

Legislative Council,

Tuesday, 27th August, 1907.

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The PRESIDENT took the Chair at 4.30 o'clock p.m.

Prayers.

PAPERS PRESENTED.

By the Colonial-Secretary : 1, Report by the Superintendent of Public Charities and Inspector of Industrial and Reformatory Schools for year ended 31st December, 1906. 2, The Land Act, 1898 — a. Description of land to be resumed from portion of Pastoral Lease 70/240 for the purpose of an Agricultural Area. b. Description of land to be resumed from the following Pastoral Leases for the purpose of an Agricultural Area :— Portion 444/97 ; the whole of 489/97, and portion of 491/97.

QUESTION—TILES, SUPREME COURT.

Hon. M. L. MOSS asked the Colonial Secretary : 1, How many times have tiles been laid down in the vestibule in the Supreme Court building ? 2, What has been the cost of the work on each occasion ? 3, What has necessitated the taking up and laying down of the tiles since the building was handed over by the original contractors to the Government ?

The COLONIAL SECRETARY replied : 1, Parts of the floor have been taken up and relaid on two occasions. The whole of the floor is now being relaid ; special precautions being taken to prevent a recurrence of the trouble. 2, £62 7s. in January, 1905, and £5 18s. 1d. in February, 1906. 3, The fact that the tiles have lifted from their concrete bed—probably owing to expansion caused by variation of temperature.

BILL—INDUSTRIAL CONCILIATION AND ARBITRATION.

Read a third time, and transmitted to the Legislative Assembly.

MOTION—AGRICULTURAL RAILWAYS, COMMISSION TO INQUIRE.

Amendment, to Inquire Generally.

Debate resumed from the 20th August, on the motion by the Hon. J. W. Wright for a Royal Commission to inquire into the construction of the Goomalling-Dowerin, Wagin-Dumbleyung, and Kataning-Kojonup Railways; also on the amendment moved by Hon. R. W. Pennefather, to add the words, "And into the working of the railway system generally."

The COLONIAL SECRETARY (on amendment) : Whilst not wishing in the least to burk inquiry into the railways, or indeed into the working of any Government department, the Government feel that the time is inopportune for a Royal Commission to be appointed to inquire into the working of the railways. In the first place a Royal Commission to do any good would need to be composed solely of experts, men so to speak who had been born in railway work and have grown up with it. I think members will agree that it is a matter no man can acquire a business knowledge of in anything like a few years, and that it is a business a man must have served in all his life. Therefore, unless we get a Commission composed of men of that description, experts in railway management, it stands to reason that no good result will follow from the appointment of a Royal Commission. I maintain that such men are not available in the State, and that to obtain them we should need to go abroad, to the Eastern States if the men are there, or elsewhere. If they are in the Eastern States the question would arise : could they be spared a sufficient time to enable them to make an investigation of this kind ? Members will readily understand that to report on a big department like the Railway Department with

any degree of certainty would be a big undertaking, and the first point to consider is, whether it is advisable to obtain these men from the Eastern States. They may be obtainable and available for a certain time, but the question of expenditure has to be taken into account. However, I very much doubt whether competent men can be obtained from the Eastern States. If they cannot be obtained from the Eastern States, then it will be necessary to go to England, or some other country, to obtain them.

Hon. J. W. Wright: You did not think so when you appointed the Commissioner of Railways.

The COLONIAL SECRETARY: This Government did not appoint the Commissioner of Railways and I cannot answer for the actions of former Governments. There is no doubt, as has been shown from different statements made by members of the Government, that at present considerable economy is being effected in the railways; and that economy, that good administration, and those reforms which have been put into practice would be considerably retarded if a Commission were appointed now to inquire into the railways; because the whole of the time of those busily engaged in seeing what economies can be effected, as they have been instructed to do—I refer to the Acting Commissioner, the Traffic Manager, and all the executive officers—would be taken up attending to the Royal Commission and supplying it with information. There is not the least doubt a Commission would take three times or four times as long to arrive at conclusions as the present officials would; so the whole time would be lost. The report of the Commission would then have to be considered, and altogether I fail to see what good purpose would be gained by having a Royal Commission. Take for instance the answers given to the questions asked by Mr. Wright, which will be found in the Votes and Proceedings of the 31st July; but first I may say that Mr. Pennefather based his arguments almost entirely on the criticism levelled at the Railway Department some time ago by Mr. Chinn, and I think that criticism

was based on the report ending June 30 twelve months ago. Considerable economy has been effected since then. I will only instance one item now and the information is contained in the answers I have already referred to, which will be found in the Minutes of the proceedings of this House, No. 9. Mr. Wright asked certain questions as to the number of employees dispensed with on the Government railways, and hon. members will find it stated that from January to July 266 employees were dispensed with and that it was intended to dispense with 67 other officers. That is a total of 333, and that will effect a total saving of between £38,000 and £40,000. I want members to know that a saving has been effected since the beginning of the year and could not have been included in the calculation referred to by Mr. Pennefather. The hon. gentleman stated that he did not intend his remarks in any way as a censure on the Government, but that he wished to help the Government. I quite appreciate that statement, and I do not find the least fault with the member for moving his amendment; but my contention is that a Commission will be unnecessary, expensive, and serve no good purpose, and that the economies can be, and will be, effected without the appointment of a Royal Commission. The hon. member based his comparisons principally between this State and the State of Queensland, and it would be rather interesting to members if I were to give a quotation from some remarks made by Mr. Horan, who is a member of another place, and who also I may mention has had considerable railway experience, and who quite recently had a holiday and spent a considerable time in the State of Queensland. During that time this gentleman who, as I have already stated, has had considerable railway experience, made it his duty to devote considerable time and attention to the Queensland railways.

Hon. M. L. Moss: What was he on the railways when he gained this experience?

The COLONIAL SECRETARY: He had a fairly good position. He was superintendent traffic manager on the goldfields. That was not quite his title,

but I know his duties would give him considerable experience.

Hon. W. Kingsmill : Chief railway clerk at Kalgoorlie.

The COLONIAL SECRETARY : No, he was not that. The opportunity he had in Kalgoorlie—I cannot speak from personal knowledge of him before that, but during the time I knew him in the railway office in Kalgoorlie he certainly had a good opportunity of acquiring a good general railway knowledge.

Hon. J. W. Wright : Was he not station-master in Smith's time?

Hon. J. W. Hackett : Yes, at Southern Cross.

The COLONIAL SECRETARY : That is not the man. Mr. Horan said :—

"So far as the (Western Australian) permanent way is concerned, I may say that it is absolutely the best in the whole of the Australian States. When I was in Queensland I was in the Roma Street railway-yard with a high official, and I could kick off ends of the sleepers, they were so decayed."

The Roma Street station-yard is the principal station-yard in Queensland. He goes on to say :—

"They were half rounded and just adzed on the top. Some of the office buildings in the principal stations in Brisbane were in such a state that if similar conditions existed in Western Australia, the Board of Health would have prosecuted the Commissioner and all his staff."

Hon. M. L. Moss : No, they would not.

The COLONIAL SECRETARY : That is Mr. Horan's statement. He says farther :—

"The absence of back loading from inland stations in Western Australia. In Queensland they have this back loading, and to this fact Mr. Thallon attributes the cheaper administration in Queensland."

Mr. Thallon, a very efficient railway man according to Mr. Horan, attributes to a very large extent the cheap administration of the Queensland railways to the large amount of back loading which they have in Queensland, and which we have not in Western Australia. In Western Australia the absence of back loading is a

great drawback, especially on our long distance railways, where there is an almost entire absence of back loading. Mr. Horan goes on to say :—

"Mr. Thallon was good enough to say at once when I (Mr. Horan) spoke to him that the reason for the cheaper railway administration in Queensland was the fact that they have a return traffic, whereas on the other hand we have none here."

