

the legislation of a previous session should be upset. Unless the hon. member gives some very substantial reason for the Bill being retrospective, I shall urge the House to oppose it.

HON. F. M. STONE (North): As to Clause 4, I see the point which Mr. Matheson has made, and to a certain extent there is some doubt about it; but I promise the hon. member that when the select committee is appointed, that doubt shall be put right. As to the Bill being retrospective, this amending measure only inserts in the Act of 1899 what should have been inserted in that Act. Why should a bill of sale be upset because a slip was made in the Act of 1899? If it was intended that a bill of sale should cover a certain security, and through some flaw it does not cover it, then there is no reason why this Bill should not set the matter right. I am rather inclined to believe that these amendments should be incorporated in the principal Act. Take Sub-clause d, which Mr. Moss has pointed out, supposing a bill of sale was given over stock-in-trade, why should it not come under the principal Act? I have gone into this matter with Mr. Parker, and it seems there is some difficulty about giving a bill of sale over stock-in-trade.

HON. F. WHITCOMBE: How about a subsequent security on the same goods?

HON. F. M. STONE: The bill of sale will be registered.

HON. F. WHITCOMBE: But a subsequent bill of sale might be taken.

HON. F. M. STONE: I think we shall be able to deal with that in the select committee.

Question put and passed.

Bill read a second time.

On further motion by Hon. F. M. STONE, Bill referred to a select committee, consisting of Hon. R. S. Haynes, Hon. M. L. Moss, Hon. F. Whitcombe, with Hon. F. M. Stone as mover; to have power to sit during any adjournment of the House, and to report on 31st October.

#### ADJOURNMENT.

At 6:18 o'clock the House adjourned until the next day.

## Legislative Assembly,

Tuesday, 23rd October, 1900.

Papers presented—Question: Spark-Arresters on Railways—Lands Resumption Act Amendment Bill, first reading—Killing of Kangaroos for Food Bill, first reading—Slander of Women Bill, third reading—Compensation for Accidents Bill, third reading—Payment of Members Bill, discharge of order—Motion: Perth Ice Company Inquiry, Report of Committee, to adopt—Adjournment.

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

#### PRAYERS.

#### PAPERS PRESENTED.

By the PREMIER: 1, Return (ordered) showing Duties Collected (estimated) on Imports from other Australian colonies. 2, Papers (ordered) as to refusal of publican's general license to E. Cooke, of Kookynie.

Ordered to lie on the table.

#### QUESTION—SPARK-ARRESTERS ON RAILWAYS.

MR. HARPER asked the Commissioner of Railways: At what date the locomotives running on the Eastern railway would be fitted with the most efficient spark-arresters.

THE COMMISSIONER OF RAILWAYS replied: This work was in hand, and every effort was being made to push it forward. It was, however, impossible to quote a definite date when the work would be completed.

#### LANDS RESUMPTION ACT AMENDMENT BILL.

Introduced by the COMMISSIONER OF CROWN LANDS, and read a first time.

#### KILLING OF KANGAROOS FOR FOOD BILL.

Introduced by the COMMISSIONER OF CROWN LANDS, and read a first time.

#### SLANDER OF WOMEN BILL.

Read a third time, on motion by MR. ILLINGWORTH, and passed.

#### COMPENSATION FOR ACCIDENTS BILL.

Read a third time, on motion by MR. ILLINGWORTH, and passed.

## PAYMENT OF MEMBERS BILL.

## DISCHARGE OF ORDER.

THE PREMIER moved that the order for second reading of the Bill be discharged, with a view to the introduction of a new Bill.

Question put and passed, and the order discharged.

## MOTION—PERTH ICE COMPANY INQUIRY.

## REPORT OF SELECT COMMITTEE, TO ADOPT.

MR. EWING (Swan): I beg to move:—

That the report of the Select Committee appointed to inquire into the frauds of the Perth Ice Company upon the Railway Department be adopted, and that the recommendations contained therein be carried into effect without delay.

In submitting this motion, I ought, I think, to refer to some of the recommendations and findings of the committee; and it requires no demonstration on my part to convince the House that extensive frauds, according to the third paragraph of the report, have been perpetrated by the Ice Company on the Railway Department of the colony; and, according to the second paragraph, that it has been possible for the Perth Ice Company to perpetrate these frauds by reason of gross negligence on the part of many of the railway officials. It is only necessary to refer to the evidence given by the goods agent at Perth, and the various agents in control of this particular department—by station masters and other persons in control—to lead us irresistibly to the conclusion that there has been considerable mismanagement in the administration of the railways of the colony, and that it was only by reason of the laxity displayed by the officials in question that these frauds were possible at all. In the third paragraph of the report the Select Committee find that certain persons, chiefly the manager and goldfields managers of the Ice Company, have at different times been guilty of conspiracy to defraud the Government. Frauds of this kind, to my mind, would be impossible unless as an outcome of a conspiracy, because immediately an error was made in the consignment notes in Perth, had the consignment notes been *bona fide*, and had the persons receiving the notes acted *bona fide*, they would

immediately have had before them evidence of that error. But we find that almost all the individuals in question knew, and the evidence shows conclusively they knew, that these frauds had been carried on to a considerable extent for a very lengthy period; and they not only knew, but many of them were authors of the frauds, and it was by means of the system or conspiracy between the goldfields managers and the town managers of the company, coupled with the negligence of railway officials, that these frauds were, as I have said, rendered possible. So far as the Select Committee were able to see, and so far as the report goes, there is nothing to justify their finding any of the railway officials were in this conspiracy; but there is absolute evidence—evidence which in many cases is the outcome of written statements—of conspiracy on the part of representatives of the Ice Company. The manager, Hancock, while denying any knowledge of the frauds on the Government, had himself, we discovered when he was under cross-examination, perpetrated the very frauds; and I think the House will see the finding of the report in this respect is amply justified by evidence. The fourth paragraph refers to two branch managers, Thompson and Rossiter, and although the Select Committee have not suggested, as in the case of other persons, the prosecution of these managers, yet I think there was very little doubt in the minds of the members of the committee, and certainly none in mine, that every branch manager for the Ice Company on the goldfields must have known these frauds were being continued. These two managers were there when the first false consignment notes began to come in, or if not then they were there very soon afterwards, and they must have discovered the irregularities; but the Select Committee have been very careful not to condemn any person unheard. Although the committee had very little doubt that Mr. Rossiter and Mr. Thompson were just as guilty as those who were called to give evidence, yet we have refrained from suggesting or directing their prosecution, merely suggesting the Crown Law Officers should look into the question of their criminality, and if convinced, as the committee felt inclined to be convinced, that they also

were guilty, should not omit them from prosecution. The next paragraph refers to Mr. George Farmaner, who was auditor of this company; and there seems to be very little doubt that Mr. Farmaner must, as the report says, have culpably neglected his duties; because on the evidence given, there is very little doubt—and the finding of the committee shows no doubt existed—that he ought to have known of the frauds had he done his duty properly, and the committee therefore condemned him in the language of paragraph five. Paragraph six says the committee “does not desire to hamper the Crown Law Department in its prosecution of the above-mentioned persons; but if it is found necessary to use the evidence of any other of the persons mentioned, in order to secure a conviction,” the department should do, as is often found necessary, use some of the individuals and culprits as witnesses for the prosecution. In the previous portion of the report the committee have recommended that Charles McInnes Campbell should be used as a witness for the prosecution; and that recommendation was actuated by two reasons: first, because Campbell was the man who first fixed the whole liability and responsibility, and who first taxed those individuals with knowledge and criminality; and the second reason why Campbell was singled out in this way is shown in the latter portion of the sixth paragraph, which suggests that should it be necessary to get such witnesses, they should be taken from the ranks of the inferiors. I personally draw a very great distinction between persons who were in control of affairs and perpetrated fraud for the purpose of gain, as these managers did, and officials who receive a few pounds a week and follow the directions of those managers; and the committee have seen fit to suggest that if the Crown Law authorities find it necessary to exempt anyone from prosecution in order to secure conviction, those who are exempt should not be the authors of the fraud or wrong, but should be those who obeyed in a subordinate position. The seventh paragraph states “that officers of the Railway Department have been guilty of negligence, more particularly some of the officials stationed at Perth, Coolgardie, and Kalgoorlie;” and an examination of

the evidence, I think, will show conclusively that there was the grossest possible negligence at the stations in question. For years and years these goods had been consigned from Perth and no check or record kept. There was no advice that trucks were not either checked or weighed when sent to Kalgoorlie or Coolgardie, as the case may be; and the Ice Company's manager in Coolgardie was in possession of the key of the railway gates, and consequently, without any check or investigation, he was able from time to time to take away goods, and to defraud the department of considerable sums of money. The committee have also found that it is desirable the services of Mr. Jaques and Mr. Manson should be dispensed with. So far as I am concerned, my reason for singling out these individuals was a conclusion that these frauds were rendered possible owing to the negligence of railway officials, and that the authors of this negligence were to a very great degree Mr. Manson and Mr. Jaques. Mr. Jaques, in the whole course of the years this traffic had been going on, never appears to have taken the slightest interest in, or to have performed any of the duties which, to my mind and the mind of the committee, he ought to have performed. Anyone who reads the evidence given by Mr. Short and Mr. Stead, as to what Mr. Jaques's duties were, must be forced to the conclusion that Mr. Jaques culpably neglected his duties, and that if he and Mr. Manson had done their duty, the frauds would have been earlier discovered. But there is another and worse aspect of the question. Mr. Manson knew years ago that the frauds had been perpetrated, and for some reason best known to himself, after having made the discovery, he did not check the goods of the company in order to see whether the frauds were being continued. With regard to Mr. Jaques, we find that these very frauds or portions of the frauds were reported to him in his official capacity. We find on the records, letters showing Jaques these frauds were being perpetrated, and he appears never to have instituted any system of check, never to have inquired how it was possible these goods could on the various occasions have been consigned in the way they were—short-weight and wrong description—but he seems to have simply taken isolated

instances that were brought under his notice, and never inquired what was the defect in the system which enabled this to be carried out, and never inquired or endeavoured to find out the persons guilty of the negligence. It never occurred to Mr. Jaques, as the person in control, to exercise that supervision and that investigation which, to my mind anyhow, the committee were justified in expecting from him by reason of his position; and the reason the committee have suggested the services of these two gentlemen should immediately be dispensed with is that they are the only two officials to whom the knowledge of these frauds for the past few years was brought. The committee felt they would be failing in their duty if they did not ask the authorities that be in the colony to remove from the service men who so far either forget or neglected their duties that they allow a condition of affairs to continue to the detriment of the community generally. In paragraph 9, the committee find that other officials of the railway have been guilty of negligence, but the committee do not feel justified in recommending or suggesting any further dismissals. Personally, I feel that I, as an individual with my very limited knowledge (practically no knowledge) of the working of railways, might be doing an injustice to individuals. The committee felt they were doing no injustice to Jaques or Manson, because we had actual evidence of negligence on their part; the committee had evidence of a continuance of that negligence, and evidence that the frauds were brought to their notice years and years ago. But with regard to the other officials, I personally felt, and I suppose some other members of the committee will speak for themselves, that it would be very easy for us to pass over persons who were guilty, and punish only some of the subordinates. Therefore we were driven to the conclusion that it was only fair that all the persons who had been guilty of misconduct should be punished in such a manner as the seriousness of their offence merited. The committee did not feel competent to enter into the question from this aspect, and therefore have suggested in the report that investigation should be made by a commission consisting of persons having a knowledge of the running of railways,

who would mete out justice to individuals in the way they would merit. We also had great difficulty, in regard to another aspect of the question, in dealing with the conduct of individual officials, by reason of the fact that every man brought before us seemed most anxious that the things he had left undone should be thrown on the shoulders of some other officer; and it seemed to the committee, in the words of one of its members (Mr. Wilson), that if we were to accept the dictum of the officials, the only man responsible for the administration of the railways was the office-boy, for we found that every one of the officials who came before us was endeavouring to place on the shoulders of others the liability and responsibility that should have rested on him. Seeing that the committee had not that knowledge of the working of railways which would enable them to place the blame and responsibility where these should rightly rest, the committee felt that in condemning individuals further than they were actually proved to be guilty of negligence and improper conduct, we might be doing grave injustice to some and leaving others who might be equally guilty. Another aspect of the question is dealt with in paragraph 10; a charge having been made against the directors of the Ice Company of complicity in the frauds, and a charge having also been made against the Attorney General that he had compounded a felony. I notice that in a subsequent issue of the newspaper called the *Sun*, which is published by certain persons in Kalgoorlie, some very serious remarks were made in regard to the Select Committee. Of course members of a committee know that when they undertake responsibilities and duties of this kind, they are very likely to be abused by certain sections of the community; sections of whom I, personally, have never taken any notice in the past, and never will in the future. I think the persons who wrote as these persons have written about the directors of the Ice Company and about the Attorney-General, and who have subsequently written about the Select Committee, are absolutely beyond the consideration of any decent-minded man; and therefore I feel in regard to the remarks made in the newspaper which I

hold in my hand, although some hon. member may think proper to refer to them at a subsequent stage, as far as I am personally concerned I feel we are justified in putting them on one side and placing them in the wastepaper basket of this House, just as we would place the individuals who wrote them in the wastepaper basket of the community. Those individuals who charged the Attorney General and also charged the directors of the Ice Company, I understand, have taken exception to the findings of the Select Committee on this point; so that in order to convince hon. members we have done those individuals no injustice, I would like to refer to the evidence of Hugh Mahon. The evidence in regard to this point will be found to extend from page 163, question 5,068 to question 5,099. I do not think the individual (H. Mahon, witness) in question is of sufficient importance to justify me in reading his remarks in this House. I may refer also to the evidence of J. McAllum Smith at pages 204-5, and hon. members will find that this gentleman admitted they had charged the directors of the Ice Company with being guilty of a felony, when they had not a tittle of evidence to support such charge; also they had charged the Attorney-General of this colony with having compounded a felony, and that they made this gross charge without the slightest evidence to support it; also they neither knew then when they came before the committee, nor (as I believe) do they know now, anything in support of the charge. The evidence given led the committee to the conclusion that neither the directors of the Ice Company nor the Attorney General of this colony knew anything of the frauds in question. Therefore the committee, in dealing with that aspect of the question, have endeavoured to do justice to the Attorney General, just as we would have done justice to any member of the community; and had we believed the Attorney General had done anything wrong, we would have treated him as we would treat any member of the community. We have not endeavoured to shirk our responsibility, and whether the conclusions of that finding rest on the shoulders of the Attorney General or on anyone else in the community has nothing to do with the

committee; but when we find that the Attorney General had been charged grossly and shamelessly, without any evidence to support it, the committee felt it their duty as far as possible to clear him of the imputation of fraud. In paragraph 11, the committee find that the controlling officials of the Railway Department should have instituted some adequate inquiry into the charges, when brought under their notice. There is no doubt that for three or four months, and until this committee was appointed, practically nothing was done by the Railway Department in order to find out who were the offenders in this matter. The Railway Department clearly should, in my opinion, and I think that is also the opinion of other members of the committee, have undertaken their responsibility and should have entered into the matter not only to get back the money of which the department had been defrauded, but with the intention of bringing the offenders to justice. Paragraph 12 of the report deals with the Crown Solicitor, and says:—

Mr. Burnside gave improper advice to the Railway Department when the matter, in its very earliest stages, was brought under his notice; he apparently being more concerned in recovering the money than in bringing the offenders to justice. Seeing, however, that Mr. Burnside has not had an opportunity of explaining his action, your committee suggest that he should, immediately upon his return, be called upon to justify his conduct and be dealt with accordingly.

It will be observed that the committee do not make any finding in regard to Mr. Burnside, for the same reason that they have not made any finding in regard to Thompson and Rossiter, but have merely said that on the return of Mr. Burnside to this colony the matter should be investigated.

MR. MOORHEAD: You say he gave improper advice?

MR. EWING: The committee do not condemn Mr. Burnside for the advice he gave. The evidence shows what was the advice Mr. Burnside gave to the Railway Department; and I think that to a large extent it is at the door of Mr. Burnside that the laxity and delay in instituting adequate proceedings should be placed, rather than at the door of the leading officials of the railway, because the evidence is that immediately on the discovery of these frauds, the railway officials

got full statements as to the extent of the frauds, that they got a certain number of waybills and established beyond question that frauds existed, that they had evidence before them showing that frauds were perpetrated with the knowledge of the officers of the Ice Company, and that the frauds continued through the negligence of the officers of the Railway Department. This file of statements obtained by the department was taken to Mr. Burnside, and upon it he gave advice to the railway officials, according to the evidence—and until Mr. Burnside contradicts it we must take it that the evidence is correct—that they should use the information they had obtained as a lever in order to get the money out of the company. That is the advice which the committee are informed was given by Mr. Burnside, and on this evidence the committee came to the conclusion that the advice was improper.

**THE PREMIER :** Mr. Burnside never anticipated the matter was so serious.

**MR. EWING :** But the Crown Solicitor had before him the evidence of the frauds which had then been obtained by the department.

**THE PREMIER :** But there was no great extent known, at that time.

**MR. EWING :** It does not matter whether the amount involved in the frauds was £10 or £20.

**THE PREMIER :** A small matter like that should not be called a fraud.

**MR. PIESSE :** Probably an irregularity.

**MR. EWING :** If the Premier intends to justify the action of the Railway Department and of the officers, in being more concerned about the recovery of the money than about bringing those offenders to justice, then on the right hon. gentleman will rest the responsibility for such conduct.

**MR. MOORHEAD :** You are only assuming Mr. Burnside gave that advice.

**MR. EWING :** I am only telling the House what was the evidence given before the Select Committee on this point, and because Mr. Burnside was not there to answer for himself we refrained from condemning him. Personally, I would have had no hesitation in condemning the Crown Solicitor, if he had been there and had not been able clearly to satisfy the committee that the evidence given in regard to the advice he had tendered was wrong

evidence, or if he had not satisfied the committee that the advice he gave was right. There is no doubt that Mr. Burnside told the department to do that which, in an individual, would be highly improper and would be strongly condemned; and therefore the committee thought, in that the Crown Solicitor had done that which would be wrong in an individual, the mere fact that he was the Crown Solicitor should not exempt him from being spoken of in their report in the way in which he has been mentioned. Paragraph 13 states that in order to ascertain the truth of the statements made by Hancock and Clements that these frauds were due to carelessness, and were not the outcome of a deliberate conspiracy, the committee thought that if they could find in any other department frauds of a similar nature, such a discovery would draw them to the irresistible conclusion that these frauds were not due to carelessness, but that they were committed deliberately; and therefore the committee appointed an auditor to investigate the accounts of the company and the books and papers in possession of the Customs Department, and it was found that frauds of a similar nature existed; that the Ice Company would import into this colony goods of a certain description; that these were received out of a certain ship into the company's warehouse; consequently, they must have come through the Customs. But the entries in the Custom-house books did not show that these goods were passed or that duty was paid upon them; therefore the committee have been drawn to the conclusion that these frauds have not only been perpetrated on the Railway Department, but also on the Customs. Paragraph 15 goes to show that so far as the committee are able to see, the frauds on the Customs have been systematic; and we were drawn to that conclusion by reason of the fact that the instances checked by the auditor are isolated instances, occurring at considerable intervals of time; and we find that for a given period these frauds have, on different occasions, been perpetrated: therefore the committee came to the conclusion that the frauds were systematic, and that they could not have been perpetrated successfully without some connivance or some joining in the conspiracy on the part

of the Melbourne office of the Ice Company. For, had the Ice Company's office in Melbourne been honest, if they had sent true consignment notes, the Customs could not have been defrauded as it appears they were. In the course of the report, it is also suggested that a Royal Commission be appointed to inquire into the various charges that have arisen. There are charges against many of the railway officials — charges of neglect, charges of carelessness—throughout this evidence which the committee have not been able to trace to the extent they desired before either acquitting or condemning. We have, therefore, suggested that a commission be appointed to inquire into these charges that have arisen against the various officials, and also to inquire into the working of the Railway Department and the Customs Department in this connection. The committee have also seen fit to suggest that the *personnel* of this commission should consist of men with an actual practical experience; and we are driven to this suggestion by reason of the weakness which we felt in our own ranks when there were efforts by individuals to move their responsibility on to the shoulders of others. We have come to the conclusion that full and ample justice to the officials cannot be done in this matter except by persons who themselves have some knowledge of railway management, and who are in a position to judge as to whether it was or was not a man's duty to do a particular work. We have also suggested that this should not be a departmental inquiry; that it should be an inquiry altogether independent of the departments in question or of the Government of the colony. The committee wish the House to affirm the desirableness of having an investigation untempered and untouched by departmental jealousies, and altogether independent of the Government, by a Commission which will deal out full and impartial justice or punishment in whatever direction these may be merited. I therefore have very much pleasure in moving the adoption of this report, and that the recommendations contained therein be carried into effect without delay.

