

some Acts of other Australian States. Our Act provided that where a contractor agreed to build a house and to receive progress payments, before he could get those payments he must either assure the owner that the workmen were being paid, or that the men must make a declaration to the effect that the contractor should receive such payments. That was the law in this State for about a twelvemonth. In the year 1898, however, there was passed, at the instance of the then Attorney General, a Workmen's Wages Act, which provided that in certain instances the foregoing precautions need not be taken, some inconvenience having arisen from the Workmen's Lien Act as it then stood. For some reason which I am unable to guess, and as to which a reference to *Hansard* does not in any way enlighten me, a part of the Workmen's Lien Act then in force was repealed. From that time till the present we have got on with a Workmen's Wages Act and a very partial Workmen's Lien Act; and much inconvenience has resulted. Representations have been made in many quarters, more especially by workers, that many workmen engaged in the building trade in this State have been unable to get their wages; not because the owners of the houses or those who ordered them to be built had not the money to pay wages, but because the contractors happened to be of a speculative turn of mind, or happened to be dishonest. However, it has always been urged that we ought to provide in this State legislation similar to that of New Zealand; and with that object this measure has been framed. I may say that instead of copying the elaborate legislation of New Zealand, the Government have thought it advisable to simply re-enact the provisions of the Workmen's Lien Act which were unanimously approved by Parliament in the year 1897, and to which, so far as I know, no serious exception has been taken. I move the second reading of this Bill.

On motion by MR. RASON, debate adjourned.

#### PAPERS—NORSEMAN RAILWAY PROJECT.

MR. H. GREGORY (Menzies) moved:

That there be laid upon the table of the House the report of the board appointed to

inquire into the proposed railway to Norseman.

From the Premier he understood that some little time must elapse before the report could be tabled, as some of the schedules were not yet complete. The construction of the railway was part of the Government policy, and as a board had been appointed to report on the project, it was only just that the full report should be available to members and the public.

Question passed.

#### ADJOURNMENT.

The House adjourned at 4 o'clock, until the next Tuesday.

### Legislative Assembly,

Tuesday, 8th August, 1905.

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THE SPEAKER took the Chair at 3.30 o'clock p.m.

#### PRAYERS.

#### QUESTION—MIDLAND COMPANY'S LAND SOLD.

DR. ELLIS asked the Premier: 1, What amount of land has been sold by the Midland Railway Company since the passage of the Midland Railway Loan Act, 1893; (a.) totally, (b.) partially? And what sum has been received by the

Government on account of same in each case? 2, What amount arising from rents has been lodged with the Government? 3, What amount has been paid by the Government out of the Consolidated Fund under the guarantee as interest on bonds issued under the Midland Railway Loan Act?

THE PREMIER replied: 1, As per return herewith. (Return laid upon the table of the House). 2, £10,565 2s. 8d. 3, Guaranteed interest to the amount of £45,451 2s. 2d. was advanced, and the amount repaid with interest thereon.

#### QUESTION—MINING DREDGING CLAIMS.

MR. GREGORY asked the Minister for Mines: 1, Does the Minister propose under the new Mining Regulations to grant dredging claims having a maximum area of 300 acres? 2, How many of such claims may be amalgamated? 3, What provision has or may be made to enable alluvial miners to enter and mine on such large areas during the term of exemption or thereafter? 4, In the event of reefs or lodes being discovered within the area of such claim or amalgamated claims, what provision has or may be made for the granting of gold or mineral leases within such area while lawfully held as a dredging claim? 5, Does not Section 31 of the Mining Act 1904 render it impossible to register a claim without giving to the holder thereof the exclusive right to all gold or minerals therein? 6, Does the Minister propose to allow 12 months' exemption after registration without a substantial deposit as proof of *bona fides*? 7, Will the Minister postpone the registration of any applications for dredging claims, providing farther consideration; and, should Section 31 render it impossible for the Minister to make such conditions as he may deem necessary, bring forward legislation to deal with this industry?

THE MINISTER FOR MINES replied: 1, Yes. 2, Two or more, provided the maximum length of the united claims does not exceed six miles. 3, Such provision, if any, would be a condition of the registration of each claim. No provision has been made; but no claim will be registered except under the circumstances prescribed in paragraphs A, B, or C, of Regulation 40A. 4, In the

contract to be made on the approval of an application, there will be provision that in the event of reefs or lodes being discovered the portion of the claim necessary for working same will be liable to resumption. 5, The privileges conferred by Section 31 may be restricted by express contract, which will be made on the approval of every application under these Regulations, and the claim registered subject thereto. 6, It will depend on the circumstances of each case. 7, In view of the preceding answers it is not deemed necessary to postpone the registration of applications.

#### QUESTION—SAVINGS BANK APPOINTMENTS.

MR. NEEDHAM asked the Treasurer: 1, The number of appointments made in connection with the Perth Savings Bank since 1st January, 1905? 2, The names of the persons appointed? 3, Were they appointed from inside or outside the service? 4, The salaries at which the persons appointed commenced?

THE TREASURER replied: 1, Five. 2, (a.) Appleton, R. A., (b.) Cuffe, L. F., staff; (c.) Smith, J., (d.) Noke, F., (e.) Hogg, H., temporary. 3, b was transferred from another department; a, c, d, e were appointed from outside. 4, (a.) £260 per annum; (b.) £270 per annum; (c.) and (d.) 8s. 4d. per diem; (e.) £1 per week.

#### QUESTION—MIDLAND PURCHASE, LEGALITY.

DR. ELLIS asked the Minister for Justice: In the opinion of the Attorney General would the Government be acting legally if they purchased the Midland Railway on a simple resolution of this House, or on one of both Houses?

THE MINISTER FOR JUSTICE replied: No; the resolution, if carried, would be followed by a Bill to authorise the purchase, as in the case of the Great Southern Railway.

DR. ELLIS: Does the Premier agree with that opinion?

THE PREMIER: Yes.

#### PAPER PRESENTED.

By the MINISTER FOR LANDS: Fourth Annual Report of the Caves Board, for year ending 31st December, 1904.

**BILLS (3)—FIRST READING.**

**METROPOLITAN WATERWORKS ACT AMENDMENT.**—Introduced by the MINISTER FOR MINES.

**LICENSING.**—Introduced by the PREMIER.

**MUNICIPALITIES.**—Introduced by the PREMIER.

**BILL—THIRD READING.**

**PERTH MINT ACT AMENDMENT.**—Read a third time and transmitted to the Legislative Council.

**BILL—MINES REGULATION.**

**SECOND READING.**

THE MINISTER FOR JUSTICE AND LABOUR (Hon. R. Hastie), in moving the second reading, said: I had expected at the last sitting of the House to have brought forward this measure; but unfortunately through the action of the Government Printer I was unable to do so, as it is necessary first to have a copy of the Bill in the hands of the Speaker. I do not propose now to go through the entire Bill, but only to explain the new departures made in the measure. If this Bill dealt with any other matter than mining, it would not be necessary for the proposer to explain the importance and absolute necessity for it; but when we come to deal with a matter like mining, we have a different tale to tell; for whenever a mining question is brought up we always hear a number of Cassandra utterances in the House and out of it, that mining is a dying industry; therefore it is necessary to go to the trouble of making a full explanation when bringing forward such a measure as I have here. We have heard that cry not only in the House but out of it, and with the permission of the House I would like to make a few remarks on the Bill. It was only the other day it was announced in the newspapers that during the first six months of this year there was a shortage in the gold produced amounting altogether to 19,000 ounces. That seems to be a very small matter indeed when the total number of ounces we are dealing with exceeds a million. But the very idea that we had a set-back or shortage seems to be seized with both hands by a large number of patriotic

people in this State. And soon after that we heard statements made, not only in this House but outside the House, that the entire shortage amounted to between £800,000 and £900,000. I remember that when I first heard that statement and expressed surprise, one of those patriotic gentlemen of my acquaintance assured me it was absolutely correct; but he had only made a mistake of three-quarters of a million. The entire shortage, I wish to repeat, during that period I refer to was only 19,000 ounces, and for the first seven months of this year the entire shortage is 13,000 ounces. I hope that will appear as a reassuring statement to my friend the member for York (Mr. Burges). But there are other gentlemen here who seem to be always ready to tell us that although we have in this State a very large and valuable goldfield—and, after all, this Bill deals almost entirely with the gold-mining industry—that gold costs far too much. We have heard it over and over again said that out of the many hundreds of mines in this State, only 13 companies pay dividends. That may be true; but that statement is brought forward to show that out of the vast number of mines in this State only 13 pay. I wish here to take the opportunity of saying that statement is absolutely and in every way incorrect. We have in this State hundreds of mines that pay well. My definition of a paying mine is this. I would say a mine pays when the return gives a balance over fair legitimate working expenses, including reasonable office and management expenses and interest on the capital it was necessary to expend on the mine. I think that will be allowed to be a very fair definition; and if that be so, we have had in this State during the mining of say the last three or four years perhaps a larger number of payable mines than any other State or any other country ever had. Yet we have had repeated over and over again, by people who seem to try to disparage the mining interest as much as they can, and try to block the investment of capital in our mines, these statements that I have just referred to. Then they go farther and say, for instance, that none of our mines on the Golden Belt could have been developed without outside

capital. I wish to repeat that I have never heard a statement of that kind made by anyone anywhere who was considered to be an authority upon mining there. When we hear that parrot cry repeated in this House and out of the House, it certainly tends to disparage our mining to a very large extent. I wish to inform those gentlemen of the exact position. When the Golden Mile was discovered, gold was found on the surface, and from that for hundreds of feet down gold is more easily produced and probably in greater quantities than in any other field on the face of the earth. And apart from the small amount of capital required simply to open out the mine for a short distance and to erect machinery, not a single shilling was required to develop the principal mine on the Golden Belt. Then we have a third statement made, and that is the last one I will refer to just now. That statement is to the effect that prospectors never develop their own shows. That, I wish to state, is equally inaccurate with the other statements I have referred to. In hundreds of mines in this State prospectors do, and will, develop their own shows. I have myself, with a view to encouraging people as much as I could, pointed out that a large number of prospectors, and a much larger number of companies which did not properly develop their shows, owed a duty to the State; that if they took some gold out, they should put a portion of it back. I have tried to give encouragement in that respect, but I have been astonished to find that some of my words, and some of the words of those who have spoken in that line, have been travestied in the way I have just quoted, allegations being made that prospectors cannot develop their shows, whereas the fact of the matter is, as I say, that they can do it in this State, and they do it in this State. But obviously in many instances they have not sufficient money to develop their shows as quickly as they would like, and as quickly as is desirable; but, taking it upon the whole, mining within this State has been found to be as paying an industry as any other we have in Australia. If members will consult any authorities upon the matter, if they will consult the figures upon the subject not only dealing with this country but we will say South Africa, America, and

various other places, they will find that out of legitimately-worked mines the failures have been fewer, the losses have been fewer, than in any other industry which the world knows. That has especially been the case in Western Australia, where it has been found that mining is certainly the best-paying industry we have in the Commonwealth. [MR. BURGESS: That is doubtful; statistics prove otherwise.] I wish the hon. member would give us some reasons for his belief. [MR. BURGESS: I will give the best figures and records.] I shall be delighted to get information from the member for York. I presume the hon. member simply re-echoes the opinions that were expressed, and rightly expressed, in the old alluvial days. [MR. BURGESS: You are speaking of the whole Commonwealth.] In the whole Commonwealth, I say. [MR. BURGESS: Then you are wrong.] I say as far as legitimate mining goes; I do not include the old wild-cat shows, the shows for which capital was floated up to forty or fifty thousand pounds and no gold got. I am speaking only of mines that got a fair start, mines that were started when they ought to be started, not mines that were started when every miner practically condemned the undertaking as a waste of money. I should like again to remind the House that in dealing with this matter we should remember that mining fields in Australia are, and always remain, the property of the State. They are leased to certain individuals for a time, but they remain always the property of the State; and it is necessary for us as a Legislature to look after our own property. It is necessary for us to see that people who have charge of that property treat it properly and well, and that those who are engaged managing or working in these mines are treated under the best possible conditions. It was recognised about four years ago that we ought to have an amendment of our Mines Regulation Act. In the year 1901, if I recollect aright, circulars were sent to all the different goldfields bodies by the then Minister for Mines, asking for suggestions dealing with this matter. In the year 1902 we expected that a Mines Regulation Bill would be brought before this House; and I recollect that

the principal reason for its non production was that the State Mining Engineer was then being appointed, and it was thought advisable to wait till the service of that gentleman was available to produce a good Bill for Parliament. Then in 1903 we were again disappointed. It was said that the Parliamentary Draftsman was too busy to take in hand the drafting of such an important measure, and also I think that the Goldfields Act Amendment Bill and various other mining matters were before the House; so the Minister for Mines was not in a position to take charge of it. Then in 1904, when I entered the Mines Department as Minister, I found that the drafting of this Bill was considerably advanced; but at the same time there were three Royal Commissions investigating matters that would necessarily be dealt with in the Bill. These were the Aliens Commission, the Ventilation and Sanitation Commission, and the Boulder Deep Levels and Boulder Perseverance Commission. I thought it advisable to delay the completion of the draft till these commissions had reported, seeing that the report of each would throw light on a certain phase of the question, and would make recommendations that would be very useful to Parliament. So the end of the year arrived before I found myself able to proceed with the measure. But, as members will recollect, the business of the House was at that time much congested; and I found myself unable to bring the measure before Parliament ere the session closed. Early this year I had the measure carefully revised. We spent a considerable time upon it, and I have no doubt that as a result members who have read it will admit it to be a creditable production. When the Bill was mentioned in this House, I offered the present Minister for Mines to take charge of it during the second-reading stage, so that I might be able to explain it to the House, being much more familiar than he with most of its details. The chief object of the measure is the protection of life. We have in mind the large number of men managing mines, and the still larger number working in them. We wish to make the working conditions of mining as good and as healthy as possible. Hitherto there has not been on the whole much objection taken to or fault found

with the condition of the mining industry in this State. But I would impress on the House the fact that our mines are gradually going deeper and deeper; and it seems to me certain that within the next 10 years a large number of our mines will reach a greater depth and be more elaborate than any other mines in the world are at the present time. As members will recognise, mines that may not be absolutely dangerous near the surface become very dangerous as depth is attained; so it behoves us to see that the conditions under which men work in such mines shall be as satisfactory as possible. One thing we should never forget, that habits and customs have a tremendous influence on conduct. If habits are once formed, they will persist. Experience shows that where conditions are good the life of industries is always prolonged, and that almost without exception the costs are lessened. That being so, I do not anticipate much if any objection to the various clauses of this Bill. If it is our duty to leave the world better than we found it, surely it is equally our duty to see that mines are left in such a state that the successors of our present workers can prosecute their calling with safety. The Bill contains the recommendations of the three Royal Commissions already mentioned—the Aliens Commission, the Ventilation Commission, and the Boulder Deep Levels and Boulder Perseverance Commission. I admit that not all of the recommendations are embodied in the measure.