It has been said by Mr. Pennefather that our expenses per train mile are very much higher than those of Queensland. That is at once admitted to be the case, but I can show members a very good reason why the expenses of the railways in Western Australia are, and always will be, higher unfortunately—not always, but as far as we can see—than the railways in Queensland. For instance, the wages here in Western Australia are considerably higher than the wages in Queensland, and the hours worked are shorter. Here the railway men work eight hours a day, whereas an eight hours day is unknown in Queensland. Then there is this difference. The Arbitration Court fixes the hours and remuneration of the employees here, whilst in Queensland those questions are solely in the hands of the Commissioner. Therefore the extra cost, that is to say the increased wages paid and the shorter hours worked are items over which the administrators of the railways here have no control at all. These two things are fixed by the Arbitration Court and not by the administrators of the railways. That is one very good reason why the cost is higher with us. The railway system is for the development of the State resources and to the greatest extent consistent with the direct payment by the customers of the department of the cost of working and interest charges. That remark is taken from the Year Book of 1904, pages 786 and 787. If we look at the report of the Railway Commissioner of Queensland for the year 1905-6, page 7, we see this :—

"The Queensland policy has always been to insist on the cost of maintenance bearing a relative proportion to the revenue derived from the various lines without imperilling their safety."

The higher rate of wages and the shorter hours which I have already spoken of alone represent an extra cost of £150,000 to this State as compared with Queensland if the employees worked the same hours and were paid the same wages. Also the cost of fuel and water is considerably higher in Western Australia than it is in Queensland. I mention Queensland in each instance because the hon. member in moving his motion quoted Queensland figures and compared them with Western Australia. The cost of fuel and water for this State was £45,693 more than the cost in Queensland. Some other items are more expensive than in Queensland. There are—goldfields allowances £12,500; belated repairs, which are mentioned in the report which has been read to members, £60,524; replacing obsolete stock, £40,454; extra holidays over and above what are allowed in Queensland, electric light, dining cars and other items, £27,000. If we make due allowance for these items and other items which I could have quoted, these bring down the cost of working expenses to 52.54 in Western Australia, as against 55.84 in Queensland. If we take the extra cost of wages and goldfields allowance and fuel and water, the working cost of the railways here is really less than the working cost of the railways in Queensland. Of course if the country is prepared to put up with the same travelling conveniences as those of Queensland, the railways here may be worked considerably cheaper. I know the Queensland railways very well, and I can say without hesitation as to the conveniences of travelling there is no comparison between the Queensland railways and those of Western Australia. The conveniences in this country are infinitely better than those on the railways in Queensland which I know. There is another very important point I would like to draw members' attention to. The amount of revenue returned to the State from the railways during the last 10 years, as compared with Queensland, over and above the working cost and interest, must be considered. After paying the working expenses, interest charges on capital expenditure, the railways returned

to the revenue during the last 10 years £982,442. But there is a marked difference in Queensland, for during the same period the railways of Queensland involved that State in the loss of £3,162,305, which had to be made good from general revenue.

Hon. G. Randell: Why go back 10 years?

The COLONIAL SECRETARY: I am taking the figures for a period of 10 years in both cases.

Hon. R. F. Sholl: You want to get in the drought period.

The COLONIAL SECRETARY: You would get a good many droughts and many good seasons in a period of 10 years in Queensland, and if I took a lesser period it would not be a fair thing. The earnings will be better realised when I say that the average earning for each wagon in this State is £172, as against £132 in Queensland; so it is somewhat misleading to compare the figures at a first glance, until we analyse them and see how the different amounts are made up. The staff at present employed in this State in the accountant, auditor's, and stores branches now number 189; having been reduced from 242 since the close of the financial year of 1905-6. I give that as an instance of where farther reductions have been made here since the report was made up and which the hon. member based his criticisms on. The hon. member also referred to the cost of greasing and oiling as compared with the cost in Queensland. In Queensland through the formation of the country less of that work is necessary than here. They take three big sections of 200 miles each, where they employ no regular examiners or oilers, but they depend on the men employed at the pumping stations, therefore the cost of the work is reduced considerably.

Hon. J. W. Wright: A railway examiner is not an oiler.

The COLONIAL SECRETARY: The pumpers do the work there. Just to show what a considerable saving has been effected in that one item, I may say that in the past unfortunately the cost of oiling has been very high.

Hon. M. L. Moss: There is a difference between £4,150 in oil and grease in Western Australia, as against £967 in Queensland.

The COLONIAL SECRETARY: What I want to point out is that unfortunately in 1905-6 the oil obtained was of a very inferior quality and did not come up to the specification. Not only had a greater quantity of oil to be used on that account, but the oil did a great amount of damage in other directions, which also increased the cost. The cost of oil for April 1906 was £617, while for April of this year it has been reduced to £151; and the cost of oil has been reduced from £4,158 in 1905-6 to £2,486 for the present year.

[*Hon. M. L. Moss:* There is still a large discrepancy.] There is a certain discrepancy in the wages paid; but I am speaking of the bare cost of the oil. There is no doubt a very large saving can be effected and a considerable sum added to the revenue of this State; but I do not agree with the hon. member that we should use this means of adding to our revenue. A saving can be and must be effected in our railways, and it is being effected to-day; but the railways will not be made a means of taxation. It was never intended that the railways should be used as a means of taxing the people. Our railways were built to pay, if possible, working expenses, interest, and sinking fund; but the main principle of State-owned railways is to help to develop the State. If they can be made to do that, and a saving can be effected, as it will be effected, the public are entitled to and will receive a certain proportion of the money thus saved. It was never intended, I maintain, that the railways should be made a means of taxation. I repeat that all possible economies are being effected in the railways. I have indicated in what branches the economies already made have been effected; farther economies will be effected; and I maintain that if a Royal Commission were appointed to inquire into the railways, the economies now contemplated would be effected during the time occupied by the inquiry. I repeat that unless we secured experts to sit on that Commission, it would be a farce; and it is questionable

whether those experts, if secured within a reasonable time, could be secured at a reasonable cost. I will ask the House, if the hon. member persists in his motion, not to agree to it, but to see what economies the officials can make in the railways; and then, after allowing a certain time to elapse, if he or the House is not satisfied that economies have been effected it will be competent for the hon. member to move again for a Royal Commission, or for an inquiry by some other means.

Hon. M. L. MOSS (West): I find myself in a great difficulty when dealing with this question in so far as it involves the appointment of a Royal Commission, because I am pledged to my constituents to oppose on all occasions the appointment of Royal Commissions, on the ground that it is the duty of the Government to effect necessary reforms in the administration of public departments. And there is all the more reason why I should fail to give my vote on this occasion for the amendment; because the Railway Department is one of the departments outside the scope and control of the Public Service Commissioner. But there is no doubt that to deal with this department on business lines is an absolute necessity in the best interests of the Government of the country. I do not think it requires much argument to lead one to the conclusion that the department is disgracefully managed and scandalously overmanned. Having listened attentively to the Colonial Secretary, I take it the speech he has just delivered is the best answer and excuse that the Railway Department, by which I mean the high officials of the department, is able to give to the very damning indictment made in this House by the mover of the motion, and outside the House through the public Press by Mr. Chinn, a gentleman apparently well qualified to express an opinion on what has for years past been taking place in that department. The Colonial Secretary thinks the present time is inopportune for dealing with this question. I do not think he can expect members of this House to agree with him in that. It strikes me, when the Government are demanding power to