MR. MONGER (York): In seconding the adoption of the report of this Select Committee, I desire to congratulate the member for the Swan (Mr. Ewing) on the

manner in which he dealt with the evidence taken as it now appears before hon. members; and in the course of my remarks it is not my intention to deal *seriatim* with the various clauses of the report unanimously agreed to by this Select Committee, but more particularly to refer to that portion which has been dealt with so lightly by the member for the Swan. I intend to refer especially to paragraph 10, making certain references to journalists associated with a certain portion of the goldfields Press. I say I should be wanting in my duty were I not to call the attention of hon. members to one of the most scandalous articles which has ever appeared in the public Press of this country regarding the action of a Select Committee. My personal desire would be to treat men who live by blackmailing, and in the manner in which these creatures live, in the way of which they are worthy, that is, to treat them as scum; and if these persons are allowed to write scandalous statements like those which appeared in a recent issue of their paper, and those scandalous publications go out to Western Australia unchallenged and uncontradicted, the public who read those articles will say that where there is smoke there is fire; that where a newspaper calmly and quietly makes certain charges against the whole of this committee, and against certain people occupying prominent positions in this colony, such charges must contain a modicum of truth. I say that both I and other members of this committee would be wanting in our duty if we did not ask Parliament to give us, at all events, some fair and reasonable protection. With the permission of hon. members, I shall read a portion of the article which I, and I think every right-minded man who occupies a seat in this House, will say is absolutely unfair and unworthy of the report which this committee has brought forward.

MR. ILLINGWORTH: You will only advertise the newspaper.

MR. MONGER: I am sorry to give this paper what will be looked upon in certain circles as an advertisement, and I say I would sooner treat the men in question as I would a worm. The article reads:—

Some few weeks back the *Sun*, having microscoped the individuals selected to investi-

gate the robberies of the railways by the Perth Ice Co., ventured the prediction that that inquiry would be a farce and their verdict a fraud. Our forecast, based on the composition and methods of this very "select" committee, was justified by subsequent developments; while the report presented to Parliament on Tuesday finally establishes beyond doubt its rigid exactitude. There is no occasion to repeat here the reasons why the *Sun* distrusted this "select" committee. Later on we shall give the public some samples of its methods and additional details concerning the individuals composing it. These particulars will convince disinterested people that our distrust had ample warrant. They will show that the bulk of this committee, being either associated with the people who profited by the frauds or dependent on a Government desirous of hushing them up, could not be expected to make an exhaustive examination or return an honest verdict. Indeed, this "select" committee partially admits so much. It recommends that "a commission be appointed to consider the conduct of the Railway Department and of the various railway officials, and that such commission should consist of practical men, altogether independent of the department in question, and of the Government of the colony." This very "select" committee here virtually concedes its incapacity for the work it undertook, and indorses the original demand of the *Sun* that a royal commission of independent business men be invited to unearth the ramifications of this colossal conspiracy. Meanwhile the question of immediate concern is the decision which this self-confessed incapable committee has arrived at and on which it expects Parliament to act. Its report possesses some leading characteristics, one of which at least is not usually ascribable to documents presented for parliamentary indorsement. The casual reader will have marked its audacious partiality, the elaborate efforts to find obscure scapegoats; while those behind the scenes will detect the attempt made in one detail to hoodwink the Legislature by a deliberate falsehood. Admittedly the only persons, with a few insignificant exceptions, who pecuniarily profited by these frauds were the shareholders and directors of the company and its manager. Now, this inquiry seems to have been mainly directed towards the exculpation of these influential directors. One or two of them gave evidence; but their bosom friends on the "select" committee took care that they were required to answer only convenient questions. The directors must be presumed to have had a full knowledge of their own business. At a time when their company was reaping enormous profits, their competitors on the goldfields were one by one being "wiped out" or driven into the insolvency court. This was notorious; and as keen business men these directors must have been strangely neglectful if they did not inquire how it was that their company could undersell their rivals and drive them out of the trade.

Possibly the self-confessed incapacity of this "select" committee explains why no awkward questions were put to the directors on this salient point. There is, of course, an alternative inference for those who regard this "select" committee as being something worse than incapable. This exceedingly "select" body gives further evidence of audacity in recommending the dismissal of several minor officials of the Railway Department. The latter are poor, friendless men, without social status or political influence; so, from the incapable "select" committee's standpoint, this is eminently a safe recommendation. But when we come to the chiefs of the department, the fellows with princely salaries, who shift railway stations to suit their private interests and swagger round Parliament with unchallenged license to insult visitors, these "selected" instruments pipe a different tune. The departmental "serangs" escape with a mild reminder that they should have held "some adequate inquiry" at an earlier stage. This specimen of "impartiality" will prepare the reader for the distinctions made in regard to the Ice Company employees. Certain of these are singled out for prosecution, amongst them one man who was only five months in the company's service as a branch manager. Being paid a fixed salary, he received no benefit from the frauds and had no opportunity of detecting them, since the selling price of the produce despatched to him on the goldfields was fixed by his Perth office. Another official employed for over three years by the company worked under a different system.

Now I am coming to the pith of this article.

Hitherto the *Sun* has ignored the irrelevant and offensive questions put by some of these incapables to members of our Staff. The queries being characteristic of the authors, both were dismissed with contemptuous indifference. It was only natural after all that the journal whose exposure compelled the thieves to disgorge thousands of pounds to the State Treasury, and which forced an investigation on an unwilling Government, should be odious to a gang picked from the thieves' associates, as we believe, expressly to shield the real culprits. That our witnesses should have experienced discourtesy and open insult from these creatures was not at all surprising. Properly viewed, it is an unconscious testimony to the power of the *Sun* and the good it had achieved. It was just such a form of revenge as would be conceived by the petty souls of political parasites, destitute of a single gentlemanly instinct. (From the foregoing remarks Messrs. Quinlan and Wilson are entitled to exemption.) But in making misleading deductions from the evidence and imposing on Parliament what is virtually a falsehood, the action of these well-"selected" partisans demands prompt challenge. Compared to this new abuse of the privilege of Parliament, the other is a mere circumstance. The report credits two witnesses from the *Sun* with having made



charges of felony and of compounding same, and with admitting that they possessed no evidence to sustain such charges. Obviously this requires an answer in plain terms. Our reply, then, is that this portion of the "select" report is a deliberate, malicious, and unqualified falsehood. And we challenge these men to the proof. We defy them to produce from the official minutes of evidence a solitary answer to their cunningly-contrived questions justifying an honest man in accepting their conclusion. The position assumed by the two *Sun* witnesses was logical and invulnerable. Here are directors controlling a concern caught robbing the railways and putting the proceeds in their pockets. Their acquaintance with the details of their own business is to be presumed, for any other assumption implies that they drew fees without earning them. The *Sun* witnesses did not say these directors had that guilty knowledge of the frauds essential to a conviction. But they did assert and reiterate that the proper place for the directors to prove their ignorance of the Ice Company's affairs and their innocence of the frauds was a court of justice, where witnesses would speak on oath and be subjected to cross-examination. But what was done? The directors' unsworn assurances, made behind the backs of the public, were gladly accepted and they were permitted to refund the amount stolen from the railways! And this precious "select" committee of incapables, or worse, indorse this indecent compromise! They contend that legal evidence sufficient to convict must be available before the directors are invited to explain matters in a court of justice. And we are calmly asked to accept such cant. But everybody knows quite well that when a poor man is suspected of a crime, no such principle is recognised or acted on. This convenient doctrine is heard of by the average man for the first time because a brother of the Premier, that high-souled commercial and political potentate, Mr. Alexander Forrest, M.P., is one of the incriminated directors.

Is that a fair and honest statement by a fair and honest portion of the Press of Western Australia, in regard to the report which has been submitted by the Select Committee appointed to inquire into these frauds? It will be a standing disgrace to the Parliament of Western Australia if scurrilous articles like this are to be allowed to be issued in the scurrilous Press of certain portions of the goldfields, and are to go unchallenged; and I ask hon. members—I shall not make any formal motion myself—to support the report of the Select Committee, either by condemning these articles, or by taking such action as they may consider expedient. I beg to second the motion for the adoption of the report.

**THE PREMIER** (Right Hon. Sir J. Forrest): The only fear which occurs to me is that in giving effect to the whole of the recommendations of the Select Committee, we might be acting with precipitancy and do some injustice. I have not followed so closely as some hon. members have done the evidence in this case, although I have some knowledge of it; but it seems to me that to instruct the Government to dismiss persons from the service, without these persons having an opportunity of defending themselves, might be acting harshly. I do not know that would be altogether the case, but I take it that the object of an inquiry before a select committee in regard to matters of this sort, where fraud has been committed on the Government, is to obtain evidence of that fraud. Persons called on to give evidence hurriedly are not on trial themselves, but are asked a great number of questions which they are supposed to answer to the best of their knowledge and ability; and in this case a judgment is formed by the committee on those answers without any opportunity being given to the individuals to explain, as they would explain if they had a free hand and were allowed to conduct their own defence. We are asked, for instance, to dismiss an officer, but that seems to me to be going further than there is any occasion to go. If we find an officer guilty of neglect of duty, it is for the department to investigate the case, and give the officer ample opportunity of defending himself. The fundamental principle of our law is that every man charged shall have an opportunity of defending himself.

**MR. EWING:** So these officers had.

**THE PREMIER:** I take it that a witness before a select committee has no chance of defending himself, as he would if conducting his own defence in a departmental inquiry. A witness before a select committee is there to give evidence to the best of his knowledge, and is not on his trial. He is there to tell the truth, and to answer only such questions as are put to him, and he is not allowed to go rambling on in defence of himself. In fact, he is not on his trial at all, but is there to elucidate the matter by information. For us to say that an officer, whoever he may be—I do not know these gentlemen, and have never seen them at

all—but for us to say they are to be summarily dismissed, would be acting with precipitancy, and open us to the charge that we did not give an opportunity to them to explain their conduct or defend themselves. I am willing to believe the result of a departmental investigation would probably be the same as that arrived at by the committee; but there is a great principle involved. It is not usual, I think, for a select committee to lay down the course to be followed, but to give the verdict. This committee, however, has gone further than to give a finding, and has suggested what is to be done; and that, I think, is rather going further than there is any necessity for. I refer to the eighth paragraph particularly, and I may say I do not know anything about Mr. Jaques, having never seen him, and I have no interest in any of the individuals concerned, except to do justice to them. Then again, there is the paragraph in regard to the Crown Solicitor, which might have a different light thrown on it if we were in the possession of evidence.

MR. EWING: That is all that is suggested.

THE PREMIER: The paragraph is pretty strong. It says:

That the Crown Solicitor, Mr. Burnside, gave improper advice to the Railway Department when the matter, in its very earliest stages, was brought under his notice, he apparently being more concerned in recovering the money than in bringing the offenders to justice. Seeing, however, that Mr. Burnside has had no opportunity of explaining his action, your committee suggests that he should, immediately upon his return, be called upon to justify his conduct, and he be dealt with accordingly.

We must remember that when this inquiry began, no one anticipated that frauds so extensive would be proved. There was the absence of motive, because at that time there appeared to be no motive at all; and it was never thought that when the whole thing was sifted it would appear so bad as it unfortunately does now. Hon. members seem to take exception to an interjection by me as to the extent of the fraud; but I did not mean to infer that a person who stole a small amount was not as bad as a person who stole a large amount. I am aware, however, that in every railway company—and I am certain as to our own rail-

ways—attempts to take advantage are not uncommon. There is hardly a company in the colony doing a large business which has not to be watched pretty closely in regard to the freights declared, and there has been interminable trouble in this respect. The Railway Department is supposed to see that these companies do not get the better of the Government, possibly through inadvertence, which however is very often to the advantage of the other side, both in regard to classification and weights. Doubtless if the officials of the department were examined, it would be found there are hundreds and hundreds of cases where the weights declared are not what they ought to be, though I do not say that people intend to defraud, because I would be sorry to say that. I am sure it is not so; but in every business where weights have to be carried, it requires great watchfulness to see that all carried is paid for; and I at first thought this case would turn out not to be so serious and might be explainable. No doubt the intent of the Crown Solicitor was that the Treasury should recover the money, because we cannot altogether ignore that aspect of the case; and therefore I think the paragraph is rather strong, speaking as it does of improper advice. The advice may have been improper, but the question is whether the Crown Solicitor considered it improper at the time, under the circumstances. I do not see that the insertion of this paragraph takes the case any further, and I regard the paragraph as unnecessary, especially as the officer is not here to explain the action he took. The paragraph goes further, and calls on the Crown Solicitor to justify his conduct; and altogether it is strong language which I regret to find in the report, more especially as I believe the report would have been just as effective, in regard to the matter investigated, without the paragraph. I do not wish to shield anyone, because persons who have neglected their duty or done wrong should be brought to justice, and I should certainly vote for that being done. If I may express an opinion on this report—and I do not wish to cavil at the committee's work, for I recognise that they have had an onerous and important duty to perform, and I believe they have carried it out well, and deserve the thanks of the community—I think they have

gone wrong in details in some parts of their report, and have gone further than was reasonably necessary in directing the law officers of the Crown as to what they should do in prosecuting certain persons. I hope the committee will not think I am saying anything that reflects on the manner in which they have tried to carry out their duties; but in regard to these details, and taking paragraph 3 as an instance, if they had stopped after saying "Your committee is of opinion that there is ample evidence to justify the prosecution of all these persons for conspiracy"—if the committee had stopped there, they would have been acting more reasonably than by going into details and naming certain persons who should be prosecuted. They might well have left out the phrase "should be prosecuted." The law officers of the Crown must put the law in motion, after all; and unless in cases in regard to parliamentary procedure or offences against Parliament, the Attorney General is not directed as a rule to institute proceedings.

MR. EWING: He is not directed in the report to do so.

THE PREMIER: The committee say that certain persons should be prosecuted.

MR. EWING: The committee say that it is their opinion that certain persons should be prosecuted.

THE PREMIER: If the committee had said there was, in their opinion, ample evidence to justify a prosecution, that would have been considered sufficient. So in regard to other matters in the report, there is a great deal of detail; but this, perhaps, is consequent on the members of the committee having got all the facts together, and desiring to place the fullest information before this House in regard to the whole matter. The only excuse I can find for the action of the Railway Department, in not being as careful as we think they ought to have been in regard to examining goods sent by the Ice Company, was that they believed they were dealing with a company of high repute and one that was beyond suspicion. No doubt, in dealing with firms or individuals of high standing or repute, one does get less careful than in dealing with persons one has no knowledge of; and that must have been the case with the railway officials in dealing with this company.

It was known to be an influential company, and that some of the best men in the colony were directors of it; and I expect that the officials in the Railway Department had in their minds, as I certainly would have had in my mind, the idea that a company of this description was above suspicion; and the idea could not come into their minds that this company would be guilty of these petty frauds, because they were petty frauds, extending over a long time, and involving small sums of money, though amounting to a large sum in the aggregate. That is the only excuse I can find. We do the same thing in our private affairs: we trust some people and are not willing to trust others; and no doubt it is the case with those who carry on the transactions of the Railway Department. It is easy to blame everyone, after you find out that something has gone wrong; but we know that almost everyone engaged in business gets robbed more or less at different times, and usually it takes a long time to find out that the thing has been done. Banking institutions, for instance, having large money transactions are robbed in various ways by clever men who find out a weak spot in the system of the bank. The Government also get robbed in many parts of the colony, not in large sums I am glad to believe, but we get robbed all over the colony by trusted servants, who turn out not to be honest. This world's history is full of frauds being perpetrated, and it is easy to find fault with somebody after the mischief has been done. The management of a large concern like the Railway Department, with a million and a quarter of revenue a year, may discover that it has been defrauded of perhaps a couple of thousand pounds in small amounts and running over two or three years; but I do not think we should condemn the whole railway system because that may happen, or because the discovery may be made in one particular case. There were exceptional circumstances surrounding this case, for the Perth Ice Company had a private siding in Perth, and one or more at stations on the goldfields; and being a company thoroughly trusted, no one should blame the General Manager of Railways for what is called "neglect" in checking the goods forwarded by this company. I think the General Manager of Railways

might fairly reply that he was under the impression that all that was necessary was being done.

MR. WILSON: The report does not blame the General Manager.

THE PREMIER: No; but it would have been a good thing if the General Manager had been called by the committee and examined on this question, for being an astute man and knowing all about the railway business, I am sorry he was not examined by the committee. I asked him on the point, and he said he was not called as a witness. Well, I am sorry he was not called, because being an astute man and having a grasp of the business of the Railway Department, he could have given some good reason why no suspicion arose in connection with the goods carried for the Ice Company. There are firms of high repute in the colony in regard to which a suspicion of this kind does not arise; still I believe some frauds are carried on, and probably there will be frauds detected in regard to firms which are now trusted. If such cases do occur, the same excuse will be made that those firms having been doing business so long and being of high standing, were not regarded with suspicion and their transactions with the Railway Department were not examined very closely. Although it is on the head of the department that responsibility rests, still frauds do occur. It is curious that this is one of the most extraordinary cases that has come under our notice in the colony, and I do not believe all the facts are found out yet. No one has found out yet how these persons who carried on the frauds received any direct benefit from them, and the reason why they did carry them on is not very clear.

MR. EWING: They got 20 per cent of the profits.

THE PREMIER: Not all the time, I think.

MR. EWING: Up to the last year they did.

THE PREMIER: Then why have they been carrying on these frauds since that? It needs more than that to make one believe these persons would rob others and imperil their personal liberty without receiving or expecting some personal benefit from the robbery.