MR. GREGORY: Is the report of the Boulder Deep Levels Commission printed?

THE MINISTER FOR JUSTICE: Yes; long ago. If it has not been tabled, there must have been an oversight, which will be rectified to-morrow. Members not connected with the goldfields will probably think on looking through the Bill that many of its provisions are very severe. But before they definitely make up their minds on that point, I would ask them to inquire if possible what are the regulations in other countries. Let them take the mining regulations, dealing mostly with coal mines, of Great Britain. Take similar regulations on the Continent of Europe, in New Zealand, in our sister States of Australia, and in the existing Act under which we work. On perusal of these regulations members will find that

in few instances do they differ from those in the Bill. I do not know any mining regulations that can be said to be looser than these, unless we take the regulations of some of the American States and of the Transvaal. Those, however, are places to which we do not usually look for examples. I shall try to explain wherein this Bill differs from the Act under which we have been working for so many years. The first new departure is in Clause 3, containing the definition of the word "agent." That definition is made somewhat comprehensive for the following reason. It has been found in practice, under the existing Act, that the blame for everything wrong done in a mine is laid on the manager. In many instances that manager is little more than a dummy; and the person who ought really to be held responsible for what has gone wrong escapes scot-free. This clause allows the prosecution to summon the agent, and to bring home the guilt to the right party. Clause 4 empowers the Governor to exempt from time to time various mines from the operation of the Bill. This is necessary; for members will notice that the definition of a mine includes practically every hole in the ground if the Governor wills. Lately we have found in this State graphite and various other kinds of rock, and to their working it is not advisable strictly to apply this measure; so the clause allows the Governor to exempt such small mines from the general provisions of the Act. In Clause 15 are rules for the appointment of mining inspectors. The rules are very similar to those now existing; but the powers of the inspectors are more clearly defined. I believe the clause will be a great improvement in this portion of the measure. Farther on we follow the rule in the present Act, by allowing an inspection to be made by a representative of the workers on the mine. That has been the law here since 1895. The privilege has not been much availed of, because it was expected to be used in case of accident only; and no provision was made in the Act for the election of such representatives. In this measure we borrow the provisions of the Coal Mines Act of this State, and make rules for electing the representatives. This I feel quite certain will be considered a very satisfactory improvement; because goldfields members know

that we have in an enormous area very few inspectors of mines. An accident happens; sometimes the inspector is 40, 50, or even 100 miles away; and it is necessary that someone else should inspect the mine. The Bill provides that the workers on the mine may appoint two men to act as inspectors when the inspector of mines is absent. [MR. GREGORY: Not necessarily when he is absent.] Not necessarily; but that will be the principal occasion when they will be required. Provision is made also for cases in which it is not considered practicable for the men on each mine, particularly on each small mine, to elect their own inspectors. This provision is necessary because of the insecurity of miners' tenure. On a small mine no one knows how long the elected inspectors may be working there; and it may be found more convenient for the whole of the miners in the district to come together to elect two men as inspectors, or—to follow the wording of the Coal Mines Act which is very closely followed here—"two check inspectors." Very similar, if not exactly similar, provision has been made in the Coal Mines Act since 1892, in all the mining Acts of New Zealand, and in the Coal Mines Act of New South Wales; and so far as I have heard, these provisions work most satisfactorily. Another reason for the wording of the clauses I have just referred to is that an accident, sometimes a fatal accident, may take place on a mine when the inspector is not readily to be found. Sometimes he may be 20, 30, or 50 miles away; and according to the wording of the Bill and of the existing Act, the place where an accident happens must not be touched till the inspector arrives. It has been found that if the scene of the accident is kept untouched till the inspector comes, work in that portion of the mine is practically at a standstill, many men being thus left idle. The Bill proposes to allow one of the check inspectors to examine the ground, to report whether advisable that work should proceed, and to give permission. I believe that this will be considered of great importance by all sections of the goldfields community. Clause 19 deals with the appointment of managers, and is very similar to the section in the present Act; but there is an innovation in Clause

32, in which it is proposed to issue certificates to mining managers. It is not proposed to make the holding of a certificate compulsory. That step could hardly be carried out at the present moment, because we must realise that within the State there are not more than two or three dozen men who are qualified certificated managers. Before we think of making it compulsory, if it should be made compulsory, we must give people time to get certificates. It is not proposed that every manager should stand an examination. It is provided that a manager shall get a service certificate if he can show that for two years he has had charge of a mine and, so far as is known to the examining board, has conducted it well, and if, in the opinion of the board, he is a man who seems to understand mining. [MR. GREGORY: As long as he kept sober.] I think that "sober" is a word contained in some of these clauses. The provision seems to be very important when we have regard to the great depth that is being attained by some of our mines. Clause 42 provides for limiting the hours of labour. This and other clauses are exact copies of sections of the Act that have been in force to the present time. I am not sure whether they are altogether satisfactory; but as we have not heard any objection to them during the last few years it was thought advisable that we should simply repeat the sections of the present Act as we found them. It is a matter that may be discussed in Committee. Clause 44, however, contains a slight change. We are adopting a section that has been the law in New Zealand for a number of years; and it enacts that if a person has been working for seven shifts in one week he shall be entitled to a half-holiday. It is an innovation which to me appears to be only fair; and I hope members will seriously consider the matter, and see whether we cannot introduce the system into our law.

MR. GREGORY: In these clauses, are we not to a certain extent infringing the Arbitration Act?

THE MINISTER FOR JUSTICE AND LABOUR: I do not think so. The Arbitration Act does not provide that all mining in the State shall be regulated by the Arbitration Court.

MR. GREGORY: But if we make a maximum, the Court cannot reduce it.

THE MINISTER FOR JUSTICE AND LABOUR: I do not think this is at all likely to clash. All we ask is that the hours of work shall not exceed a certain number. The Arbitration Court can then deal with the matter as it likes. Clause 46 re-enacts some existing sections dealing with engine-drivers' certificates. Last year, when we had the Inspection of Machinery Bill before us, as will be remembered, we repealed several of the sections of the Mines Regulation Act; and it was understood that when this present measure came before us certain steps should be taken to see that all men handling machinery where men's lives were in danger should be certificated; and this clause carries out that resolve. The General Rules commence at Clause 47. In most instances these rules are similar to those in force at present, but there are some exceptions. For instance, the clauses dealing with explosives entirely follow certain regulations which have been in force for a number of years at Kalgoorlie, but which are not the regulations found in the Mines Regulation Act. Also, an alteration is made in regard to signals. It is at present required that there should be a uniform system of signalling; but in this Bill it is provided that alterations can be made in special districts for special regulations in regard to signalling, which are very necessary, as at Kalgoorlie at present. In Rule 40 better provision is made for the testing of ropes, and in Rule 45 it is provided that in all mines where more than 30 persons are employed arrangements must be made for aid to injured persons. This rule is taken from the Coal Mines Act. It has been the law in some of the other Australian States and in our own coal-mining district for the last three years. Clause 50 enables special rules to be gazetted, and provides that they shall have the full force of mining regulations adopted by the Governor-in-Council. These special rules will deal with such things as firing and with other matters that are necessary in large and deep mines, such as people interfering with or speaking to the platman. Clause 61 is a re-enactment of the short Amendment Act passed last year. I should mention that at the beginning of this Bill, in Clause 2, it is declared that

the Acts specified in the schedule are repealed. These are the Mines Regulation Act, 1895; the Mines Regulation Act Amendment Act, 1899; the Mines Regulation Amendment Act, 1904; and the Sunday Labour in Mines Act, 1899. The Act we passed last year gave inspectors of mines much greater power than they had before. The provisions of that Act are embodied in this measure. Clause 63 is important, being a new departure in this State and, so far as I know, in any part of Australia. The Aliens Commission which sat last year was asked to seriously consider the question as to whether it was dangerous to life for a large number of miners to be employed who did not understand the English language. The commission reported that under certain conditions it was dangerous, and proposed that certain new rules should be made. These rules will be found in Clause 63. It is provided that every person who is in a position of any responsibility, or where anyone else is in danger, should at least have a working knowledge of the English language.

**MR. GREGORY:** Who is to judge in regard to their being able to speak and write English fluently?

**THE MINISTER FOR JUSTICE AND LABOUR:** The Inspector of Mines. I know of no other authority that will be available. [**MR. GREGORY:** It is not stated here.] I think the clause is as clearly drafted as it can well be. The idea is to leave this responsibility as far as possible with the inspectors. Clause 64 re-enacts the present Sunday Labour in Mines Act. It has not been altered very much, but has been a little more clearly defined. Clauses 68 and 69 give the Minister power to declare what mines should keep plans. Formerly, this has been carried out very loosely, even in many of our biggest mines; and plans have not been well kept, or, if they were kept, have simply been put in a box in the office and no one could make use of them. Now, it is provided that not only shall good working plans of mines be kept, but copies of these plans must be sent to the office of the Mining Registrar or to the Mines Department in Perth, so that the plans may be available to anybody and of use to people afterwards working on these mines. It will be noticed

that a great many penalties are provided for breaches of the Act. Formerly, if a man was brought up for a breach of the Act he could be punished only when an injury had already occurred to some person through his misconduct. The change proposed to be made is so that a man can be prosecuted if the result of his action has been to endanger the lives of any individuals. It is further provided that when a penalty has been recovered the Governor-in-Council may distribute the amount of the penalty, or portion of it, among the people who have suffered from the result of misconduct. Members will also find power to make a large number of regulations indicated in this Bill. Most of these regulations have been recommended and framed by the Ventilation and Sanitation Commission. That commission dealt with the ventilation and sanitation of mines; and nearly all the recommendations will be found here. No doubt objection will be taken to so much power being given to make regulations under this Act. It will be said that whatever laws we have should be first discussed in this House, and that members of this House should lay down the law as clearly as possible; but if hon. members will seriously consider the question, I think they will agree that it would not only be inconvenient, but almost impossible, to adopt any other course than that provided in the Bill. We have goldfields scattered over a very large extent of territory; so that it is almost impossible to enact laws that would deal with all conditions of mining, or with mines that are 100ft. deep and those that are 3,000ft. or 4,000ft. deep; and it was thought better that we should simply give power to the Governor-in-Council to prescribe regulations to suit local conditions. A later clause re-enacts another section of the amending Act of last year, by which the Minister for Mines is given power to instruct that certain mines should pay their men fortnightly instead of monthly. I may mention in passing that, as a result of this section inserted in the Act last year at the instance of the member for Menzies, very shortly after the Act came into force some applications in this regard were sent to the Mines Department concerning some of the leading mines in the State. Inquiries were at once instituted



to ascertain whether the workers in those mines desired to be paid fortnightly instead of monthly, and the employers were asked if they had any objection to paying fortnightly. Replies were received, and three or four of the principal mines were asked to concur with this provision within a certain time. I am glad to say that in every case where a request was made, the mines agreed to pay the men fortnightly instead of monthly. Farther on provision is made for keeping records and dealing with offences. I would like to make a few remarks about Clauses 77 to 83. Over a year ago a Royal Commission, consisting of Mr. Warden Dowley, Mr. R. D. McKenzie, a member of another place, and Mr. Allen, the principal of the School of Mines, Kalgoorlie, was appointed to inquire into the Boulder Deep Levels case, in which it was alleged that some very curious dealings had taken place in the shares of that mine and in the management of that mine. Full investigations were made, and it appeared to the commission that some mines, at any rate, were worked not in the first place for the amount of gold to be procured from those mines, but were worked largely to suit the market or market dealings of certain individuals in London. That commission made certain recommendations, and those recommendations will be found embodied in the Bill from Clauses 77 onwards. For instance Clause 77 enacts that the manager of every mine shall keep plans and records of that mine, and the following clause declares that every manager of every mine shall give local publicity concerning the mining developments at the same time that the information arrives at the head office of the company. That is important when we recollect that the bulk of the chief mines in West Australia are held principally in London. Clause 79 is also very important. The Act of 1895 declares that the manager of each mine shall make monthly reports of all the gold that has been produced during that month. Custom, on the other hand, has declared that that need not necessarily be done. Not only here, but in every other Australian State, managers have been able to keep back a large amount of gold, with a view to equalising the amount of gold produced monthly. My own

opinion always has been that no bullion reserve should be allowed in any mine; but I confess that I have found few people ready to agree with me. Most people believe it is desirable that the manager of a mine should be able to keep in hand a certain proportion of gold already won; and the commission recommended that the amount of bullion reserve that the manager should be allowed to keep be limited to one month's production. That seemed to us to be excessive; and the Bill provides that the manager shall be allowed to keep in reserve only a fortnight's production.

MR. GREGORY: That is quite enough.

THE MINISTER FOR JUSTICE: The hon. member agrees with me that it is quite enough; and it seems to me to be even more than enough when we consider it is impossible for any manager to state the amount of gold produced every month. Members conversant with milling operations must know there is always a large amount of gold contained on the plates after the gold has been treated in the battery, and also a large amount of gold that is in solution, a large amount of gold always in process; and if that amount of gold, in addition to a fortnight's production, can be kept in hand, no one can grumble about our want of liberality.

MR. GREGORY: Are you doing anything about local directors?