impose fresh taxation, to raise additional revenue, that there never was a more opportune time for dealing with one of our greatest spending departments, in which it is as plain as noonday the grossest extravagance has reigned for a long time past. I purpose presently asking the House to listen to a few more figures in amplification of the charges laid by Mr. Pennefather; because I think the Government must agree that these extravagances continue to-day. The hon. member directs our attention to number IX. of the Votes and Proceedings, where, in answer to a question by Mr. Wright, it is stated that 266 persons were discharged from the department between the 1st January and the 31st July this year, and that 67 had notice of dismissal—a total of 333 persons; a saving of £40,000 a year being thus effected. No one will deny that the person entitled to the credit of that saving is Mr. Chinn; because, had the railways been permitted to go on in their old state of muddle, this overmanning would have continued. Comparing our railways with those of Queensland and South Australia, and viewing them in the light of the economies that have been effected up to date, we are justified in speaking in strong terms against the manner in which our Railway Department has been controlled for many years past. The Premier, in his policy speech at Bunbury, made certain observations which were doubtless made after due consideration and after forming the subject of considerable discussion at Cabinet meetings. The statement has been made that the railways can be run at a saving of £250,000 a year. When this evening listening to the Colonial Secretary I thought at one time he held it was impossible to make any great saving on account of the extra cost entailed in running the railways; because if it were not for the extra cost, the amount of expenses compared with the earnings would be less than in Queensland and South Australia. But later on in his speech he seems to have somewhat modified that expression of opinion; for he says that these savings can, will, and must be made. In 1905-6, when the gross earnings from our railways were £1,634,444, the working expenses

£1,201,753, and the interest on capital £348,467, the railways showed a profit of £84,224, or a percentage of working expenses to earnings of 75.53. If the percentage of working expenses could be reduced from 75 per cent. to 70 per cent., the nett profit after paying interest would be £141,867. At once, by a reduction of five per cent. we should save more money than the Government expect to get from the land tax. If the working expenses could be reduced to 65 per cent., there would be a profit, after paying interest and sinking fund, of £223,589. If we could get them down to 60 per cent.—and that would be five per cent. above the Queensland figure and four per cent. above that of South Australia—the profit would be £305,311. If we could get them down to the South Australian figure, the profit would be £360,392; and if we could reduce them to the Queensland percentage we should show a profit of £373,304. Now I do not at all agree with the remark of the Colonial Secretary that the savings which may be effected in the running of our railways should all go to reduce the charges to persons using the lines. The Railway Department forms a large carrying monopoly in the country; and if some day the country runs a line of coastal steamers, if we carry our socialism to that extent, I suppose we shall have the same argument: “We must run the steamers at bare cost, and expect to make nothing out of them.” We should expect to make a very large sum as an aid to the general taxpayer out of this large carrying monopoly which we possess; and I think it was exceedingly inopportune, when the contest for an Eastern Province seat was in progress, that one member at least of the present Government thought fit to make a statement that the £50,000 already saved—apparently by retrenching the 333 persons I have mentioned as retrenched or in course of retrenchment from the railways—was intended to be utilised to reduce the freights to the producers of that district, or the producers generally throughout the State. That was a very inopportune time for making the statement. [*Hon. W. Kingsmill*: Very opportune.] Opportune from one point of view, but

highly improper and I think inexpedient in the interests of clean politics. In my opinion, at a time when we are calling out for economies not only in this but in other departments, the savings which can be effected should certainly go to prevent fresh taxation being imposed on the people; and I believe that is the opinion of members in the House and a large majority of the electors. When we remember, in view of these figures for the year 1905-6, that Western Australia had then only 612 miles of railway as against Queensland's 3,137 and South Australia's 1,746, we must admit these figures require an immense amount of explanation. The additional cost arising from the causes mentioned by the Colonial Secretary—the fact, for instance, that here there is no back loading—cannot in my opinion account for the fact that the gross earnings from our railways in the year I have mentioned were £1,634,444 against £1,546,083 in Queensland. We earn £100,000 more, but in order to earn it we spend, in round numbers, £1,200,000 in Western Australia against the Queensland expenditure of £800,000, a difference of nearly £400,000. And, again using round figures, it is clear that our profit is £432,000 against Queensland's profit of £700,000. The South Australian railways, which have a 5 foot 3 inch gauge in one part of the State and a 3 foot 6 inch in another part, earn £1,300,000 at a cost of £764,000, leaving a profit of nearly £600,000; so that with 130 additional miles of railway earning just on £300,000 less than our railways earn, the South Australian profit is nearly £200,000 greater than ours. [*Hon. R. F. Sholl*: How is it they have lost so much?] I am not here to dispute the figures of the Colonial Secretary who says that Queensland, in the last 10 years, has lost £3,360,000, whereas our railways returned £900,000. I will not speculate as to the causes which have led to that result, nor will I dispute the accuracy of the figures, but I do know that the figures I now quote have been carefully extracted from State papers in the three States. There is such a great discrepancy between what has occurred in Western Australia and what has taken place in the other States that

it calls for immediate inquiry, and no time is more opportune than the present. We should, as speedily as possible, stop the leakage that undoubtedly is going on. When you reduce it to earnings per mile, our railways have earned £1,017 per mile against Queensland's £497, and South Australia's £773. Now I think it follows from these figures, as a logical conclusion, when we find that even with the absence of this back freight the hon. gentleman talks about, our railways are earning twice as much per mile as they do in Queensland, then we can well afford to say that that State may have its back loading. Even although our earnings are twice as much per mile yet the aggregate result shows that while we are doing that, our working expenses to earnings bear a proportion of 75 per cent. as against Queensland's 55 per cent. This is an opportune time to call loudly for reform and alteration. With this double earning on our own part there is no reason why we should not have had, instead of a profit of £84,000, a profit of nearly half a million pounds. I have not yet heard a reason why this should not have been so, although I have paid great attention, not only to the Minister to-day, but to the answers attempted to be given by the Railway Department through the Press. I must confess I am not satisfied at all with the attempt made to explain away that which seems to me to show that something is palpably wrong in the management of this department. The reason is not far to seek. While in Queensland the working expenses per mile are £277.69, ours are £747.81. [*Hon. R. F. Sholl*: With no back-loading, and therefore with the wear and tear less.] Yes, and I cannot believe that this extra expenditure of approximately £500 per mile can be legitimately or fairly incurred. There must be great over-manning, great waste, and great lack of supervision, and as far as I can see the railways must be running themselves. I cannot believe that the Arbitration Act, the additional expense for water and fuel, or any of the other matters alluded to, account for the difference between a cost of £747 a mile here against £277 in

Queensland. We may not have in this country the back-loading to which the Minister referred, but in 1905-6 we carried close on thirteen millions of passengers against eight millions odd in Queensland, and ten millions in South Australia, and we carried them on a train mileage of 4,350,000, against Queensland's 5,250,000, and South Australia's 3,800,000. So that even given this absence of back-loading, we carried close on thirteen millions of people, and only went a train mileage of 4,350,000 as against Queensland's train mileage of 5,250,000 for eight millions of passengers. They ran one million more miles and carried four millions less persons than we did, and if there is back-loading that, to my mind, must go on the other side of the ledger in favour of our railways, and act as a set-off to the back-loading. The hon. member gave certain figures I will repeat. We have in the Accountant's, Audit and Stores Branches of the department 242 people employed against 120 in Queensland and 59 in South Australia. I repeat the figures for this reason. I notice that in answer to the questions asked by the Hon. Mr. Wright on July 31st, it was stated that in the Chief Accountant's branch only 10 persons had received notice of dismissal, in the Chief Auditor's branch only two, and in the Stores branch only three; making a total of 15 altogether. [*The Colonial Secretary:* The total number has been reduced to 175.] Well take the number at 175 and then take South Australia's figures as a guide; the number of persons employed in these three departments should be, in comparison with Queensland's 121 and South Australia's 59, not more than 60.

The Colonial Secretary: Queensland works on a different system.

Hon. M. L. MOSS: Then our system is absolutely wrong and bad. If railways can be worked there under competent management, and when you compare South Australia also, where we must assume there is competent management, it will be seen how wrong our system is.