MR. EWING: The difference in the profits would have been discovered.

THE PREMIER: No one is going to run himself into a difficulty and jeopardise his liberty and his character, merely to make profits for shareholders. He must be making some profit himself; and when we get to the bottom of this matter, I think it will be found that someone was making a profit in a way that has not yet been found out. As far as we know now, these persons for the last year or two, at any rate, were making no advantage themselves, while they were swindling for the advantage of the company. That is a proposition one cannot accept, because it is not reasonable. We will find yet that the persons who have been committing these frauds have been making a benefit for themselves. It is a peculiar case, and we ought to be able to find out how these persons made a profit. I am certain in my own mind they have been making a profit, or they would not have persisted in carrying on those frauds. I do not like to move any amendment on the motion, though with regard to the directions this House seeks to give to the Government, I do not think we should dismiss an officer without inquiry, and without his having an opportunity of defending himself. I do not think we should be acting rightly in doing that. We ought to have an inquiry into this man's character, and he should have the fullest opportunity of defending himself. This Mr. Jaques called on me to-day, but I refused to see him; though I understand he stated that he had never had an opportunity of defending himself during this inquiry; that after 26 years of service, and not a scratch against him, he did think that in fairness he should have an opportunity of defending himself. I think so too.

MR. EWING: He has had that opportunity.

THE PREMIER: I do not think that the committee, in taking evidence as it did, is such a tribunal as would afford a sufficient opportunity for this man to defend himself.

MR. WILSON (Canning): I do not think the Premier has carefully read the evidence, or he would not have used the language he has done in connection with the report of the committee. This is one of the largest frauds ever committed on public departments in Western Australia; yet the Premier has treated it

with a lightness of speech which I think is unfitting. The committee went to work with a consciousness of the responsibility which rested on them; they inquired into the matter fully, as hon. members will see by the questions put and the sittings held; and they could come to only one conclusion, that the frauds had been committed deliberately by persons stated in the report, and that certain officials connected with the Railway Department had been grossly negligent of their duties. What matters it as to the wording of the report, so long as the conclusions are there? The committee have submitted their conclusions, their findings speak for themselves, and whether the committee have exercised the powers vested in them by Parliament in recommending the dismissal of certain railway officials matters not. The result of the committee's inquiry is set forth in the report, and it states that there have been deliberate fraud and gross negligence, and that certain persons are responsible. The committee have done their duty to this House, and I consider this House ought to support the committee in their findings. I think it is hardly fair of the Premier to talk of frauds being committed on the public departments by different firms in the colony, for, as far as I am aware, frauds are not committed by firms on the public departments, though errors do creep into commercial transactions. Even firms I have been connected with have found errors of the kind arising out of their transactions with the Railway Department. I actually found the other day coal weighed by the Railway Department to be sold to the Stores Department, and it was found to be overweight; that is, the Railway officials had forwarded an incorrect consignment of coal to another Government Department. One might say at once: "Oh, the Railway Department is trying to get at us for railage, or trying to get at us in the weight;" but we do not say so: we look on that as an error on the part of the weigh-clerk. I have found goods consigned which were well known to the department to come under one class booked up as belonging to another class. That also, I take it, is only a clerical error; and so with the consignments by private persons which the Premier has insinuated are deliberate

attempts to get at the Railway Department. I do not believe there is a company now trading in Perth or Fremantle that is deliberately attempting to defraud the Railway Department as this Perth Ice Company has done for the last three years. The Premier made some excuses for the Railway Department. Well, I am not prepared to admit those excuses at all. Other companies with just as high reputation as the Perth Ice Company have been watched, and carefully watched.

THE PREMIER: They want watching too, some of them.

MR. WILSON: They have been watched, and carefully watched, by the officials of the Railway Department, to see that their consignments were right; I have known, from my own personal experience, this goods agent (Mr. Jaques) to come down to an office in which I was at work with some small complaint to me personally with regard to consignments, and the discrepancy has always been adjusted. Why should he not have done that in this instance? I want to be fair to Jaques; and, personally, I am quite agreeable that Mr. Jaques and Mr. Manson shall be suspended only and not dismissed until the further inquiry can take place by an impartial tribunal such as we suggest.

THE PREMIER: That is not what you say in the report.

MR. WILSON: I say, personally, I am quite prepared to allow an amendment to that effect. But I say Mr. Jaques was warned. In the evidence it is clearly shown he was warned, not twice or three times, but four times by the Coolgardie office to the effect that these frauds were being perpetrated, and each time the communication was passed over as having regard to a clerical error merely, and no notice was taken, although the rules and regulations of the department were being ignored daily. The committee could only come to the conclusion that there had been gross and culpable neglect on the part of these officials, and therefore they recommend their dismissal, which, I take it, is the right thing to do. We do not condemn the railway system: we condemn the officials for not carrying out the system. There is no doubt the frauds have been allowed to go on for three years owing to the gross neglect by the

officials mentioned of their responsible duties and of the regulations of the Railway Department; therefore these officials, in the opinion of the committee, being guilty, the committee recommend the House to dismiss them; and I do not think anybody can find fault with that. If there is any proposal put forward that these men shall have another trial and be heard again in their defence, I do not think any member of the committee will object; but I do object to the general condemnation cast forth by the Premier on this committee's report. The report was drawn up in good faith, and I say we are entitled to the support of this House in the work we have carried out conscientiously. With regard to the General Manager, let me simply remark that the Chief Traffic Manager (Mr. Short), the official who was in direct control of these other officials concerned, was called and gave very full evidence. It was not thought necessary to call the General Manager, because he could only repeat what the Chief Traffic Manager had told us; and on the evidence of the Chief Traffic Manager and the District Superintendent (Mr. Stead), on the evidence of Mr. Hope, who was specially told off to inquire into this matter, if hon. members will read the evidence I am sure they will come to the conclusion that the committee could do no other than draw up the report which we have here. We do not want to see our labours thrown away. We recognised the responsibility of our work, and we were quite prepared to back up the evidence by recommendations of punishment if in our opinion punishment were justified. I hope at any rate, if the House wish to make any amendment in the report, they will submit that amendment to the committee to see whether it is acceptable, because I say that a committee which sat as we have sat on work of this distasteful kind, which has already exposed us to the foul abuse and attack referred to by the member for York (Mr. Monger), are deserving at any rate of the full support of this House.

MR. JAMES (East Perth): Every member of this House owes a debt of gratitude to this committee and to every other committee which takes up a matter involving such a demand on its time as did this inquiry. The House owes a debt of gratitude to this committee and their

chairman for the work done during the course of this inquiry, and in the preparation of this report. But I hope the chairman and members of the committee will realise that in discussing the report we have no desire to minimise the value of the work they have done, or the obligation we owe them for their trouble, because we may think that they have in some matters possibly allowed themselves to be overcome by what may have appeared to them to be a very just indignation. We in this House have not had before us the various witnesses. We have before us the report; and we are now looking through this evidence, perhaps in a cooler mood and in cooler circumstances than those which influenced members of the committee in preparing this report. Personally I always believe there is a great deal of danger likely to result from inquiries of select committees when open to be reported by the Press. The power which Parliament confers upon members of select committees is so extensive a range of power that the committees are entitled to inquire into the private actions and private character of any persons they may desire to call as witnesses. Powers like that are no doubt essential in a great number of cases; but there is for that reason a moral obligation on members of committees and upon us in this House to take care that those powers are kept distinctly within the purview of the inquiry with which the committee have to deal, because the powers are so enormous, and so much harm may be done with frequently good intentions on the part of the committee and their chairman. Members will no doubt recollect that on September 13th last, this committee having been appointed a short time before, the leader of the Opposition (Mr. Illingworth) in my absence moved for leave for Mr. Hancock to be represented at this committee by counsel. It seemed to me—I may have been wrong—that this committee was bound to result in a charge being made against Mr. Hancock, or at all events in the conduct of Mr. Hancock being called in question. I do not wish to rely on the evidence and to say that *primâ facie* it appears to me this inquiry aimed at Mr. Hancock; but it seemed to me that, recognising the real facts of this case, we ought to realise that Mr. Hancock was

one of the persons, if not the most prominent person, charged. And when this motion was brought before the House the member for the Swan (Mr. Ewing), who was the chairman of the Select Committee, pointed out that no charge had been made against Mr. Hancock, that he was simply called before the committee as a witness only, and that if Mr. Hancock or any other witness, as a witness, were allowed to have counsel, then we should have counsel appearing for every witness who gave evidence before the Select Committee. I desire to point out to this House what a difference there is between the facts and the suppositious case brought before us in that instance. Mr. Hancock did not appear as a witness only before that committee of inquiry. He appeared apparently under such conditions that, by virtue of evidence heard without the aid of counsel, a direction is contained in this report that Mr. Hancock should be charged with an offence, and a very serious offence it is indeed. Let us always bear in mind that whether a charge like this is made before a court of justice or not, a very great stain is cast on a man's character when such a charge is heard before Parliament. I have my own opinion regarding the evidence, which I do not consider I have expressed publicly in this House, about the guilt or innocence of Mr. Hancock; and so far as the merits are concerned, I may not be disinclined to coincide with the report. But when we bear in mind that Mr. Hancock, Mr. Jaques, and other persons referred to are persons who were not told that they were placed in such a position that, as a consequence of what they said or of the evidence adduced, they might be charged with and found guilty of an offence, surely we ought to hesitate very much indeed before we commit ourselves to a report which convicts some at all events of the persons concerned—for instance, the railway officials—of an offence of which when called as witnesses they had absolutely no notice.

MR. EWING: You had better strike out the whole of the report.

MR. JAMES: I hope the hon. member will not look at my remarks in that light. I realise fully that there are in connection with this evidence numerous facts which leave a very unpleasant impression on one's mind. If these facts stood by

themselves, if there was no explanation possible, I should say without the least hesitation that the persons referred to ought to be discharged and dismissed in disgrace. But that is not really the point before us. It may be—we cannot tell—that the persons charged have some explanation of the evidence brought before us. If they have, they ought to have the right of bringing out that evidence; and that I think is the point which the committee in their righteous indignation have overlooked.

MR. EWING: We did not overlook it.

MR. GREGORY: Why does not the hon. member (Mr. James) read the evidence?

MR. JAMES: I am talking about the Government officials concerned; and I will assert without the least fear of contradiction that when these Government officials appeared before that Select Committee, they appeared for the purpose of giving evidence on an inquiry which had no relation at all to the question of what penalty should be placed upon their heads. So far as this Parliament is concerned, so far as this country is concerned, when we appointed that Select Committee, we were anxious to ascertain the facts in connection with the case. It was never thought for one moment that we were to hand over to the Select Committee the decision as to what punishment should be placed upon the shoulders of those who contributed to these frauds. We said to the Select Committee: ascertain the facts; it will be for Parliament to direct the necessary punishment, if punishment is thought desirable. I say that no person is held guilty of an offence unless he has had that offence brought to his notice, and has had an opportunity of being heard upon it. [THE PREMIER: Hear, hear.] None of the persons here charged have had that opportunity. I implore the attention of the House to this point.

MR. GEORGE: I am listening to you.

MR. JAMES: I was not directing my observations to the hon. member. We have before this House the decision of the committee; and here is a serious charge brought against these railway officials, no notice having been given to them nor any opportunity of being heard by themselves or by counsel in reply to that charge. They have never been called

upon to answer the question: "What reason can you give why you should not be dismissed?"

MR. EWING: You are talking wide of the facts.

MR. JAMES: I am endeavouring to judge by the evidence.

MR. EWING: You have not read the evidence.

MR. JAMES: I think I have. I may be wrong on that point; but that just shows what different impressions people draw from the same evidence. I give the committee credit for the utmost good faith, and I ask them to give that credit to me. No doubt the evidence leaves different impressions on different minds. These persons have not been told by the Select Committee: "Now look here: we are going to make a certain charge against you; unless you can explain we shall recommend your dismissal."

MR. EWING: They have.

MR. JAMES: What opportunity have these witnesses had of calling evidence for the purpose of defending their conduct? It may have been said to them: "What further evidence have you to give?" But the important question to bring home to the persons charged was that they were charged with an offence, and that unless they brought evidence they would be punished in the direction intended.

MR. EWING: They were told that.

MR. JAMES: That, I submit, is the very point to be brought home. Mr. Hancock sought leave to be heard by counsel, but was told there was no charge against him, and that he was simply a witness, and his request, which was opposed by the chairman of the Select Committee, was refused. That does seem to be an extremely wrong position to take up; because, after denying the man the right to be heard by counsel, the committee bring in a report which practically charges him with a criminal offence. But while I say this, I at the same time admit the evidence discloses a very great need of amendment in the Railway Department, and a great deal of blame is attached to the General Manager for the defective system disclosed.

MR. GEORGE: Ask the General Manager for his defence before you judge him.

MR. JAMES: Quite right. The evidence shows defective management, and

that is what the General Manager is liable for, and he ought to be called upon to explain; but the Select Committee thought the Traffic Manager immediately responsible, and therefore called upon that official to give evidence.

MR. EWING: There is no evidence of any defective system.

MR. JAMES: I venture to assert there is, and I hope the Select Committee will not feel hurt if I say that the members of that committee are not Parliament. Members of Parliament are entitled to have their opinion, and I say the evidence discloses a defective system, each man saying it is the duty of somebody else to do certain things, and that if these things had been done the frauds would have been discovered.

MR. WILSON: That is not the system.

MR. JAMES: I say it is the system, and these are points on which an explanation from the General Manager might have been requested. I do not quarrel with the report of the committee, because we are entitled to have from them comments and findings which affect the administration of the department; but when the committee go beyond that, and not only make charges against individuals, but say individuals ought to be dismissed, then, I venture to assert, there is a likelihood of doing an injustice. If the report had simply said the evidence disclosed an unsatisfactory state of affairs, and that in the absence of some explanation from the person concerned, those persons ought to be dismissed, the position would be very different. Paragraph 12 of the report I strongly object to, because it is entirely unwarranted by the evidence, and is an unfair statement to come before the House in this way. Hon. members will, no doubt, remember that the paragraph refers to the Crown Solicitor, and finds that Mr. Burnside gave improper advice, and "he apparently was more concerned in recovering the money than in bringing the offenders to justice." The paragraph goes on, "Seeing, however, that Mr. Burnside has had no opportunity of explaining his action, your committee suggests that he should, immediately upon his return, be called upon to justify his conduct, and be dealt with accordingly." May I point out that, having found the Crown Solicitor guilty of improper conduct, and of giving



improper advice, the committee proceed to say he has had no opportunity of defending himself, but should be called upon to justify himself in the face of a charge already proved to the satisfaction of the committee. Speaking personally, I would say it is very simple to arrive at a conclusion on the facts after you have had the facts on both sides before you. A select committee can obtain evidence which cannot be obtained outside a trial, or even inside a trial. Evidence has been adduced in this inquiry which could not be obtained in a court of justice, because a select committee is given powers not given to counsel. Mr. Burnside, in arriving at the decision he did, had not before him any of the evidence which was laid before the committee; and although I am quite certain the committee endeavoured, as far as they possibly could, to judge Mr. Burnside fairly, still they could not help being influenced by the evidence before them. A member of a select committee may endeavour to separate himself from known fact, and look only to the evidence which Mr. Burnside had before him; but, in my opinion, it is practically impossible to do so. It is very easy after evidence has been given, to show what should have been done. No doubt there was a reference to papers, but speaking from experience, papers contain very little indeed. After evidence has been given you know the full value of the papers, and until you have heard the evidence that knowledge is not possible; and it is much to be regretted the committee should have gone the length of saying Mr. Burnside gave improper advice, and then proceed to say that while Mr. Burnside has never had an opportunity of justifying himself, he must be called upon to do so. That means that Mr. Burnside will be called upon to justify his conduct which the committee consider is improper; in other words, they find Mr. Burnside guilty, and then, seeing he has not had a chance of being heard, suggest he should be afforded an opportunity of clearing his character from a charge which has already been found true.

MR. EWING: On the evidence before us. What could be fairer?

MR. JAMES: I venture to assert that nothing could be more unfair than to

find a man guilty who has had no chance of being heard. This is admitted, yet Mr. Burnside is found guilty, and is invited to prove himself innocent. That is a Continental and not an English method of justice; and it is to be regretted paragraph 12 was inserted. It may be that Mr. Burnside was guilty of negligence; but on this point I speak with diffidence, because we know how easy it is to speak after evidence, in the light of which a number of previous difficulties appear quite simple. Lawyers must know that after evidence has been heard on both sides, they often say to themselves, "Why on earth did I not see that before?" The difficulty is to see before the other side is heard; and that should have been borne in mind by the Select Committee. I want to repeat my sense of the obligation Parliament and the country are under to the committee for the trouble they have taken, and my appreciation of the ability which the chairman showed in the conduct of the inquiry; but I do think that when the committee came to prepare the report, the members of the committee allowed their indignation, caused by the evidence, to somewhat colour and warp their views. They did not realise that they occupied a judicial position, and ought to be careful before they found persons guilty of charges which had not been specifically made against those persons. I am right in saying that the Select Committee did occupy a position more or less judicial, and their object would have been attained without finding persons guilty of the charges set forth in the report. If the committee had said certain things demanded further inquiry, and that further steps should be taken, that would have served the purpose. For instance, if in connection with the charges made in paragraph 8, instead of saying the officials ought to be dismissed, they had recommended suspension until inquiry by a Royal Commission, that would have been sufficient, marking as it would the indignation of the members of the committee at the facts disclosed by the evidence. Paragraph 12 is regrettable, and it may have been framed indiscreetly, not intending to convey, as it does, a proved charge against a gentleman who has had no opportunity of repudiating the allegations. There is a great deal of force in what the

Premier says, namely that perhaps with the best intentions the committee have gone further than they intended, and have made charges which leave an unpleasant feeling behind, seeing that those charged have not had an opportunity of being heard. While desiring to express their strong indignation at the facts disclosed by the evidence, the committee have allowed themselves to visit that indignation on the heads of individuals, only one of whom has been heard, and in regard to none of whom have the serious charges been brought home.

At 6-30, the SPEAKER left the Chair.

At 7-30, Chair resumed.