THE MINISTER FOR JUSTICE: I shall come to that in a moment. Clause 80 empowers the Minister for Mines to order the inspection of any mine by an officer of the Mines Department. That has proved very necessary in the past, especially in the case of the two mines I have mentioned, the Boulder Deep Levels and the Boulder Perseverance. I would remind the House that a Royal Commission to deal with these two mines was only possible because the directors of the mines were agreeable. If the directors of the mines had objected to those mines being inquired into, the Minister for Mines or the Governor-in-Council could probably not have had the inquiry held. It is proposed in the Bill to have the matter of inspection placed beyond doubt, and to give the Minister for Mines power to instruct an officer of the department to make an inspection of any mine whenever it is considered

desirable. Clause 80 also contains a new departure. It is proposed in the Bill that a shareholder in any mine shall be able to go to that mine at any reasonable time and make an inspection of it; but that is not enough. There are held in Western Australia a very large number of shares, but very few people living in Western Australia who buy shares in English companies ever take the trouble to get those shares transferred to their own names. I know one gentleman, a member of another place, who on several occasions has owned many thousands of shares in Western Australian companies, but not a single share was transferred to that man's name; therefore that man, although he owned such a large proportion of the shares of the company, was not considered a shareholder, and so he could not ask permission to examine the mine. So it is proposed that any person who signs a declaration that he is pecuniarily interested in a company can get permission to inspect the mine. It is only fair to say this provision will not make much difference in regard to many of the mines on the Golden Belt, the management of nearly every one of these mines giving permission, not only to shareholders, but to everyone who likes to call, to examine the mine at all reasonable times. But we have no reason to suppose for a moment that this rule is likely to continue if there were an active market in any of the companies, or if one or two unscrupulous individuals were to get on to the directorates of the mines and these gentlemen wished to run the market to suit themselves. The first order given to the manager in Western Australia in such a case would be that he should stop the inspection by all strangers; therefore it is necessary we should give every shareholder and everyone pecuniarily interested in a mine the right to make an inspection of that mine. Clauses 82 and 83 contain penalties for not carrying out these proposals. It will be observed that the highest penalty is £50. I do not think that is sufficient; and if members will seriously consider the subject, I shall be glad to agree to the penalty being very much increased. The member for Menzies has asked me whether we intend dealing with the appointment of local directors. I would point out that the Bill is con-

finued to regulations in regard to mining; therefore it would be impossible in this measure to deal with that matter, as it properly belongs to the Companies Act. There is being drafted a measure with that object in view. I cannot say when the Bill will be before the House, but I hope it will come soon. I expect when the measure is before members to get a good deal of assistance from the member for Menzies in carrying out a real and radical amendment of the Act. One omission from this Bill I should like to call attention to. According to the Bill and the regulations, a return not only of the gold produced on a mine must be handed in, but of the profits and costs of the mine must be handed in by every mining company. But the proposal stops there. There is no provision whatever for returns from syndicates or mines owned individually; and as perhaps one-half of the mines within the State of Western Australia are owned individually, our returns are very incomplete. I have tried to see if I can get any precedent for making an alteration in the law; but I find our laws are similar to those obtaining in New Zealand and every Australian State. The position seems to be this, that as we own the ground and lay down certain rules that the people who lease this ground should act up to, then if a company is formed the lessees have to furnish a return showing the profits and costs. If we are entitled to that record in regard to a company, we should also be entitled to ask for the same information from individuals. If we wish to obtain exact information, it is absolutely necessary we should act in this direction. I do not know if it is possible to draft a clause which would appear satisfactory during the passage of the measure before the House; but I am hopeful, with the assistance of members, to do what is really required in this direction. Within the last five or six years, very largely on account of the publication of the returns, the costs of mining have been very much decreased throughout the districts in Western Australia. In that connection I must bear testimony to the good work done especially by the Chambers of Mines. They have shown, on every occasion, an anxiety to obtain the cost of mining on

all the mines; and if in addition to the Chambers of Mines, members of the House would assist us, we might be able to make the returns issued by the Chambers of Mines and the Department of Mines more complete than they are at present. I think I have indicated broadly, at any rate, all the new departures that will be found within this measure. In the ensuing discussion many fresh points will come up and useful suggestions will be made; and during the Committee stage I have no doubt we can improve very many of the clauses of the Bill. I trust that members will thoroughly read through the measure, and that we shall have the best Mines Regulation Act in the world. We have all the other Acts in front of us; we have all their mistakes, which we should know how to avoid; and as it is an accepted fact even by the member for Sussex (Mr. Frank Wilson) that the mines of Western Australia are the best-paying mines anywhere, it should be very easy for us to arrange that the best possible conditions should obtain on our mines. We have the largest goldfields here, and no one for a moment suggests that mining will not last for a very large number of years in this State. Then we have to remember that the future of those who have to make their livelihood by mining depends very largely upon us. If members will seriously assist, we can make this not only a magnificent measure for the present and the future, but I am hopeful, and I believe, a guiding star to the mining world at large. I move that the Bill be now read a second time.

Mr. GREGORY moved that the debate be adjourned until Tuesday next, to give an opportunity for various organisations to be communicated with.

THE MINISTER FOR MINES: We might get through the second reading at an early date. Would the hon. member substitute Thursday? We would delay the Committee stage.

Mr. GREGORY indicated he would rather adhere to Tuesday, but if it was preferred to make it Thursday he would do so.

Question—adjournment of debate until Tuesday—put and passed.

[MR. QUINLAN took the Chair.]

## BILL—WORKMEN'S WAGES ACT AMENDMENT.

### SECOND READING.

Debate resumed from 2nd August.

Mr. C. H. RASON (Guildford): Although I moved the adjournment of the debate on this Bill, I do not know that I have a great deal to say on the subject. It appears to be a measure which can have only one object, and that is a most laudable one—to give greater security to the workman for the payment of his wages. But in order to secure that laudable object we must be careful that we do not inflict injustice on other people; and I am afraid that the effect of this Bill, if it is agreed to, will be to a very great extent to handicap the small contractor, the man whom I at all events wish to encourage, the man who is trying to work his way up from being a workman himself into being an employer of workmen. The effect of handicapping and putting obstacles in the way of the contractee and the contractor is, to my mind, to ensure that the people engaged or thinking of engaging in building operations, let us say, for the future will be careful not to employ the small contractor. It may be said: "If I employ a small man, there will be the danger of my having to see that all these returns are furnished. Probably I shall have to make a great many of them out myself. Therefore, it will be to my advantage to employ a contractor in a large way of business who has a clerical staff of his own, who would relieve me of many of the duties set forth in this Bill, and who enjoys such a position in the financial world that I need never anticipate having any trouble with him." The Minister in charge of this Bill, when he introduced it, said it was necessary because of the repeal of the Workmen's Lien Act of 1897, which was passed for the same object as this Bill is introduced for, namely to give security to the workman for the payment of his wages. But in the following year, 1898, a Workman's Wages Act was passed, and the Act of the previous year was repealed. To my mind, before we agree to pass this Workmen's Wages Bill of 1905 it is necessary to inquire whether the Act of 1898 does not give all the security to the workman to which he is entitled and which he can fairly claim. I think it does; and the

Minister, when explaining the measure now before us, did not give us any illustration of how far the Act of 1898 has been found wanting.

THE MINISTER FOR JUSTICE AND LABOUR: That was discussed last year in the House.

MR. RASON: For instance, we find in the 1898 Act which is at present law, Section 3 provides—

In the absence of an agreement in writing to the contrary, the entire amount of wages earned by or payable to any workman employed in manual labour shall be paid to such workman at intervals of not more than one week.

The Arbitration Court has also determined that wages shall be paid at intervals of not more than one week in the building trade.

THE MINISTER FOR MINES: In a limited locality.

MR. RASON: Then the next section says:—

The wages due to workmen employed on any contract work or undertaking shall, subject to the employer's rights as mentioned in section fifteen hereof—

And that does not affect the rights of the workman in any way—

be a first and paramount charge upon the moneys due to the contractor by the employer under or in respect of the contract, work, or undertaking—

The workmen's wages due are a first charge upon the work, and are binding upon the contractee—

—Provided that until service of notice of attachment as hereinafter mentioned, the employer shall be at liberty to pay to the contractor all moneys which have accrued due and are payable by the employer to the contractor under or in respect of the contract, work, or undertaking

Then there is Section 7, which says:—

Any workman whose wages remain unpaid for three days after they become payable and have been demanded may, within seven days, make a statutory declaration of the amount of wages due, and serve the same upon the employer, and may serve the employer or his attorney or agent with a notice of attachment in the Form No. 1 set forth in the schedule hereto, or to the effect thereof; and upon service thereof all moneys due and thereafter to become due and payable to the contractor shall be attached.

Here we have an Act already in force which provides that a workman shall be paid his wages weekly, and if the money is not paid within three days after the

due date, he can have any moneys due from the contractee to the contractor attached. Surely that is a reasonable security. [Interjection by the MINISTER.] If the money has been already paid, the measure now before us will not make the workman's position any better. I contend that in the Act of 1898 there is ample security for the workman, if he will avail himself of it. In this measure under consideration we find that in Clause 2 it is necessary that when a work above the value of £100 is in progress the contractor shall furnish to the contractee a statement either showing that no wages are due, or a statement showing what wages, if any, are due; and that statement, by the next subclause, has to be countersigned by at least three of the workmen employed, if so many are employed, to the effect that the statement in respect of wages is to the best of their knowledge and belief true. Whatever merit there may be in Clause 2, it seems to me there is a great deal of demerit in Subclause 2 of that clause. It means this, if it is to be of any value at all, that the workman will have the liberty—and indeed he will have to make use of that liberty—to examine the books of the contractor to ascertain exactly what work has been done, and what liabilities there are, to find out exactly the financial position. And let me remind the Minister in charge of the Bill that the men engaged upon the building itself will not be in a position to sign a declaration that there are no wages due in respect of that building, without access to the contractor's books, because the whole range of the contract is not included in the work done by the men actually working on the building. If Donnybrook stone were employed on a building, there would be men engaged on part of that contract of whom the men in Perth signing the statement as to the wages due would have no knowledge at all unless they searched the contractor's books. Several contractors quarry their own stone, and employ men on wages to do so, and this would be part and parcel of the contracts of the building. When the Minister in charge of the Bill introduced it, he said that the clauses in it were taken from the Workmen's Lien Act 1897; but in that Lien Act of 1897 there is no such section as this Subclause 2 to which I

now take exception; and if it was not necessary then, I contend that it is not necessary now, and that we must be careful indeed.

**THE MINISTER FOR MINES:** He desired that there should be such a clause.

**MR. RASON:** He should have said so. We are told that this Bill is necessary because certain clauses in the Workmen's Lien Act of 1897 have been found to be necessary over and above the Workmen's Wages Act of 1898. This clause is not copied from the Workmen's Lien Act of 1897. Subclause 2 is an addition to it, and to my mind an addition which gives no extra security to the workman, not the least; but the contractor has to give a sworn declaration as to the wages that are due—and that is the protection as between the contractee and the workmen engaged. The mere countersigning of that statement by three of the workmen employed on that building gives to the workmen no additional security, not one farthing's worth of additional security; but it may be a means of giving considerable extra annoyance to a contractor. Inquisitive people may make use of that clause to inflict great hardship on a contractor who is honestly trying to do his duty to his employer and to his workmen. Then by Clause 5—

If the contractee makes any payment under the contract to the contractor without appropriating such payment towards the satisfaction, as required by this Act, of the wages appearing by a statement delivered as aforesaid to be due, any workman to whom wages so appear to be due may sue the contractee at law, and may recover from him such wages as remain due as if he were the contractor who had employed such workman, and whether the amount remaining due from the contractee to the contractor under the contract is or is not sufficient to satisfy such wages.

We shall find, if this Bill passes, that people thinking of building will be very cautious indeed, and will hesitate for some time before they enter into a contract or incur such liabilities as are here created. What would be the position? Suppose a balance of £100 was due on a contract for a building. A statement showing an amount of £200 due for wages is put in. Inadvertently or otherwise the contractee makes a payment to the contractor of, say, £10. That would leave £90 due on the work to the contractor; but because the contractee had

paid even the most infinitesimal sum to the contractor after receipt of the statement, the contractee would be liable for the whole of the wages due to the workmen, no matter what was the amount. Surely that is not right.

**THE MINISTER FOR MINES:** Is that likely to happen?

**MR. RASON:** But should there be that liability? Should a man who is having a building erected, we will say, and who owes only £100 to the contractor for work done, be liable in any instance for more than that sum?

**THE MINISTER FOR MINES:** He has the statement.

**MR. RASON:** But if he has the statement of wages rendered to him, and because after receipt of that statement he has paid, say, £1 to the contractor, should he then be liable for £200? By this clause he would be.

**THE MINISTER FOR MINES:** No.

**MR. RASON:** Pardon me. If the contractee makes any payment under the contract to the contractor after the contractee has received the statement of wages due, the contractee shall be liable for the wages as if he were the contractor who employed the workmen, and whether the sum remaining due from the contractee to the contractor under the contract is or is not sufficient to satisfy such wages.

**MR. SCADDAN:** Why leave out the words "without appropriating such payment towards the satisfaction of the wages appearing by the statement delivered to be due"?

**MR. RASON:** The hon. member does not see my point. Suppose a balance of £100 remains due for work done on a building. A statement of claim for wages is put in, showing the amount due to be £200. If the contractee, the owner of the building, does not pay anything to the contractor, the contractee is liable for £100 only. But if inadvertently he pays even £1 to the contractor, the contractee immediately, because of the payment, becomes liable, if I read the clause aright, for the £200. That is the strict reading of the clause, which I submit conveys a great deal more than it ought to do. Passing to Clause 7 we find:—

Upon receiving payment, in whole or in part, of the wages appearing by any statement as aforesaid to be due to him, every

workman shall sign a receipt, if then tendered him, acknowledging such payment, and in default shall forfeit to the contractor or contractee making the payment a sum equal to the amount then paid, to be recovered before two justices of the peace in petty sessions in a summary way.

This means, if it means anything, that the person making the payment to a workman can demand a receipt; and if the workman refuses to give a receipt, then the person making the payment can sue him in the Local Court for the same amount as he pays him. In other words, if a man pays a workman £2 10s. and the workman refuses to give a receipt, then the man paying can sue that workman in the Local Court for the recovery of £2 10s. Why should that be? And even if it be right, is there not a danger that the workman refusing to sign a receipt may continue to refuse till the last moment, and may sign the receipt after coming into court, thus purging himself of any offence, and avoiding the fine? Why should it be optional with the workman, or with anyone who has money tendered him and refuses to sign a receipt, to be able to take the money, and be liable afterwards to be sued for the same amount as has been paid him? The clause should undoubtedly make it compulsory for the workman to sign the receipt for the amount that is paid him, or not to have it paid at all. I would suggest also that the contractor should have notice of any payments made by the contractee. We bind the contractee to make payments to the workmen upon a statement of wages rendered to him; and we may have a contractee paying those wages and not supplying the necessary information to the contractor. The contractor may not know that the contractee has paid these wages. Indeed all through this measure, though I appreciate the underlying motive, it seems to me that we are providing all sorts of protection for the workman, protection of which, to my mind, he has already enough. If he has not, if it can be shown that there is not sufficient protection to the workman under the Act of 1898—and so far as I know the sufficiency has never been questioned till now—I am prepared to give more protection; but I say, let us hesitate before we place such obstacles in the way of the person who employs the contractor, and in the

way of the contractor himself, as will make people pause and think before they enter into building obligations, and will, if they do anything, force the small contractor—the man I desire to assist, the man who is endeavouring to rise from the ranks—force him altogether out of the market.

