

Bill reported with an amendment, and with an amendment to the Title.

House adjourned at 9.20 p.m.

Legislative Council.

Tuesday, 17th October, 1922.

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

QUESTION—IRWIN COAL SEAM.

Hon. T. MOORE (for Hon. J. W. Hickey) asked the Minister for Education: 1, Is it the intention of the Government to proceed with the development of the Irwin coal seam? 2, If so, will they take the necessary steps to make suitable arrangements for further boring, particularly in view of the highly satisfactory results obtained in No. 2 bore and the encouraging reports given by various authorities, including that of Professor Sir Edgeworth David?

The MINISTER FOR EDUCATION replied as follows: 1, The Government are prepared to assist on the usual terms any person or company desirous of opening up coal measures. 2, If further boring is undertaken on lands the property of the Midland Company, and on which they have exclusive mining rights, it can only be on the condition that the whole of the cost of boring is repaid from profits accruing to any person or company working the seams disclosed by such boring. The Midland Company has been asked to agree to this condition, but so far has not done so.

QUESTION—RAILWAYS, MULLEWA-YUNA PROJECT.

Hon. T. MOORE (for Hon. J. W. Hickey) asked the Minister for Education: 1. In view of the necessity for opening up land in the interest of closer settlement as well as

for other good reasons, will the Government favourably consider the advisability of the early construction of the Mullewa to Yuna railway? 2, If not, will the Government undertake to build at least a portion of the line in order to facilitate transport of the produce of settlers who are located in that district and who are to-day suffering great disabilities regarding transport?

The MINISTER FOR EDUCATION replied: 1, No. 2, The reports will be examined to see whether such action is justified.

QUESTION—FEDERATION AND WESTERN AUSTRALIA.

Hon. A. LOVEKIN asked the Minister for Education: 1, How long is it since the Royal Commission on Federation was appointed? 2, How many sittings have been held? 3, How many witnesses have been called? 4, When is the Commission likely to report to Parliament?

The MINISTER FOR EDUCATION replied as follows: 1. The Honorary Royal Commission was appointed on 11th February last. 2, Five. 3, One. 4, When the necessary information has been obtained.

ASSENT TO BILL.

Message from the Lieutenant-Governor received and read notifying assent to the Broome Hill Racecourse Bill.

PAPERS—COLLIE RIVER IRRIGATION SCHEME.

On motion by Hon. J. Ewing ordered: "That all papers in connection with the Collie River irrigation scheme be laid on the Table of the House."

SELECT COMMITTEE—ELECTRICITY SUPPLY.

Adoption of Report.

Hon. A. LOVEKIN (Metropolitan) [4.36]: As chairman of the select committee, I move—

That the report of the committee be adopted.

The report is a simple one and self explanatory. It deals with another of our great State enterprises. The evidence discloses that this State enterprise is in the same category as others; no matter how good the enterprise may be, nor how much it may tend to benefit the country, the administering of it is not altogether what it should be. The Labour Party, who support these enterprises, have as much cause for complaint in respect of this electricity supply enterprise as they have in respect of other State enterprises.

Hon. T. Moore: They do not get a fair run.

Hon. A. LOVEKIN: This enterprise certainly has not had a fair run. The credit of the taxpayers has been pledged in the construction of large electric works at East Perth, capable of producing current as cheaply as anywhere in Australia, not excluding the hydro works in Tasmania. But, unfortunately, the administration has been such that the people have in no way benefited, industries have in no way been helped. In fact, the people have been exploited and the industries hampered. The current produced at East Perth is generated very cheaply, and is sold to the Perth City Council at $\frac{3}{4}$ d. per unit untransformed, and to Fremantle at $\frac{1}{2}$ d. transformed. In spite of the prices, the people have been called upon to pay 6d. per unit—or nearly 700 per cent. on the original price—for current for lighting purposes, and from 4d. to 9d. for power.

Hon. J. Duffell: And $\frac{1}{2}$ d. at Fremantle.

Hon. A. LOVEKIN: This has been brought about by the administration of past Governments. Having constructed the East Perth works for the cheap production of current, the Government of the day entered into an agreement with the Perth City Council which gave that council a monopoly within a radius of five miles from the General Post Office, Perth; in respect of Fremantle, the Government practically, although in another way, gave that municipality a monopoly covering a radius of five miles from the Fremantle Town Hall. In the case of Perth, there was an agreement ratified by Parliament, whereas in the case of Fremantle there was an agreement which was not ratified by Parliament, but which was consummated in a roundabout way and in a manner unworthy of the Government. The Government entered into the agreement with the Fremantle Municipal Council subject to the condition that the Government would not supply any other persons within the specified radius of Fremantle.

Hon. R. J. Lynn: They were forced into the agreement.