MR. GEORGE (Murray): In reference to the report of the Select Committee with regard to what is termed the frauds committed by the Perth Ice Company, it seems to me that the committee have evidently gone into the matter very carefully, have taken great pains and given much time to the inquiry; and, so far as that is concerned, they are entitled to the thanks not only of this House but of the whole community, because as is well known, at least to members of this House, a select committee sits without pay, its members have to give a lot of time, most of the members being also engaged in their own business or profession, and necessarily having to sacrifice much time in duties of this kind. I was struck by one or two remarks made by the member for East Perth (Mr. James), in which he touched on a few matters that will bear, in my opinion, further explanation. For instance, he spoke with regard to the railway system as being defective; but I do not think the hon. member is justified, on the report of this committee, in coming to a conclusion of that kind, because the railway system came under the purview of this committee only by a sidewind. The Railway Department as a whole was not on its trial, and practically only a portion of its officials were called to give evidence before the committee. According to that evidence, the possibility of these frauds being committed appears to have come about more from neglect on the part of certain individuals in the railway service, a neglect which might have

been caused by pressure of overwork or through the undermanning of the service, or causes of that kind. These causes are scarcely to be called a defect in the system of the railway. The Chief Traffic Manager appears to have shown, by his report, that the department had laid itself out to prevent anything of this kind occurring; but as the strength of a chain is its weakest link, so the strength of this system will simply be as to whether each and every individual who had to do with this matter, be his station high or lowly, had really carried out what he should have done. The member for East Perth seemed to imply—and I agree with him on this point—that it would have been better if the proceedings of the committee had been held *in camera*; that instead of the whole matter being reported in the public Press and afterwards in the lengthy record of evidence now before us, it would have been better if the committee had heard the evidence, the shorthand writers taking full notes of it, and the committee afterwards forming their conclusion on the evidence taken. It is not merely a question of certain men who presumably have been getting benefit by these frauds—that is those connected with the Ice Company—but it practically means that other men engaged in the Railway Department have to go before a committee not composed of experts, and have to give their evidence on matters which may have occurred during the last few years, matters which are merely a small percentage of the business those men had to deal with during that period in the course of their duties. Without reflecting on the committee, every member of whom I respect, it does seem to me they have not quite understood what the duties of such a committee should be. I do not mean to imply that the members did not understand their duties as men, or that they in any way overstepped the bounds of what they considered to be their duty as members of this committee; but the committee should properly have sat there to receive evidence, to bring out facts, and from those facts to have indicated a course of action for the Government to carry out.

MR. GREGORY: For the House to follow.

MR. GEORGE: I mean that they should have indicated in a general way

the course of action to be followed, instead of bringing out the names of men who by their very connection with the service would hardly fancy for a single moment that they were being brought before the committee to be tried as to whether or not their bread and butter should be taken from them. The law as understood by Englishmen is that every man has a right to be tried by his peers ; and the people, and the only people, who can give a just decision upon a matter connected with the railway system must be railway men themselves. I say it is impossible for hon. members, very few of whom have had any special training in connection with railways, to put themselves in these men's places ; and unless they do that they cannot fairly judge the motive which actuated these officers. The mere accident of election to this House does not give a man the qualifications of an expert in any matter. Railway men have to give the whole of their lives practically to understand the system ; yet the mere difference of a few votes at an election to this House will make a man immediately competent to sit in judgment on men who have spent their lives in carrying on a special occupation ! [THE PREMIER: Hear, hear.] The Premier smiles. [MR. VOSPER: Beams.] I am afraid the smile will be on the other cheek before I have done. We see that in connection with almost every public body we have in this colony. If a man be elected to the City Council he immediately becomes an expert in everything connected with municipal work—for instance, on electric lighting ; though probably he does not know how the light is generated : he may think it is turned on, perhaps, like a beer tap. It is the same with this great Railway Department ; and I for one, with all respect for the committee, protest against any select committee of this House sitting in judgment upon railway men, when the members of the committee are not experts and have had no opportunity of gaining any practical experience. Two names have been mentioned in this report—those of Mr. Jaques and Mr. Manson. I do not know Mr. Manson but I do know Mr. Jaques, and if I have any feeling in the matter it is rather against Mr. Jaques than for him. I do not know I have any special reason for that ; I think it is something

like the old rhyme of Dr. Fell ; but at the same time I shall ask this House not to indorse absolutely paragraph 8 of the report, regarding Mr. Jaques and Mr. Manson. I should like to suggest that there be a proper departmental inquiry into this matter, and let those officials bring forward everything they can in their defence. I am certain, although the examination of the witnesses was very lengthy, and in some instances very exhaustive, still, at the same time, if the inquiry had been conducted by experienced railway men, there would have been a great deal more evidence brought forward than we have had before us ; and I reckon, too, in connection with a committee of this sort—though I do not know that they have overstepped their powers—that it is a terrible thing that any committee of this House may be appointed who may call men before them and compel them to answer numerous questions, which answers have practically to form the basis of a prosecution. I do not believe the Select Committee have in any way overstepped their powers, but I say those powers are something terrible to contemplate. So far as these two men I have mentioned are concerned, we find that their careers are absolutely damned for the rest of their lives. One of them (Mr. Jaques) has been something like 25 years connected with the railways, and that man is absolutely branded, and prevented from earning his living in the only avocation he understands. If it had been proved in this evidence that he had accepted bribes, I would say he was rightly branded and that he had brought his punishment upon himself ; but the mere fact of accepting a couple of fowls or ducks at Christmas time—it is stretching a point too strongly to try to bring that in as bribery.

MR. GREGORY: The committee did not try to do so.

MR. GEORGE: No ; I do not think you did. But if that is the only point which can be brought with regard to bribery, the allegation of bribery, if there was any, falls to the ground at once ; because all men engaged in business know that at Christmas time it is the general custom to send out presents to different people, not with the idea of bribing them,

but because the practice is seasonable. Paragraph 8 reads:

That Joseph William Jaques, the Goods Agent at Perth, and Henry George Manson, have been guilty of gross neglect of their duty and should be dismissed from the service. If this paragraph had ended at "gross neglect of their duty," then I think the committee would not have gone too far; and they might have followed that up by saying, "and their conduct should be dealt with by their official chiefs." Then, I think, no one would have grumbled against the fairness of the committee; but to take such a drastic step as to recommend the dismissal of these men from the service, and that their livelihood should be taken away, is I think more than the committee intended or desired. Paragraph 9 states:

That other officials of the Railway Department have been guilty of negligence; but your committee does not feel justified in recommending any further dismissals without inquiring much more fully into the charges of negligence which have arisen against them. Your committee therefore recommends that a Commission be appointed to consider the conduct of the Railway Department and of the various railway officers, more particularly those in responsible positions, who, by their negligence, have contributed to these frauds.

That paragraph, to my mind, is perfectly justifiable; and if paragraph 8 had been incorporated within it, I think there would have been very little indeed said against the committee on that point. But I do strongly object to the idea that any committee of this House should take upon themselves, not being experts, to judge men who were in a very difficult position, who may have been guilty of negligence, but who were certainly not guilty of negligence which should cost them the loss of their means of livelihood. There is another point to which I object, and I would object to it with regard to any other committee who took the same step. If Parliament is at any time to exercise its right of appointing committees to deal with departments and practically to interfere—because it is interfering, although it may be justifiable—with the administration of departments, then we make Parliament an instrument which it was never intended to be, and which cannot be tolerated. Because, if we start with this one matter and carry the principle further and apply it to other departments, we come to a point upon which I am sure

hon. members will agree with me. In connection with such matters the judges should at all events be men who have experience of the matters on which they are called to give judgment. The members of select committees may have good commercial experience and adequate knowledge of the world; but they may not know exactly where to press the button and make the figure speak, like men who have had to do with the matter in hand. I am absolutely certain that if this matter had been gone into by a commission of railway men, or by a departmental board of inquiry, then, whatever the decision arrived at, Parliament would have felt satisfied with the result. But if the select committee are to sit and absolutely name people in this way, thus driving them, it may be, out of the service, I say such committee, in my opinion, go too far. Of course, it may be answered, these officials had every opportunity to bring forward that which would have minimised their culpability. But I would point out to members of the Select Committee that it could not have been in the mind of either of those two witnesses, Jaques and Manson, that so strong a step was likely to be taken by the committee. If it had been, these men would have had to fight strongly, and if they had won and convinced the committee that they, the witnesses, were in the right, Messrs. Jaques and Manson would probably—I may almost say without doubt—have raised for themselves a very unhappy situation in the department to which they belong. I notice in paragraphs 13 and 14, the committee investigated the company's books and some books of the Customs Department, and there they found various frauds had been carried on. I think it useful to the colony that this should be known, but at the same time the committee, having gone so far, might have gone further still. They might have made to this House an interim report, and prolonged their sittings, and gone so thoroughly from start to finish into this Ice Company matter that the whole distasteful business would have been shown up and ended at once. As it is, it seems they have discovered certain items in connection with the Customs which are certainly a disgrace to someone; and, if they had carried the same principle

through as they have exhibited in paragraph 8, they might have suggested who in the Customs Department is liable, either by negligence or connivance, for these frauds.

MR. GREGORY: We recommend that a Commission do that.

MR. GEORGE: Yes; and if you had recommended a Commission all through --if the committee had done so--then I should agree with the report. But in paragraph 3 of the report the committee point out certain Ice Company officials who they say should be prosecuted. That may be perfectly justifiable; I have not anything to say concerning it; but when we get to the Railway Department the committee recommend the dismissal of officers, and when they get to the Customs Department they do not recommend anything of the sort.

MR. EWING: Because we were not appointed to inquire into the Customs.

MR. GEORGE: Well, you did it all the same.

MR. EWING: Only incidentally; that is all.

MR. GEORGE: And there it was discovered by the committee that frauds had been perpetrated; and those frauds could have been perpetrated only by neglect similar to that which occurred in the Railway Department. If the Customs officials had thoroughly inspected the goods, then the frauds could not have been committed. Is not that so? If the Railway Department had inspected the Ice Company's trucks, then the frauds could not have been committed; but both departments through neglect, through sheer carelessness, or by being undermanned or overworked, have allowed these frauds to take place; and if the Railway Department is blamable in this matter, surely the same measure of censure requires to be meted out to the Customs. I regret very much the committee did not see fit to carry out the same principle with regard to the Railway Department which they have adopted as to the Customs Department. I beg to move, as an amendment, that in paragraph 8, the last seven words in line 3--

THE SPEAKER: The hon. member cannot do that. He cannot move to amend the report of a select committee.

MR. GEORGE: Very well. Had I been able to do so, I should have liked

to move the omission of these words, and to see paragraphs 8 and 9 amalgamated.

THE SPEAKER: It would not be the report of the Select Committee if the hon. member were able to amend it.

MR. GEORGE: There is so much of the report we do agree with, and so much we cannot agree with.

THE SPEAKER: The hon. member can agree with certain paragraphs and disagree with others.

MR. JAMES: Or part of paragraphs.

THE SPEAKER: Or part. The House may say, for instance, that hon. members agree with paragraphs 3, 4, and 5, and disagree with paragraph 8, or agree with it.

MR. GEORGE: When will be the proper time?

THE SPEAKER: If the hon. member wishes to deal with the report, he must deal with it now.

MR. GEORGE: I want to deal with paragraph 8 now, but I do not quite know how to do it. I understand there will be some amendment moved, and I shall have an opportunity then of speaking. At all events, I ask the House to consider this matter, not from the point of view of sympathy with the men, but from the point of view of the administration of a great department. Unless the Select Committee find the chiefs of the department were absolutely wrong in the way of carrying on their business, and that the system was absolutely wrong--which they have not done--they should be content to leave these officers to be dealt with by the only men who can fairly judge in regard to the matter. Without wishing to express an opinion, I would point out that supposing a departmental inquiry were held and these two men were found guilty of gross neglect, the department could deal with them short of dismissing them, by reducing their grade. It is not for the good of the service that men, under the circumstances, should be dismissed, unless they have been guilty of misconduct absolutely dishonourable. To the Goods Agent the loss of his emolument and his status would be sufficient punishment; but to take away from any of these men, for neglect of duty like this, the means of livelihood, is like cutting the hands off an artisan, and I am sure the House would not like to do that.

MR. VOSPER (North-East Coolgardie) : So far from following the example set by some members in congratulating the chairman and members of the Select Committee, I desire to offer them my profound commiseration. They have had a distasteful, disagreeable, and difficult task, and they are even now in a disagreeable position. On the one side they are criticised by those who think they have not gone far enough, and are still more adversely criticised by those who say they have gone too far; and while I have to offer the committee my commiseration on their peculiar position, I regret I am bound to say also that their report does not give me unmixed satisfaction. I am obliged to take up the position of critic, but, at the same time, as at present advised, I do not propose to vote for any amendment suggested. To my mind it would be invidious, and to the last degree discouraging to members of select committees, if the House discredited their work and cast doubts on their impartiality and judgment by amending their report or accepting it in fragmentary form. Very often members of select committees are selected with too little regard for the important function they have to fulfil, and too often we find party considerations weigh a good deal more than personal merit or the capacity of the individual. That being the case, we frequently find unsatisfactory reports brought in; but when it happens that the majority of the members of the committee belong to or represent the majority in the House, little or no notice is taken, whereas if the committee happen to be otherwise constituted, they are subjected to criticism, and efforts are very often made to discredit the results of their labours. I deprecate and would vote against any such proposition as that made this evening, because if the House take on itself the responsibility of selecting gentlemen to act on select committees, we should also take the responsibility of their acts, and not repudiate the results of an inquiry instigated by ourselves.

MR. MONGER : Not many of them have read the report.

MR. VOSPER : Exactly; as the member for York (Mr. Monger) has reminded me, I venture to express a doubt as to whether very many members have taken the trouble to go through the evidence in

anything like a careful or exhaustive manner.

THE COMMISSIONER OF RAILWAYS: I read the evidence every morning.

MR. VOSPER : If the hon. gentleman read the evidence every morning he did not read a full and accurate account, because the newspapers have to publish what they consider interesting, and not that which may be vital and important; and it often happens that the points which appear to the reporter to be of little moment, are of first importance in investigations of this nature. The Minister must abandon his childlike faith in the daily Press, and gain his information from original documents. Coming to the report itself, it commences with the statement of two facts which have been obvious to the public for a long time past, namely that extensive frauds have been perpetrated by this company on the Railway Department, and that "it has been possible for the company to perpetrate these frauds by reason of the gross neglect of duty by many of the railway officials." With regard to the second paragraph, I am inclined to agree with the member for East Perth (Mr. James), when he charges gross neglect of duty, and says that could not occur unless there was some serious defect in the management of the department itself. What do we find? From the evidence we find gross neglect has been carried on for a period of three years at least. In the Railway Department, and in every department, there is supposed to exist a system of checks and counter-checks, under which every office and duty is systematised and every officer's action is regulated and scrutinised by his superiors. If that had been the case in regard to Manson, Jaques, and other offending officials, and if the system had been complete and there was nothing censurable, surely the fact that these officials were neglecting their duty would have been discovered long since. The mere fact that the men were able to systematically neglect their duties for so long a period indicates something wrong in the system. Supposing a select committee were appointed to inquire into the matter of a collision and brought in a report to the effect that the porters, signalmen, guards, and so forth, had been guilty of gross neglect for a certain period of time, the only obvious deduction

from such a report would be that the system was defective and dangerous to public safety. That applies equally to the commercial side, and if these men could have been so guilty, that implies either neglect or that the system is defective. We now come to paragraph 3, and here we find a list of the victims of this inquisition. The first on the list, and properly so from all we have heard, is Mr. Hancock, the manager. The next name is that of William Strathmore Judd; and just here I would like to deal with some of the cases individually, and call attention to one or two points in the evidence. Judd was the first witness examined, and we find evidence that at one time he actually had written a letter calling attention to these frauds, but was afraid to send it, because it meant the sacrifice of his subsistence and that of his wife and family. I can understand a man being in that awkward position, and if we examine his evidence, most members will come to the conclusion that Judd is rather more to be pitied than to be blamed. Commencing at question 40, Judd's evidence was as follows:—

40. Did you report it to anyone connected with the company?—Later on I informed Mr. Hancock; that was when the thing came up.

41. When did you inform Mr. Hancock?—Some little time afterwards; I could not mention the date.

42. How long?—It is very hard to say; they went on for some time. I only mentioned it to him; I said I thought it was wrong and pretty risky.

43. You mentioned it to the manager himself?—Yes; one evening in his office.

44. Have you any reason to believe Hancock also knew of the frauds?—Mr. Clements told me that the game had been going on for two or three years, and that an arrangement had been made with the railway people.

That is a statement which does not seem to have been very closely investigated. Judd's evidence goes on:

It was not my particular business to notice it.

45. You told the manager you considered it a very risky game?—I did, and he told me to mind my own business.

46. Did any other instance come under your notice subsequently?—Yes.

47. Constantly?—I cannot say constantly, but when I took the trouble to look into it I saw it, and I was very nervous and did not like it; but I was a married man with a family. That was a motive which might urge many a man to condone, if not to commit, a fraud; and here we find the individual

who appears to be the first witness, and whose evidence was presumably valuable, did tell Hancock, and write a letter to the directors, but was afraid to send the letter, because it would have led to his dismissal. I do not complain of that as a fault in the report, but as suggesting there may be some reason in the case of Judd for rather a more lenient judgment than in that of other persons accused. I would like to draw a contrast between Edwards on the one hand and Thompson and Rossiter on the other, mentioned in the fourth paragraph. I am informed that Edwards was employed altogether for five months with the Ice Company, at a salary, and that he derived no benefit from the perpetration of the frauds. He had not, as Thompson and Rossiter had, a commission and therefore the presumption is that he had no interest in doing the frauds. I have learnt from conversation with some of these persons since, that a great deal of the information he (Edwards) conveyed was hearsay, derived from them, and the origin of this exposure was really a conspiracy of revenge against Hancock himself, and that he (Edwards) simply became the medium through which the information was transmitted to the *Sun* newspaper. Thompson and Rossiter were in the service of the company for a considerable period, and had a direct pecuniary interest in carrying on the frauds; consequently there appears no reason why six men should be singled out for prosecution, while two others, who had direct interest, had their case, not slurred over exactly, but in regard to whom a recommendation is made that prosecution should not be instituted against them. At all events, the committee do not recommend or direct a prosecution, on the ground that these men were not called as witnesses. The committee say they refrain from recommending a prosecution. In paragraph 5 of their report the committee state an opinion I ventured to express when the question of appointing a committee was before this House, and I am glad to find my opinion is strongly confirmed by the report of the committee, as to the culpable negligence on the part of the auditor in not properly auditing the books of the Ice Company. It will be remembered that when we were discussing the question of a reference to a select committee, I stated

my opinion that if the auditor of the Ice Company had taken the trouble to compare the consignment-notes with the list of goods sent, he must have discovered the frauds; and I am glad to see the committee have confirmed my judgment in that matter. With regard to Jaques and Manson, I am inclined to agree with what was said by the member for the Murray (Mr. George) and the member for East Perth (Mr. James), that those men should be allowed to have their side of the question put prominently before the public, and should not be condemned unheard. But as to the committee not being a proper tribunal for taking evidence with regard to the conduct of these men, I would ask hon. members to consider what would happen if a committee of railway experts were to examine witnesses in this case. There would be exactly the same process to go through; Jaques and Manson would be called before them and examined, and if they were not examined the affair would assume the complexion of a trial of men in their absence, and the actual object of the inquiry would be defeated. Therefore they would follow the same process exactly as in this case, and the same results must accrue, because all that a committee of experts would have to do would be to call other experts and cross-examine them. I think that, judging by the evidence before us, no other conclusion is possible than the one arrived at in the report. Still, if it be a satisfaction to these two persons to have the benefit of an inquiry as to their conduct, I should not object to that course being taken. I come now to a more important matter, and an even more painful aspect of the question, and that is dealt with in paragraph 10 of the report:

A charge of felony having been made against the directors of the Perth Ice Company, and the Attorney General having been charged with compounding such felony, your committee called Hugh Mahon and James Macallum Smith, journalists, who are responsible for these statements, and asked them to produce the evidence upon which these charges were founded. These witnesses admitted that they had made these very serious charges without any evidence to support them, and your committee can find no justification for the same.