The Colonial Secretary: They have a central accountancy branch here, whereas

there are accountancy branches in each of the departments in the other States.

Hon. M. L. MOSS: Well we must abolish our central accountancy branch here. The position appears, from what the Minister has said, that at the present time we have 175 employees in those branches, and I have no hesitation in asking the members to agree with me that the branches are disgracefully overmanned. This statement is not made now without there being something to back it up, for we have the experience of two other States. In South Australia, with 135 miles more railway lines than we have to operate in Western Australia, they conduct the three branches with 59 persons, and we are told that even to-day we have 175 persons employed in the same work. These three branches are scandalously overmanned, and there is only one thing for the Government to do. It is a simple procedure, and I would advise the Government to send someone from the Railway Department to Adelaide, and thence go to Brisbane to ascertain the system in operation in both those States, and to base the Accountant's, Auditor's and Stores branches here on the same lines as there. By that means they will be able immediately to discharge 100 hands. The last thing I want to see is a number of persons turned adrift as unemployed in this State, but that aspect of the question has to be put at one side. We have to be just in regard to the management of this department before we are generous. The Government of the country and the Railway Commissioner have a huge trust imposed on them. The railways have to be run like any other ordinary business concern, and should be conducted as anyone would conduct his own private business. If this were done, would it for a moment be contended that a business man would employ 180 people if 60 were sufficient to do the work? We have no right to be actuated in managing the public business of the State by other considerations than those which would actuate us in our own private business. The Hon. Mr. Pennefather deserves very much credit for having prominently drawn attention to the number of hands employed in these three

branches. A great saving can be made in the department immediately. [*Hon. W. Kingsmill*: What about the Ways and Works branch?] I will come to that in a moment. The remarks I made about turning adrift a large number of unemployed apply with greater force to the facts concerning which I will now quote certain figures to the House to show that the department is disgracefully and improperly overmanned. These are strong expressions, but the figures justify the observations I have made. With our 1,612 miles of lines we employed in 1905-6, 6,408 persons, against Queensland, with twice the mileage, 5,143 persons, and South Australia, with 130 miles more, 3,250 persons. All the pleas as to water, expensive fuel, want of back-loading, etcetera, cannot furnish any arguments for the continuance of a large number of men in the employ of the railways, who are not required for the carrying out of the service. If unfortunately it should occur that great reductions in some of the branches must be made to put them on a proper business-like footing, I am sure those who are unfortunately turned adrift cannot have any cause for complaint. The running of the railways should not be looked at from a different point of view than the running of a business concern, and how can it be justified for one moment that we should have 6,500 persons, in round numbers, in our employ, against 5,000 in Queensland and 3,500 in South Australia? By all means employ a sufficient number of persons to carry out the work of the department, but with figures like these brought prominently before us, the want of back-loading, expensive fuel and water, and the fact that we are obliged to give an eight-hours day instead of a nine-hours day as in the other States, cannot in my opinion account for the great discrepancy that has arisen. There are other figures, and it is just as well that publicity should be given to them, as they will show the same extent of extravagance in other branches as exists in those to which I have just referred. Take the locomotive branch of the service, in which we have salaried and wages men, the salaried officers apparently being those whose salaries come up year by

year on the Estimates, and compare these with the other States. The disparity is marked indeed. With our less mileage we expend £27,000, while Queensland gets through with £12,600 and South Australia with £14,000. I am told by those who know—I have not checked the figures for myself and can only speak approximately—that if we take the professional engineers employed in connection with works—whether of construction or maintenance I cannot say—we pay from £10,000 to £12,000 a year; and I am credibly informed that the work could be properly performed by one Engineer-in-Chief and one other engineer, if many of the duties now entrusted to highly salaried engineers were performed by gangers throughout the State. There is not much railway construction in hand in Western Australia at the present time, and such as is in hand, the construction of spur lines, presents no great engineering difficulties, as I suppose one specification is largely a copy of another; and it does seem to me absurd that there should be more engineers employed to-day, as I believe is the case, than there were during the construction of the lines to the Murchison, to the Eastern Goldfields, and to Bunbury. In the matter of salaries, therefore, Western Australia pays £27,000 annually, against £14,000 paid by Queensland and £12,000 paid by South Australia. With regard to wages, the shorter hours and increased pay in this State may account for the disparity. I am quoting these figures to show how small a matter it is in comparison with the savings that might be made. Western Australia pays £159,000 for running the railways, against £102,000 paid by Queensland and £108,000 paid by South Australia. We thus expend £50,000 more than Queensland, which has double our mileage; and though I do not admit the contention, yet assuming for the sake of argument that this difference of £50,000 is the result of shorter hours and increased pay, that does not account for the wide discrepancy in the cost per train mile in Queensland as compared with Western Australia. The item "repairs and renewals of locomotives" is simply enormous in this State by comparison,

about £83,000 being spent here as against £47,000 in Queensland and £62,000 in South Australia. Those figures it is impossible for members to reconcile; and evidence of extravagance stands out prominently as one goes through the various items dealt with in this department. The Colonial Secretary has told us that in regard to the item "grease and oils," a contract let in 1905-6 for an inferior brand of oil will account for the expenditure of £4,150 in that year; but the Minister also said that the expenditure on this item for 1906-7 amounted to £2,500, which seems enormously high when we know that Queensland, with double our mileage, only spends £967 on this item. How can greasing and oiling account for this disparity? We have the electric light on the goldfields express and on the Albany train. Either the Government pay an excessive amount for material, or there has been gross waste, as I am told there is, or there is dishonesty, though the last thing I wish to impute is dishonesty. [*Hon. R. F. Sholl*: We run longer distances, and these entail more oiling.] That is so; but that cannot account for the wide discrepancy here shown. Those responsible for this expenditure may think hard words are being used when there is the slightest suggestion of dishonesty—that is the last thing I wish to suggest—but there may be great waste going on, and there may be a larger amount paid for this material than is necessary. I think the Government would be justified in making inquiry, first as to what precautions are taken or what supervision is exercised over persons dealing with grease and oil, to see there is no waste; and secondly I think it would be an excellent inquiry to make as to the conditions under which the contract referred to by the Minister was let for the supply of this material, or whether indeed a contract, as it is popularly understood, was let or goods were purchased from time to time as required. [*Hon. W. Patrick*: In the one case, oil only is included, and in the other oil and waste.] The Minister said that this contract accounted for the large expenditure in 1905-6, and yet this year the item has cost £2,500. That is an item which I

submit it will suit the Government and the country for somebody to make inquiry into. With regard to the running cost of our railways, there are only three other items I shall mention. According to the last available quarterly return for the year 1906-7, Western Australia's railway expenses rose from 73½ to 75 per cent. The figures for that quarter were—revenue £413,507, expenditure £310,440.

The Colonial Secretary: That is easily accounted for by the timber strike. The percentage of expenses would be higher because the takings were less.

Hon. M. L. MOSS: I am glad the Minister has explained that; no doubt the timber strike would account for it. But if we put it at 73½ per cent., then Queensland's railway revenue for the same quarter of 1906-7 showed an increase of £287,000, and the percentage of expenses was reduced from 55¾ to 54 per cent.; South Australia during the same period reduced expenses from 56½ to 55 per cent. So that taking this 1½ per cent. increase in this State as the result of the timber strike, which perhaps it was, and dealing with it from the point of view that 73½ per cent. of the earnings were mopped up in working expenses I think it must be patent to anybody who has considered the question that there is room for serious inquiry. I have done with quoting figures. We are told on all hands, and it is undoubtedly true, that the revenue of this State is declining; we are confronted with additional taxation; we are told, and it is also a fact, that under the high tariff which the Federal authorities propose our oversea importations are bound to come down, thus causing a decrease in our customs revenue. Then I urge there is necessity for inquiry into the question of the cost of running our railways, and it seems to me there never was a more opportune time for dealing with this matter, and it should be dealt with as speedily as possible. I believe there is a multitude of avenues open in the Railway Department by which savings can be easily effected. I agree with the Premier's observation when making his policy speech, that the Railway Depart-

ment can easily be worked for a quarter of a million a year less than at present. I cannot think of a more scandalous state of affairs than this, that if the Government are satisfied a saving of a quarter of a million can be made, there should be any delay in effecting that saving. The Government, not being in this case fettered by a Public Service Act can deal with the staff employed on the railways; and having now an Acting Commissioner of Railways who knows a great deal more about our railways than any person who might be brought here, though opinions may differ about that, I think it would be rather a good thing to give him a free hand and let him have an opportunity of showing what he can do.