Hon. A. LOVEKIN: That may be so, but they entered into the agreement, and the agreement was not ratified by Parliament. The people of the surrounding municipalities have to some extent been exploited by Perth and Fremantle municipalities, and have no means to avert that exploitation. Instead of getting cheap current for industries, lighting and domestic services, the people have been exploited through two monopolies. Here is a huge power station at East Perth capable of supplying unlimited energy; yet monopolies are given to two bodies covering 157 miles of the most thickly populated portion of the State. The Government having given monopolies to the two corporate bodies, those bodies in turn began to exploit the suburban municipalities and road boards. These local authorities find themselves unable to deal with the Government direct, but must take their supplies through either Perth or Fremantle, pay the price demanded by those monopolists, and submit to long term agree-

ments, notwithstanding that the cost of generating electricity is coming down very fast, and in future may come down more rapidly. We discovered in the course of the evidence that although there are these two monopolies existing, there is some control of them provided by the Electric Lighting Act of 1892, to which both the Perth Corporation and the Fremantle Corporation are amenable. Curiously enough, up to within a week or two, in fact up to the time the report of the select committee was placed on the Table, no Minister had been appointed to administer that Act. Within the last fortnight the Premier has appointed the Minister for Mines to do this. Under that Act the Minister has power to promote regulations which will fix the price at a fair and reasonable figure, and arrange the conditions under which the public may be supplied. The report of the committee is fairly short, and I think traverses the whole ground. The committee desired that the people of the State should become possessed of cheap current. We wanted the taxpayers to have the modern conveniences afforded by electric energy in their own houses, and at a price that they could afford to pay. To that end we went into the financial position of both the Perth and Fremantle municipal councils. We found that they had been making large profits out of the lighting, and we thought that some fair proportion of these profits should be set aside for reducing the price to consumers, so that our secondary industries might be amongst those that would benefit. Our secondary industries are subject to many handicaps, such as shipping and freight, as well as the State taxation, which is very much greater here than it is in Victoria. In Western Australia industries are taxed at least 10 per cent. higher than they are in that State. If we could give our industries a fillip without injuring ourselves, that is by giving them cheap power, we should do so. By extending the consumption of power we should be helping the Government institution to cheapen the cost of generation. The committee, therefore, recommended that the price for lighting should not exceed 5d. per unit and, seeing that this is the price the City Council has now agreed to supply at, it does not become a factor in dispute.

Hon. J. Duffell: That is from the first of the month?

Hon. A. LOVEKIN: Yes. We have recommended that the price of current for industrial purposes should not exceed 1d., whether for large or small industries. The committee thought that the small man should have as good a chance as the big man in following up an industry. On last year's consumption of nine million units the reduction of the price of current to 1d. from present prices would mean a deduction of £13,000 from the £40,000 profit which the City Corporation made last year. This year, instead of a consumption of nine million units, it is nearer 12 million units. The profit will be correspondingly larger, and the reduction in

the price of power will not be a material factor to the City Council. That corporation look upon the profits of the electric lighting undertaking as an aid to their rates. I think they are taking a narrow view of the position, for it is one opposed to their own interests. If, instead of making large profits out of a few consumers, they could induce the establishment of industries and secure a larger number of consumers, they would make quite as much profit as at present and benefit the city. If there are any points which members consider require elucidation, I shall be pleased to enlighten them when I reply.

Hon. R. J. LYNN (West) [4.50]: I do not know what effect it would have upon the Government if the report were adopted. I hope it will not be adopted in its present form. Nevertheless, I wish to compliment the committee upon the accomplishment of a very heavy and difficult task in connection with the furnishing of this report. I am sorry I did not give evidence before the select committee. With all due respect to that committee, I am satisfied that there are matters vitally affecting the agreements which were not thoroughly considered by the members of that committee. I am astounded at one portion of the report, which represents absolute repudiation of an agreement entered into with the municipalities.

Hon. A. Lovekin: It is not repudiation.

Hon. R. J. LYNN: They were forced into the agreement. In 1913 the Seaddan Government introduced into the Legislative Council a Bill to amend the Electric Lighting Act. They wanted authority to run through every municipality with power generated at East Perth. I saw the Leader of the House, Mr. Drew, and said to him, "Does this mean that you have a heavy surplus at East Perth. You realise that you must of necessity have all the current consumed in order to make a success of the East Perth scheme. You are now anxious to secure the passing of a Bill to empower you to go into the Fremantle municipality and compete against the local authority." Mr. Drew replied, "No, that is not the intention." I said, "Do you mind amending the Bill to the effect that you cannot go into the municipality without the consent of the controlling authority?" Mr. Drew agreed to do this although he fought against it. I was successful, however, in securing an amendment along those lines. The result was that the Bill was of no value to the Government of the day. During the following session Mr. Drew came out openly and said, "We want this authority because, unless we get it, it will be impossible for us to make a success of the East Perth power station."