With regard firstly to the position of the directors, I think the directors ought rather to have welcomed a prosecution in a court of law, than to have an exculpa-

tion such as is given by the committee in this report. My reason for saying so is that the verdict of a jury would be a proper exculpation, whereas this is a more than doubtful one. The Attorney General smiles at that, because doubtless he has already formed his judgment; nevertheless I must tell the hon. member I have a right to express my opinion, and I am doing so. With regard to this charge of felony that was made against the directors by a certain newspaper, I would hardly like to accuse the directors of felony, but it must be obvious that those directors were guilty of gross neglect as directors; for had they done their duty, these frauds would have been impossible. The company had been for three years past carrying on these frauds—that is not disputed; and what is the result of the frauds? By reason of swindling the Railway Department, and thereby getting lower rates of freight, the directors were able to undersell all the competitors in Kalgoorlie, Coolgardie, and elsewhere in their line of business; and, as a result, the company made a profit altogether disproportionate to that which they could have made by honest trading. These directors must have known they were making extraordinary profits, and knowing it, they did not inquire whether those profits were made in a regular manner, they did not investigate the mode of making them, and they treated the matter as if those extraordinary profits were due to the superior smartness and sagacity of their business manager. Had those directors paid that close attention to the company's affairs which they were bound to do as directors, under the terms of the Companies Act, I contend that they must have been fully cognisant of those frauds from beginning to end; and the fact that they were not so cognisant is a proof that they have not carried out the duties imposed upon them in their position as directors of the Ice Company. We find by Section 42 of the Companies Act 1892, that the directors of every company have certain duties imposed on them, among them being the duty to keep a true account of the assets and liabilities of the company; and that for neglect of those duties they are made liable to a penalty of £10 a day for each and every day during which such default continues. Yet we find that



for three solid years the books of this company were faked and jerrymandered in order that the frauds carried out by this company might be continued.

A MEMBER: Not by the directors.

MR. VOSPER: Not by the directors; but we find that the books were continually being "rigged up" to suit the curious policy of this company in its dealings with the Railway Department. Even if we leave out the books, we find that the invoices of the Ice Company did not agree with the consignment notes--that is the point; consequently the consignment notes at all events were fraudulent documents from beginning to end. Now to get a true account of the assets and liabilities of a company like this, and to know exactly its receipts and expenditure, it was necessary that the invoices should be checked with the consignment notes; and while it might not be the duty of the directors to go behind documents of this kind and inquire for themselves into the details of the business, still it was the duty of the directors to see that these documents were properly audited.

MR. GEORGE: The directors have the certificate of the auditor.

MR. VOSPER: But that will not suffice to screen the directors, if they are taken into court for neglect of their duties under the Companies Act. Ever since the time of the Glasgow Bank frauds, we have seen numberless cases in which directors have been dragged into a court of law and prosecuted for no other offence than that of neglect of their duty as directors.

THE ATTORNEY GENERAL: You are all wrong there. It is for wrongful acts. I know that well.

MR. VOSPER: Well, the Companies Act from which I am quoting says that where directors do neglect their duty, the penalty is no less than £10 a day; and if not guilty of fraud in this case, the directors are guilty of neglect under that section of the Act, and are liable to a penalty of £10 a day so long as that neglect is proved to have continued. Either those directors are guilty of a knowledge of the frauds, or they are guilty of a culpable neglect of their duty as directors under the Companies Act.

THE ATTORNEY GENERAL: What is the criminal neglect?

MR. VOSPER: I have not said criminal neglect, but culpable neglect. I say that for three years there were fraudulent documents passing as genuine documents, and the directors were responsible for the system which permitted that practice to continue.

THE ATTORNEY GENERAL: They relied on their auditor.

MR. VOSPER: But the Act makes them personally responsible.

THE ATTORNEY GENERAL: Oh, no.

MR. VOSPER: I have been a director of more than one company, and I shall be glad to find that I am relieved of that responsibility; but as far as I can understand the language of the section, and looking at it as a layman, it appears clearly that for any default committed under this section, any director shall be liable on conviction to a penalty of £10 a day for every day during which the default is continued. Either those directors must have known of the frauds which were committed, and were criminally liable for having that guilty knowledge, or if they did not know, they are liable for neglecting their duty as directors. Therefore in either case they were liable to prosecution, and a prosecution should follow. I do desire that the truth should be known and sheeted home to the right persons. If I were to commit a fraud, or any obscure individual in the community were to commit a fraud, he would be arrested at once on suspicion.

THE ATTORNEY GENERAL: No; not on suspicion.

MR. VOSPER: Well, we will say he would be arrested on a sworn information. In this case I believe there was nothing in the nature of a sworn information; but I do contend that as soon as the company's frauds on the Railway Department were exposed, the Attorney General and the Crown law officers generally should not have sought to discriminate between one person and another, but should have laid informations against all the persons implicated. The exculpation which appears in the committee's report is not by any means sufficient. With regard to the position of Hugh Mahon and Macallum Smith, we have heard a sensational article read to this House by the member for York (Mr. Monger); I do not think anyone in this House would be inclined to defend the lan-

guage used in that article, which must have been written under the influence of considerable irritation, caused to a great extent by certain questions having been put to certain persons who were called before the committee as witnesses. I am not here to defend those persons, nor to defend the newspaper in which that article appeared. On the contrary, I think the committee have done their duty very well under the circumstances of the inquiry. But when we come to the statement made in paragraph 10 of the committee's report, with regard to Mahon and Smith having made certain admissions, I differ from the statement of the committee on that point. The paragraph says:

These witnesses admitted that they had made these very serious charges without any evidence to support them, and your committee can find no justification for the same.

I have gone through the evidence, and I cannot find that such admission ever took place. Here we have Mahon called, and on page 162 of the evidence we have this:

5047. But what was the information you had before you that led you to think the directors had a knowledge of this affair?—I had none. I did not write the article.

MR. GREGORY: He alluded to one specific article.

MR. VOSPER: Then again he is asked:

5053. You have written subsequent articles in which you say that the Attorney General in this connection has compounded a felony by receiving from the directors certain moneys. Had you any evidence at the time of the writing of the subsequent articles that the directors were connected with the fraud in any way?—If you will kindly produce the article in which you say I charge the Attorney General with compounding a felony, I will be able to answer the question.

5054. Do you not recollect an article?—I recollect an article.

5055. In which you said the Attorney General had compounded a felony?—I recollect an article to that general effect.

5056. That is sufficient. I have not the article here, otherwise I would hand it to you. Had you at the time you made that statement any evidence to show that the directors had committed a felony or that a felony had been committed?—Pardon me. I have not admitted that I made such a statement.

5057. We will assume that you did, for the sake of argument. You say you recollect an article to that effect being published in your paper. Strong statements like those lead us to the conclusion that you must know some-

thing, and a man does not generally charge another with felony, and charge another with compounding that felony, without having some really sound basis?—I understand the frauds are admitted.

His answer to that is an evasion; but we must remember that Mahon found that he was being prosecuted elsewhere, that he was charged with criminal libel in a court, and for all he knew to the contrary this inquisition to which he was being subjected might lead to his being prosecuted still further. Therefore, he was more on his guard. Mr. Mahon stood on his defence when before the committee, and was governed by the instinct of self-preservation, which is, perhaps, one of the most valuable possessions we have. Then he is asked further:

5059. I am referring to the latter article, in which you said the Attorney General had compounded a felony?—I have no recollection of that article containing anything from which an assumption could be drawn that the directors were cognisant of this fraud.

5060. You have no recollection of anything of that kind?—I have no recollection of any statement having been made that the directors were cognisant of these frauds.

5061. In any case I gather from your remarks now that, if you did convey the impression, you did not intend to convey the impression that the directors were in any way connected with the fraud personally?—I should say that *prima facie* they must have known something about it. The position is just this: either they did not know their business, or they must have been aware of what was going on.

In his reply, he seems to have baffled this inquiry with considerable skill, and we see that the examiner was trying to make him admit that he wrote the article. Mr. Mahon skilfully avoided any admission that he did so. He goes on further, and down to question 5069 we find a series of a similar kind; also in 5097 and 5098. All through we find that it is impossible to wring an admission from Mr. Mahon that he was the author of the articles, or that he knew anything of the statement contained in them, or that he held himself accountable for them in any way. More than that, he says he was absent from the colony during part of the time. Yet in the face of all this, the committee say in paragraph 10 that these persons (Mahon and Smith) admitted they had made these very serious charges without any evidence to support them. I fail to see that Mahon made this

admission. It is not in the evidence, and I think the committee have fallen into an error in saying that Mahon did admit it. That error in the committee's report is the genesis of the whole of the vituperative article which the member for York has read to the House. The result is that, in their own peculiar style, these persons charge the Select Committee with having told a wilful, deliberate, and malicious falsehood. I say the committee have erred, and in framing this portion of their report they have not gone through the evidence with sufficient care. In that statement lies the provocation for the article which has been read to us, and I say those persons have strong justification for stating as they have done that they defy any man to prove that such admission was made. I say the committee ought not to have accused them of having admitted this, when in fact that admission is not contained in the evidence. I come next to the business about the Crown Solicitor. The paragraph in the report says :

That the Crown Solicitor, Mr. Burnside, gave improper advice to the Railway Department when the matter, in its very earliest stages, was brought under his notice, he apparently being more concerned in recovering the money than in bringing the offenders to justice. Seeing, however, that Mr. Burnside has had no opportunity of explaining his action, your committee suggests that he should, immediately upon his return, be called upon to justify his conduct, and he be dealt with accordingly.

I do not know whether Mr. Burnside was acting on his own responsibility or on the general direction of the head of the department—that point has not been investigated, and we have no evidence one way or the other—but I am willing to take it that he was acting on his own initiative, and that the opinion he gave was based entirely on his own responsibility. If a private individual were to come to any person in authority and say, "I have lost a watch worth £5, and instead of catching the thief I shall be only too glad to get the watch back," that person would be at once told, "You are guilty of compounding a felony." I do not know whether Mr. Burnside has expressed an opinion of that kind, or has not. That is entirely beside the question, so far as I am concerned. All I wish to say is, if he did express such an opinion,

knowing that frauds were being committed—and members of the committee say he knew that; they say Mr. Burnside absolutely knew that this was no question of error, but one of absolute fraud, and that it was represented to him by the heads of the Railway Department as fraud pure and simple—if, then, on perceiving this fraud, the Crown Solicitor advised that the department should seek rather to recover the money than to punish the guilty, then I am justified in saying he was guilty of compounding a felony, and that his departmental chief, in indorsing that view —

THE ATTORNEY GENERAL : Where is evidence that he indorsed the view ?

MR. VOSPER : But the great difference between the position of the Crown Solicitor and that of the Attorney General is that the Crown Solicitor makes the bald and naked statement that he prefers getting the money to prosecuting the thieves, whereas the Attorney General does not "burn his bridges" behind him, for he says there is not sufficient evidence to convict, and therefore a criminal prosecution is not advisable. That is the distinction between the opinions of the two officers. I should certainly refrain from charging the Attorney General with any such offence as compounding a felony, because he expresses his opinion that there is not sufficient evidence on which to commence a criminal prosecution; but if Mr. Burnside said, "It will be a better thing to get the money back than to punish those guilty of these frauds"—I say, if Mr. Burnside said so, and knew frauds had been committed, then unhesitatingly I say he is guilty of compounding a felony, and that the only blunder made by the *Sun* newspaper in making the accusation of compounding a felony is that it attributed the offence to the Attorney General instead of to the Crown Solicitor.

THE ATTORNEY GENERAL : You know the man is not here to defend himself.

MR. VOSPER : I know that; and I do not want to condemn him unheard any more than anyone else. I am only assuming that the statements made by the Select Committee are true; and we have had them confirmed by members of that committee, and we are bound to accept the report of a Select Committee as being veracious. And if the Select

Committee's condemnation is accurate—and they say it is—the only logical deduction to be drawn from that is the one I have already drawn and illustrated to hon. members to-night. I want to say just a word or two with regard to the frauds on the Customs. I think I have been extremely fortunate in escaping so much of the abuse showered upon various journalists in connection with this affair. Some have come in for a very large share in this House and elsewhere, and it must be said they have certainly repaid it with exorbitant interest. Whatever has been done in the way of vituperation within these hallowed precincts has certainly been responded to with a great deal of vigour; and the amount of mud that has been thrown on both sides—if hon. members will pardon me for suggesting it—has been peculiarly plentiful, noisome, and odorous. I have managed to escape. But I may tell the House it was owing to investigations privately made by myself that the fact that these frauds have extended their ramifications into the Customs Department first came to light. I may as well give the House a little further information which has been adduced partly from my own experience and partly from investigations still being conducted by my agents. In my opinion it is extremely fortunate that the Select Committee went a little off their beaten track in order to investigate some frauds committed on the Customs; and my deliberate opinion is that during the last five or six years frauds have been perpetrated in connection with that department of a truly gigantic description, of a description and magnitude beside which the frauds committed on the Railway Department by the Ice Company will pale into absolute insignificance. And I say that because no sufficient investigation is made by the Customs Department of goods landed in this colony. I say smuggling has been going on in this colony for years past, and in all probability is going on at this very moment. I will give an example. The other day I ordered 25 books from New South Wales, and they came. Being valuable books, they were packed very carefully in a wooden case, and inside that again there was a zinc case. It was what is called a zinc-lined case. Each volume was about the size, I suppose, of a volume of the

Statutes or a little larger; and each one was wrapped up in paper, and each was sealed. When the case arrived at my office, and I came to open it, this was the condition of affairs. One of the boards of the outer case had been prised up by means of a screw-driver or some similar implement; a can-opener, or something of that kind had been inserted in the zinc, and for about three inches in one direction and four inches in another, the zinc had been cut and just lifted up. The paper in which the books were wrapped was not torn or cut in any way; the seals on each package were completely intact, and all that could be seen of any book was not more than an inch or two. That was the whole examination which had taken place. Now, for all the Customs officials knew to the contrary, the rest of that case might have contained cigars or spirits or opium, or any other highly dutiable kind of goods. As far as the scrutiny was concerned, I might have smuggled £3,000 or £4,000 worth of opium into this colony in that case. If hon. members are inclined to doubt my asseveration, the case is still lying at my office; and I may suggest that it be inspected by the member for the Murray (Mr. George), who is welcome to look at it if he cares to visit his next-door neighbour to-morrow.

MR. GEORGE: Will you give me a drink, if I go?

MR. VOSPER: Unfortunately, I did not avail myself of the opportunities given me for smuggling, otherwise I might have been able to give you very good stuff which had not paid duty; still, those are the facts, and the case was opened in the presence of three or four people. I said at the time how very easy it would be to cheat a Customs Department which examined goods in such a perfunctory way as that; and there is a lot of smuggling going on, more than hon. members or Custom-house officers are aware of. I should not like to suggest anything in the way of corruption, but the Customs Department is either undermanned or badly managed, because there is a great deal of smuggling in the colony. Here is one common trick, and I have evidence to prove it, which I can bring before any commission appointed, though I may use it in other directions first. One of the commonest tricks in the trade

here is: supposing a large case of drapery or any other goods of that kind be received, it comes in a zinc-lined case which may be of great size and enormous weight; the contents of that case are scheduled in a series of invoices, for there may be an immense variety of goods in that particular case, and it may take no less than five distinct invoices to represent the total contents. The consignees send down three invoices to the Customs officials, and the goods are passed on those invoices, with some such perfunctory examination as took place with relation to my books. If by any "fluke" the officials do examine the case thoroughly, and find there ought to be two more invoices, they send to the firm in question, who say, "Oh, we are extremely sorry; we inadvertently left these two invoices on the file: here they are." They produce them and pay the duty. The same thing is going on day after day, week after week, and month after month, and I say that the Customs Department are losing thousands and thousands of pounds owing to the manner in which these proceedings are carried on, and there are many firms in the country which are not above taking advantage of this kind of thing. When a firm discovers that the department is not making proper inquiry or examination, that firm is encouraged to carry on this kind of thing. I am glad to see that an investigation is likely to take place, and I can assure hon. members that if the investigation is carried out in as thorough and impartial a manner as the work of the committee whose report we are considering to-night, they will discover more sensational frauds than those which are disclosed in this report, and persons will be implicated which will surprise this House. This report brings us to the threshold of the whole matter, and it shows the wisdom of the House in appointing this committee to carry out this investigation. I suppose it is only custom, but the Premier, in one of the most lame and halting speeches he has ever made in this House, attempted to defend the civil service. It seems a speciality of the Premier's that whenever the service is attacked he has a kind of false feeling of *esprit de corps*, and rushes to its defence; but he made the most lame and halting defence of the service we have yet heard. If we can

only have a thorough and complete inquiry into some of the departments that exist under the Government, we shall find a curious state of things existing. We shall find such serious frauds that the Premier will be ashamed to take up the rôle of protector of the civil service. I think we should appoint a Commission, because further investigations may be desirable before the recommendations of the Select Committee are carried out. I may also say that if prosecutions are to take place they should take place immediately. I believe the officers and others are being kept under police surveillance at the present time: they should be relieved of that as soon as possible. As to the recommendations that certain civil servants should be dismissed, these servants are entitled to an investigation, and I shall vote for the amendment which has been indicated by the member for the Murray (Mr. George). I think the Select Committee deserve the thanks of the House and the country for the work which they have performed; and considering the evidence brought before them, I think the report is extremely impartial. I shall approve of the appointment of a Commission of the character indicated.

Mr. PIESSE (Williams): I would like to express my thanks, and I think the thanks of the House are due, to the committee for the way in which their investigations have been carried out. I am sure it must have been indeed an onerous task, necessitating as it did the examination of a large number of witnesses; also because the examination was being carried on at a time when the House was sitting, and when so little time was at the disposal of the committee. In bringing up the report so rapidly to the House the committee have done a very great deal of good, and have given the House much information that will be of service to it. They have disposed for the the time being of a most difficult and onerous task. As to the question of who is to blame in the matter, on two previous occasions when speaking on this subject in this House, I mentioned it was not my intention to defend the Railway Department at that time. I was not aware how far these frauds had gone, or how far the railway officials of this department were

concerned or were to blame. The report which has been placed before the House, with the recommendations of the committee, seems to deal very fully with the various subjects brought before the committee, but it is not my intention to touch on the several portions of the report. At the same time I think the province of a select committee should be confined more to investigation, and not to making recommendations of the character which are made in the report. For instance, in recommending the dismissal of railway officials for neglect of duty, I think the committee have gone beyond their province, because that is a matter that should be dealt with, I take it, by the Railway Department, through an official investigation. The committee should have made their report, and pointed out that there was gross neglect of duty, instead of in paragraph 8 stating :

That Joseph William Jaques, the goods agent at Perth, and George Henry Manson (late of Coolgardie and now stationmaster at Kanowna) have been guilty of gross neglect of their duty, and should be dismissed from the service.