**THE MINISTER FOR MINES AND RAILWAYS:** Is it necessary to encourage him not to pay his workmen's wages in order to give him a chance of rising?

**MR. RASON:** On the contrary, I say if there is not sufficient power in the existing Act to compel the payment of wages and give due protection to workmen, let us have something that will. But this Bill goes too far, and will put the small contractor out of the market. Let us by a wide stretch of imagination suppose that I am a capitalist about to build a block of offices in Perth, or even a villa. In view of this Bill I, and indeed any reasonable man in the same position, must conclude that no small contractor shall have a chance of securing the work. The intending builder will say, "Why should I be bothered with having to watch this contractor? He is not very strong financially; he may not pay his workers. Why should I have to watch him? Why should I perhaps have to make out personally the statements rendered necessary by this Act, when I can employ a contractor in a large way of business, with a clerical staff of his own, who will give me no trouble at all?" I repeat that while I have every desire to protect the workman, I am indeed anxious that nothing shall be put on the shoulders of the contractor, or the person who employs the contractor, that will stifle enterprise and possibly lead to a worse state of things than now exists. Let me point out also that while there is every protection for the workman—and we propose to give him still more—there is absolutely none for the contractor himself. The contractor, before he can claim at law against the contractee—the person who has employed him to erect a building, let us say—has to complete his contract. Now the workman has a lien on the moneys due from the employer, to protect the workman's wages. What security has the contractor? It has happened very often in the other States, if not here, that the contractor has found, after fail-

ing to get progress payments from his employer, that he must complete a large building so that he may be able to take action against that employer. The contractor has then found that the land on which the building was erected is mortgaged up to the hilt, and that he has absolutely no redress whatever. His building is gone. Now, if we are to give a first lien for wages to the workman, I submit that we ought to consider whether a first lien should be given on the land to the contractor, as security for the building. I do not intend to oppose this Bill; but I hope the Minister in charge will not press forward the Committee stage. Let us have a little more time to consider these clauses, and to see whether some of them cannot be altered for the better. I am sure the Minister wants only a Bill that will attain its object without inflicting hardship on anyone; and perhaps some members who have had a more practical acquaintance with contractors than I, will be able to make suggestions that he will see his way to adopt. I would point out, at all events, one manifest error in the schedule, which reads:—

Statement made pursuant to the Workmen's Wages Act 1905, of the wages due on the .....day of.....from me to workmen for work done in performance of a contract entered into between me [here insert name of contractor].

The contractor has to sign a statement as to a contract entered into between "me," that is the contractor. It should read, "between me [here insert name of contractor] and [here insert name of contractor]."

On motion by MR. FRANK WILSON, debate adjourned.

[The SPEAKER took the Chair.]

## BILL—PUBLIC EDUCATION ACT AMENDMENT.

### SECOND READING.

THE MINISTER FOR LANDS AND EDUCATION (Hon. T. H. Bath): The measure of which I move the second reading is a small one, containing some amendments found necessary after an experience of the working of the existing Act and the amendments thereof. The Bill deals principally with the question of the attendance of children at school. In the Public Education Act of 1899 it

is provided that children of not less than six nor more than nine years of age, residing within a distance of two miles of a school, measured by the nearest road, are compelled to attend, and children of not less than 9 nor more than 14 years of age within three miles are compelled by the Education Act to attend school. It has been found in practice that, where we have schools in the country districts and where it is possible for the children residing in a reasonable radius of that school to travel by railway to within two miles of the school, there is no provision in existing legislation by which such children can be compelled to attend school. So far as the Education Department is concerned, it is desirous, as far as possible, to meet the demands made in the country districts that school accommodation shall be provided for the children in order that those engaged in agricultural and other pursuits in country districts may not be handicapped to the extent that their children cannot get some decent form of education; but where schools are provided it is certainly essential that where the children reside within reasonable distance by rail or road of any school, we should have some measure amending existing legislation by which such children can be compelled to attend school. Therefore this Bill provides that children not less than 9 or more than 14 years of age, who can reach a school by journeying 10 miles on a railway with a decent train service and two miles by road, shall attend school the regulation number of days provided by Section 6 of the Act. It will be observed that the age provided for will not compel children of tender years to travel that long distance by train and the shorter distance by road under the compulsory provisions of the Act. The next clause deals with children who are habitual truants. A matter of standing complaint on the part of the compulsory officers employed by the Education Department is that there is a number of children whose attendance at school it is impossible to secure. Under the existing Act it is provided that if a justice is satisfied by the parent or guardian that he has used all reasonable efforts to cause the child to attend school but that the child is beyond his control, the justice may, without inflicting a

penalty, order the child to be sent to a certified industrial school till the age of 14. The difficulty experienced in administering this Act is that, while it may be found on the best possible evidence that a child is a habitual truant and that its attendance at school cannot be secured, parents are very unwilling to state before a justice that the child is absolutely beyond their control, though there seems absolutely indisputable evidence that this is the case. The amendment in this Bill provides that the parent may be summoned to show cause why the child should not be sent to an industrial school, making it incumbent on the parent to furnish evidence to the justice that he has used all care in trying to secure the attendance of the child, and that the child is beyond his control, and that he has endeavoured as far as possible to secure its attendance. The clause also goes on to provide that the child may be sent to an industrial school for a term not exceeding six months. The original provision was that a child could be sent to an industrial school to the age of 14; but it was thought this might be a hardship, and that if a child were given six months of industrial school life it might have a salutary effect on the child, and that, given another chance, the parents might be able to secure the child's constant attendance at school, and that afterwards, if this was not effective, the court should have power to send the child to a certified industrial school to the age of 14. A similar provision to that existing in the Act of 1899 is provided, by which the court can make an order that the parent must provide a certain sum per week, not exceeding 10s., for the maintenance of the child at the industrial school. Clause 4 deals with the question of returns by elementary schools other than those under the control of the Government. It has been found in practice that there is a number of schools of a mushroom nature, private schools, from which it is almost impossible to secure reliable information as to the attendance of the children. It is provided in the Act of 1899 that inspectors be sent to the schools at various periods to ascertain that the children being taught at these schools are being taught up to the standard provided by the Education Act; but while the ex-

isting Act provides that these schools shall keep a return on forms approved by the Education Department as to the attendance of the children, and that these returns must be open to the inspection of the inspector or compulsory officer employed by the department, in practice it is almost impossible to ascertain whether the children have been attending school the regulation number of days provided in the public schools. This Bill seeks to meet that difficulty by providing that the proprietor, headmaster, or principal teacher of an elementary school shall forward a return within the first seven days of each month of those who have failed to attend the regular number of days provided by the Act, and that he shall forward to the Education Department in Perth within seven days at the close of every school quarter a summary of the attendance. Then it will be possible for the officers of the department or the Inspector General of Schools to ascertain whether those in charge of these schools are attending to the attendance of the children; and if this is not being attained, the officers can proceed against the children as they can against children in public schools who are not attending the regulation number of days. [MR. BURGESS: Who is going to see that these things are being carried out—more inspectors?] We have a sufficient staff at present to carry out these inspections. There will be no difficulty. All we want is sufficient power to have these reports furnished; and the Education Department, with its existing staff, will see that the returns are furnished, and that, so far as the elementary schools other than the Government schools are concerned, the same standard of education and attendance is maintained as that insisted on in regard to our Government schools. I beg to move the second reading of this Bill.

On motion by MR. RASON, debate adjourned.

#### MOTION—MIDLAND RAILWAY AND LANDS.

TO APPROVE OF PURCHASE.

THE PREMIER (Hon. H. Daglish) moved:—

That this House approves of the purchase by the Government from the Midland Railway Company of Western Australia Limited, of the Midland Railway, including all buildings,



locomotives, rolling-stock, machinery, and effects of the Company in Western Australia, and 2,350,000 acres of land in fee simple, free from encumbrances, for the sum of £1,500,000.

He said: It has been alleged that this should have been treated as a party question; and I desire to point out the reason for the Government refusing to treat it as such. It seemed to us a question in which the issues were too important to the country to be confused with any question as to which Government should remain in office, or which Government should replace that which went out of office. Also, it seemed to us that the House should have an opportunity of discussing this large and important question free altogether from party bias, without any desire to retain the present Government in power, or without any desire by their vote on this question in the way of a side issue, as it might be called, to eject the present Government from power. The question is not really one that can properly be made a party issue, because of the fact that there is no bond of union necessarily existing outside this question between those members who might vote either for or against the purchase. Let us assume for instance that this Government recommends the purchase of the Midland Railway, and that a majority of the House sitting on both sides decide that the purchase is undesirable. Therefore they eject the Government from office; but when they have succeeded in doing that there is no permanent bond of union between the members forming that majority; because the one subject which they held in union would have been dealt with, and their union would entirely disappear. For this reason it seemed to us that members should not be asked to allow their judgment to be swayed or their reason to be affected in any way by considerations of a party nature; and in submitting this motion, I desire to do so not as an advocate anxious to indulge in special pleading for the purpose of securing its adoption, but as one desirous of laying matters as they appear to me before the House, so that members may judge them not from my point of view, but entirely on their merits as the views submitted either for or against appeal to their reasoning. I desire with this object to

endeavour to put both sides of the case, because it has been the view of the Government that the House should have an opportunity of discussing this question. It has been suggested to us that we might properly have considered the desirability of committing the country to an absolute purchase or an absolute refusal of the purchase of the property. To this my colleagues and myself expressed a pronounced dissent. We were not willing to undertake the responsibility of committing this country to an expenditure of one and a half millions, or to the refusal to entertain the opportunity of becoming possessed of a property of this size and of this importance to the future development of the State. I do not intend this evening to take up the time of the House in any way unnecessarily. I intend to make my remarks as brief as they can possibly be made consistent with a desire to place the circumstances of the case fully before members; and in doing this, I desire first to draw attention to the agreement entered into in 1886, which led to the concession which was granted to Mr. John Waddington, and under which the Midland Railway Company has since been acting. In Clause 11 of this contract it is provided, after the preliminaries have been specified, that the construction of this line shall be carried out within a certain time limit. The clause reads:—

The survey for laying out the railway shall be *bona fide* commenced within one year from the date of this contract, and shall be prosecuted without unreasonable delay or interruption, by a sufficient staff of engineers and assistants, to the satisfaction of the Commissioner, and the actual construction shall be commenced within two years from the same date, and shall be diligently continued without unreasonable delay or intermission, so that at least 100 miles of the railway may be completed, equipped, and fit for public traffic, and opened within four years from the same date, and not less than 50 miles in each subsequent year.

There is also a provision in the same agreement, Clause 45 providing that—

The Contractor will procure the introduction into the Colony from Europe within seven years from the date of this contract of 5,000 adults of European extraction. Children of 12 years of age to count as an adult, under that age as half an adult; that is, two children under 12 being reckoned as one adult. The immigrants to be selected and approved in such a manner as may be mutually agreed

upon by the Government and the Contractor, but the number of immigrants to be introduced in any one year to be specially arranged between the Government and the Contractor.

It says in the following clause:—

The Government will, at the expiration of three calendar months from the arrival in the Colony of any such immigrants, grant to the Contractor or his nominees in fee simple for each such statute adult, 50 acres of land, to be selected as next hereinafter provided in blocks of not less than 10,000 acres each in extent, to be held in accordance with and in the form prescribed by the Land Regulations of the Colony.

It will therefore be seen that there were virtually two contracts, the one contract for the construction of the railway, and a subsidiary contract embodied in the same document for the introduction of a number of immigrants, amounting to 5,000. In consideration of the introduction of these immigrants, a certain land grant was to be made; and in consideration of the construction of the railway it was provided also that a land grant should be made, in Clause 49, which reads:—

In consideration of the premises the Government agrees to grant in fee simple to the Contractor by Crown grants, in the form prescribed by the Land Regulations of the Colony, a subsidy in land for and in respect of each section or deviated section as hereinbefore defined, at the rate of 12,000 acres for every mile of the railway which shall be duly completed and open for traffic in accordance with the provisions of these presents, and a proportionate quantity for and in respect of such length of line less than 20 miles which shall be over from the end of the last of such sections to the actual completion of the line.

These are, I think, the vital points of the first agreement entered into with the Contractor, who subsequently parted with his contract, which was ultimately acquired by the Midland Railway Company.

MR. CONNOR: He did not put the settlers on the land, which was the main thing.

THE PREMIER: I am quite prepared to come to that question.

MR. FRANK WILSON: Was it not waived, subsequently?

THE PREMIER: I intended to deal with that question later, but I will deal with it now. It seems to be that there were virtually two contracts; one for the construction of the railway, for which a certain grant of land was to be made; and the other was the introduction of a

certain number of immigrants, for which additional grants of land were to be made.

MR. THOMAS: Did they do either?

THE PREMIER: In regard to the railway construction, there was a subsequent agreement whereby the time for the construction was extended, and ultimately the railway was constructed to the satisfaction of the Government under the extensions of agreement.

MR. THOMAS: You might give us the reasons for the extensions.

THE PREMIER: The hon. member will have every opportunity of dealing with the question himself. I do not desire to take up the time of the House by going into every detail this evening on every question.

MR. THOMAS: I will give you Lord Knutsford's cables on the question.

THE PREMIER: I say this, in regard to the introduction of the immigrants, that although that arrangement was never absolutely waived, it was agreed by the West Australian Government not to enforce the condition; and it seems to me it would have been extremely undesirable that the condition should be enforced, because, after all, this State, while desiring the introduction of immigrants of a suitable class, desired at the same time to exercise some check on the class of immigrants introduced, and it would be, in my opinion, a great disadvantage if the State had to give 50 acres of land for every immigrant introduced, if not selected with a large degree of wisdom. It would be an advantage in some cases to expend 50 acres of land in keeping some of the immigrants introduced from gaining admission into the State. I think, therefore, whether the introduction of these immigrants was allowed to lapse rightly or wrongly, a certain disadvantage would be liable to follow if they were introduced and if there was no check on the class of immigrant that was introduced. I wish, however, to mention that is the only important condition in the contract between the Government and the Midland Railway Company that has not been enforced at the present time.