Hon. J. Cornell: That authority was only for the transmission of current.

Hon. R. J. LYNN: The desire was to enter into competition with the Fremantle Council.

In 1913. When the Government had their own generating station at Fremantle, they approached the Fremantle municipality. Two alternative schemes were put up for Fremantle. One was for the supply of the town, and the other was for the supply of Government requirements and the Harbour Trust, this scheme to cost £50,000 in excess of the first. The Government entered into an agreement with the Fremantle Tramway Board. I was a member of that board for 18 years, and was for six years chairman of it. They entered into an agreement with the Fremantle council to expend that additional capital in order to supply the Fremantle Harbour Trust. The Government then scrapped their scheme for generating their own requirements and for the Harbour Trust. The scheme was going along nicely when the Bill to which I refer was introduced by Mr. Drew. We did not want to be too grasping. We wanted the authority to supply current within the bounds of our municipality, and we did not desire to go beyond that. The scheme was a financial success. As I have said, the Government introduced a Bill in the following year giving them authority to go into Fremantle to compete against the local authority. We objected to that. We said, "If you are going to supply your own consumers and compete against us, very well." The Government then approached the Fremantle Tramway Board and we stuck out for two or three years. We were not anxious to enter into an agreement. There was in existence a Cottesloe Electric Lighting Act, which gave authority to Messrs. Splatt, Wall & Company to operate in and around a certain area. The local governing bodies were paying from 7d. to 9d. per unit for lighting within this particular area. They then went to arbitration in connection with the purchase of the private plant in order to endeavour to reduce the cost. I was appointed arbitrator by the Peppermint Grove, the Cottesloe Beach, the Buckland Hill and the Cottesloe local authorities. I advised them not to touch the scheme. The machinery was falling to pieces, current was being transmitted through ordinary fencing wire running through the towns, the voltage fluctuated and the leakage of current was enormous. I said they would be able to enter into an agreement with the Fremantle Tramway Board to have current supplied to them at a very much lower rate than they could generate it. At that time the local authorities within a radius of five miles of Fremantle would have incurred a heavy liability had it not been for the Fremantle Tramway Board. Having refrained from incurring that liability, they asked for the extension of our mains to Cottesloe, and an agreement was accordingly entered into. We were generating current in Fremantle with the latest Turbo-generator and our cost of production was very low. It was pointed out by the Government that they were going to enter into competition with Fremantle unless we entered into an agreement with them for supplying our own current. The consumption was then approximately three million units,

which meant that we were the largest consumers in the State next to the city trams. That position holds to-day. We were thus forced to agree to the Government's demands, although we were generating current in those days at a cost equal to the price at which the Government were offering it.

Hon. J. Duffell: What was the cost per unit?

Hon. R. J. LYNN: It varied from .85d. to .9d. We were running our trams and the lighting in conjunction. It was a difficult matter to get at the exact cost of what the lighting was as against the cost of running the tramway service. We could not very well ascertain the distribution of cost for the respective services, and what the general average load had to be in order to produce the current at a certain price. They came down to Fremantle and, at the point of the gun, forced us into this agreement. We had a very efficient power station in Fremantle and we had a fine system indeed, but the proposal was no good to us unless we put in sub-stations involving a cost of from £40,000 to £50,000. It was necessary to establish them in order to transform the current from a high voltage to a low voltage, so that it could be made of use by the municipality. We had to spend approximately from £40,000 to £50,000 in the provision of sub-stations. That in itself was bad enough, but we had to scrap the entire plant existing in Fremantle at that time. The generating plant was of no use to us, and the power house had to be wiped out of existence, and had to be sold at a very reduced price indeed. Every motor in the municipality had to be rewound. Those hon. members who were here in 1912-13 probably heard the discussions that took place regarding periodicity, obsolescence and many other things of that description, which came under notice in connection with the agreement. Those hon. members will follow me when I say that the periodicity of the current supplied under the agreement resulted in the rewinding of all the motors in operation in the Fremantle district. That involved a very heavy expense. Following that, the price was reduced, not to .82d., but to .85d. But to get it at .85d. it was necessary to spend the additional capital I have mentioned in connection with the establishment of sub-stations, and on top of that, there was the economic waste involved in wiping out the power station, which represented capital from £70,000 to £80,000. The obsolescence fund and depreciation were not sufficient to cover the amount involved. Mr. Lovekin, when speaking about the price fixed by the Fremantle Municipality, said that the municipality had harassed industries and prevented them being established in the Fremantle area. They paid .85d. for the current; they found the additional capital in order that the current could be obtained by their consumers. They had to wipe out their existing plant, involving tens of thousands of pounds, because the obsolescence fund would not cover it, and yet they supplied consumers in their district as low as .9d.