The Colonial Secretary: He has got a free hand for the time being.

Hon. M. L. MOSS: I am glad to hear it. If, as has been stated by the head of the Government, £250,000 can be saved in a year in the running of our railways, I think they should commence making that saving to-morrow. I think Mr. Pennefather would be satisfied to defer his amendment for an inquiry into the railway system generally, if the Colonial Secretary or some other responsible Minister were to outline a scheme which would result in a saving of £250,000 a year to the State. It has come now to this, that if the Government were to dispense with the services of a number of those whom, according to the figures quoted, it is unnecessary to employ, and if by doing so they would be doing a very unpopular act, they still must do that unpopular act if it is going to be the means of making the saving which is capable of being made in this department. It is unnecessary to add, and no thinking man will require to be told, that in carrying out a reform which will effect this large saving the Government will come in for a good deal of blame; and indeed I sympathise with them in that, if they are earnest and sincere in their desire to effect this reform. They will want all the support that members of both Houses can give them, and the Government and members of Parliament will need to turn a deaf ear to those persons

desiring to be retained in the Railway Department whose services can be dispensed with in order to make this great and urgent saving. I cannot well vote for the amendment. I would have done so had the amendment asked for a select committee; but I am pledged not to spend money on royal commissions, which is a useful method of enabling a Government to shoulder its responsibilities on some one else. The report of a royal commission usually ends in smoke, and nothing farther is done in the matter. The Ministry of the day must shoulder the responsibility of dealing with this important and unpopular reform, because it will be unpopular.

The Colonial Secretary: The Government are quite prepared to do that. They do not want to place the responsibility on the shoulders of others.

Hon. M. L. MOSS: I am glad to hear that statement by the Minister. I believe the statement in the policy speech was not made with the idea merely of showing the people where a quarter of a million could be saved, and allowing the matter to end there. We have an evidence of that in the fact that 333 persons have already been discharged from the railways; but the matter must not be permitted to stop there, for while the department is considerably overmanned, there are leakages in other directions also. There are leakages, in my opinion, in the material used; and there are great extravagances in other ways, as these figures clearly demonstrate. The Government having no desire to shift their responsibility on to other shoulders I hope that before this session terminates the Colonial Secretary or some Minister in another place will be in a position to make a statement showing what the reforms are to be. It is all very well to go on public platforms telling people in the agricultural districts that a land tax will not affect them, and then coming to the metropolis saying that a land tax will not affect the people in the city, that the land tax amounts only to £60,000. Can anybody doubt that there would be no necessity for those speeches, and the necessity for this additional taxation which is calculated to produce only

£60,000, if the Railway Department were dealt with on business lines? Nobody can doubt that £60,000 could be easily saved in the working of that department. While it may be somewhat irrelevant for me to say so, I believe if we could get rid of the Public Service Act and could take one department after another, we could effect these economies. I know that in the small department I controlled for some months I could have made drastic alterations if it were not that I was fettered on the one hand by the Public Service Act and on the other hand by the Public Service Commissioner. The Act was passed as a very good buffer to prevent Ministers being approached and the service being farther increased by officials. But we must recollect that this country passed through a series of boom years. Great public works were undertaken such as the Coolgardie Water Scheme; large numbers of railway lines were constructed, railway stations were built, and the railway lines were congested with traffic, and undoubtedly large numbers of persons were required for the service of the country; but the position is entirely different to-day; we have come down to normal conditions; and when we come down to normal conditions the Government in all departments and particularly the Railway Department must be actuated by the same motive as has actuated ordinary business persons. I do not suppose we could name a business house of any consequence in the State where great retrenchment has not gone on during the last three or four years. That retrenchment has not proceeded apace in the Government departments. Even supposing they are earning more to-day than years ago, the work of these departments, so far as the officials are concerned, should go on much more simply and more smoothly and should be conducted by a less number of individuals than in great times of rush. I hope before the session is over, if not in this House at any rate in another place when the Estimates are going through, we will have some indication from the Minister for Railways as to the reforms intended in this department; because I do not think Parliament

and the country, particularly the country, will be satisfied unless these reforms are effected. The time will presently come when there will be a demand for a school in some locality or for the construction of a road in another locality, and we will be confronted with the difficulty that the expense of government is so great and the revenue has so shrunk, that it will be absolutely impossible to give these facilities. Unless there is some honest, some sincere and genuine attempt made to deal with the problem that confronts the Ministry in regard to this department, there will be no legitimate excuse for the neglect to carry out necessary works in the country. We can assume that the promise the Minister has given us will be observed, that there is no desire to evade, no desire to shift the responsibility on someone else, but the country will look with some degree of curiosity at the reforms to be effected, and there will be great amazement in the country and a good deal of dissatisfaction unless drastic alterations are made to effect the economies that are capable of being effected in this department.

Hon. E. McLARTY (South-East) : Seeing that steps have already been taken to bring about these reforms and that we have the guarantee of the Government that farther steps will be taken, I do not think the time is opportune for the appointment of a Royal Commission. I prefer to see the matter left for a short time at all events in the hands of the Acting Commissioner of Railways, who has had wide experience in this country and is I think quite capable of dealing with the question. I quite agree with all Mr. Moss has said as to extravagant management. I have made the remark in this House previously that the service was overmanned. I have seen that clearly where I have travelled over the railway system; but I feel convinced that under the management of the Acting Commissioner of Railways great reductions and reforms will be brought about, and I think it is only fair that we should leave the matter in his hands and give him sufficient time and opportunity to see what can be done. I cannot support the

amendment, because I think the reforms will be carried out without such a method as is suggested in the amendment being adopted.

Hon. J. T. GLOWREY (South): I intend to vote against the motion. At the same time I think that the thanks of members and of the country generally are due to Mr. Wright and Mr. Pennefather for bringing this important matter forward, allowing it to be so ably debated. However I think the present time is inopportune. We know changes are taking place under the new administration; many have taken place, and I have on doubt others are contemplated. I think it would be well to give the new administration a trial, and then at some future time, if it is thought advisable, no doubt some member will think it wise to bring the motion forward again. Mr. Moss was somewhat unfair in his criticism, that is after reading the criticism of Mr. Chinn, which most members have read, and the reply also given by Mr. Short, the Acting Railway Commissioner. It has not been disputed that we pay £156,000 more than Queensland, owing to the high rates of wages paid and the shorter hours. Neither have the items mentioned by the Colonial Secretary been denied, showing the total of £343,000 we pay for fuel, water, goldfields allowance and other expenses, more than Queensland. [*Hon. J. W. Wright:* Where are those figures taken from?] You can get them from the newspapers. I do not know whether the figures quoted by Mr. Wright or Mr. Pennefather are official. [*Hon. R. W. Pennefather:* They have been acknowledged by Mr. Short as correct.] I am taking the figures from Mr. Short's reply. They have not been refuted by anyone. There has been no attempt to do so. I think that as our railways are under new administration and as changes are being made, and as savings have been effected, it would be unwise at present to go to the expense—and it will be an enormous expense if we are to have a Royal Commission to do any service. I intend to vote against the motion; but if I think there is a necessity for it at a

later date, I may be inclined to alter my opinion.