That seems to me to go a little far in that direction. As far as I am concerned, if the investigation had taken place during the time I filled the position of Commissioner of Railways, and it had been proved on official investigation that officers of the department were guilty of gross neglect, and a recommendation had been made that these officers' services should have been dispensed with, I would have been the last to have exonerated those officers, or avoided carrying out the recommendations. Because if gross neglect was proved sufficient to warrant the dismissal of any of the officials in the interests of the country and of the service, that recommendation should have been carried into force. When we look into the whole of the evidence given before the Select Committee, there is no doubt the evidence given by some of the officials leads the House to agree with the committee that very great neglect has taken place; but I think it would have been far better to have allowed an official investigation to have followed upon this report. When that official investigation had been made, no doubt certain recommendations would have been brought up, and we should have had to consider them. Knowing, too, that the officials who

would have inquired into this matter have a thorough knowledge of the working of the department, and would have been guided by the regulations in general use in the working of the railways, such an investigation would have been far better. The member for the Swan (Mr. Ewing) stated in his speech to-night that he possessed no special knowledge in connection with the working of the Railway Department, therefore he was not capable of judging of official matters. With all credit to the member for the Swan (Mr. Ewing), I may say it is not well for the House to take cognisance or be guided by the recommendations of that hon. gentleman, for the reason which he has already expressed, that he does not possess sufficient knowledge of matters connected with the Railway Department.

MR. GREGORY: He gives special reasons for picking out these two men.

MR. PLESSE: The Railway Department would have been guided by special regulations, and also by a system that requires years of practice to master. It is only after many years of work of an arduous character, and of a special character, that a man becomes a capable railway man.

MR. WILSON: It is ordinary commercial routine.

MR. PLESSE: It may be an ordinary commercial concern, or ordinary commercial routine, but it is not the routine which we know in our offices. The Railway Department is different from concerns of an ordinary commercial character: it requires special knowledge and special training. Those who know something about railway work will agree with me when I may say that officers of this department require special knowledge. We have heard it said too that when the various officials were questioned, not one of them was found to accept the blame; each put it on to the next man, and ultimately, as the member for the Canning (Mr. Wilson) stated, it came down to the office-boy, and no one was to blame. That is natural, because we find, as a rule, where so many men are engaged and have to do work of a special nature, there is a tendency on the part of many men to try first of all to exonerate themselves, and perhaps exonerate others. They take care neither to blame themselves nor anyone else, as a rule. There

are few men who are sufficiently honest to admit that the fault is their own. They will go so far sometimes as to think it is no fault of their own, and at other times they will try to put the blame on to someone else ; but I am not here to defend officials. The evidence discloses gross neglect, which can be inquired into at the proper time. In fairness to the officials mentioned here, in regard to whom recommendations are made as to dismissal, I certainly think an official investigation should be held, notwithstanding the evidence brought before the committee; because, after all, if this report be carried into effect it will mean a lasting disgrace to these officials. I think it would be better to withhold the recommendations which are now made, and give the men an opportunity of being examined before a departmental board, or some other board appointed, which no doubt will result in recommendations being made in keeping with those of the Select Committee. After all, what we want to see is that justice is accorded to the officials mentioned. I will instance one of them, Mr. Jaques, who has had 26 years of railway experience, four years of that time being spent in this colony: previously he was in New South Wales and the old country. He was selected from New South Wales to fill the position in consequence of his experience.

MR. MORAN: All the more blamable.

MR. PIESSE: I quite agree with the member for East Coolgardie that he is all the more blamable; still in fairness to the officers, for justice should be meted out to them, they should have an opportunity of defending themselves, and this does not appear to have been given in the one instance which I have referred to. We have a statement given by that officer, and when we come to refer to the investigation we find that no less than 715 questions were asked of this man in two days: he had to answer all these questions. The committee were anxious to conclude their inquiry; that inquiry was of sufficient importance to be concluded quickly, and when we remember this man during these two days was asked the great number of questions I have mentioned, I think the House will agree with me it requires a man to have his wits about him to reply to all the questions without probably incriminating himself;

therefore perhaps he was unfair to himself in replying to the questions. If he had been given more time to reply to the questions of the committee he might have been able to illustrate or to bring further evidence in his favour. We should consider this was a one-sided inquiry, asked entirely for by the House. What I ask is that further investigation should be made into the work of these officials. I would not like to see the House agree to the carrying out of the recommendation to dismiss the officials without giving them some further investigation. And at the same time as one who has known these officers for some time and known also the working of the department, I may say I do not at this stage wish to defend them, because I have not had an opportunity of hearing both sides of the question. Still, I would ask the House to carefully consider this matter and give these men an opportunity of defending themselves. Then we come to the question of Mr. Burnside. The statement made here by the Select Committee that Mr. Burnside gave improper advice to the Railway Department seems to me to be a severe reflection on that gentleman, who is absent from the colony. Certainly the latter portion of the paragraph provides for his examination upon his return; but still it seems to me to be very severe upon the Crown Solicitor. That gentleman should have an opportunity of stating what he knows about this; and although it is provided here that an inquiry shall be held, still, after all, paragraph 8 should be disagreed with—that is the one providing for the dismissal of these two officers. I think that if the House can agree to all the remaining paragraphs and postpone the consideration or at least not to agree to paragraphs 8 and 12, pending further investigation, the object of the committee will be met, and the officers whom I have mentioned will have an opportunity of an official inquiry which may lead to the obtaining of further evidence that will help them in regard to their position. With that object it is my intention to move an amendment, which I hope the House will agree to. Even if the House does not see its way to agree to that amendment, the amendment may perhaps be the means of bringing out a further amendment later on. My desire is to help to

elucidate matters as far as possible, and to try to bring about that justice to which I think those officers are entitled. The amendment I move is that all the words after "That" in the first line be struck out, and the following inserted in lieu:

(That) this House adopts the report of the Select Committee in so far as regards paragraphs 1 to 7, 9 to 11, and 13 to 15, but with regard to paragraphs 8 and 12, this House is of opinion that the recommendations therein contained should not be carried into effect pending official investigation.

Mr. RASON (South Murchison): I second the amendment.

Mr. GREGORY (North Coolgardie): It is my intention to oppose the amendment by the member for the Williams (Mr. Piesse), and I think that if any member takes the trouble to peruse the evidence he will find we are fully justified in every charge we have made in the report. The first complaint which has been made in the House, and which I propose to deal with, is that a certain person who is charged with conspiracy was refused by us the right to have counsel to attend him at the committee meetings. I may say that I was quite in favour of this person having counsel, but we would have had so many witnesses, and they would have enlarged the work of the committee to such an extent, that it was thought inadvisable. Our chairman went so far as to tell this person that his wisest course would be to apply to the House; then the matter was brought up in the House, and the House decided that no person should be represented by counsel at the sittings of that committee. If there is any blame attachable regarding that, it is attachable to the House and not to the committee at all. I may say that our report has been a most exhaustive one. We got all the evidence we possibly could in regard to the matter, and I contend that no person can accuse us of being afraid in any shape or form in the report we have brought forward. We have shown that extensive frauds have been perpetrated upon the Railway Department, and I may say those frauds have been gross and scandalous frauds. They have existed for a very long time, and there has been a conspiracy amongst certain persons. We have enumerated those persons here; not only the manager of the Perth Ice Company, but also the

branch managers; and I want to show the members of the House that it was absolutely impossible for the branch managers at Kalgoorlie and Coolgardie not to have known that these were existing. Every time, or almost every time, goods were sent away from Perth under a wrong consignment note, in the same car there was a special invoice, and that special invoice gave the true details of the whole consignment of that truck. In many instances the words "consigned as four tons of ice" or "eight tons of ice" were written underneath. A true statement was given in the private invoice sent in that truck to the branch managers, giving the true details of every item in the truck, and underneath was written "consigned not as ice"—eight tons or four tons of ice, certain quantities. We had one invoice specially before us in which there were some eleven tons, consisting of six tons of ice and the balance produce, and it was stated upon this private invoice that the whole had been sent as eight tons of ice. Then again the carriers at Coolgardie and Kalgoorlie had objected to taking the railway weights, and the branch managers had to pay those carriers upon their own weights and not the railway weights. They must have been conversant with these frauds and must have assisted at them, therefore the committee had no other course than to say a conspiracy existed in connection with these frauds. We had the evidence of a man named Campbell, who told us very straightforwardly that the manager knew about this, and also the branch managers. I think we had no other course open to us but to bring in the finding we did; and we had further evidence also against the manager. We found out that the manager of the Ice Company in his own handwriting made out wrong consignments. I think if any member will take the trouble to carefully look into this evidence, he will find we have made no mistake whatever with regard to the names we have given here of those who should be dealt with by the Crown Law Department. We felt that our report must come in, and that we might cause too much delay if we called further evidence. We did not call William Thompson and Rossiter. We had evidence before us to show they had acted in col-



lusion, and we give their names in a special clause. We say:

That the evidence points to the fact that William Thompson and A. E. Rossiter, late branch managers of the company, are equally guilty with the above-mentioned persons, but your committee refrains from recommending their prosecution, for the reason that these persons have not been called as witnesses, and have not had an opportunity of justifying their conduct, but it is desirable that the Crown Law Officers should consider the advisability of including them in the before-mentioned prosecution.

We could hardly have done more than that, and I hope that the Crown Law Department will include these people, because the evidence points most conclusively to the fact that they were equally guilty with the others whose names appear. In paragraph 8, which seems to be objected to, we find

That Joseph William Jaques, the goods agent at Perth, and George Henry Manson (late of Coolgardie and now stationmaster at Kanowna) have been guilty of gross neglect of their duty, and should be dismissed from the service.

The next paragraph points out that there has been gross neglect by the Railway Department; that there have been a large number of officials who must have had some knowledge of these frauds. We cannot get away from this fact I fancy, and I think every other member of the committee believes that a large number of the railway officials were aware of what was going on and winked at it. We admit that we are not railway experts, and we insert a special paragraph, that being paragraph 15, in which we ask that a commission shall be appointed. We did not want to go on and report any other officials. I may mention the name of Stafford, stationmaster at Coolgardie and late of Kalgoorlie. We know perfectly well that large frauds were perpetrated in the station at which he was master, but we have not the same evidence against that stationmaster as we have against the stationmaster at Coolgardie, Mr. Manson, and the goods agent. We found out, however, that in 1897 it was specially brought under the notice of Mr. Manson, that his officials wrote to the goods agent reporting these frauds; that he signed those documents and sent a report down to the goods agent. There were four reports at that time, and I think

that four or five different times the stationmaster at Coolgardie reported these frauds; and this inspection ceased. Notice had been taken of it, and they knew the Ice Company had been defrauding the Railway Department, but instead of the stationmaster reporting this matter to the District Superintendent, he sent it to another subordinate officer, the goods agent, and this goods agent did not report the matter to his superior officer, but replied back to the stationmaster at Coolgardie. Now he says he simply looked upon this as an irregularity; but in 1899 another report was made to the General Traffic Manager, who, through the District Superintendent, had another inquiry made, and it was shown to us that as a result, inquiries had been made from Mr. Jaques in regard to the working of the Ice Company, and nothing could be found out. It was presumed that everything was going on correctly. So we say that evidence points conclusively to the fact that those two persons had these gross irregularities—we will not call them frauds, but they must have been gross irregularities—brought specially under their notice, and those two men failed to prevent them, so I think we are quite justified in saying those two men should be punished. With regard to paragraph 10, the charge of felony which has been made against the directors, although the member for North-East Coolgardie (Mr. Vosper) has drawn attention to several paragraphs in the evidence, I think I can point out where we did ask Mahon and Smith to show us how they could prove that the directors had been guilty of felony, and the Attorney General of compounding that felony. Certainly there was no question I was afraid to ask at this inquiry. There was no director of the company who came before me without my asking him if he had ever attempted to bribe any of the Perth employees or any of the railway officials, and we tried our best to have the most exhaustive examination we possibly could. Mr. Mahon was questioned by the chairman, and the following evidence was given:

Why should these directors be prosecuted, then, if there is no evidence against them? Can you suggest?—I can only suggest this, that the proper place to prove their innocence is in a court of justice.

No. Surely you know that a man is liable to a charge of malicious prosecution if he prosecutes before he is reasonably certain that a felony has been committed. You know that if I were to prosecute you on mere suspicion, without having actual evidence that you had committed a felony, I should be liable to an action for malicious prosecution. You know that the law does not tolerate such a thing, do you not?—Yes, I am aware of that.

Why do you suggest that the Attorney General should do what you would not allow a private individual to do?—I do not know what evidence he had.

Are you aware that he had any?—I do not know that he had any. I do not know that he ever looked for any.

That may be. We will see how far he looked, no doubt. You are not aware that the Attorney General had any evidence before him?—No.

And you are not aware he had?—No, sir, I do not know anything about the Attorney General's office.

Still, you think in the face of this you were justified in charging the directors with felony, and the Attorney General with compounding a felony: I think you described him as "an accomplice of self-confessed robbers"?—I believe that phrase is used.

That is very strong, Mr. Mahon?—I say I do not accept any responsibility.

Let us deal with Mr. Smith, whose evidence reads as follows :

6482. Were these officials supposed to be on the fields?—No; on the coast. The presents were very insignificant compared with the amount of the fraud, so that I did not attach any importance to them.

6483. That could not be the motive; we have come to the conclusion that you have come to. The presents were so small they could not be the cause of the thing. Have you any information, except the fact that certain persons were directors of the company, that the directors knew anything about this personally?—No; I cannot say I have any information.

6484. Have you no information which will assist the committee in bringing home actual knowledge of the existence of this condition of things to any official or director of the Ice Company except the managers on the goldfields?—No; I do not think there is any. I could not say the directors knew anything about it.

6485. From a perusal of the articles we come to the conclusion that you must have known something to connect the directors, because the articles were very strong about the directors?—I only wrote the first article.

The committee simply say that as far as the charges against the directors are concerned, we did our best to get all evidence available, and the evidence failed to prove that the directors knew anything about the frauds. We had special

evidence from Mr. Edwards that the directors did not know anything about what was going on. That witness said that Mr. Alexander Forrest was on the goldfields and that complaints were made to him with reference to the quality of the goods sent up, but none whatever in regard to frauds on the railway department, and Mr. Edwards's belief was that the directors knew nothing whatever about these frauds. The committee failed to get evidence to suggest the directors were acting in collusion with their employees, and therefore it became necessary for the committee to say there was no justification for any charge against the directors. It might have been wiser had the directors of the company been sued for the amount due to the department and for damages, in a civil action; but when the case came before the Select Committee the money had been paid, and a fine of £100 inflicted. Had the case gone into court, possibly more evidence would have been brought forward; but under the circumstances, the House ought to accept the recommendation of the committee. We say that certain persons should be charged with conspiracy, and that two men should be dismissed; and we further recommend there should be an inquiry by a Commission absolutely independent of the department. We have no desire for a departmental inquiry; because I can assure the House we had evidence brought before us that certain papers had been taken away from a departmental file before that file was placed before the committee. That was correspondence between Mr. Stead and Mr. Jaques, and I believe that at a meeting of those two gentlemen, it was agreed the correspondence should be withdrawn. That is an utterly wrong state of affairs, for when a committee is appointed with power to call for all papers, all papers called for should be placed before them at once. Whatever inquiry be held now should not be an ordinary departmental inquiry, but one by a commission of experts with some knowledge of railway work, and altogether independent of the department. The select committee are quite wise in suggesting another commission of inquiry. The members of the committee were not experts in railway management, and as soon as we found the matter was getting beyond us, we decided

to ask Parliament to appoint a paid Commission which would devote its whole time to going through the department and finding out whether the administration was being properly conducted. Paragraph 12 has been objected to ; but the reason why Mr. Burnside was included in the charges was that the whole of the facts were laid before the Crown Solicitor, including letters signed by Mr. Stead very strongly advising a prosecution, and also a letter from Mr. Judd. Mr. Judd's letter states :

It is with these consignment notes, and the way in which they are filled in, that I wish your attention to be drawn. The railways appear to have trusted completely to the honesty of the company, and evidently do not check the trucks or verify the weights given by your servants; through this laxity advantage has been taken by your employees to work up the business for all it is worth, and to such an extent that, according to the figures I supply you with on attached statements marked 1A and 2A, in two trucks alone, one each on February 28th and March 3rd last, you short paid the railways on about eight tons weight, and nearly £24 in money. I also find that the five trucks loaded and sent away on the 28th February, March 1st, 3rd, 6th, and 7th, respectively, were consigned as containing only 36 tons 15cwt., whereas they actually held 60 tons 12cwt., or some 23 tons 17cwt. more; an average of nearly five tons per truck overweight, representing an amount short paid to the railways of, approximately, £48, nearly £10 per truck ; and from data in my possession—for I have gone back and compared notes for some months—I estimate that £1,500 per annum is a fair one to base the rate of gain your company has made at the expense of the Railway Department for some time. This is a nice sum to save, and worth working for ; but I question very much if the Railway Department will join in the chorus of congratulation were they seized with the fact.

That is a portion of the letter handed to Mr. Burnside, and we think the Crown Solicitor gave improper advice when he did not immediately recommend a civil action against the Ice Company, or that some effort should be made to prefer a charge of conspiracy against certain persons. The Select Committee were quite justified in making that charge against Mr. Burnside; but, in his absence, we simply say he has not had an opportunity of explaining his actions. The committee did right, and I hope hon. members will consider so. I do not think any person can suggest the committee have done anything to burk investigation, because we

tried to get evidence where we could, and the fact that we found frauds had taken place in the Customs showed we proceeded with the work in the most exhaustive manner ; and I think we have done right in asking for a special commission of inquiry into the management of that department. I can assure hon. members that the report has been framed with a considerable amount of trouble, and I do not think any person guilty of incorrect conduct has been exonerated. If there has been any mistake, I feel satisfied that when the persons are prosecuted for conspiracy the worm will very soon begin to squirm, and if any of the directors have been guilty of conspiracy the fact will come out in court. I hope, therefore, the report will be accepted in its entirety, and speedy action will be taken by the Crown law authorities.

THE ATTORNEY GENERAL (Hon. R. W. Pennefather) : I desire to say a few words in reference to paragraph 12 of the report, because that paragraph deals with the Crown Solicitor, who is an officer of my department. I have looked at the evidence given before the Select Committee bearing on the portion of the case which affects Mr. Burnside's advice ; and, as has been pointed out to-night by more than one speaker, this evidence was given in the absence of Mr. Burnside, who had not the ordinary privilege of listening to what was said against him. The committee in making their recommendation, apparently concluded that there was sufficient evidence to justify them in saying Mr. Burnside had given improper advice. I regret the committee have come to that conclusion, because no matter what the evidence was, the man against whom the charge was made was not present. If the committee had gone to the extent of saying that on the evidence tendered, they recommended the matter be inquired into, that would have been as far as they could have gone on the evidence submitted. Bearing in mind that when a person is charged, as the Crown Solicitor apparently was, with giving improper advice, which is a most serious allegation against a member of our profession, and especially against the Crown Solicitor, who is a man of considerable standing at the bar of this colony, I think the error, if I may so term it, of the committee is due to an error

of judgment, because the recommendation is too strong. It appears to conclude that improper advice was given, but practically says that in the judgment of the committee no punishment ought to be inflicted until the gentleman returns and is heard. I submit that is just going too far; and had the committee been content with recommending that the Crown Solicitor's conduct should on his return be inquired into and dealt with accordingly, that would have been ample. I think it only right to say this on behalf of an absent officer, no matter what the position of the officer may be, because I would consider, were I situated as he is, that I was entitled to be heard before being judged. With reference to paragraph 8, recommending that two officials in the Railway Department, Mr. Jaques and Mr. Manson, be dismissed from the service, there again the same argument practically applies, but not in such a strong degree as in the case of Mr. Burnside who is absent. But even in this case, these men, it must be borne in mind, were asked to give evidence as witnesses only: they were not put upon their trial.