Hon. A. Lovekin: That was an isolated case.

Hon. J. Duffell: By special arrangement with the Government.

Hon. R. J. LYNN: The Mt. Lyell works received current at .95d., and the flour mills received it at .9d. The Federal Government, bug-bear as it is, involved the Fremantle tramways in a large expenditure. Current had to be taken to the Naval Base, necessitating the borrowing of money and capitalising it. They had to supply current at .1d. per unit and yet not a single unit was consumed by the authorities. The Naval Base is closed down and that large expenditure will never be revenue producing, and the Fremantle Tramway Board will have to use that material elsewhere for other purposes. In other directions small consumers received current as low as .95d., .98., 1d., and 1.5d., and so on. I give the select committee every credit for going fully into every matter of detail regarding this question, and I do not wish to say that the Perth City Council, by virtue of having capitalised the huge sum of money in connection with the scheme, and considering the charges and interest to be provided in connection with the extinction of their liabilities in years to come, may not be warranted in asking such a high rate for current as has been indicated; but so far as Fremantle is concerned, we were forced into the agreement. Do hon. members intend to turn round and say that that agreement shall be repudiated?

Hon. A. Lovekin: Look at the first paragraph of the report, which states to the contrary.

Hon. J. Duffell: The report states exactly the opposite to what Mr. Lynn is suggesting.

Hon. R. J. LYNN: I speak subject to correction.

Hon. A. Lovekin: Well, read the report!

Hon. R. J. LYNN: Mr. Lovekin, when speaking, said there was a recommendation dealing with the matter—I have not had time to read the report fully—that 1d. per unit only should be charged for the power.

Hon. A. Lovekin: That is right.

Hon. R. J. LYNN: Such a charge in the instances I have referred to, will not provide boot leather for the meter readers who will have to go round reading the meters in the Fremantle area, because if the municipality get .85d. to-day, and have to provide interest on the capital expenditure, and seeing that people have put in small motors and so on—there are plenty of them of 2½ and 1 h.p.—there will not be sufficient current used to warrant a boy or a man going round and reading the meters.

Hon. J. Duffell: What about the supply of 500,000 units to Cottesloe, regarding which they will not have to go outside the engine house? They make a profit on that.

Hon. R. J. LYNN: They are not making any profit on that. I have yet to learn that the 2d. charge to the Cottesloe Municipality

and all the other local bodies, is not a reasonable amount.

Hon. A. Lovekin: You read the evidence. It is all dealt with there.

Hon. R. J. LYNN: My point is that I have lived amongst these things for 20 years and I have seen the progress and extension of the scheme within the metropolitan area. Fremantle is not covering any service to-day in excess of the area they had prior to the Government giving them the five-mile radius. They were supplying Cottesloe, Spearwood, Peppermint Grove, and the Naval Base and so on, prior to the agreement being entered into with the Government.

Hon. J. Cornell: Two wrongs do not make a right.

Hon. R. J. LYNN: I do not say that they do, but I am pointing out that Fremantle was forced into this agreement by virtue of the competition of the Government, and in order to secure any advantage from the agreement, they had to scrap their own plant and spend additional capital in order to put in new substations and transformers and so on. Are hon. members to turn round now and say that after the Fremantle people have done all that and have carried into effect the agreement to the letter, they are to be permitted to charge only 1d. per unit?

Hon. J. Cornell: What was the currency of the agreements with the local bodies?

Hon. R. J. LYNN: Our agreement was for 25 years, with the right to an extension for a further 25 years.

Hon. J. Cornell: I was referring to the agreements with the local governing bodies.

Hon. R. J. LYNN: The agreements vary from five years upwards according to the capital expenditure the Fremantle tramways had to incur in connection with each separate scheme.

Hon. J. Duffell: The Cottesloe agreement expires in 1924.

Hon. R. J. LYNN: Everyone wishes to see a reduction in the cost of electricity and the more general use of electric current. It is a reflection upon the Perth City Council that secondary industries have had to go out of the city because of the charge levied upon them for the supply of current. We have been told that they have had to go to Midland Junction, West Guildford, and other places that are outside the five-mile radius. That complaint, however, does not apply to the Fremantle area.

Hon. A. Lovekin: We say that is so in our report.

Hon. R. J. LYNN: I am in accord with Mr. Lovekin in his desire to encourage the use of electricity and the establishment of secondary industries, but there should be something of a permanent nature attached to the business. Having forced a municipality like Fremantle to enter into the agreement with the Government and to spend large sums of money, and incur such economic waste as was involved in the scrapping of their own scheme, I hope the House will not adopt an attitude that will mean that Fremantle will

be compelled to amend their agreement to such an extent that they can only charge a penny per unit.