MR. CONNOR: It is the main issue.

THE PREMIER: It is the only important condition that has not been enforced at the present time. We

frequently hear in the House, and we read in the public Press, complaints that this Government or some other Government has not insisted on the enforcement of the contract made with the Company, and the public are led to believe that there are some important conditions that the Company has been allowed to ignore, much to its own advantage and much to the disadvantage of the State. I am prepared to admit that this condition was never insisted on. I am farther prepared to state that in my opinion the Government would be making a grave mistake if it attempted to insist on that condition being fulfilled.

MR. MORAN: The ordinary conditions of land settlement, surely?

THE PREMIER: The conditions to be observed by any of the immigrants were not laid down in the contract. There is nothing in the contract, as far as I am able to find, that would require that the immigrants selected should be persons to be settled on the land of the Midland Railway Company or any other land of the State.

MR. MORAN: The question of land settlement, the holding of large estates, is very objectionable.

THE PREMIER: The hon. member is anticipating what I desire to say a little later. The time for the construction of the railway was extended from time to time on different agreements subsequently made, with the details of which I do not propose to trouble the House. An important agreement, however, was entered into in 1893; and on that agreement the Government undertook to guarantee the issue of £500,000 worth of debentures to be issued at 4 per cent. by the Midland Railway Company; and one of the conditions of that agreement was that—

So long as the Government is under any liability in respect of the guarantee or so long as any moneys are owing to it under this agreement none of the mortgaged lands shall except under the last proviso to this clause be sold without the previous consent in writing of the Government and the proceeds of every sale of the mortgaged lands or any of them and all rents or profits arising from such of the same lands as shall for the time being remain unsold shall subject to a deduction of 5 per cent. from the gross amount thereof be paid to the Government or as it may direct and shall from time to time be applied by the Government in the first place in or towards satisfaction of any moneys for the time being owing to it under this agreement and in the

next place and subject to the application aforesaid in or towards payment of the principal or interest for the time being or from time to time payable in respect of the new debentures according to the tenor and conditions thereof and shall as to any balance thereof remaining after the payments aforesaid be invested by the Government in any of the investments hereinafter authorised and be held by the Government as an additional security for moneys paid under the guarantee or owing to it under this agreement.

Another clause of that agreement of 1893 provided:—

If the Company shall make default in payment of any principal moneys or interest for the time being payable in respect of the new debentures or any of them and there shall be owing to the Government a sum of not less than £20,000 beyond and after giving credit for the amounts in the proviso to this present clause mentioned in respect of payments made by it under the guarantee and if the Government at any time after such sum as last aforesaid shall have become owing to it and whilst such sum shall remain so owing shall have given to the Company three calendar months' notice in writing of its intention in this behalf and the Company shall not before the expiration of such three calendar months have paid to the Government all moneys paid by it under the guarantee and all other moneys for the time being owing to it under this agreement and shall not have also paid to the respective holders of the new debenture all moneys for the time being payable either for principal or interest to such holders respectively under their respective debentures then the Government may enter upon and take possession of the Railway undertaking and also of such of the mortgaged lands as shall for the time being remain unsold.

Under these conditions it will be observed, however, that if the Midland Railway Company at any time became indebted to the Government in any amount of £20,000 or more, the Government would have full power to seize the railway and seize the mortgaged lands. I am putting these facts before the House so that the position may be clearly understood. From time to time various negotiations have been entered into by the Western Australian Government with the Midland Railway Company, or with persons acting on their behalf. These negotiations, or the first of them of which I have official record, began in 1900. In July of that year a cable was received from the Agent General stating that the Midland Company would offer railway and about 2,700,000 acres of land valued as under:—railway £1,300,000, land at 6s. 8d. per acre £900,000, making a total of

£2,200,000; at a price of £1,300,000 to be paid by 3 per cent. stock at par, to be inscribed and not issued to the public, and the Government to take over £500,000 guarantee bonds, making a payment of £1,800,000 for the purchase.

MR. MORAN: That was not the Agent General's first communication.

THE PREMIER: I think so.

MR. MORAN: Take £100,000 off that.

THE PREMIER: I think the hon. member will find, on looking at the papers which I will lay on the table a little later this evening, that my statement is correct. On the 8th August, 1900, the then Premier cabled the Agent General that Ministers considered that one million pounds was the full value, and stated that Ministers expressed the opinion that Parliament would not be likely to approve of any more. On the 20th August, 1900, it was notified by the Agent General that the Company was willing to accept £1,300,000, payable in 2½ per cent. interminable stock, in addition to the Government providing for £500,000 guarantee bonds. As an alternative, the Company would be willing to accept 6s. per acre for the land, exclusive of the railway. On the 28th September, the same year (1900), it was cabled that the Company was willing to accept £1,350,000, payable in bonds at market value; Government to provide for guarantee bonds. It will be observed that in these offers the price remains invariably about the same. On the 26th November, 1900, the Company offered the railway and 2,400,000 acres of land, the lowest price being £1,350,000, payment to be made by the Government taking over guarantee bonds (£500,000), and balance to be paid in cash or 3 per cent. stock, as preferred by the Government. It was estimated that if payment were made in stock, a saving of £85,000 would be effected. On the 24th April, 1901, the offer of 26th November (the one I have just stated) was repeated by the Agent General. On the 10th May, 1901, the Agent General wrote:—

I am of opinion, from information I can gather, that if you authorise me to make a firm offer not exceeding £1,100,000, paid for by inscribed stock, some arrangement could be arrived at.

To that letter no reply was apparently ever sent to London. The matter was then allowed to lapse.

MR. MORAN: It was a mistake then. We ought to have bought it, I think.

THE PREMIER: The matter was received on the 24th September, 1901, when Mr. Brounlie, who was local receiver of the Company at the time, offered to recommend a sale at £1,250,000 for railway, rolling-stock, and workshops etc., and the lands (2,400,000 acres) for £500,000, making a total of £1,750,000, the Government thus assuming or providing for the guarantee bonds, the purchase money to be payable in 3 per cent. inscribed stock. On the 11th October, 1901, Mr. Brounlie offered to sell 2,000,000 acres of land at 6s. 8d. per acre, receiving payment in 3 per cent. inscribed stock, at par. This offer was declined by the Government. On the 9th April, 1902, the Government notified the Receiver that if the Company would take £1,000,000 payable in 3 per cent. bonds, they would advise Parliament to complete the purchase. A certain number of communications, mostly I believe of an oral nature, passed between the Company and the Government, but nothing eventuated from these negotiations. It is stated that amongst other proposals submitted, the late Mr. Leake made an offer to recommend to Parliament the purchase at £1,350,000 through the National Bank, but that this offer was declined by the bank. Then we come down to last year, when a definite offer was submitted to this Government. I do not intend to take the House with me through the correspondence that ensued after that offer was made. Full particulars have been laid on the table, and I assume that members are acquainted with the correspondence that eventuated.

MR. BURGESS: There is a lot more correspondence besides that, is there not?

THE PREMIER: No more correspondence has taken place during my term of office. There is old correspondence which I intend to lay on the table of the House this evening relating to the subject.

MR. BURGESS: What about valuations?

THE PREMIER: I will give the hon. member the valuations a little later. The latest correspondence dealing with this question will indicate to members that the option of purchase was to expire on the 31st July just passed; originally on the 30th June, but subsequently a

month's extension was granted, and it was understood that the option to purchase would finally expire on the 31st July. On the 29th July this letter was written to me:—

*Re Midland Railway.*—In view of the provisional purchase of the Midland Railway and lands by the Government, and taking into consideration the unforeseen and unavoidable delay in the matter being formally brought before Parliament, the Company feels that it would not be paying the respect due to the Legislature unless sufficiently reasonable time were allowed for consideration of the purchase, and this attitude has also been influenced by the candid and agreeable relations existing with the Government throughout these negotiations. The Government having undertaken to recommend and urge confirmation of the purchase as the first measure of the session, the Company recognise that in the circumstances, without some proper modification of time subsequent to the 31st July, they might be accused of want of appreciation of the efforts of the Government, in undertaking the responsibility of entering on the conditional purchase, and agreeing to press for confirmation by Parliament. Under the existing conditions the Company has therefore entrusted the National Bank with power to extend the time for such a reasonably short period as will enable Parliament to arrive at a decision on the subject. I have accordingly the pleasure of conveying this information, and would ask you to be good enough to bring the question of the purchase before the House as early as possible next week.—Yours faithfully, JAMES GARDINER.

To this the following reply was sent:—

1st August, 1905.

SIR,—Adverting to your letter of the 29th ultimo relating to the Midland Railway and lands, I note the extension of time which has been conceded in order that Parliament may have an opportunity of dealing with this subject. The matter will be introduced in the Legislative Assembly without delay.

That was signed by myself. That places before the House the whole correspondence which has taken place on this subject during the time the present Government has been in office. As I stated earlier, I desire to place both sides of this question before the House as well as I possibly can. And I come now to the fact that it has been frequently alleged in the Press, and I think it has been stated in Parliament, that in the event of land taxation being imposed by Parliament the Midland Railway lands would, under the contract which was entered into before our Constitution Act was passed, be exempt from such taxation. This statement has been repeatedly made in public,

repeatedly made in the Press, and I believe it has been made in Parliament itself. This seems to me rather an important point, bearing not only on legislation that might be introduced for the purpose of imposing a land tax, but it also seems to be of some importance in connection with any negotiations that might be entered upon for the purchase of the Midland Railway. In order, therefore, to know what the real position was, I arranged with the Crown Solicitor to have a case stated and the opinion of Sir Josiah Symon obtained on the subject, because I recognised that not only when this Midland Railway was discussed in Parliament, but likewise when any land tax legislation was brought forward, the question was liable to arise, and that unless we had the opinion of some constitutional authority on the subject it was possible so eminent an authority as my colleague the Minister for Justice (Hon. R. Hastie) might not be listened to with that attention he would deserve on the subject. The Crown Solicitor accordingly stated a case on this point, which concluded:—

Counsel will please advise whether under the provisions of the section of the Western Australian Constitution Act 1890 referred to, or otherwise, the lands of the Midland Railway Company, granted to them under the contract of 27th February, 1886, would be exempt from land tax.

The opinion given, dated June last, runs as follows:—

In my opinion there is nothing in the provisions of the Western Australian Constitution Act 1890, 53 and 54 Vict., ch. 26, Sections 3 and 4, or otherwise, to exempt the Midland Railway Company in respect of the lands granted to them under the contract of 27th February, 1886, from land tax properly imposed by an enactment of the Western Australian Legislature. Neither their contract nor the Constitution Act *per se* confers upon the Midland Railway Company any immunity from land tax in respect of their lands, to which lands held by other people are subject. I can find no contract, promise, or engagement on the part of the State that the Company's lands shall be exempt from land tax.

That is signed "J. H. Symon." Having dealt with the negotiations, and the question of the liability of the lands of this Company to taxation, I wish to mention that, as members will observe from the correspondence, I found when I took office, on referring to the various files of correspondence with regard to the Mid-

land Railway and its lands, that negotiations for purchase had taken place, but I could not find any evidence that the property which it was proposed to purchase had ever been valued; and it seemed to me desirable, therefore, that some endeavour should be made to arrive at a valuation, in order that Parliament might be in a position to deal with the question, knowing the value of the asset which was placed under offer to them. I therefore arranged with the Engineer-in-Chief that he should make a valuation so far as the railway was concerned, and that the manager of the Agricultural Bank (Mr. Paterson), who I believe is one of the most competent land valuers we have connected with the public service here, should make a valuation in regard to the land. This was undertaken early in the present year, and the result of it I have before me. Mr. Paterson reports as follows:—

In accordance with your instructions conveyed in the following letters, I have now the honour to report upon the land included in the Midland Railway's concession, and to hand you subjoined hereto my valuations thereon.

I beg to state that in company with the Surveyor General and Mr. Gardiner—the latter being the representative of the Midland Railway Company—I left Perth on January 19th last, having decided to start the inspection of the lands at Dongarra, and work my way down from the north of the country to be examined to the southernmost point of the Company's concession. The work of inspection entailed some 17 weeks of continuous travelling, the Surveyor General accompanying me throughout. Mr. Gardiner, however, returned to Perth a little in advance of Mr. Johnston and myself. We two returned to the city on May 23rd, having then finished our examination of the Midland Company's lands. The area of country thus covered and traversed to and fro during an exhaustive inspection of all the blocks is about 260 miles long, and extends in breadth to 40 miles each side of the railway. It should be borne in mind that all the lands at present held by the Company under their concession consist of virgin country, no cultivation of the soil having taken place on any of the blocks. In endeavouring, however, to arrive at an accurate appraisement of their varied capabilities, I have carefully noted the results obtained by settlers on properties in these districts, which results I have found on the whole to be satisfactory. My own previous and extensive experience of this portion of the State was also of great assistance to me throughout the whole tour of inspection, and in subsequently preparing my valuation.

Starting from Dongarra, and taking in the contiguous blocks belonging to the Company, containing 224,000 acres, with a frontage to the railway as far as Mingenew, some 24 miles from the starting point, no good agricultural land was seen within the bounds of the concession. Around Mingenew, and from that centre south to Mogumber, a distance of about 150 miles, the best agricultural country belonging to the Company is to be found; and Moora is in my opinion bound to become a flourishing agricultural centre when settlement shall have been more fully developed in the district. Of these blocks I have no hesitation in stating that the qualities of both the agricultural and pastoral areas are generally superior to those of other parts of the South-Western Division. With a rainfall averaging 19 inches per annum at Dongarra, and not less than 15 inches over any portion of the Midland country, magnificent cereal crops are raised in those districts.

If, however, such satisfactory results are to be assured, dependence must be chiefly placed on improved methods of cultivation. It is a recognised precept in agronomic science that to retain the requisite moisture from the rainfall in land inclined to be dry, the soil should be freely disturbed. From fallow to seed-time it should be thoroughly scarified, thus to provide a dust blanket that will prevent the escape of the moisture by evaporation. Again, if proper methods are practised of conserving the rainfall by means of tanks and dams, there need be little fear of serious scarcity of water in any section of the Midland country. In many parts it is procurable at easy depths by digging; and a sufficient supply is assured in most parts on good country by conservation.

