everyone. One did not desire to notice them, but one must notice them. He offered the hon. member a select committee at the beginning of the session to look into these matters, but the hon. member had not taken advantage of the offer. These charges were made against individuals, and the hon. member had not taken advantage to investigate them, although a select committee was offered him. One did not know where the hon. member got his ideas from, but the hon. member's action was not that which we should expect from a member who represented a constituency. For himself, he (the Premier) would not take the trouble to speak in regard to these matters, but there were other people who could not defend themselves. There were the civil servants of the country whose characters were sought to be taken away from them, and he was going to speak for them. He said to the hon. member "Let him that thinketh he standeth take heed lest he fall." The character of a civil servant was just as much to him as the character of the hon. member was to himself, and the hon. member had no right to take advantage of his position to defame the characters of honest people.

MR. ILLINGWORTH : He never mentioned the name of anybody. Whom did he defame?

THE PREMIER : The whole Railway Department. One was pleased, indeed, to

hear the remarks of the member for the Murray and the member for the Canning in regard to this matter. How was discipline to be maintained in this immense service of the State, if cruel aspersions were cast upon those who had the control of the department? Were they going to carry on under the lash of hon. members in this House imputing to them dishonourable motives? Was that the way to encourage good administration, to encourage men to do their duty fearlessly, or was that the way to demoralise them and make them as bad as the hon. member said they were? He was sorry the hon. member was not in his place, so that one could ask the hon. member to take a word of warning from his political chief, given in good taste. How were these men to be maintained in the civil service if members forgot themselves altogether, and took advantage of their position to defame and hold up to contempt the characters of men who had nothing else but their good name to depend on? Take away the name of a good official, and where was he? Absolutely stranded. While pleased to hear the member for the Murray speak so well in regard to this matter, whose sentiments were in accord with one's own, one regretted the hon. member spoke on another subject not with that care, he thought, and not with that regard to the feelings of others which should actuate all of us. Whatever differences there might be between the Engineer-in-Chief and the General Manager, he did not know anything about them : they never came under his notice. He might say he had the greatest regard for both officers. He believed them to be most excellent officers, and he thought the General Manager was a thoroughly good and zealous officer desirous of doing his very best for the country, and he knew very well the Engineer-in-Chief deserved well of the people of this country. The Engineer-in-Chief had been engaged on immense works costing millions of money ; he had been here eight years, and no one had said a word either against his ability, his honour, or his integrity. We were fortunate indeed, and it had been a great relief and a great source of safety to himself and those engaged in the administration of the Government that we had a man we could thoroughly rely on to advise us ;

a man who was above suspicion in the great works which had been carried out. Such had been the case with Mr. O'Connor, the Engineer-in-Chief. There was no occasion for friction.

MR. WILSON: There was friction?

THE PREMIER: There was no necessity for friction in either department, and he regretted very much to hear there was any. He thought it had died out long ago. Whatever it was, when the member for the Murray saw in print what he had said, he would think, perhaps, he had overstepped the mark somewhat and regret what he did say. In regard to the working of the railways as a whole they were a great institution of the country, a great factor in the business advancement of the country, without which we should not be able to prosper or carry on the affairs of this great colony. We must do our best to extend our railway system in every direction where it would pay. He did not wish to go any further than that. He did not at all agree with those who said it was necessary for us to put the railway system of the colony in all its branches into perfect order, into the order one would expect in an old country such as the mother country. That was not necessary at all. What we had to do was to perfect those portions of the railway where the goods traffic was great and the passenger traffic large. In all other parts we could have our pioneer railways still, and need not have all the important appliances in those parts that we had in the more crowded centres, where the traffic was large and continuous. We had done well in our system. It would not have been wise for us to have gone to a large expenditure at first. We built the lines as cheaply as possible, and as the requirements increased we increased the facilities, and in that way we had acted wisely. He had heard a great deal was necessary to make our railways perfect—in fact he had been told the General Manager said all our railways ought to be covered with blue metal. Though not an expert, he (the Premier) took the liberty to differ from the General Manager in that respect.

MR. MORAN: The General Manager never said so. What the General Manager said was that one line, that line being the line from here to Kalgoorlie, should be treated in that way.

THE PREMIER: Good gravel was good enough for any railway, in his opinion. As for saying it was full of dust and not strong enough, one knew that it was as solid as rock, especially after it had had some rain. He could understand the argument that the course suggested should be adopted for the sake of cleanliness, but the argument by the member for Central Murchison (Mr. Illingworth), that the change was necessary for stability, was one he did not agree with.