Hon. J. Duffell: It is a pity you did not read the report before you commenced to speak.

Hon. R. J. LYNN: I speak subject to correction, but I ask Mr. Lovekin if he did not say that it was intended that the charge should be a penny per unit.

Hon. A. Lovekin: I did say so.

Hon. R. J. LYNN: Is not that in the nature of repudiation?

Hon. J. Ewing: They can make a profit at that figure?

Hon. A. Lovekin: Yes, there is plenty of money in it.

Hon. R. J. LYNN: Is not the principle at stake?

Hon. A. Lovekin: It is governed by the Electric Lighting Act. It is not a matter of repudiation.

Hon. R. J. LYNN: If it has been stated that the 1892 Act must operate in connection with most of the agreements entered into—

Hon. A. Lovekin: The agreement was subject to that Act.

Hon. R. J. LYNN: If it was stated in their agreement that the current could be transmitted throughout every municipality under conditions that would be in compliance with the 1892 Act, it might be different, but I do not think any hon. member would expect me to believe that, when current was supplied at .55d. and the municipality were authorised to charge 2d. per unit, that should be altered by virtue of an Act of 1892 before electricity was produced in Western Australia.

Hon. J. Cornell: I think the framers of the Act forgot the existence of the 1892 measure.

Hon. A. Lovekin: Your agreement mentions that Act.

Hon. R. J. LYNN: Electricity was not generated here in 1892.

Hon. A. Lovekin: Yes it was, by the Perth Gas Company.

Hon. R. J. LYNN: I confess I was not here in 1892, but I hope this contract having been entered into, will not now be repudiated by any action of this Chamber.

Hon. A. Lovekin: Will you read the report?

The PRESIDENT: Order! Mr. Lynn should be permitted to make his statement. There will be an opportunity for Mr. Lovekin to reply.

Hon. A. Lovekin: Mr. Lynn keeps talking about repudiation. I have interjected several times asking him to read the first paragraph in the report which says that "each (agreement), however, is unalterable except by an act of repudiation, which your committee cannot recommend." Still Mr. Lynn keeps on saying the committee suggests repudiation!

The PRESIDENT: You will have an opportunity to reply to Mr. Lynn.

Hon. R. J. LYNN: I do not wish to keep repeating the word objected to. I am delighted to know that the committee have no wish to repudiate the agreement. The word "repudiate" is not a nice one, for it strikes home, but it is a useful word to use in order to emphasise one's point. We must have permanency in connection with the establishment of industries in various directions. I cannot understand why the suggestion, if I may be permitted to put it in that way, is included in the report by the select committee when they say—

Your Committee are of opinion that the public bodies which are forced to take current from the Fremantle Board have just cause for their complaints.

Is it a just cause for complaint that one is entitled to charge what is authorised by Act of Parliament? I say it is not. It may be that the Fremantle Tramway Board have made a very good deal, but these smaller local authorities would not have had electric light for years and years but for the Fremantle agreements.

Hon. A. Lovekin: What about controlling monopolies?

Hon. R. J. LYNN: No one is more strongly opposed to monopolies than I am. The report says—

It is true that they could not themselves generate at the price demanded by the Tramway Board.

If the local authorities could not generate at the price demanded by the Fremantle Board, where is the ground for complaint? Substations would have been necessary in all these small governing areas at a very heavy capitalised cost. If they had had to take 20,000 volts from the East Perth Power House and establish substations at Buckland Hill, Peppermint Grove and Cottesloe Beach, the capital outlay would have made the cost of the current in excess of what it is at present. Guildford is not getting current at 2d. per unit including all capital expenditure.

Hon. J. Duffell: Guildford is getting it at 1d.

Hon. A. Lovekin: And the Government would give it to Cottesloe for 1d.

Hon. R. J. LYNN: I hope every member will take an opportunity to carefully read the report. I have not perused it very carefully, but I have been for 18 years in daily contact with the business, having been a party to the agreements entered into, and I realise the seriousness to the Fremantle Tramways Board unless the agreement is honoured in the spirit as well as the letter. If the agreement is not so honoured, a serious injustice will be done to the people of Fremantle. The report continues—

The term of the tramway board's agreement with the Government was fixed at 25 years, with the right on the part of the board to extend for a further period of 25 years. By clause 21 the Government undertook that, during the continuance of the agreement with the board, it would not

supply to any person, local authority, State or Commonwealth department within a radius of five miles from the Fremantle Town Hall, thus creating a monopoly within such area to the tramway board. By clause 24, provision is made for arbitration in the case of dispute or difference between any municipal council or road board supplied by the tramway board within its ambit of monopoly.