MR. MONGER: Mr. Attorney, may I ask if you have read their evidence?

THE ATTORNEY GENERAL: I would point out to the hon. member that it does not matter if they gave the most damning evidence possible. In the capacity in which they were called they have no right to be condemned till they were put upon their trial, although there is scarcely one in this House to-night who has perused the evidence who is not satisfied in his mind that these men ought to be dismissed the service.

MR. EWING: Then why not dismiss them?

THE ATTORNEY GENERAL: They have not been tried. As I take it, the main function of the committee, as of all committees, was a function of investigation.

MR. WILSON: And recommendation.

THE ATTORNEY GENERAL: And recommendation; but not judicially in the way of sentencing persons.

MR. WILSON: Yes; a committee can do that.

THE ATTORNEY GENERAL: That is where I think the committee in this case, if I may be pardoned for saying so,

overstepped the bounds of their province. In this case, how could that recommendation be carried out on the face of it, that a man should be dismissed from the service? Why dismissed? Because he gave evidence before this Select Committee, and because other persons gave evidence condemning him for certain acts of omission or of commission.

MR. EWING: Which were proved.

THE ATTORNEY GENERAL: Which were proved up to the hilt. Admit it all; yet it is not a trial.

MR. MORAN: But you do not try every civil servant who is dismissed.

MR. ILLINGWORTH: Is it necessary to try a civil servant before you can dismiss him?

THE ATTORNEY GENERAL: I should imagine you would deal out the same justice to a civil servant as to an ordinary criminal; because, if that man were brought before a court of first instance, such as a police court or a court of petty sessions, the court would not attempt to find him guilty in the first instance, but would say: "There is plenty of evidence against you: you will be committed to a higher court to be dealt with." And that, practically, is pretty much the same function as a select committee of inquiry, as in this case, ought to carry out.

MR. WILSON: The men were charged, not with a crime, but with neglect of duty.

THE ATTORNEY GENERAL: The committee can point out there were certain acts which were neglects of duty, and that it is for the Ministerial head of that department to deal with them, and he deals with them in the ordinary course. Those officials, if the evidence be forwarded to the department, are brought up, and very properly brought up, even if the committee never recommend it at all, but more particularly if the committee recommend that these charges shall be investigated by the Railway Department.

MR. ILLINGWORTH: So with this recommendation.

THE ATTORNEY GENERAL: The hon. member will pardon me: the recommendation goes further. It says: "They shall be dismissed from the service." You are condemning them practically unheard.

MR. EWING: The report says "should be dismissed."

**THE ATTORNEY GENERAL:** The men have been heard as witnesses only; they have been asked to give evidence practically against themselves, which no court of justice would ask any criminal to do.

**MR. WILSON:** This is not a crime.

**MR. ILLINGWORTH:** Suppose the men had never been heard, could not the committee have reported in the same way?

**THE ATTORNEY GENERAL:** Each of these men was brought up, was bound to attend, and was bound to answer a question put to him. That is the distinction. And, being put in that position, he reserves to himself the right to say: "If you are going to charge me with any offence, take me to the proper tribunal and let me stand my trial; if for a crime, before a criminal court; if for a breach of duty to my department, before the Minister or whatever departmental board determine such cases." But for the Select Committee to say "he shall be dismissed from the service"—that is where the committee, in my humble opinion, have just gone outside their province.

**MR. GREGORY:** We only say Parliament, instead of the Minister, should deal with the matter.

**THE ATTORNEY GENERAL:** I do not wish to repeat myself again. I am satisfied the committee have taken great pains in this matter. I admire the labour they have bestowed upon this investigation; they have examined the subject thoroughly and probed it to the bottom. They have done their best, and brought out very valuable evidence. But the point I wish again to make is shortly this. Where the committee have gone to the extent of saying "This man is guilty on that evidence, and he shall be dismissed the service"—in my humble opinion that is where the committee just went outside their province. I desire to say a word on another matter not directly bearing upon this, but which shows how some hon. members would have one law to regulate their conduct one day, and quite another on the next day, or perhaps, to speak more accurately, would apply one law to themselves and quite a different law to their neighbours. We have had it laid down in the House to-night by an hon. member that

a director is absolutely responsible for the fraudulent and criminal acts of an auditor. Who ever heard of such a doctrine, unless he was a party to it? And yet the hon. member stood up in his place to-night, with an amount of self-possession that fairly astonished me, although he has become a past-master in the art and often repeats statements with an air of solemnity as if they dare not be impugned or challenged; and he was laying down that doctrine quietly and calmly, until I interjected, "Surely you must mean for a criminal action." "Oh, no," he said, "nothing of the kind: the directors are responsible not only for criminal acts but for ordinary acts of negligence." Who ever heard of such a doctrine? Perhaps a director is responsible on the civil side of the court; but as for criminal acts, any hon. member who is acquainted with the rules of my profession knows that the very first thing a court inquires into is: In what way has the director been cognisant of the facts? Has he been a party to the crime? Has he been privy to it? If so, he is liable. But until that is shown, there is nothing more criminal in a director than in any other member of the community. If there were, who could employ another to do his work for him? Who could attempt to have a servant? And yet this is the doctrine that is preached right and left in this newspaper that has been quoted here to-night, and the hon. member (Mr. Vosper), in attempting to justify the utterances of that paper, absolutely stated this position, that it was the duty of the directors to submit themselves to a criminal prosecution in order to justify their conduct! Well, are we talking to children when we use such language as that? when we say, because a person who wants to create a sensation in the columns of his paper chooses to give utterance to some of the foulest slanders which one man can utter against another, he then has a right to expect the person slandered to go into a criminal court in order to refute or justify the slander? This is preached to us in the Press, and to-night on the floor of this House by the member for North-East Coolgardie (Mr. Vosper). Of course, as long as such doctrines as these are tolerated in the community, so long shall we have

a reptile Press of that character slandering the reputations of honourable men. But I hope the community is so far self-respecting that it will not allow itself to be carried away by this wretched claptrap writing to be seen in these papers. It is a disgrace to our civilisation, and I regret to say, if it continues, a remedy must be found. If such practices be carried too far, this House will have to take into consideration means of protecting itself against such reptile journalism. [MR. MONGER: Hear, hear.] Before I sit down let me say, these men who level those charges at the directors and myself were brought down to Perth at the Government expense; they were brought before this Select Committee, and the committee, to do them justice, hesitated in no shape or form to put question after question to these men with a view of elucidating some knowledge that actuated the minds of those gentlemen who wrote those foul articles.

MR. MONGER: Do not call them "gentlemen."

THE ATTORNEY GENERAL: The answer by Mr. Mahon was invariably: "I was not editor on that day: I was out of the country on that day."

MR. GREGORY: And, "I accept no responsibility."

THE ATTORNEY GENERAL: "I was not editor," and, "I accept no responsibility." This is the style of thing we have from a person who is known by everyone in Kalgoorlie, and by a great number of people here, to be the editor of that paper, and who, when he is challenged with slandering people in Kalgoorlie, goes through the same species of plausible acting: "I was not the editor on that day: you must prove it. You are charging me with publishing this criminal libel in this paper: I ask you to prove it up to the hilt that I was editor on that day"—a thing that everybody knows to be a fact! Yet he escapes on subterfuges such as this; and this is the sort of man who attempts to lead public opinion on the goldfields, and who, in endeavouring to do so, does not hesitate to stab, not only the characters of men, but of women as well. I trust if I have spoken warmly on this subject I shall be pardoned, because I feel warmly. Every man must feel similarly. There are very few times

when one is shaken up, but when one meets a class of men such as have been before this select committee, it is impossible not to feel and express oneself strongly; and the sooner these people know through the medium of this House the opinion entertained of them, the better perhaps for the peace of society, and also perhaps for themselves.

MR. MORAN (East Coolgardie): It is rarely, if ever before, that a committee with such important work to do did that work in a short time so well, and did work which is likely to bear fruit so quickly as has been the case with this committee. I suppose this is the gravest matter that has been referred to a Select Committee in the history of responsible government in this colony. It is a pity, therefore, there should be any difference of opinion about the acceptance of the whole of the committee's report. To me it is a matter of profound regret that there should be any difference of opinion about the findings of this committee, and I should be very sorry indeed if the amendment proposed by the member for the Williams (Mr. Piesse) were carried. But I am about to suggest to the Premier and to the chairman of the Select Committee (Mr. Ewing) other amendments which may leave the different clauses of the report practically as they are, and take away a little which one party may be willing to give and the other to accept, so that the report may stand as it is in all its findings, while some little objectionable matters, or matters on which there is a difference of opinion, may be eliminated. I shall move these amendments, and ask for their acceptance instead of that proposed by the member for the Williams, so that we may arrive at a unanimous decision on this matter, and that this important report may go forth, unanimously adopted, from this House. In paragraph 8 it is stated: "Joseph William Jaques, the goods agent at Perth, and George Henry Manson, station-master at Kanowna, have been guilty of gross neglect of their duty." I would ask the chairman of that committee if he will accept the suggestion to strike out the words "and should be dismissed from the service."

MR. MONGER: Have you read the evidence?

MR. MORAN: I have read the evidence, and I entirely indorse and agree with the opinion of the committee that the men should be dismissed from the service: I find no extenuating circumstances whatever. But here you are finding that they have been guilty of gross neglect of duty; and if the Government do not dismiss them, the Government will be guilty of a great neglect of their duty.

MR. EWING: We shall not meet the Government again, after a week or two.

MR. MORAN: Rather than have a division, in which there is a chance that the report may not be adopted, why not accept a compromise? What is all the trouble about? The Government are, I believe, quite willing to accept—at least I should not be surprised if they accepted—this finding, that Joseph William Jaques and George Henry Manson are guilty of gross neglect of their duty. Now only one thing can follow that, namely a speedy inquiry, without waiting for this Royal Commission—an inquiry at once by the heads of the department; and I am perfectly certain that, before this session terminates, these two men will have been dismissed: if they are not, we shall want to know why. I suggest that as the first amendment; in fact, I put that amendment to strike out the words, “and should be dismissed from the service,” in order to arrive at unanimity in the matter. It appears to me the only thing that is the matter with paragraph 12 is perhaps the wording, which conveys a meaning perhaps not exactly what was intended by the committee, in reference to Mr. Burnside, the Crown Solicitor. I suggest after “that,” in paragraph 12, to insert the words, “it would appear from the evidence that,” and in the last line of the same paragraph to strike out the words, “to justify his conduct, and be dealt with accordingly,” and insert “for an explanation.” That would leave Mr. Burnside under the necessity of having to make an explanation; because, as far as the committee could judge by the evidence, it looked on the face of it as if he had been guilty of neglect.

THE SPEAKER: I do not know whether the hon. member was present when I pointed out that the House cannot

amend the report of the Select Committee.

MR. MORAN: I was not in the House at the time, but there is the amendment.

THE SPEAKER: It is not an amendment: it is an amendment of the motion proposed by the member for the Swan.

MR. MORAN: I am moving a motion.

THE SPEAKER: The hon. member is suggesting an amendment of the committee's report.

MR. MORAN: Then I will put it in the form of a motion, “That the committee's report be adopted with the amendments indicated.”

THE SPEAKER: You can do that.

MR. MORAN: Paragraph 12 will then read as follows:

That it would appear from the evidence that the Crown Solicitor, Mr. Burnside, gave improper advice to the Railway Department when the matter, in its earliest stages, was brought under his notice, he apparently being more concerned in recovering the money than in bringing the offenders to justice. Seeing, however, that Mr. Burnside has had no opportunity of explaining his action, your committee suggests that he should, immediately upon his return, be called upon for an explanation.

That is the appearance the evidence gives, and I do not think the member for the Swan (Mr. Ewing) wishes to condemn Mr. Burnside first, and to exculpate him afterwards. We say that at the earliest possible opportunity Mr. Burnside on his return should give an explanation. Viewing the great importance of the report, and seeing after all that these small amendments are so trifling, in connection with this big matter on which the committee have done much great work, for the sake of unanimity we should endeavour to come to some understanding on the question; therefore I shall move the motion of which I have given notice

“That the report of the Select Committee be adopted with the amendments already indicated.”

I trust that the matter will be carried accordingly.

MR. PHILLIPS (Irwin): I second the proposal.

MR. ILLINGWORTH (Central Murchison): It seems to me that the amendment of the member for East Coolgardie (Mr. Moran) which he has just tabled is scarcely the order I would like to see

carried out in connection with this matter. There is no question of doubt in regard to parliamentary practice, that a committee has the right to report, and to make suggestions; it has also a perfect right to express its conviction, as it has done in this case. If hon. members will refer to the authorities they will find that is so. It is desirable, I think, that the report of this committee should be adopted, but at the same time I think it is desirable that a few of those suggestions which have been thrown out should also be embodied in that report. The proper course to proceed, as I understand it, at any rate the better course of procedure would be for the House to refer back this report to the committee, and allow them, having heard the debate, to amend their report, in order that we may pass it unanimously. I do not think we can get away from the reflection which would be cast on the committee by taking on ourselves the responsibility of amending their report. The committee have put a very great deal of work into their report, and they have accumulated a vast amount of evidence of great value, and have come to a careful conclusion. Some members of the House think the recommendations which they make go too far, yet with the evidence that is before us it scarcely can be maintained that the committee go too far. The general opinion of the House, as I understand it at the present moment, is that it is only a matter of the alteration of terms in which the opinions are expressed. I would like to see this report referred back to the committee for reconsideration, in respect to paragraphs 8 and 12, and I submit that would be a very simple way of meeting the expressed desire of the House, and at the same time upholding, as I desire to uphold, the recommendations of the committee. With that view I would like to table, as a further amendment on the motion before the committee, and I hope the House will accept the suggestion, that the report be respectfully referred back to the committee for further consideration. The committee will see clearly that we only want a slight difference in the wording, so as to adopt the report unanimously, by taking away the slight objections appearing in the wording of paragraphs 8 and 12. I hope the House, on both sides, will accept the

suggestion; therefore I move as an amendment:

That the report be referred back to the committee for further consideration.

THE SPEAKER: Of these two paragraphs?

MR. ILLINGWORTH: Of paragraphs 8 and 12.

MR. SOLOMON: I second the amendment.

MR. EWING (in reply): I am quite confident the member for Central Murchison (Mr. Illingworth) moves the amendment with the very best intention; but, as far as I am concerned, and I am now speaking personally, I did not draft this report without having fully made up my mind what I intended to do, and nothing I have heard to-night has in any way convinced me that the recommendation as to Mr. Manson and Mr. Jaques is wrong. Most hon. members admit that we are right in what we have done, although for some sentimental reasons they object to the committee saying exactly what we mean. I take it we were not appointed for the purpose of smoothing matters over as well as we possibly could do. We had an unpleasant duty to perform, but I believe the committee undertook that duty with the full determination to perform it; and I am certain the whole of the members of that committee, having listened attentively to that evidence day after day, came to the conclusion after due deliberation, and the House might, I think, anyhow as far as paragraph 8 is concerned, well allow it to pass. I think the committee are not likely to change their mind, and I do not think the committee can be compelled to alter their opinion; but if the House is not in accord with the views expressed in the committee's report, the House can evidence the fact by an adverse decision.

MR. ILLINGWORTH: That would be unfortunate.

MR. EWING: It might be unfortunate, and it might not. I have come to the conclusion, and every member of the committee sitting with me unanimously came to the conclusion, that Mr. Jaques's conduct was such as to justify his immediate removal from the Railway Department. I have not heard from one hon. member to-night one word in justification of the conduct of Mr. Jaques.



The only suggestion has been that thrown out by some hon. members when they say that it was a one-sided inquiry. It was not a one-sided inquiry. When Mr. Jaques's evidence in chief had been taken, and Mr. Manson's too, I think the hon. member for the Canning said to Mr. Manson, "I suppose you understand you have done wrong, and deserve to be punished?" Mr. Manson's reply was, that he did. I put to Mr. Jaques this position when leaving on the first day: I told him as far as I was personally concerned, I considered he had been guilty of very grave neglect and misconduct.

MR. ILLINGWORTH: No one wants to defend that.

MR. EWING: The argument has been used that Mr. Jaques has not had a fair trial; that he was not given an opportunity of justifying his conduct. I told Mr. Jaques that so serious did I think the charges that had arisen against him were, that I felt it my duty to tell him that if he desired on any subsequent occasion to be recalled to justify his position we would give him ample time, and we would allow him to be recalled to justify that position. A week afterwards Mr. Jaques said he was prepared with his defence, and I requested the committee to allow him to be recalled. Mr. Jaques was then recalled. He produced all his authorities and all the evidence he could give in support of his position in justification of his conduct. Can hon. members say that is not a fair trial, that it is not a fair consideration? Can members after that say Mr. Jaques did not know he was face to face with the consequence of his neglect and improper conduct? The House should come to the conclusion that Mr. Jaques and Mr. Manson were both put face to face with the position in which we considered they stood. The member for the Williams (Mr. Piesse) said I had admitted I was not a railway authority. True, I did admit that, therefore I, as a member of the committee, was constrained to abstain from condemning persons when that condemnation had regard to departmental rules and technical knowledge; but we found Mr. Manson five times reported these discrepancies to Mr. Jaques, and Mr. Jaques had the whole of the correspondence for years in his

hands; yet time after time it was reported to him, and neither he nor Mr. Manson did anything to check the frauds; neither he nor Mr. Manson ever attempted to find how far-reaching the frauds were. It requires no technical knowledge to condemn that. When I saw he was condemned by his own action and out of his own mouth, when we have evidence of this kind, when it is absolutely and conclusively proved, surely it is necessary for us to do something else? I think the country calls on us, I think the House calls on us, to express our findings of facts, and our opinions which are the outcome of those facts. Whether this House is prepared to fall in with those opinions or not is another question altogether. This debate, from the Premier down, has evidenced the fact that a number of hon. members are criticising our report when they have not even read the evidence on which it is founded. I have gathered from the remarks made, including those of the Premier, from all the hon. members who have spoken, that not one hon. member in the House who was not a member of the committee has read the evidence through from end to end. The Commissioner of Railways said he saw it in the morning papers. How utterly absurd to come to a conclusion from what one saw in the morning newspapers. That must be evident at once to the Commissioner of Railways, when he sees the volume of evidence we took compared to the evidence which appeared in the newspapers. It would be unfair to condemn any man on the evidence as it appeared in those papers; but I say that the best judges of the man's guilt are the members who heard him and who heard the whole of the evidence given. As far as I was concerned, I was not prepared to go on that committee to justify or protect any individual, whether high or low in the service; and I feel certain that if we recommended the prosecution of individuals belonging to the Ice Company, and failed to recommend dismissals where we were convinced that such dismissals were justified, we would be failing manifestly in our duty. With regard to the later amendment that has been moved to paragraph 12 by the member for East Coolgardie (Mr. Moran), I do not take any exception to it, and if the wording had been suggested to me when I was drafting this report

and the committee were considering it, we should have been only too happy to have adopted those words suggested by the hon. member.