Hon. S. J. HAYNES (South-East): While I personally sympathise with the motives which prompted Mr. Pennefather in bringing forward the amendment, I cannot see my way clear to support a Royal Commission at the present juncture. I do not believe in Royal Commissions; I believe that is a sign of weakness in a weak Government to throw responsibility on a Royal Commission. I like to see the Ministry of the day take the responsibility of the situation. No doubt in this instance Mr. Pennefather and Mr. Moss have shown that this great spending department, the Railway Department, is extravagantly managed and seriously overmanned. The figures put before members are startling; there is no doubt about that, and no doubt there is room for drastic remedies in all directions. However, we have heard from the representative of the Government in this House that already reductions have been made, and that the Acting Commissioner will deal with matters from a business point of view; and in view of what the Premier said in his policy speech, I think at the present juncture the appointment of a Royal Commission would indeed be inopportune. By bringing the matter forward attention has again been drawn to this spending department, but I feel that I must oppose the motion in the face of the assurance of the Government that steps will be taken to have reductions in practically all directions. At the same time I trust the Government will be able to effect so many and such great reductions in this huge department that they can come forward, probably before the end of the session, and say we require no fresh taxation.

Hon. G. THROSSELL (East): So far as the motion moved by Mr. Wright is concerned, I desire to say that I shall have to oppose it. From what I know of the construction of agricultural railways, they have been honestly constructed and they are doing the work they are intended for. But the amendment has my sympathy. It seems to me that it is absolutely necessary in the best interests of

the country that a form of inquiry should be made into the working of the railways. The fact that 333 men have been dismissed without impairing the efficiency of the lines conclusively proves to business men the necessity for farther inquiries. The Government have my earnest sympathy in their efforts to economise in the working of the railways. The railways serve the country, their equipment is equal possibly to many of the railway systems of the Eastern States, but we know there is a feeling in the country generally that there has been gross extravagance in the management of the railways. The fact I have already brought before the House, the discharge at one swoop of 333 men, representing a saving of £50,000 per annum, shows conclusively that farther inquiry is necessary, and that the Government are alive to the fact that economy is necessary and that inquiry is necessary. I desire to give the Government the fullest credit. I believe they are not only alive to the necessity, but are determined that economy shall prevail. But there is a feeling in the country that nothing but good can come from farther inquiry. Personally I have never been in love with Royal Commissions; I know they are costly and slow in their operations; yet under the special circumstances brought before the House, especially by the figures produced by Mr. Pennefather, I say that with all my desire to support the Government if the question comes to a division I shall be bound of necessity to support the amendment.

On motion by the *Hon. W. Maley*, debate adjourned.

BILL—PORT HEDLAND - MARBLE BAR RAILWAY.

Second Reading moved.

The COLONIAL SECRETARY (Hon. J. D. Connolly) : In moving the second reading of this Bill, I feel sure that hon. members will recognise the importance of the proposed railway for the North-West of this State. There has been laid on the table a large-scale plan showing the route of the proposed line, and hon. members will be able to refer to it. It will be remembered that this House has already

agreed to this proposal to the extent of having passed an item in the Loan Bill of last session authorising the raising of money for the construction of the Pilbarra Railway. I do not refer to that as suggesting that hon. members are in any way committed by that previous action to the adoption of the Bill for authorising the construction of the railway, because before any of the money authorised for the purpose can be expended on the work, it will be necessary to pass this Bill. It will be seen by the plan on the table that this is a railway to provide communication to the very important mineral district in the North-West known generally as the Pilbarra goldfield, though I should not be correct in calling it a goldfield, as it contains almost every other known mineral, particularly tin, copper, asbestos, aluminium, and other metals. This is a mineral field on rather a larger scale than a goldfield as is usually understood. The area of the country sought to be served by this railway, although principally mineral, consists also to a great extent of pastoral country; and while it is not proposed to build this railway especially for the pastoral industry in the North-West, because that industry has gone on very well without a railway up to the present and doubtless will continue to do so, yet this line is proposed to be built mainly in the interest of mining generally. This is a railway from Port Hedland to Marble Bar, the length being 115 miles, and the route running in a south-easterly direction from Port Hedland. The gauge will be the standard gauge of the State, that is 3 feet 6 inches; the rails will be 45 pounds weight; and the estimated cost of the work is based on the assumption that iron or steel sleepers will be used. It is not yet quite decided whether the sleepers will be iron, steel, or wood sleepers; but if wood can be used for the purpose, that will effect considerable saving in the estimated cost. The cost of construction is estimated at £75,000, independent of rails and fastenings, and these will amount to £148,000; the total cost of the railway being £223,000, or an average cost per mile of £1,940. There is not at present a very large population

in the district, certainly not a sufficient population to warrant the Government in asking Parliament to construct a railway for the present population, there being only some 1,200 people; but when a railway is built for opening up new country and especially an outback district like this in the North-West, there is in such cases not sufficient population in the first instance to warrant the building of the line; still the opening up of that part of the country by a railway will have the effect of attracting people and very materially increasing the population. The area of pastoral country which will be served by this line is 354,000 acres, and the pastoral leases now held in the district include 2,541,950 acres. As I have mentioned, this line is not to be built for the pastoral industry especially, but mainly on account of the mineral country which the line will open up. There has been an agitation during a number of years for a railway to develop the mineral deposits in the North-West, and different Governments have from time to time received reports as to the possibilities of that country, all those reports being very favourable to the proposed construction of a railway. The question was brought up in the Legislative Assembly in a practical form by the then member for Pilbarra (Mr. Kingsmill) in the year 1899, and later a motion was brought forward by him on the 19th of September, 1900, to the effect that, failing immediate action by the Government, offers for the construction of a railway should be received from private persons. That motion was carried; but nothing was done as a result of it till 1903, when the Legislative Assembly adopted a similarly worded motion, moved by the member then representing Pilbarra; Mr. Kingsmill having in the meantime become a member of the Legislative Council.

Hon. G. Randell: Can you state the cost of the proposed work?

Hon. J. W. Hackett: Or the expected receipts from the railway when constructed?

THE COLONIAL SECRETARY: I can give the amount of traffic existing at the present time; but it would be impos-

sible to form a correct estimate of the traffic which may be expected when the district has been opened up by the construction of a railway. The total amount of gold and tin produced in that field since 1899 is as follows:—Gold, 128,204 fine ounces, valued at £544,572. Tin, 3,288 tons, valued at £271,865. Mineral leases at present held are 36, aggregating 890 acres; and 12 other leases are applied, totalling 240 acres. Gold-mining leases at present held are 19, totalling 430 acres.

Hon. R. F. Sholl: Will this railway serve that tin country?

THE COLONIAL SECRETARY: It will serve a part of it, but the tin deposits are very extensive. There are thousands of miles of auriferous country in that part of the State, and this line cannot serve the whole of it. Whilst it is known that vast mineral wealth does exist there it is found impossible to work the mineral deposits, as has been proved by experience up to the present, on account of the very high cost of carting, the high cost of fuel, and the high cost of mining timber. The cartage from the coast varies from £14 to £22 per ton; and members will readily recognise that it is impossible to work any gold mine or other mineral proposition, tin or other base metals, with costs like that. Some few months ago the Minister for Mines (Hon. H. Gregory) visited the district, taking with him the State Mining Engineer, Mr. Montgomery; and they spent a considerable time in the district, travelling over the whole of the country the proposed line will go through, and travelling back south to Cossack. The Minister for Mines was very favourably impressed with the great potentialities of that country, and the same may be said of the State Mining Engineer. Some little time before that, a Parliamentary Party, consisting of members from the Legislative Assembly, visited the Pilbarra district, and their report of its possibilities was also very favourable. For the information of hon. members I may quote some extracts from Mr. Montgomery's interim report, and I may say he is now getting out a full detailed report which will be printed and circulated

widely. In the meantime he says in his interim report:—

"In my opinion, the Pilbarra gold-field has been sufficiently proved to show that it contains many valuable districts; but these are languishing because under present conditions working costs are so inordinately high that they cannot be profitably worked. Not only are all necessary mining supplies very expensive in first cost, but there is great delay in obtaining them when required, and the loss of time so occasioned is ruinous, being of immensely more importance than the actual cost of the supplies."