If there is any dispute existing it can be referred to arbitration. Should anyone ask more than that? Would not it be infinitely better to honour the agreement entered into and, if any dispute does arise with the smaller local authorities, to let it be referred to arbitration?

Hon. A. Lovekin: Who says the agreement is not to be honoured?

Hon. R. J. LYNN: I wish the hon. member would explain what he meant by the 1d. per unit for power for domestic and industrial purposes. I do not know what it means. If he would only explain that, I should realise the position more clearly.

The Minister for Education: Read paragraph (b) of the recommendations.

Hon. R. J. LYNN: That paragraph reads—

To limit the prices to be charged under subsection (d) of the Electric Lighting Act (W.A.), No. 33 of 1892, so that they shall not exceed 1d. per unit for domestic and industrial power, and 5d. per unit for lighting purposes.

If that is not repudiation, what is it?

Hon. A. Lovekin: Controlling a monopoly.

Hon. J. Ewing: They are selling it at a great profit.

Hon. A. Lovekin: A profit of £40,000.

Hon. R. J. LYNN: It seems that I cannot interpret the report. This is repudiation, and I defy the hon. member to prove to the contrary. Paragraph (b) recommends an alteration of the agreement which provides for 2d. in order that not more than 1d. per unit might be charged for domestic and industrial power, and the hon. member says that is not repudiation. I would like to know what repudiation is. The hon. member's contention is all moonshine. I concluded that this was something conceived by the hon. member after he rose to speak. I could understand it if the report bore the signatures of Mr. Baglin, Mr. Moore and Mr. Panton and two or three others.

Hon. T. Moore: Why pick me out?

Hon. R. J. LYNN: The committee have devoted a tremendous amount of time to the inquiry and this is the only blemish I see in their report. We should encourage secondary industries; we should endeavour to get power used to such an extent that we shall be able to manufacture our every-day necessities here instead of having to send our money to the Eastern States. I hope the day will come when current can be sold at 1d. or even .75d. per unit. Perhaps when the generation is

carried out at Collie we shall be able to supply it at .75d. I hope the adoption of the report will not be agreed to to-day, so that the hon. member and his colleagues might amend some of these small clauses. Apparently, although they recommend that the power be supplied at 1d., they do not really intend it.

Hon. A. Lovekin: It is a recommendation to the Government.

Hon. R. J. LYNN: Although the select committee recommend 1d. per unit for domestic and industrial power, they say they do not desire the alteration of an agreement entered into which might be considered repudiation. If the hon. member will go to that extent, I am with him.

Hon. A. Lovekin: That is right.

The Minister for Education: Read paragraph (c) of the summary.

Hon. R. J. LYNN: Paragraph (c) reads—

As regards the agreement with the Fremantle Tramway Board, your Committee is of opinion that it is in restraint of trade, and not having been ratified by Parliament, is alterable if so desired.

Hon. J. Duffell: That is a sneezer.

Hon. R. J. LYNN: I am at a loss for words to express my feelings.

Hon. A. Lovekin: Alteration does not mean repudiation.

Hon. J. Ewing: Read Mr. Scaddan's evidence.

Hon. R. J. LYNN: I hope this House will never be a party to an act of repudiation. The hon. member said I was not justified in using that word.

Hon. A. Lovekin: Neither are you.

Hon. R. J. LYNN: I hope members will read these two paragraphs quietly. If they do not recommend repudiation, I should like to know what repudiation really does mean. If we adopt the report and send it on to the Government to be carried into effect, we shall be asking the Government to repudiate the agreements.

On motion by Minister for Education, debate adjourned.

BILL—ADMINISTRATION ACT AMENDMENT.

Received from the Assembly and read a first time.

BILL—WYALCATCHEM-MT. MARSHALL RAILWAY (EXTENSION No. 2).

Second Reading.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [5.27] in moving the second reading said: This Bill is to authorise the extension for a distance of seven miles of the Wyalcatchem-Mt. Marshall railway extension. The original extension Bill was passed in December 1919, and it provided for an extension of 25 miles.

Twenty-three miles of that extension has now been completed and the line has gone from Bencubbin to a place rejoicing in the euphonious name of Muckinbuden. The work is still in hand; two miles of the authorised line remain to be completed, and it is considered desirable in order to serve about 50 or 60 additional settlers to carry the railway on for another seven miles.

Hon. J. Ewing: Through Lake Brown?

The MINISTER FOR EDUCATION: It will not go through Lake Brown; it will take a generally easterly direction from the present terminus. The reason for bringing the Bill forward now is that men, material and plant are all on the spot. Rails, fastenings, sleepers; everything is ready.

Hon. R. G. Ardagh: How long have the rails been there?