The average annual rainfall over the agricultural areas of the Midland country, as shown on the maps of the Crown Lands Department, is from 19½ inches in the north of this section of the State to 16 inches in the southern portions. I would emphasise the point that whereas the first-class grain-bearing land about Northam, some of which is included in the Company's concession, has an average rainfall of only 16 inches per annum, the northern blocks of the Midland district enjoy an average fall of 19 inches.

As already stated above, there is no good agricultural land within the Company's blocks at the northern extremity of their concession, in the vicinity of the Irwin River, the best cultivable areas here having been sold to various selectors by the Government previous to entering into the land-grant arrangement with the Company.

The middle portion of the concession—that is from Mingenew to Mogumber—contains practically all the really good cultivable areas held by the Company; and from Mogumber south the country is poor and patchy, in fact, almost entirely unsuitable for any kind of cultivation, and only capable of carrying small timber. Whereas some of the sandy country comprised in the northernmost blocks, where it happens to fringe agricultural areas,

would be suitable for stock-feeding, very little of the southern portions of the concession is useful for any farming purposes.

Up to this point in the report I have dealt principally with the agricultural areas comprised within the Midland Company's concession. I have now to speak of the second-class land, that suitable for grazing. In a general way, the Company's land from north to south may be safely described as suitable for stock-raising, the properties of the soil being especially favourable to the production of succulent natural grasses. Before, however, the land can be fully stocked, it needs to be cleared of poison weed, which noxious plant pervades the whole of the country, though only in small quantities.

As may be seen by reference to the 21 maps prepared by the Surveyor General in connection with this report, the two classes of serviceable land—the agricultural and the pastoral—are so intermixed, running so much into one another, that it has been no easy task to classify them separately; and even as the classification now stands, certain of these areas, coloured respectively red and blue on the maps, may be regarded as having much the same qualities of soil. It has been impossible to draw a line of sharp division between them. But in reference to the large blocks classed as inferior and useless land, coloured yellow on the maps, amounting in all to nearly one and a-half million acres, I regret to say there can be no doubt at all as to their general unsuitableness for productive purposes, though portion on the fringe of agricultural areas, as in the case of some of the northernmost blocks above-mentioned, will be used for grazing.

This summary of classification, for which the Surveyor General has supplied the quantities, and details of which will be found in the schedule subjoined, is as follows:—

Good agricultural land, coloured red on maps, 419,107 acres; pastoral lands, coloured blue on maps, 391,216 acres; sandplain, poor and useless lands, coloured yellow, 1,495,663 acres. Total, 2,305,986 acres.

It will be found that my valuation, also shown in detail in the subjoined schedule, in the case of the first and second classes of lands generally exceeds the fixed prices at which these classes are sold by the Government throughout the State. For the purposes of comparison, I have the honour also to furnish herewith a schedule of quantities showing the Government classification and the prices at which the State lands are disposed of. My aim has been to give as clearly as possible the actual cash value to the State of each of the Midland Company's blocks, as the State ultimately will have to dispose of the land in sections to settlers. It follows that if my valuations are accepted, and if the land revenue is to be duly benefited, it will be necessary for the Government, after having acquired these lands from the Midland Company, to adopt a special scale of prices in disposing of them to purchasers.

The total amount of my valuation, as will be seen from the schedule annexed, is £578,986 13s.

The report goes on to express appreciation of the work done by the Surveyor General, and the courtesy of the Midland Railway Company's officials. This it is not necessary to read to the House. There is a supplementary report on the capabilities of the country, regarded with a view to probable settlement. This reads as follows:—

In estimating the productive capabilities of the lands at present entirely unoccupied, it is advisable to take into consideration the results which have so far attended settlement in similar localities elsewhere, in the South-Western Division, bearing in mind, however, that, as stated in the principal report, the agricultural land in the Midland districts is of a generally superior quality to that of any other considerable portion of the State. What, therefore, has been achieved in the way of settlement on the land in other parts served by trunk railways may be fairly expected to be equalled if not surpassed in connection with the Midland lands when the Company's land has been acquired by the Government, and the promotion of settlement thereon has been taken seriously and earnestly in hand.

The acquisition of the Great Southern Railway and contiguous grants of land by the Government from a private company forms a parallel to the proposed purchase of the Midland line and lands, from which a fair comparison may be drawn.

As is well known, the progress of settlement in the cultivable country along the Great Southern route, and even to considerable distances back from the railway, since the Government obtained possession, has been the principal feature of late in the development of the State. A few figures in relation to applications received by the Lands Department for selections in the main agricultural districts served by the Great Southern Railway will at once show what a rush for holdings in these parts followed, as a consequence upon the land being thrown open for selection under State ownership, and at what a high level the demand is being still sustained. Take Beverley and Katanning, for instance. In the Beverley district, which occupies the proud position of having returned the premier wheat yield for 1903 and 1904, no fewer than 1,125 applications for altogether 247,605 acres, were received in 1903, and 724 applications for 204,210 acres in 1904, as against only 20,518 acres applied for in 1901 and 42,177 acres in 1902. As the first rush subsides, and the best blocks and those nearest the railway become occupied, the number of applications naturally declines; but the number received last year, given above, and the agitation for cockspur railways to give access to the blocks lying back from the line, are both sufficient evidence that the demand for the Great Southern lands

shows no real abatement, and is not likely to do so for a long time to come.

In the Katanning district, which now includes the sub-districts of Wagin and Narrogin, the occupation of cultivable land is proceeding on an even larger scale. During 1903 the Lands Department received no less than 3,230 applications for altogether 749,146 acres; and, despite the huge area in the previous year, the figures for 1904 reached the large total of 2,447 applications for 603,030 acres. The increase in the demand over 1902, when 1,376 applications were received for 331,461 acres, is apparent at a glance. Of this district (Katanning) the officer in charge of the Government lands business there states, as published in the departmental report for 1903: "The number of farmers who have settled in these districts during the year, all of whom can be termed progressive men, is almost astounding;" and the great progress these new settlers have made in improving their holdings during the same period is referred to in similarly comprehensive terms. The same officer's report for 1904 contains the following passages: "Increase of population has been most marked;" and "steady increases of area under crop." The smaller agricultural localities in the Great Southern country show similar satisfactory progressive results; and it is undeniable that settlement is proceeding in these parts in a fashion that more than justifies the policy of the Government in reassuming ownership of the Great Southern Railway and lands.

Having thus drawn what I think is a fair inference from the successful progress of settlement in the Great Southern districts of what may be expected from the proposed acquisition of the Midland lands, I come now to the direct consideration of the capabilities of the latter, regarded with a view to profitable occupation, if acquired by the Government and thrown open for selection. Although some of the small selectors on the Great Southern lands do very well with mixed farming in specially favoured spots, I am strongly of opinion that for successful cultural operations throughout the Midland districts, at least north of Gingin, a holding should comprise not less than 3,000 acres, composed of 500 acres or thereabouts of first-class agricultural land, 700 acres of good grazing country, and the balance of third-class land, the last consisting mostly of sand-plain, which will carry stock for only a few months in the year. In certain localities south of Gingin, which are blessed with garden soil and have the further great advantage of being within easy distance of settled and prosperous centres, such as Perth, Guildford, and Midland Junction, small areas of from 10 to 30 acres will give a sufficient return to the farmer who practises intense culture. But the quantity of this specially reproductive land in proportion to the whole area of the Midland Company's concession is but small. A large number of farmers, however, could be settled on these small areas; whereas north of Gingin no land

of this special quality is to be found on the Company's property.

Although, as I have just said, holdings in the Great Southern districts of less area than I maintain to be necessary for successful farming in the Midland country generally, i.e. 3,000 acres, at present prices of produce appear to be giving profitable returns, my intimate acquaintance with the conditions under which the southern (as well as the eastern) farmers are prosecuting their operations impels me to state that these small holders, taken as a body, will soon find it imperative to increase their holdings. It would, therefore, be wise in endeavouring to arrive at an approximate computation of the number of settlers the Midland lands will carry, not to calculate upon holdings of an average of less than 3,000 acres each. In forming this estimate of the quantity of land for a permanently successful farm, I am duly aware that it would work out to a lesser number of prospective holdings than may be generally anticipated; but I must point out that it would be far better both to the State and the individual that, say, 1,000 prosperous tillers of the soil should be permanently settled on these lands than that there should be double that number eking out a precarious or debt-laden existence in these districts, unable to develop their holdings and become contributors to the general welfare of the State.

Herein lies the crux of the whole matter, but the problem will probably work itself out in the same way that I anticipated will be the case with the lands taken up along the Great Southern Railway. At first areas smaller than I consider necessary for profitable farming will, as in the Great Southern lands, be taken up; and then as the settlers find their holdings too restricted, these will gradually become merged into one another. The financially strong man will buy his weaker neighbour out, especially at times when produce is low; and the result will eventually be the same as if larger selections had been originally taken up.

The advantage to the revenue from the railway, should the Midland line become State property, of the land being taken up in small holdings, is that traffic returns will be more quickly obtained in consequence of the more rapid development possible on small holdings. But with a fall of prices this initial advantage vanishes; because the small selector, unable to keep pace with his neighbour holding larger areas, will find himself compelled to sell out and seek fresh woods and pastures new. This has been the common experience in other Australian States. In my capacity as manager of the Agricultural Bank I am continually being told by new settlers on our State lands who have come from other parts of the Commonwealth that the too restrictive area of their holdings in those parts was the reason for their failure there. Regarding the question, however, solely from the point of view of the extent of occupied land and relation to the fate of the individual selector, or to the number of settlers (if such important consideration



may be overlooked), the situation would, as I have said, eventually right itself. The larger or stronger holder, having acquired the smaller man's land, would naturally develop the whole of his area to the utmost of its productive capabilities, and the railway returns for carriage to the market would suffer no permanent diminution. I am only pointing out what I am sure will happen if, in the first instance, the new lands are allowed to be taken up in holdings too small to allow a margin of profit being obtained in good times to set against the inevitable recurring day of low prices and poor crops.

Regarding the pastoral possibilities of the whole of the Midland Company's concession, I estimate that these lands would carry a total of 450,000 sheep, and big stock may be calculated on the basis of one bullock to eight sheep. But it must be borne in mind that the country is adapted for mixed farming rather than for stock-raising exclusively.

In conclusion, it is hardly necessary for me to point out that, in estimating the advantages to the State of the occupation and due usage of these large blocks of land now lying idle, not merely the actual settlers on the soil should be taken into consideration, but also the larger augmentation of the industrial population to be expected to follow upon the successful inauguration of agricultural settlement. On the heels of the farmer will come the blacksmith, the wheelwright, the saddler, the storekeeper, and other tradesmen of all sorts, while both the merchant and the manufacturer in the great centres will reap benefit from the new development. Settlers will spring up, and will rapidly become large and prosperous, as has been the case in the Great Southern country. The following quotation from a leading article —

I will not read the leading article. The report concludes:—

Trusting that this supplementary report will be found to contain information sufficient to enable the capabilities of the Midland lands in connection with the question of probable settlement to be gauged with a fair amount of accuracy, I have the honour, etc.,

W. PATERSON,

Manager of the Agricultural Bank.

MR. MORAN: Hear, hear. A very good case.

THE PREMIER: Accompanying these are the detailed valuations of the land. Agricultural land, 419,107 acres valued at £371,814 2s.; good and medium grazing land, 391,216 acres valued at £194,697 11s.; sandplain and scrub and inferior grazing land, 1,495,663 acres valued at £112,475; making a total valuation of £678,986 13s. In addition to that there are lands at Moora townsite valued at £1,500. The original offer made to the Government was to sell two

million odd acres for one and a-half million pounds. Subsequently, as members will be aware from the correspondence, it was ascertained that a certain area of land amounting to 50,346 acres should have been included in the offer made; and when the Government had been unable to agree to the proposals submitted, attention was drawn to the fact that this 50,346 acres should have been included. This land was therefore not valued in the first instance by Mr. Paterson. Subsequently I requested him to make a valuation of this additional area, and I received the following report, dated 11th July:—

In accordance with your verbal instructions, I now have the honour to hand you my valuation of the 50,346 acres of land sold by the Midland Company under special agreement to various purchasers. The bulk of the selection is in the Irwin district, and located within easy working distance of Mingenew; consequently, of extra good value, and is some of the best land in the concession. Most of the selections are choice pieces of country and have been well and carefully chosen; so much so, that in many cases the lands adjoining have been materially lessened in value, and most certainly ought to have been sold with these better lands. My valuation is for the whole area, which I think is a fair estimate of land of such good quality. The valuation for the 50,346 acres is £88,450.

In addition to that there is a small area of land at Midland Junction. [MR. BURGESS: That is worth something.] On this land the existing workshops and running sheds of the Midland Railway Company stand. This was valued by Mr. Stronach, the Under Secretary for Works, who writes as follows:—

In response to your verbal instructions, I have made a valuation of the land occupied by the Midland Railway Company's workshops. It contains, roughly, 22 acres. Of this, 12 acres are used solely for railway purposes, and as such, I take it, is not available for subdivision. The balance can be subdivided as suggested.

I value the 12 acres as occupied for railway purposes at £400 per acre ... ..	£4,800
And the balance, 10 acres, available for subdivision at £800 per acre ... ..	£8,000
(This includes lands occupied by proposed roads.)	
The total valuation as occupied at present is ... ..	£12,800

The Hon. the Premier has asked me to make an alternative valuation, supposing that the 12 acres now used for railway purposes were

available for subdivision, and my estimate is as before, viz. —

Ten acres at £800	...	...	£8,000
Six acres on the main road at £800	...	...	£4,800
And six acres at £400	...	...	£2,400

The latter six acres will require a good deal of costly filling in before it can be available for subdivision, so the valuation remains the same as if it was used for railway purposes. This would make the total valuation, if the whole land was available for subdivision, £15,200.

In making these valuations I have treated the purchase as a cash one, and in allocating the saleable price of the land have also treated that as if the land was put up for auction at once and a full cash price without terms was demanded.

As instructed, I have made no valuation of the buildings.

The valuation made by the Engineer-in-Chief is as follows:—

The length of the railway is 277 miles. The estimated cost to construct the line at the present time is £600,000.