That is the case. It is not only the cost of these requisites for mining, but it is largely the time occupied in obtaining what is wanted for mining purposes. Mr. Montgomery goes on to say:—

"The Marble Bar, Warravoon, Bamboo Creek, Yandicoogina, Nullagine, Mosquito Creek, and other goldfields contain very numerous valuable reefs, which ought to be extensively worked, and which are capable of supporting a large population. Much of the bad repute into which they have fallen is due to the necessity that there has been for the prospectors to work only the richest portions, or pick the eyes out of the mines, systematic working of the lower-grade quartz having been impossible under existing conditions."

At 6.15, the President left the Chair.

At 7.30, Chair resumed.

The COLONIAL SECRETARY (continuing): I was quoting portions of the interim report of the State Mining Engineer, Mr. Montgomery, on that portion of the Pilbarra Goldfield to be served by the railway. He says:—

"The tin-fields of Moolyella and Cooglegong have proved very profitable, and are likely to be found very extensive, and there is much promise that tin-lodes of workable size will be found. Other valuable minerals exist also; asbestos near Cooglegong, copper ores at North Shaw and Yandicoogina, and antimony near Nullagine. These are within the region that would be

served by a railway terminating at Marble Bar. Such a railway would enormously facilitate mining in all these centres, and I am of opinion would lead to rapid developments which would make the railway a profitable undertaking."

The Moolyella tin-field is very close to Marble Bar, and employs some 500 men.

Mr. Montgomery continues:—

"The direct route from Port Hedland to Marble Bar is the shortest and quickest way of serving these districts, of which Marble Bar is the natural centre."

Members will see from the map that there is great difficulty in serving this district by means of one railway. Probably if the district develops, as we hope it will, at least one other railway will have to be built. Mr. Montgomery's report proceeds:—

"The important district around Wodgina cannot be served by the direct route from Port Hedland to Marble Bar without a long detour to the southward. Though likely to be a very valuable mining field, I cannot say at present it is sufficiently proved to justify a detour from the direct route, and the question of railway facilities to it seems to me best to be deferred until farther developments have taken place in the mines. Wodgina might be made the terminus of a line from Balla Balla or Roebourne, serving a number of promising districts *en route*, which would be of more general service than a branch line from the Port Hedland-Marble Bar railway. A railway from Roebourne to Nullagine through Croydon, Station Peak, Wodgina and Cooglegong would be through mineral country nearly all the way, but would be much longer than the Port Hedland-Marble Bar route, and would not serve the principal centres of the Pilbarra Goldfield so well. Port Hedland is now, though a tidal port, workable with steamers of fair size, which discharge directly on to the wharves, whereas considerable expense would be required at Point Sampson and very large outlay at Balla Balla to make either port a suitable terminus

for a railway. I am strongly of opinion therefore that it is in the best interests of the country that a railway should be made on the route already surveyed from Port Hedland to Marble Bar as soon as possible, and though the present population of the districts to be served is quite insufficient to make it a paying line, I am very confident that the opening of the country will very soon lead to such development as will make the railway a profitable proposition."

Members will agree that this report, coming from the State Mining Engineer, is very encouraging. The Government Geologist was sent twice to the district to make a full report on its geological formation generally, not particularly on that portion of the district to be served by the railway; and he speaks highly of the possibilities of the country, more especially as a mineral field. In the early part of my remarks I mentioned that some time ago a parliamentary party consisting of Messrs. Bolton, Horan, Hardwick, Carson, Isdell and Gordon, visited the district. [*Hon. J. W. Langsford*: No member of this Chamber?] Apparently no member of this Chamber was sufficiently alive to his duty to go to that district in the month of January, which as members will admit is not the picnicing season. [*Hon. W. Patrick*: I do not think that any member of this Chamber had the opportunity of refusing an invitation.] I was not a member of the then Government, so I cannot say. The party travelled over the country from Port Hedland to Marble Bar and Nullagine, and to places farther south, such as North Shaw, to Balla Balla and then to Roebourne and Cossack; so they covered the whole of the auriferous belt. Their report states:

"We are satisfied that the North-West goldfields possess great mineral wealth, and there is no doubt that much valuable territory has yet to be proved. Under present conditions the almost entire absence of timber and very heavy charges for cartage render it quite impossible to work any but the highest grade ore. Wood for fuel costs up to £4 10s. per cord, flour £36 a ton, onions

and potatoes £5 per cwt. While reducing the cost of prospecting and mining, railway facilities would open up an additional market for our agriculturists, would be the means also of the pastoral country being improved considerably, and the stock-raising capabilities increased. It would also induce the taking up for pastoral purposes of a large tract of country east of Nullagine, and in fact give to the general business of the State an impetus with the possibility of advantageous results in every direction. We were able to see and personally experience some of the difficulties which the residents of this portion of the State have to contend with. The party were more than recompensed for any hardships by personally inspecting mineral country holding gold, alluvial and lode tin, copper, tantalite, antimony, asbestos, diamonds, and in viewing hundreds of miles of good pastoral country in many places extremely rich."

All these reports show that at all events from a mining point of view—and it is for mining purposes that the railway is proposed—the project is fully justified. The first place to be served by the railway, although the railway will not pass through it, is Lalla Rookh. There 6,200 tons of ore have been treated for 7,400 ounces, considerably over an ounce to the ton—a very good average. The shows at Marble Bar have crushed 10,700 tons for 24,000 ounces—an average of almost two ounces to the ton. In addition to gold there are vast deposits of tin and copper known to exist in the immediate vicinity of Marble Bar. Moolyella is the principal field known at the present time, and I have already referred to it as employing from 500 to 550 men. The auriferous country extends over some hundreds of square miles. It is hard at this stage to make an estimate of the traffic, but the anticipated traffic on the railway is estimated as follows: The inward goods traffic to Port Hedland for the year ending the 30th June, 1907, was: general, 6,211 tons; 2,086 bales of wool; 92 bales of skins; 1,361 rams. The outward traffic was: general, 2,373 tons; 2,065 bales of wool; 353 bales of skins; 292 bales of

hides; 1,363 cattle; 16,994 sheep, and 45 bulls. The tonnage that has been taken as existing between Port Hedland and Marble Bar is 7,000. On the construction of the railway, however, there is no doubt this will be increased. It is estimated that for every miner working in a well-equipped mine about two tons of freight is represented thereby per annum; therefore in such circumstances every 500 miners added to a district will mean an additional 1,000 tons in freightage. Another estimate is that for every head of battery stamps in regular work there is a freightage of 100 tons per annum required for equipment, food, stores, etcetera, exclusive of fuel.

Hon. G. Randell : I suppose the wool from DeGrey will still go to Congdon. The railway does not serve the DeGrey River?