The MINISTER FOR EDUCATION: I really could not say. Carting has been carried on from time to time from the Kalgoorlie-Coolgardie duplicate line. The rails from a portion of that line were used for the Bencubbin extension. When I say the rails are on the spot, I do not know that they are actually there. It may be they are being carted at present. To continue the laying of this line after reaching the 25 mile limit will result in saving a very large sum of money.

Hon. J. W. Kirwan: What about the instructions of Parliament as to the order in which railways were to be built before the Mt. Marshall line was passed?

The MINISTER FOR EDUCATION: I believe Parliament or one House did carry a resolution.

Hon. J. W. Kirwan: Two resolutions.

The MINISTER FOR EDUCATION: I believe another place passed a resolution that the Esperance line should be the first railway constructed. That railway is in hand and is being pushed forward as rapidly as circumstances will permit. When that motion was submitted to Parliament, an amendment was proposed that all railways be constructed in the order in which they were passed. That amendment was negatived in another place by a very large majority, and to the best of my belief it did not come before this House at all. However, the position is that this 23 miles out of the 25 miles authorised in December, 1919, has been constructed.

Hon. J. W. Kirwan: Contrary to the instructions of Parliament.

The MINISTER FOR EDUCATION: Not in any way contrary to the instructions of Parliament. Parliament directed that the Esperance railway should first be proceeded with, and so it was proceeded with first, and its construction has proceeded as rapidly as circumstances would permit. There was no instruction from Parliament that no other railway should be taken in hand until the Esperance line had been completed.

Hon. J. W. Kirwan: Is that the way the Government keep their promises?

The MINISTER FOR EDUCATION: I do not think there was a promise that no other railway should be started until the Esperance line was completed. If the construction of this railway was delaying the construction of the Esperance line, then I would quite agree with the hon. member that the Government were not fulfilling their promise. But had this railway never been started, that circumstance would not have hastened by a single day the construction of the Esperance railway.

Hon. T. Moore: Would it not have been much handier to take the rails from the goldfields line to Norseman?

The MINISTER FOR EDUCATION: No. The only economical way of supplying rails for the construction of the Esperance-Northwards railway is to take them to Esperance by steamer, as is being done. The small extension of about seven miles proposed by this Bill will serve an additional 50 settlers. The justification for the line is evidenced by the fact that already 21,000 bags of wheat have been carried over the extension. If this Bill is not carried, the 50 odd settlers I refer to will be left from 17 to 20 miles away from a railway; and I think it is generally conceded that to cart wheat over such distances is not a practicable proposition. By this extension of seven miles the furthest of the settlers will be brought within 12 or 13 miles of the railway. The extension will ultimately link up with the Eastern Goldfields railway, but exactly where has not been determined, and this further extension of seven miles will not prejudice unbiassed consideration of the best place at which to make the junction. It may be via Bullfinch at Southern Cross, or at Burracoppin, or at Merredin—whichever may be ultimately decided upon after exhaustive consideration of the land to be served and other matters. The cost will be about £3,000 per mile, or a total of about £28,000 to complete the two miles already authorised and the additional seven miles provided for in this Bill. The line was very favourably reported upon by the Railways Advisory Board before the previous measure was passed. The present measure is merely to secure the economical construction of an additional seven miles which is very badly needed in order to serve the settlers already there. Large numbers of returned soldiers have been settled on both sides of the line, and unless this extension is agreed to a number of them will be left in a very difficult position indeed. I move—

That the Bill be now read a second time.

Hon. J. Ewing: How far will that be from the terminus of the line?

The MINISTER FOR EDUCATION: That would depend entirely upon where the terminus is ultimately made, whether at Merredin, Burracoppin, or Bullfinch. I cannot give the exact distance, but the plans are available.

Hon. J. EWING (South-West) [5.35]: I have much pleasure in supporting the Bill. I know the country fairly well; it is beautiful wheat producing country. My anxiety to know whether Lake Brown is anywhere in the vicinity springs from the fact that I know some of the best wheat growing land in Western Australia is near that lake. I hope that not only the seven miles here proposed to be authorised will be constructed promptly, but also that after the Esperance and other authorised lines have been built this railway will be carried on as quickly as possible to the Eastern Goldfields line, so that the settlers may have the advantage of closer connection with the market. Generally speaking, I trust that in regard to railways the Government will not be afraid to open up the wheat area in other directions, because it is absolutely beyond comprehension that men should be put upon the land and not given facilities for getting their produce to market as cheaply and as quickly as possible. It would be a very unwise policy for the Government to put settlers 20 or 30 miles out in the bush without railway communication. I would far rather not see men put on the land at all than see them put there under such conditions. I trust, therefore, that the Government will proceed as quickly as possible to furnish railway communication where people are willing to carve out homes for themselves, but where they would not go except under the promise of being supplied with railway facilities.