MR. MORAN: The General Manager reported that blue metal was necessary for stability on the main line, so that heavy engines might be run over it.

THE PREMIER: One would like to have the opinion of the Engineer-in-Chief on that point.

MR. ILLINGWORTH: Then there would be friction.

THE PREMIER: Gravel was as strong as any material we had, and he did not think it necessary we should put blue metal over all our railways. We could go on very well with sand and a little gravel on the top, on the outlying portions, but where the traffic was great we must perfect our system. With regard to the railway from here to the Collie, he was glad the discussion brought out a fact he was not aware of before,—that the railway from Perth to Bunbury and the Collie was not getting the credit it should with regard to the work it did. He was aware that the Collie line was the working man of the family—the poor man—but he did not know that it carried all the coal required for the rest of the system in the colony. If the Collie coal was carried from the Collie fields to East Perth Station for nothing, he thought he must have a little chat with his friend the General Manager.

MR. MORAN: That was not the case. The cost was credited all over the colony.

THE PREMIER: If the railway carried all the coal that was required in the rest of the colony, the line there certainly did a great deal more than its share. Other parts of the railway carried some; but, after all, it made no difference which lines of railway paid or which did not. On the general system the ultimate result was the same for the colony.

MR. ILLINGWORTH: It loaded one system more than another.

THE PREMIER: Yes; but he did not suppose anyone expected that every single branch line was to pay its way. There must be a system. We must have a railway in order to carry coal, even if the railway did not pay.

MR. A. FORRESTER: Five hundred tons of coal ran into this station every day.

THE PREMIER: Doubtless his friend the General Manager would look into this matter, and see if any injustice had been done to this hard-working poor line—the poor man's line.

MR. ILLINGWORTH: The pet railway.

THE PREMIER: If any injustice was being done to this line, the railway officials would, he was sure, rectify it. He could only say, in conclusion, it had given him and his friend the Commissioner, and the Government altogether, much pleasure to find that their endeavours this year had met with the approval of hon. members. One thing he noticed had not been referred to, that being the difference in the shape in which the Estimates were presented to hon. members. There was always a complaint that sufficient details were not given as to the employees and officers. The Government tried to remedy that this year by treating the Railway Department exactly in the same way as all other departments. Although that had been a great deal of trouble, the Railway Department were only too anxious to do whatever they were asked to do, and to give all the information; in fact they gave it to a larger degree than he (the Premier) desired. He did not know that any difference would result to the finances, but it might be satisfactory to know that the railway estimates in regard to officers' salaries were presented in the same shape as were those of the other departments.

On motion by **MR. GREGORY**, progress reported and leave given to sit again.

ADJOURNMENT.

The House adjourned at 10:58 o'clock, until the next Monday evening.

Legislative Assembly,

Monday, 5th November, 1900.

Question: Mail Contractors' Charges—Question: Relief to wife of absent Soldier—Question: Tick Cattle and Quarantine—Leave of Absence—Kalgoorlie Tramways Bill, third reading—Leederville Tramways Bill, third reading—Fremantle Tramways Bill, third reading—Roads and Streets Closure Bill, third reading—Trustees (Colonial Securities) Bill, third reading—Annual Estimates, Committee of Supply, Railways vote, debate resumed, adjourned—Adjournment.

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

PRAYERS.

QUESTION—MAIL CONTRACTORS' CHARGES.

MR. WALLACE asked the Premier, What was the object of the following new condition applying to mail contractors (*vide Government Gazette*, 26th October, 1900):—"When mails are conveyed in wheeled vehicles, the charges made by the contractors for the conveyance of passengers and parcels will be subject to the approval of the Postmaster General."

THE PREMIER replied:—The condition referred to is not a new one, having been in force since July, 1893, in accordance with a resolution passed by this House.

QUESTION—RELIEF TO WIFE OF ABSENT SOLDIER.

MR. WALLACE asked the Premier: 1, Whether the attention of the Government had been drawn to the distressed condition in which a Mrs. Walker was alleged to be, whose husband was at the front fighting in South Africa. 2, If so, what was intended to be done to relieve her from distress.

THE PREMIER replied:—1, Yes, but only recently. 2, The Patriotic Fund has contributed £10, and inquiries will be made in the matter.

QUESTION—TICK CATTLE AND QUARANTINE.

MR. WALLACE asked the Commissioner of Crown Lands: 1, Whether it was true that tick-infected cattle, not intended for slaughter, had been permitted to leave the Quarantine Yards at Fremantle. 2, If so, (a.) On what date;