The COLONIAL SECRETARY : No. The population of the district is 1,200. It is estimated this will increase considerably; but basing our figures on that population, the traffic will probably amount to 7,000 tons and 7,000 passengers, with a total traffic of £15,000 per annum, and the total cost of maintaining the line with working expenses will approximately be 60 per cent. of the traffic. This would amount to about £10,000, leaving a profit above working expenses of £5,000. As against that we have to set interest on capital expended, at 4 per cent., making a total of £10,000; so that on this estimate the probable loss on the first year's working, at ordinary rates, will be £5,000. The estimate I have just read is that of the Engineer-in-Chief, and I think it is approximately correct. The Railway Department estimates the revenue from the traffic mentioned in the report as follows: The traffic to Marble Bar will be £12,777, and to Port Hedland £7,814; making a total of £20,591 per annum. The department considers that one-third should be taken off to allow of a mean journey instead of the full 115 miles journey, as is allowed for in the foregoing estimate. This would mean the traffic to Marble Bar would be £8,500, to Port Hedland £5,200; total £13,728. In addition, seeing that the railway will be so far away, the freight will prob-

ably be higher than on lines of the present system. Allowing for a 50 per cent. increase on existing tariff the returns would then be, instead of the figures I have quoted—to Marble Bar £19,165; to Port Hedland £11,721; total £30,886. That would make the case very different, and of course it is only to be expected that the rates in a district where working costs are so high will be, say, 50 per cent. in advance of the ordinary rates in the southern portion of the State. [*Hon. G. Randell*: What about good boiler water?] Plenty of good water can be obtained at no great depth all over the country. Of course, in estimating for a railway of this kind it is not to be expected that the probable business can be put in actual figures; but there is no doubt, judging from these reports by officers of the Railway Department and from all the other reports, that a case has been established. The Minister for Mines, as I have said, some months ago went through the country accompanied by the State Mining Engineer, and made a thorough examination. The Minister took with him a reporter on one of the daily papers, so the whole of the country was fully reported on then, and no doubt not only the House but the public are in possession of more information concerning that district and this proposal than is generally the case in respect of a railway project. Considering the large stretch of auriferous country to be served and the high cost of mining, it is altogether out of the question to think that mining can be carried on profitably in the North-West under the present conditions. I consider the House will be quite justified in voting the money owing to the great possibilities of the district and the splendid results that will follow the opening up of the country. It is not the same as if we were depending upon one line of reef or upon one class of mineral. There are hundreds of miles of auriferous country, and in addition there is a vast quantity of tin and copper ore obtainable. Taking everything into consideration, there is no doubt that the line will well repay the State. It is not the same there as in Kalgoorlie where they have to depend upon one mineral only; but in the North-West there are

copper, tin, asbestos, tantalite, and other valuable metals and minerals.

Hon. G. RANDELL (Metropolitan) : I think there is a general consensus of opinion that, although to a certain extent the building of the line is a speculation, in the circumstances it is justified. It will open up a country which cannot be opened up in any other way. There will be certain disadvantages to which we cannot shut our eyes, for a separate railway establishment must be started at Port Hedland or some other convenient spot. [*The Colonial Secretary* : Until we connect the system right through.] I am afraid that I will not be here to see that. In addition, repairing shops will have to be established at Marble Bar. For a very long time past I have been firmly convinced that this line should be built so soon as ever it was convenient for the country to do so. I desire to congratulate the Government upon the steps they have taken to ascertain as far as they possibly could the production of the country, its capabilities, and the justification it offers for the construction of the railway over this 115½ miles. No doubt if the railway is successful in opening up the country, in inducing settlement, and in developing the minerals of one kind and another, the line will be continued for the extra 22 miles to Nullagine, where there is also, I think, considerable mineral country. I understood the Minister to say that there were 100 square miles of metalliferous, if not auriferous, country in the district, and it behoves Western Australia to make a little sacrifice to develop such a country and to endeavour, if possible, to advance the interests of that particular part. Ultimately, as has been observed, a line must be made by way of Peak Hill, or some other route to connect the North and North-West parts of this country. Everyone will agree with this who has confidence in the resources of the North-West of the State. Before I conclude I will ask one question, and I do not think the Minister referred to it, that is when it is likely the work will be undertaken. [*The Colonial Secretary* : There is no reason why there should be any delay.] You have not

raised the money yet for the work. [*The Colonial Secretary* : No.] There may be difficulties in the way of getting money owing to the state of the money markets, unless the Government adopt the plan of raising it in this country or in one of the other States. Personally I would like to see the money raised either in this State or in the neighbouring States, as it would be in the interests of the Commonwealth that such should be done. I understand that a large sum of money is available at a very low rate of interest. Difficulty is experienced in finding a good investment for this money. I do not know if that is owing to the peculiar legislation in the States of the Commonwealth, but the fact remains that there is some hesitation in investing farther funds in Australia. [*The Colonial Secretary* : They might be satisfied with 3½ per cent.] I understand that the Government recently had an offer of money at 3½ per cent. and declined it. If that is true, I think they made a mistake in not accepting it. The amount, I am given to understand, was a quarter of a million pounds of Australian money. There is another side to that question, however, which I may refer to in order to put myself right with the House and the country, that is that if money comes from abroad the money in the State can be invested here for the development of other industries and resources. This is a question I do not feel myself particularly capable of arguing, but there is some force in the contention. We are in want of certain railways being made, we desire that development should take place especially on the land, and these necessities must be borne in mind by the Legislature. With regard to the railway in the North-West, I consider these people have been isolated and handicapped to a very large extent in the past. They have worked splendidly, considering the disadvantages under which they labour and the fierceness of the climate, and they deserve every credit and consideration at the hands of the public men of this country. I have much pleasure in supporting the second reading.

Hon. E. McLARTY (South-West) : I have also great pleasure in supporting the

second reading of this Bill. It has been a pet scheme of mine for a very long time, and I think it will prove to be one of the best works the Government have undertaken for many years. I know there is great difference of opinion as to the starting point of this line, and as to whether it should go from Port Hedland or from Point Sampson, or from some other place along the coast. I am unable to speak authoritatively on that subject, for I have no personal knowledge of the country; but I think that great pains have been taken by the Minister for Railways in making a personal examination of the country, and I am prepared to concede that the information he has gained by that visit enables him to speak definitely on the question as to which is the best route. His decision is in favour of Port Hedland and I think therefore that probably that port is the most desirable place from which to start the line. Certainly that port has the advantage of saving a distance of at least 100 miles in comparison with Point Sampson and, in addition they have a good harbour there. I have every reason to believe the reports that have been made and the information I have derived from those who are personally acquainted with the country as to the mineral resources and the probable development that will take place owing to the construction of the railway. It is well known that it is utterly impossible, owing to the want of fuel and timber and the difficulties in transporting heavy machinery from the coast, to have the mines developed to any extent without a railway. I hope the Government will push on with this work with the least possible delay, for I am satisfied that great benefit will accrue, not only to the settlers who have been working there under considerable difficulties for years, but also to this State as a whole.

On motion by the *Hon. J. W. Langsford*, debate adjourned.

ADJOURNMENT.

The House adjourned at 7.55 o'clock, until the next day..

Legislative Assembly,

Tuesday, 27th August, 1907.

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The SPEAKER took the Chair at 4.30 o'clock, p.m.

Prayers.

PAPERS PRESENTED.

By the Premier: 1, Proceedings of the Premier's Conference at Brisbane in May, 1907. 2, Report of the Superintendent of Charities for 1906. 3, Descriptions of lands to be resumed from Pastoral Leases for the purpose of Agricultural Areas.

By the Minister for Mines: 1, Papers re Sunday labour on Great Fingal mine.

QUESTION—RAILWAYS (PRIVATE), GOVERNMENT REGULATIONS.

Mr. STONE asked the Minister for Railways: Will he introduce legislation this session to deal with privately-owned railways, and to regulate freights, fares, equipment, speed and timetable to suit the public who have to make use of such lines, similar to legislation adopted in England and other countries?

The MINISTER FOR RAILWAYS replied: An inquiry will be made into the present conditions and the powers of the Crown, and should it be found advisable, legislation will be introduced embodying the provisions mentioned in the question.

QUESTION—RABBIT DESTRUCTION.

Mr. HOLMAN asked the Minister for Agriculture: 1, Are any steps being