Hon. H. SEDDON (North-East) [5.37]: I oppose this Bill, but not because I am in any way opposed to the principle of railway construction, or to the carrying out of the Government's obligations to supply settlers with transport facilities.

Hon. J. Ewing: Then why oppose the Bill?

Hon. H. SEDDON: I consider that the present proposal might well be deferred until we have considered the position of the Government with regard to other railways which have from time to time been promised. The Minister for Education has pointed out that the line for which authorisation is sought in this Bill will provide much-needed facilities to settlers, who will be subjected to privation if the line is not constructed. But it has to be borne in mind that there are other districts of the State to which railways have been promised again and again, and where the settlers have been hanging on, hoping almost against hope for fulfilment of the Government's pledges. From that aspect I oppose the passing of this Bill at the present time. The good name of the Government is at stake.

The Minister for Education: Which railway are you referring to?

Hon. H. SEDDON: The Esperance railway.

Hon. J. Ewing: That is being built now.

Hon. H. SEDDON: Quite so; but I wish to point out that the pledge given to the Esperance settlers should be carried out be-

fore we proceed with other railways. The Bill for the Esperance railway was passed in January, 1915. At that time the total railway mileage in this State was 3,331. It is now 3,538, showing an increase of 207 miles. That increase is represented by railway construction from Bolgart to Calingiri, from Calingiri to Piawaning, from Bowelling to Bakul, from Collie to Darkan, from Kondinin to Naremben, from Kukerin to Lake Grace, and from Wyalcatchem to Bencubbin. I have vivid recollections of a meeting held in 1917, half-way between Boulder and Kalgoorlie, in support of the candidature of Mr. Seaddan. At that meeting the then Premier, Sir Henry Lefroy, speaking from the platform, made a distinct promise to the goldfields electors that in view of the satisfactory nature of the report received from the Royal Commission appointed to inquire into the Esperance lands, the Esperance railway would be given precedence over other lines, and that its construction would proceed without delay.

Hon. J. W. Kirwan: Sir James Mitchell made a similar promise before the last elections.

Hon. H. SEDDON: Reference has been made to a resolution with regard to precedence in railway construction, which was passed in another place at the instance of Mr. Walker, thus practically committing Parliament to the observance of the pledge. Since that resolution was carried in 1917, the construction of the Wyalcatchem-Mt. Marshall line is practically in defiance of Parliament.

The Minister for Education: What railway has been built since that resolution was passed which has been authorised since the Esperance railway?

Hon. H. SEDDON: Certainly the Bill for the extension of the Wyalcatchem-Mt. Marshall line, passed on the 3rd December, 1919, was passed after that resolution of 1918. Moreover, the building of the 23 miles has been carried out with rails recovered from the goldfields area. Surely the pledge of Parliament should have been observed, and those rails from the goldfields utilised in the construction of the Esperance-Northwards railway. Such a proceeding would have maintained confidence in the Government on the goldfields. Only in March last this question came up in an interview between the mayor of Kalgoorlie, Mr. Burton, and the Premier. The latter then promised that the Esperance railway would proceed without delay. The failure to fulfil these repeated promises has placed the good name of the Government at stake. The claims of the Esperance settlers are paramount, if only in view of the number of years they have been waiting for their promised railway. Some distressing evidence as to the position of the Esperance settlers was placed before Sir Henry Lefroy when he was in Kalgoorlie. There was the case of one man, who had had two sons killed at the war, and who stated that he was practically penniless as the result of the work he had done unavailingly on Esperance land. He

was unable to transport his wheat satisfactorily, and therefore he had been compelled to let his block fall back practically to a state of nature. That kind of thing creates a most unfortunate impression, and gives rise to bitterness, and has done more than anything else to promote and strengthen the movement for breaking away from this State.

Hon. J. Duffell: It is enough to drive one to drink.

Hon. H. SEDDON: Worse than that. When men are faced with such a position as that created in the Esperance district, they can only form impressions most unfavourable to the Government of this State. It is from that standpoint I make my protest against the passing of this Bill. I consider that the Government have done wrong in carrying out the 23 miles of the Wyalcatchem-Mt. Marshall line instead of devoting the rails to the Esperance railway. For the sake of their good name, I hope the Government will defer the carrying out of the extension proposed by the Bill.

The PRESIDENT: If the hon. member is opposed to the second reading of the Bill, all he has to do is to vote "No."

On motion by Hon. J. Cornell, debate adjourned.

House adjourned at 5.45 p.m.

Legislative Assembly,

Tuesday, 17th October, 1922.

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

ASSENT TO BILL.

Message from the Lieutenant-Governor received and read notifying assent to the Broome Hill Racecourse Bill.