Assume that the line will be constructed from both ends, that it takes three years to construct, and that it pays interest and working expenses in 10 years from commencement of operations. (In the case of the Transcontinental Railway it was estimated by the conference of engineers that in ten years the line would pay interest and working expenses on the capital cost.) Farther assume that £400,000 is borrowed to commence with, £200,000 two years later at 3½ per cent., then the interest charges would be as follow:—

£400,000 at 3½ per cent. for 10 years	...	...	£140,000
£200,000 at 3½ per cent. for 10 years	...	...	56,000
			£196,000
To construction of line	...	...	£600,000
To interest charges in 10 years	...	...	£196,000

Total cost until the line pays £796,000

On this the line would have to return a net profit of £27,860, or at the rate of 4·64 per cent. on the original capital cost.

Under present circumstances, the following is a fair statement of the case from our point of view:—

The present estimated value of the line	...	...	£450,000
Interest on estimated original capital to construct line for a period of 10 years	...	...	196,000
			£646,000
Less amount required to put line in order	...	...	50,000
			£596,000
Estimated present value of the line to the Government	...	...	£596,000

On this the line would have to return a profit of £20,860 to equal 3½ per cent. on purchase.

MR. MORAN: Not 4 per cent.?

THE PREMIER: These are the figures of the Engineer-in-Chief. There are with this a few notes as follow:—

(a) If the line was only constructed to Walkaway and there stopped, the value would be less than it is at present owing to its being a through line now. A very small proportion of traffic would go through to Walkaway if it was a terminus, whereas by being a through line a large traffic goes through both ways owing to two large centres being joined by the construction by the Government of the line between Geraldton and the Murchison via Walkaway.

(b) A subsidy is allowed to a line of steamers between Fremantle and Geraldton at the present time, and if the line was taken over and the subsidy stopped, it would tend to increase the profits to the line, and save the subsidy, and therefore allow of a somewhat larger price being paid for the line.

(c) The working expenses are not taken into account, as it is assumed the line pays in ten years. If the first half of the time is worked at a loss it would be covered by the gain on the second half of the time, the traffic increasing owing to the land being settled on, etc.

(d) In the purchase of any "going concern" there is always an item for the "goodwill" to cover all trade connections, etc. That being so, the company may say, as it will take £600,000 to construct the line now at the present time, they will want £196,000 interest arrived at previously, added on to the cost to construct by way of "goodwill" for selling a payable business, which will give £796,000, or say £800,000.

(e) The traffic could be worked much better from Geraldton and Perth if the line were taken over: rolling-stock requiring a general overhaul could then be worked down to Midland Junction without much trouble. These items should tend to reduce working expenses.

At 6·30, the SPEAKER left the Chair.

At 7·30, Chair resumed.

THE PREMIER (continuing): When the Speaker left the Chair I had just been dealing with the value put upon the railway by the Engineer-in-Chief, but I wish for a moment to revert to the valuation made by Mr. Paterson. When that officer was instructed to visit the Midland lands, I directed that he should not only place what appeared to be a fair sale value on the land, but that he should also furnish at the same time an estimate or classification in accordance with the conditions under which land was sold by the Government; and I desire before pro-

ceeding to state that the valuation agreeing with the three classes of land sold by the Government is as follows :—

First-class land, 419,107	£	s.	d.
acres at 10s. per acre ...	209,553	10	0
Second-class land, 391,216			
acres at 6s. 3d. per acre...	122,255	0	0
Third-class land, 535,294			
acres at 3s. 9d. per acre...	100,367	12	6

Making a total valuation of £432,176 2 6

This would be the valuation, according to the values at which land is commonly sold by the Government. In this connection, however, it should be borne in mind that a great deal of the third-class land sold here is sold at a higher price than 3s. 9d., which after all represents the minimum at which the third-class land is parted with. I had just stated the valuation placed on the railway by Mr. Thompson. We have then 2,300,000 acres, approximately, of land valued at £678,986, certain town lands at Moora valued at £1,500; 50,346 acres of land valued at £88,450; town lands at Midland Junction valued at £15,200—I take the maximum value on the assumption that if the Government purchased the railway it would not be necessary to maintain two Government workshops, therefore the land belonging to the Midland Company at Midland Junction would be available for subdivision and sale—and the railway, at the estimate of the Engineer-in-Chief, representing £596,000, which gives altogether £1,329,936. In addition there is the land on which the railway stands with the land on which the station buildings and so on are placed, which has not been taken into account, and which I think might fairly be estimated at about £20,000. Taking it at that estimate, which is my own and therefore not necessarily accurate, it would make for the whole concession as offered to the Government a value of £1,349,936; but then, as pointed out by the Engineer-in-Chief, the question of goodwill comes in.

MR. MORAN: How much for the bad will? It would take a quarter of a million to square that.

THE PREMIER: The hon. member will understand that in dealing with the figures I have already quoted, the Engineer-in-Chief in valuing the railway took into consideration depreciation, and

did not value it as if it had been laid down in the immediate past. In considering the question of goodwill we find the average profits of the railway for 1902, 1903, and 1904 amounted to £37,143, representing at 3 per cent. interest a capital of £1,238,105, or at 3½ per cent. a capital of £1,061,232, or at 4 per cent. a capital of £928,578; but the profit for the last three years was smaller than the profit for the two preceding years, owing, it is stated, to the competition of the subsidised steamer. Taking the profit for the year ending 31st December, 1904, which amounted to £30,327, we find this represents at 3 per cent. interest a capital of £1,109,000, at 3½ per cent. interest a capital of £866,485, or at 4 per cent. interest a capital of £758,175.

MR. THOMAS: What was the cost per train mile?

THE PREMIER: I am just now dealing with the profits as shown on the balance-sheet that has been published. I will give the hon. member some figures touching on that point in a moment. It might be fairly argued that in considering profit on this line we should likewise take into consideration the fact that if it were a Government line we would be saving the subsidy paid to the steamboat trading between Fremantle and Geraldton. We might therefore add on the subsidy paid for the last year to last year's profits, because it would be a saving made if the line were taken over by the Government apart from any increase of profit.

HON. F. H. PRESSE: Is it terminable at any time?

THE PREMIER: Three years, half of which has expired, speaking approximately. Taking the subsidy at £5,000 we have a profit for the year ending 31st December, 1904, of £30,327, plus subsidy £5,000, making a total of £35,327, which would pay at 3 per cent. interest on a capital of £1,177,566, at 3½ per cent. interest on a capital of £1,009,042, or at 4 per cent. interest on a capital of £883,175. That subsidy is really £5,500; so these figures are slightly underestimated. The cost for the year ending 31st December, 1904, amounted to £37,955, that was at 39-007d. per train mile, the cost at which the Midland Railway Company carried on their line. This is against the cost to the Government of 61-62d. per train mile.

The cost to the Government on the basis of 61·62d. per train mile would have been £59,957. The Midland Company's revenue was £68,282, and the Government cost of £59,957 would leave a balance to credit of £8,325 on the year's working, as against a profit earned by the Midland Company of £30,327 5s. 2d. I am assuming that if this line were taken over by the Government it would be regarded as wise by Parliament that it should be run under a management separate from that of the other Government railways, until the capital cost incurred in its purchase had been wiped out. I am assuming right through that it would be desirable that the Government, if it took over the railway and lands, should treat the lands under the Lands Repurchase Act, and sell them at such a price as to return the original cost plus the interest in consequence of their purchase; and in the same way should earmark any profits earned by the railway for the purpose of paying off the cost incurred by the purchase of the line. And with this object it should remain under separate management and be run to a large extent under the same conditions as at present prevail, until that object had been achieved.

MR. THOMAS: Do you consider those conditions better or worse?

THE PREMIER: I am not prepared to go into that subject at present.

MR. THOMAS: Presumably better.

THE PREMIER: There will be opportunities of discussing that aspect of the question, later on. In regard to the lands, the question arises as to the degree to which they are likely to be taken up if they are acquired by the Government. At present it would be a distinct disadvantage to the State to have the land belonging to the Midland Railway Company closely settled; for this reason, that every additional settler means a profit to the railway, and means therefore, if the State ever acquires it, an added price. I take it for granted that every member of this House recognises that at some period of our history this State will insist upon acquiring that railway; and therefore it is desirable the value should not be enormously increased before the property is taken over by the State. There is reason to believe that, if we are to accept the

opinion of a former Agent General, the line could have been purchased for £1,100,000 a few years ago. There can be no reason whatever to suppose that at the present day it could be purchased for anything like that price. Every increase of settlement and every increase of prosperity on our Murchison Goldfield, the growth of any part of that enormous mining field, means an increase of revenue, an increase of profit to the Midland Railway Company, and an increase of corresponding value to the railway itself; therefore it is a distinct disadvantage to us that these lands should become settled before they become State property. There is this farther consideration, that a Company with its headquarters in Great Britain is not well qualified to utilise lands, to cut them up and dispose of them to the best advantage. We have indications of this in many of the sales which have already taken place. We find that in regard to many of these sales the eyes have been picked out of the land, and the estate has not been dealt with as a whole in the wisest manner. It has not been dealt with at all in the manner the Government would deal with it, with the object of utilising all classes of land to the best advantage. The object has been rather, as far as one can judge, to obtain in the immediate present as large a sum as possible by parting with land on the best terms that could be made at the moment. According to the estimate of one of our officers, I understand there is every likelihood we could dispose of the whole of this estate and have it all settled within a term of three years, if it were in the hands of the Government.

MR. THOMAS: At what cost?

THE PREMIER: It appears that has been put forward in the valuations I have submitted.

MR. THOMAS: What would it cost us to get rid of it?

THE PREMIER: The hon. member will be with me, probably, when I urge that if this land is purchased it should be treated as repurchased estate, and the land should be made to bear its own burden. With that condition, it is estimated that within three years the bulk of the land would be taken up and settled. In confirmation of this I find that since October last there have been applications lodged with the Midland Company for

210,000 acres; and I find likewise that the Lands Department has had many written inquiries from persons desiring to obtain land in that vicinity, many written applications.

MR. HOLMAN: Were they *bona fide*?

THE PREMIER: The hon. member knows I cannot make any assertion about individual applications.

MR. HOLMAN: They are only since last October.

THE PREMIER: I am trying to place the House in possession of facts before me. A great many applications have been made within the last nine months to the Lands Department; and every officer of that department brought into contact with the public reports that he has had a great number of verbal inquiries by persons anxious to obtain land to settle on in that vicinity. I may add that we are in this position: we must either obtain a railway that serves land already available for settlement, or we must build railways in the immediate future. [MR. THOMAS: Hear, hear.] I hope it will be necessary very soon to do both. [MR. THOMAS: We will build other railways first.] But members will have to consider that, no matter how promising a district which may be served by a new railway may be, every new railway is at the outset a non-paying proposition; it is for three or four years, at all events, a non-paying proposition, especially a purely agricultural railway; whereas here we have a railway already built, already equipped, already worked and already earning profit; and I therefore say that, if it be desirable to utilise our agricultural resources to the best advantage, we can do so with more profit by acquiring a line serving a large amount of fertile land and already profit-earning, than by building new lines which must necessarily be a source of expense for some years to come. [MR. THOMAS: Are you afraid of this railway running away?] The only question—and it is a legitimate one—is the question of value, and I wish the House, as I stated earlier, to consider that I have tried, when dealing with this question, to deal with it as a business proposition. I have endeavoured not to pose as one trying to press the House in any given direction. I am trying to put forward, not one view only, but both sides of the question. I hope members

will endeavour to look at the matter all round, and will endeavour in the interests of the country to come to a wise decision on this subject.

MR. MORAN: We must look to the Government. You either believe in it or you do not.

THE PREMIER: I wish to draw the attention of the House to the fact that in reply to representations made to the Agent General, I have received advice against the purchase of this railway from that officer, and I am laying on the table of the House to-night the whole of the correspondence that has taken place between the Agent General and the Government dealing with this subject. I do not intend to weary the House by going through the whole of the correspondence, but I will read one cable which will amply indicate the views put forward by the Agent General.

MR. BURGESS: I suppose we shall be able to see all these papers?

THE PREMIER: I will lay them all on the table. This is a cable which fully puts forward the view expressed by the Agent General. It is dated the 28th June:—

In reply to your telegram of to-day's date, Midland: I am of opinion that £1,500,000 too much, because we are only purchasers, and the Company anxious to sell. Taxation of roads and threatened land tax, together with present redemption (under) obligations. Company strongly affected by latter pressure; will be soon increased. Moreover, I do not believe that sufficient money can be obtained for colonisation scheme by the Company, whose only object is to sell to Government of Western Australia. Company's 6 per cent. debentures quoted 40, 45; and this price indicates financial opinion. Farther, our 4 per cent. inscribed stock more than par, and to issue such to Company I am of opinion that would be excessive. I am satisfied that Company do not expect price named, which is greatly in excess of value of concession to them. I am of opinion that you should offer £1,100,000 cash—[MR. THOMAS: Hear, hear?—payable within nine months, and at all events not more than £1,250,000 should be paid by the Government of Western Australia. I have strong reason for stating that when last negotiating (negotiations) £1,150,000 or £1,200,000 would have been accepted by Company, and some persons still interested in and anxious to receive cash payment and close transaction. Present offer I am of opinion more than expected, and have no hesitation in advising you refuse, leaving question in abeyance for subsequent negotiation.

There are several other communications,

but it is not necessary for me to go through more. They are all of the same tenor, and I shall lay them on the table for the information of members. I desire to point out, in concluding my remarks, that the position the Government were in in this matter was that it had either to keep this transaction open for the consideration of Parliament by taking the action it has done, or it had to take the responsibility either of rejecting the offer on the one hand or concluding a bargain on the other. It seemed to the Government undesirable to take either of these alternatives. It seemed to us highly desirable that the representatives of the people in this Parliament should have an opportunity of fully discussing this question, and of expressing their will upon it. With that object, when we had failed to secure an open option, which would have been preferable to us, we did our best to afford an opportunity to Parliament of discussing the question in the only way in which that could be secured.

#### POINT OF ORDER, PROCEDURE.

**MR. C. J. MORAN (West Perth):** Mr. Speaker, I rise to bring under your notice that in my opinion this motion is entirely out of order, and cannot be farther proceeded with. Indeed, except for giving the Premier an opportunity of putting his case before the House and affording some valuable information, it was my intention to rise to a point of order before he started at all. I submit that the motion is flagrantly opposed to the rules of this House, and to all constitutional procedure, and is entirely out of order.

**MR. SPEAKER:** Will the hon. member give reasons for his contention?

**MR. MORAN:** If permitted, I shall have much pleasure in giving them. The procedure in this Parliament, certainly as long as I have been in it, and I think in every British Parliament when dealing with motions committing the country to a direct and specific expenditure, is universal, very clear, and never varied. The procedure is that a motion which if passed would commit the country to a specific expenditure must be introduced by a Message from the Governor, and such motion is moved by one of his Ministers for the approval of the House.

There is no other procedure that I know of. Even in an ordinary motion for Supply, we first discuss the Message, afterwards go into Committee, and then have the Estimates. There is no varying this rule. We have had in the past rulings under this head by our late respected Speaker, Sir James Lee Steere, dealing with that form of notice of motion which expresses a sort of pious opinion of the House that a certain line of action is desirable in the interests of the country. It is in every case clearly laid down that such a motion never commits the country to any specific expenditure, nor can it be taken as a direction to the Government to at once succeed such motion by a Message from His Excellency recommending the appropriation of a specific sum. It is never taken, even indirectly, as a direction to the Government of the day to follow it up by a Message from the Governor. I will quote some of those general motions by which this procedure has been always upheld in the Parliament of this State. The first is a motion by myself in 1894, in moving which I learned by practical experience how impossible it was by a general motion to commit the House to a specific expenditure of money. There is no better method of learning the rules of the House than by breaking them, as I consistently did in my earlier years. In 1894 I made a motion in connection with the Yilgarn Goldfield—

That with a view to encourage the procuring of water on our goldfields by private enterprise, the following regulations should be adopted.

The motion embodied a long list of regulations governing deep boring in connection with water rights; and I suggested that the Government would be wise to allow a certain subsidy in connection with some of these water rights and this boring. Of course, that in directly, and very indirectly as will be seen in comparison with a motion in the direct terms of that now before the House, asked the House to advise the Government by resolution that a certain policy would be in the interests of the country; and had the motion been passed we should have expected the Government to proceed to make some monetary allowance for carrying out those regulations. The Speaker allowed

me to finish my speech; and he then said:—

I did not like to interrupt the hon. member's speech; but I wish now to give a ruling on the motion. These regulations brought forward by the hon. member for Yilgarn deal with the expenditure of public money; and as there has been no Message from the Governor asking the House to make an appropriation for this purpose, it is not in order for this debate to be continued any longer. Therefore I must rule that the debate is out of order.

I then said I was not aware of the procedure of the House, and that I rather blamed the Government for not having drawn my attention to the fact that the motion would be out of order, seeing that the motion had been on the Notice Paper for several days. The Speaker went on to say: "It is not the fault of the Government. Probably they overlooked the motion." And Sir John Forrest said: "That aspect of the question did not occur to me until I heard the hon. member speaking; and I should have brought it under his attention otherwise." He said also that the Speaker's ruling was correct, but that I had served a good purpose by bringing before the House the matter of deep boring. But the debate was ruled out of order at once, and could not proceed. In 1895 there was brought before the Assembly the petition of a Mr. John Maher, a contractor, in which the petitioner humbly sought the House to recognise that an injustice had been done him. It was not suggested that he should get a grant of money, but the petition was naturally interpreted to mean something of that sort; and the Speaker ruled as follows:—

The petition is most distinctly not in order; for the simple reason that the only redress the petitioner prayed for would be the granting of some monetary compensation. I can see no other form of redress he could have. I am decidedly of opinion that the petition cannot be received by this House, only as a recommendation to the Governor. It would have to be brought before the House in the same way as any ordinary vote. The hon. member cannot be in order in speaking on the petition now. It appears to me all the petitioner can be seeking for is a monetary compensation. That is all that he can be wanting. This may be an attempt to obtain a monetary compensation by a side-wind.

So the Speaker interpreted a petition mentioning no specific sum of money, but asking the House simply to affirm that Mr. Maher had been the object of

some persecution, and indirectly seeking from the House an acknowledgment that some compensation was necessary. Even in that form, in order that it might not commit the House or the country to any expenditure, the Speaker distinctly ruled the motion out of order, because it sought to gain a sum of money for the petitioner otherwise than through the direct channel, a Message from His Excellency. I come to the year 1900, when a motion was submitted by the late Mr. Vosper, and spoken to by the then member for North Coolgardie (Mr. Gregory). In this case also the Speaker allowed Mr. Gregory, who was the principal supporter of the motion, to finish his speech before ruling. The motion was as follows:—

That it is desirable that provision be made on the Estimates for a vote for the encouragement of prospecting.

This was a general resolution seeking from the House concurrence in the mover's opinion that the Government should recognise the advisableness of subsidising prospecting in some shape or form on the Estimates. Mr. Gregory spoke to that motion, and finished; and the Speaker gave the following ruling:—

The Speaker expressed regret that he had overlooked the wording of this motion, or he could not have allowed it to be moved in its present form; because it proposed a direct sum to be placed on the Estimates, and it was not in the power of any private member to bring forward such a motion as that.

MR. HOPKINS: What is the distinction between a private member and a Minister?

MR. MORAN: The Governor always sends a Message to the House through one of his own Ministers. There have been cases of a private member commissioned by the King to propose an expenditure of money to the House of Commons; but such have been extraordinary cases, when the Ministry was, for the time being, in some way incapacitated. But take the motion now before us. I appeal to old members to support me on this occasion. I am offering no opinion at all on the Midland Railway purchase. But in all my experience in this House I have never seen a motion which so flagrantly violates the constitutional practice in dealing with the expenditure of money. What is it? It is not that this House is of opinion that the purchase of the Midland Railway would be advisable in the interests of the

State. There is no opinion expressed here at all. The motion reads: "This House approves of the purchase by the Government." It is a direct motion, imposing on the Government the duty of expending one and a-half millions of the people's money. It is farther aggravated by the fact that the specific sum of money is mentioned, namely £1,500,000. This House is to approve of an expenditure of that sum by its own motion. It is utterly impossible, unless we violate for the first time, and in a matter of the greatest gravity—the biggest matter ever brought before Parliament—that long-standing rule, the very foundation of our financial procedure, that such proposals shall only be dealt with on a Message from His Excellency the Governor, proposing an appropriation for a particular purpose. Had this been a general motion, expressing the opinion of the House that it was desirable that the Government should acquire the lands and railway of the Midland Company for the purpose of settlement, or for some other purpose, in my opinion that general motion would have been acceptable to the House; but to say that this House approves of an expenditure of one and a-half millions now is utterly wrong, highly dangerous, and I do not know where it will end. Let me put this suppositious case. Suppose this motion is passed—for I must assume that any Government moving a motion of such gravity means to carry it—surely we have not forgotten all the principles of responsible government. A member says the Government has no chance of carrying it. If it has no chance, and if the House refuses to carry it, that will be rather a reflection on the wisdom of the Government. If Ministers think the country should buy this railway, and the House thinks otherwise, I should say the House has not too great confidence in the present Administration. I do not know whether the decision would be taken in that way; but I know it would have been so taken in the old days. Suppose this motion passes. As the House is now constituted, I hold that at any moment a Ministerial change may take place. Suppose that after this motion were passed the present Government found they could not carry on, and another Government took office, I hold that with

such a resolution of the people's House in the hands of the Government, Ministers would be justified, if a chance came to buy the property for a million pounds, in paying a deposit on it. What Cabinet would hesitate, if it had the chance to pay a deposit on it?

MR. HOPKINS: The Government would not hesitate to pay 1½ millions, if the motion were passed.

MR. MORAN: But I am putting it in a light which must impress members. The Government would be authorised to pay 1½ millions. A responsible Government would then come down to the House in the usual way, with a Bill for putting through the machinery clauses embodying the will of the House already expressed. But suppose the Government got a chance of buying the Midland property for a million, which is probably about the value of it, this motion, if passed, would then commit the country to an expenditure of a million. That is a matter of great gravity. I have been ruled out of order in the past for proposing indirectly an expenditure of a few hundred pounds. No motion that I have ever known to come before this Chamber was couched in such direct and specific language, committing this House to expenditure. I am raising this point simply because I see the gravity of the position. If the motion can be passed, it is within the power of any member in this House to propose an expenditure for his own district on a railway costing £10,000, or any other public work costing £20,000 or £25,000; and I say the responsibility will then be gone from the Executive of this country, who advise His Excellency what taxation should be proposed. I submit the point to the House, and, independently of my own feelings about this railway, I appeal to all the old members of the House who know the procedure and who ought to know what the Constitution is on this matter (because it is the a-b-c of it) to support me in submitting to your judgment, Mr. Speaker, that this motion is entirely out of order, cannot be farther discussed, and must be ruled out of order. I maintain that in its present language it cannot be spoken to any farther, and I ask you so to rule.



**THE PREMIER:** I venture to submit that the hon. member's point of order is not altogether correct. This is not a motion that proposes to appropriate any money whatever. It is in fact merely an expression of opinion from the House that is proposed in the motion; and, assuming the motion to be carried, it then becomes necessary for the Government, before any money can be appropriated—

**MR. MORAN:** In every one of these cases it was the same.

**THE PREMIER:** Of course I am not prepared to justify any rulings given here in the past; but before any action can be taken on this motion it is necessary that the Government, if it be directed to carry out the terms of this motion, shall bring down a Bill for that purpose, and the Bill would necessarily be preceded by a Message from his Excellency the Governor. Now, if the contention of the member for West Perth be correct, it would be necessary for us to have two Messages from his Excellency the Governor relating to precisely the same expenditure, one Message when we bring down the motion and another Message when we introduce the Bill. In other words, in order that we may appropriate a sum of £1,500,000, it would be necessary for his Excellency the Governor to advise us to appropriate a sum of £3,000,000. Any Bill appropriating money, such as a Railway Bill like this, would necessarily not be entertained by Mr. Speaker unless accompanied by a Message from his Excellency the Governor. I respectfully submit, therefore, that the proper time to receive a Message from his Excellency the Governor on this subject is at the time the Bill is introduced which proposes to make a distinct appropriation of moneys for the purposes of this purchase.

**MR. C. H. RASON (Guildford):** As the member for West Perth appealed to the old members of this House, and as I happen to be one of the oldest members here, I am bound to say that in my opinion, subject to your ruling, Mr. Speaker, that there is a great deal in what the member for West Perth has said. I confess—and perhaps I am to blame in this respect—that the point he has raised did not occur to me before; but it does seem to me that, in the circumstances of the case which are common knowledge to us all,

the passing of this motion means something more than the mere adoption of an expression in general terms. We know that the Government have purchased the railway subject to the approval of Parliament. Now the approval of Parliament is sought in this motion. Therefore, if that approval be given by passing this motion, an expenditure of £1,500,000 is undoubtedly incurred. It is admitted that the passing of this motion will bind the House to the expenditure of that money. The railway and lands have been purchased by the Government subject to the approval of the House, and that approval is sought in this motion; and the motion being adopted would, in my opinion, commit the country to the expenditure of £1,500,000.

**MR. SPEAKER:** The practice governing the House of Commons in matters of this description is thus laid down in *May*:—

Motions advocating public expenditure or the imposition of a charge, if the motion be framed in sufficiently abstract and general terms, can be entertained and agreed to by the House. Resolutions of this nature are permissible because, having no operative effect, no grant is made or burden imposed by their adoption.

The motion submitted by the hon. member for Subiaco practically pledges the House to an expenditure. If it expressed the opinion that negotiations should be opened for the purchase of the railway, the motion would be in sufficiently general terms to permit of its being discussed; but its terms as moved are such that it would be distinctly pledging the House to an expenditure. Therefore, in such case the motion should be brought in by a Message from his Excellency the Governor, and be considered in Committee of the whole House. It has been pointed out to me that a Message might follow the moving of the motion, similar to the case of a Bill in regard to which, before going into Committee, a Message must be brought down. But that course cannot be considered in this case, because, in the first place, a motion on this matter should be made in Committee of the whole House, and Section 67 of the Constitution Act provides that no resolution can be adopted or passed for the appropriation of money unless it be recommended by a Message from the Governor.

For these reasons I have to rule that the motion of the hon. member for Subiaco is out of order.

### ADJOURNMENT.

The next Order of the Day being read by the Clerk,

THE PREMIER moved that the House do now adjourn.

Question passed.

The House adjourned at 8-22 o'clock, until the next day.

## Legislative Assembly.

Wednesday, 9th August, 1905.

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THE SPEAKER took the Chair at 3-30 o'clock p.m.

### PRAYERS.

### QUESTION—PILBARRA RAILWAY TENDERS.

DR. HICKS asked the Minister for Railways: 1, Whether the Government intends calling for tenders for the Port Hedland-Nullagine railway. 2, If so, when. 3, Whether it is the intention of the Government to call for alternative tenders for a railway from Cossack to Nullagine.

THE MINISTER FOR RAILWAYS replied: 1, Yes. 2, Without delay. 3, No.

### QUESTION—PERTH SEWERAGE, COST.

MR. H. BROWN asked the Premier: 1, Whether the Government is prepared to guarantee that the cost of installing the sewerage scheme for Perth, parts of North Perth, and Leederville, as outlined in Mr. Davis's report, including main drains and reticulation, shall not exceed £112,641? 2, If not, what will be the cost of carrying out the scheme? 3, Whether, in view of the large amount of expenditure which will be incurred by ratepayers in connecting with two separate drainage schemes, if the septic tank system of final treatment of sewage be adopted, the Government will take into consideration the advisableness of installing a combined scheme for sewage and storm waters, similar to the Adelaide system?

THE PREMIER replied: 1, Yes, for present requirements only, and exclusive of the purchase of land. 2, Answered by 1. 3, The matter has been thoroughly considered and the bacterial system of treatment adopted as the most efficient. This system does not permit of economically combining storm water with sewage. The hon. member is not quite accurate in his statement regarding Adelaide having a combined system. The sewage there is combined only with a moderate quantity of storm water from backyards, and is treated on a sewage farm. The bulk of the storm water is carried by separate storm water drains and discharged into the Torrens.

### QUESTION—MIDLAND LANDS, TITLES.

MR. CARSON asked the Premier: Whether, in the event of the Government securing the Midland property, the Government will allow the present occupiers of land selected, but for which no title has been issued, to complete purchase of same at the Government upset price, subject to the Government conditions of improvement being fulfilled?

THE PREMIER replied: The Government is not prepared to determine how the Midland land shall be dealt with until it has been decided that the land should be purchased.

MR. N. J. MOORE (without notice) asked the Premier whether the plans referred to in the Premier's speech of last night in regard to the classification