MR. ILLINGWORTH: That is the very object I have—to give the committee an opportunity of amending their report.

MR. EWING: As far as that is concerned, I feel certain—subject, of course, to correction by any of the other members who formed that committee—that those words convey our intention. We only intended to say that the evidence before us, as far as it went, appeared to us to show that the Crown Solicitor had given improper advice. The latter portion of the paragraph shows this is our intention, because we abstained from condemning him as he had not been heard, and therefore, unless some other member of the committee objects, I see no objection to accepting the amendment of the member for East Coolgardie to paragraph 12; but I would earnestly request the member who has moved the amendment to paragraph 8 to withdraw it. If he thinks the committee have come to a wrong conclusion, if he thinks we have done anything wrong—

THE ATTORNEY GENERAL: There is no doubt on that point.

MR. EWING: Then if the House does not doubt that our conclusion is right—and perhaps some members now present were not here when I spoke earlier—the House must see now that both Manson and Jaques had the opportunity of justifying their conduct; that they were warned, that they were given time; and that they were asked if they wished to come back. Jaques was recalled and gave evidence. Therefore we have one difficulty removed, for the investigation was not a one-sided investigation as far as those individuals were concerned. They had their opportunities to reply if they wished to avail themselves of them, and Mr. Jaques did avail himself of an opportunity, and was called towards the conclusion of the inquiry. On that evidence, after having heard Jaques as a witness purely, and after having heard him in his own defence, are we not justified on the evidence of that gentleman and the evidence of Manson, admitting that they knew of the thing for years but never did anything, in asking the House to pass the portion

of the report which says that these men should no longer occupy their positions in the civil service of the country.

MR. ILLINGWORTH: It is a question whether you can do it.

MR. EWING: We can recommend it. All that we do is to recommend that there shall be a removal. The House recommends that there shall be a removal, but still it remains for the Minister to carry that into effect.

MR. MORAN: Or to come back and show reasons why it should not be done.

MR. EWING: No doubt the House would not press the Minister to do anything which would turn out to be unjust ultimately. But here we have absolute evidence that things have been wrong. Frauds have been continued for years, and how have they been continued? How has the Government been robbed? Simply because when Manson and Jaques had the evidence before them they did not do their duty. I say that on these facts, any committee or any House that refrains from recommending the removal of the individuals in question cannot appreciate the enormity of the offence. Now with regard to some remarks which fell from the member for North-East Coolgardie (Mr. Vosper) as to Messrs. Mahon and McAllum Smith, I think also the report of the committee in that respect is amply justified. Of course, when a man makes a serious charge against individuals we expect him at the least to be man enough to stand up and justify his conduct; but from the beginning to the end of the evidence given by those literary men, we find they simply wriggled and squirmed and never attempted to justify their conduct in making the severe and serious statements they did. They charged men not only with improper conduct, not only with irregular conduct, but with felonies. They charged them with being parties to a felony. We naturally expected when we called those witnesses before us that they would readily and willingly hand to the committee, or pass to the committee, the evidence on which their conclusions were founded. But they were willing to do nothing of the kind. They had to be pressed and pressed, and ultimately under pressure, with all due deference to the member for North-East Coolgardie, they did admit they made this statement

without any ground or justification for the same. Therefore I trust the House will be satisfied if the amendments to paragraph 12, moved by the member for East Coolgardie, are accepted. I am sure those amendments are in accord with the views of the members of the committee, and perhaps they do a little more justice to the Crown Solicitor than the wording of our report in the letter does, although I feel confident the report embodies the views of the members who constituted that committee. I would urge members, unless they think the committee have done wrong, unless they think the committee have come to a conclusion which is not justified by the evidence, not to shrink from the responsibility of directing the dismissal of the two men who, almost all members in this House admit, deserve what the committee recommend in the report.

MR. MORAN (East Coolgardie): Having listened to the chairman of the Select Committee, I desire with the permission of the seconder of my amendment, if I may be allowed to do so, to put the amendment in the form of an amendment to paragraph 12. There is no doubt of this fact to my mind—

THE SPEAKER: We are discussing the recommittal of this report.

MR. MORAN: Yes, sir. I am speaking to that amendment. I am pleased to see that the chairman of the Select Committee is willing to adopt a verbal amendment in reference to the Crown Solicitor, because that is a matter in which you are dealing with the reputation of a man unheard. In the other cases you are dealing with self-confessed guilty men. I should be very loth on a division to vote against the Select Committee because of any small disagreement as to what should have been put into the report and what they have put into the report. Therefore I shall feel myself constrained, and willingly so too, I may say, to stand loyally to the report brought in by those gentlemen. When I spoke earlier in the evening to move the amendment, I did so directing my remarks to the Government and to the chairman of the Select Committee, asking them if they could accept the amendment. With reference to the recommittal, I think there is no occasion for it after what has fallen from the lips of the chairman of the Select Committee, who

is apparently willing to allow the amendment to Clause 12, simply stating that in the opinion of the committee Mr. Burnside should be called upon for an explanation. With reference to these two men, I may say I have read the evidence of Mr. Jaques, and I cannot see how any Minister or any officer can come to any other conclusion than that this gentleman is no longer required in the public service of Western Australia. As to a direction by Parliament to dismiss a servant, what does it amount to? Parliament is master; we are masters of all civil servants; we can dismiss any civil servant; we can stop the supplies; we can dismiss the Government if they do not dismiss civil servants who we think ought to be dismissed. I do not think we need quarrel about that. If the Minister came back to us in a few days, and by leave asked the House to listen to him for a moment while he explained that something had come to light in reference to these two men, who among us is the man who would object to that course?

THE PREMIER: We should have to dismiss the officer.

MR. MORAN: The Government do not carry out everything that Parliament asks them, straight away.

THE PREMIER: Certainly: they must do it.

MR. MORAN: We know that the mandates of Parliament are not always carried out by Ministers. There was a motion before Parliament to have a Police Commission, and that was not carried into effect. Four years ago there was a mandate to build the Nannine railway line, and that was not carried out. Let him say that the man "shall" be dismissed. The word "should" simply means this, that if a man got his due he would be dismissed. If he were not dismissed, Parliament would be ready to listen to any explanation from the Minister as to any new evidence cropping up. I do not like the idea of voting against the Select Committee. The chairman of the committee says he accepts the amendment to Clause 12 because it is simply putting into better words perhaps, or words more explicit and less severe on the Crown Solicitor, untried, what they find in the evidence. If they insist on that part of paragraph 8, I shall not

like to vote against them. I hope we shall not be called upon to vote against an honorary committee of this House which has worked as these gentlemen have done. It would not look well on the pages of *Hansard* that this House was divided in reference to two gentlemen who are self-confessed guilty of neglecting their duties egregiously, especially as the House is willing to give the Minister a week or a fortnight, so long as the Minister is willing to inquire into the matter with a view of dismissing these men; and if he finds any evidence which will throw a different light upon the matter, we shall be willing to listen to it. I suggest to the House again whether we cannot arrive at unanimity on this point.

THE PREMIER: It seems to me that if we pass paragraph 8 in the way now before us in the report, the Government will be bound to act upon it. I hardly think this House desires that a resolution so strongly worded—and after the debate which has taken place to-night—should be passed, and that the Government should set to work to make another investigation with a view of coming back and asking the House to consider this subject again. Surely, if we pass this motion, we shall have made up our minds that those men should be dismissed.

MR. MORAN: You would be doing right.

THE PREMIER: I do not think that anything else would be required. If this motion passed, it would be the duty of the Government to dismiss these persons to-morrow morning.

MR. EWING: Even without this, would you not dismiss them?

THE PREMIER: We would make inquiry, and give to those persons an opportunity, at any rate, to defend themselves. But I do not think we could charge them with gross neglect of duty, though the report goes further.

MR. EWING: Do you want to give them an opportunity of getting out of it, or what?

THE PREMIER: We want to give them an opportunity of defending themselves, which opportunity I do not think they ever had. I should rather take the view of the member for the Murray (Mr. George), that the Select Committee should have called witnesses in order to get information; and yet all the while the

committee were trying these witnesses. I believe that if these persons had known they were going to be tried, they would have been much more careful in what they said. If a person be called up and asked 700 questions in two days, without an opportunity of defending himself, it is not altogether right; but if this paragraph be passed, the Government will consider it an instruction which they must carry out.

MR. EWING: We did the same with the hon. member for West Kimberley (Mr. A. Forrest), because we were really trying whether he was a party to the fraud or not.

THE PREMIER: I do not know why the hon. member should bring in the member for West Kimberley. But for the connection of that hon. member with the Ice Company, possibly this affair would not have been given so much prominence. It is not for the Select Committee to say what is to be done, but to give advice and express opinion.

MR. MORAN: Put in the words "are of opinion" these gentlemen should be dismissed.

THE PREMIER: I do not know that the report means any more than that, and I am at a loss to know why the member for the Swan presses this matter so far.

MR. EWING: Do you want to keep Mr. Jaques on?

THE PREMIER: I do not know Mr. Jaques, and never saw him, but I want to do justice to him. The fact that he has been before the Select Committee is no reason why he should not have the opportunity of defending himself. As I said this evening, Mr. Jaques came to my office to-day, in order to claim the right of defending himself. I did not see him, but he was told to go to the Minister of Railways; and I now ask that Mr. Jaques should have an opportunity of defending himself. But what does it matter to the Select Committee? The committee say Mr. Jaques has been guilty of gross neglect of duty. Why, then, should they say Mr. Jaques should be dismissed? That may be Mr. Jaques's due, and I am inclined to think so, from what I have heard. But why the committee should go the length they propose I do not know, because we may be doing an injustice. If Mr. Jaques has anything to say for himself, let him say it: if he

has not anything to say, there is an end of the matter. But if the paragraph passes in its present shape, it will be the duty of the Government to act upon that.

MR. QUINLAN (Toodyay): I happened to be a member of the Select Committee appointed to inquire into the Perth Ice Company's frauds, and I may be permitted to express an opinion, though I have heard no speech except that of the chairman of the committee, the member for the Swan (Mr. Ewing). So far as paragraph 12 is concerned, I admit at once there was some little disagreement amongst the members of the committee, and perhaps the words are not altogether what I should desire; but the wish and intention of the committee are contained in the paragraph. I certainly think Mr. Burnside should be heard as the committee direct, though the paragraph might have been put in some other form. I am quite in accord with the member for the Swan in agreeing with the amendment suggested by the member for East Coolgardie (Mr. Moran) so far as paragraph 8 is concerned. If these gentlemen can offer any reasonable excuse for their action, I should be most happy to devote my time to hearing them; but from the evidence which was placed before the Select Committee, I could come to no other conclusion than that placed before the House. If I remember rightly, I acted as chairman on one evening, and I told Mr. Jaques that I had heard he wished to put the whole case before the committee and free himself from any charge. I put it to him more than once as to whether he did not wish to disclose anything to the committee; and I do not think there was one member of that committee who would not have given any person concerned every possible opportunity of proving his innocence. The report of the committee is a strictly impartial one, and with the exception of paragraph 12, I see no reason to depart from the opinion therein expressed, unless Mr. Jaques can to-day tell us something new, in which event, as I said before, I would be glad to give my time to that inquiry. I cannot agree with the Premier when he says that a number of questions put to the witness may have proved puzzling, because it does not matter how many thousands of questions may be asked,

there is only one way of telling the truth. Evidence was forthcoming that Mr. Jaques had failed in carrying out his duties; that he had on some days as many as 300 letters lying before him, and he signed replies without reading them. I do not care who Jaques is or what he is, but I say emphatically that he failed in the position he occupied as controller of the goods department, or otherwise no frauds could have taken place.

MR. HIGHAM: There are several suggested amendments, and it is advisable, for the sake of those interested, that the matter should be considered quietly. I move the adjournment of the debate.

Motion for adjournment put and negatived.

MR. ILLINGWORTH asked leave to withdraw his amendment, that the report be recommitted.

Amendment by leave withdrawn.

MR. WILSON (Canning): I have not much to add to my previous remarks on this matter, but there are several corrections I would like to make in regard to statements made during the debate. I want to take exception, on behalf of the committee, to the expression the member for the Williams (Mr. Piesse) thought fit to use, that members of the Select Committee had no knowledge of railway routine, and were therefore not in a position to correctly judge this matter. I want to make it clear to hon. members that the question under consideration—namely the frauds committed by the Ice Company—did not at all affect railway management, but was a matter of ordinary commercial routine. It was simply departmental administration, which could be grasped by an ordinary commercial man; and I claim for the committee that they had sufficient intelligence to grasp all the evidence and to come to a correct conclusion. I have also to correct the member for East Coolgardie (Mr. Moran), who inadvertently, I am sure, stated that the inquiry had got somewhat beyond the Select Committee. Nothing of the sort was the case. The only thing the committee found was that the evidence was going to be so voluminous, and it would take so long to go into details of the actions of individuals in connection with this gross neglect of duty, that to get proper evidence, especially in connection with the Customs Department—which

the committee were not empowered to inquire into—they deemed it advisable in the interest of the country that a Royal Commission should meet when Parliament was not sitting and go fully into the matter. That was the only reason why the Royal Commission was suggested. Further, they deemed it advisable a commission should be appointed from men outside the influence of politics or the Government, and certainly clear of the department. We considered as practical men, that a departmental inquiry would not be satisfactory; in fact, we saw that a departmental inquiry would only take the same form as our own inquiry, whereas an outside Commission could call evidence and go into matters much more fully than could be done departmentally. There was another remark made by the member for East Coolgardie (Mr. Moran) which I should like to correct, the statement that Jaques and Manson were cognisant of the frauds during the two or three years these were going on. I do not think the hon. member intended to convey that impression. Jaques and Manson were undoubtedly guilty of gross neglect of duty. That has been proved, but they certainly were not cognisant of the frauds; that is, they did not realise that they were frauds. And therein lies, I think, to a great extent their neglect of duty. They knew that wrong consignment notes were being handed in, but they thought these were ordinary errors in consignments, and they neglected to be warned by repeated incorrect consignments which came under their attention, and neglected to take the necessary steps to find out that fraud had been committed.

MR. PIESSE: That is in favour of those men.

MR. WILSON: Certainly.

MR. EWING: Otherwise they would have been guilty of conspiracy.

MR. WILSON: If Jaques or Manson had knowledge that frauds were being committed, and took no action to prevent them, they would be guilty of collusion, and ought to be included in the prosecution which we recommend of the officials of the Ice Company. But we do not recommend their inclusion, and we do not believe they had a guilty knowledge of the frauds. They knew wrong consignment notes were being handed in and

wrong consignments sent, but they took them to be erroneous consignments.

MR. PIESSE: Is the evidence sufficient to warrant dismissal?

MR. WILSON: Certainly; these men were guilty of gross neglect of duty. The evidence shows over and over again that they took no heed to the warnings. They never caused a proper examination to be made of the Ice Company's consignments, and therefore the frauds went on for three years, and a large sum of money was taken from the revenue of the railways which ought to have been paid in. And there is another matter I should like to mention with regard to the remarks of the member for the Murray (Mr. George), who, I am sorry to say, is not in his place; because he also was rather severe on the members of the committee, much more so I think than was the member for the Williams (Mr. Piesse); and I should like to put this to that hon. member (Mr. George) if he were here: What action would he have taken if he had been General Manager of a private railway and such frauds had been committed—what action would he have taken with his officers who had so neglected their duty?

MR. PIESSE: If neglect be proved, dismiss them.

MR. WILSON: He would have done what the Select Committee have done; he would have called on those officers to give an explanation of their conduct; and supposing the explanation were the same as this given by these two officers to this committee, and were unsatisfactory, he would have instantly dismissed them. And we, as business men on that committee, recommend the same course of action which we should have taken if this had been a privately-owned railway and we had been managing it.

MR. PIESSE: In private concerns we are not always inclined to dismiss: we sometimes give men some latitude.

MR. WILSON: Of course we give a great deal of latitude; and we have well considered that question. The members of this committee sat day after day and night after night taking evidence, and we have considered every phase of the position, and have come to the conclusion that the only punishment which in fairness can be meted out to these men is dismissal. If this House does not agree

with the committee, the House must pass the amendment of the member for the Williams. I hope hon. members will support the committee in the work so conscientiously carried out; and if not, all I can say is the responsibility must rest upon those who reject that report. So far as I am personally concerned, I wish to repeat, I should have no objection to giving these men an opportunity of appearing once more before a Royal Commission, if it be appointed.

MR. PIESSE: That is the point.

MR. WILSON: But I should certainly object to their being tried by the department. If they are to have another trial at all, let it be before an independent tribunal to be created.

THE PREMIER: And be dismissed in the meantime?

MR. WILSON: Exactly. We say "Dismiss them." But I am simply expressing my personal opinion. If they are to have a trial, then for goodness sake let it not be a departmental inquiry.

MR. MORAN: In such cases a man is always suspended, pending inquiry, prior to being dismissed.

MR. WILSON: The position taken up by the committee, and its recommendations, are in accordance with the authorities on parliamentary procedure. Both *Todd* and *Muy* lay it down very clearly that practical suggestions can be embodied in the reports of any select committee. Well, if this be not a practical suggestion, I do not know what name I can give it, when we recommend that men who have been found guilty of neglect should be dismissed. I certainly think such a recommendation comes under that definition. In conclusion, to instance the simple character of the inquiry, let me state that so far as the investigation office—that is the District Superintendent's office—was concerned, an officer there in 1897 (either in 1897 or perhaps early in 1899, I am not sure of the year) received a notification from the Chief Traffic Manager that goods were being consigned to Coolgardie as ice only, whereas the van contained ice and produce, or produce alone. When that notification was received, the officials in that office simply went out to the Goods Agent's office, turned up a consignment note showing that ice only had been sent,

and then turned up other consignment notes showing that ice and general produce had been sent. With that cursory examination they were satisfied; they never went any further; they never even ordered one of the vans to be opened, and so the frauds went on for 12 months afterwards. They never went down to the Ice Company's office and turned up the consignment notes there corresponding with the consignment notes in the Goods Agent's office. They never turned up the Ice Company's ledger to compare the particulars of actual goods sent with the consignment notes in the Goods Agent's office: they simply found on the consignment notes that ice and produce were being sent to the fields, and were taken as all right. Consignments were never checked in Perth, nor were they checked in Kalgoorlie. There was absolutely no check, although they knew that wrong consignments had been sent. Now, what conclusion could we come to? It does not require a man who has been brought up on a locomotive or in a railway workshop, or even in the office of a general manager of railways, to come to a correct conclusion on this matter. I take it we have all average intelligence, and I will give place to no man in judging such a subject. I think every member of that committee will be prepared to go further, and inquire fully into this matter right through the whole railway system, and also in the Customs Department.

MR. PIESSE: Make sure you have the right man, and then dismiss him.

MR. WILSON: I am satisfied we have got hold of the right man in that Goods Agent and in the ex-stationmaster at Coolgardie; and nothing the member for the Williams can interject will convince me to the contrary. But I say again that if the House decide that these men are to be heard once more, let them be heard before an independent tribunal which I hope will be appointed on the recommendation of the committee, and not by the ordinary departmental board of inquiry.

Amendment (Mr. Piesse's)—to strike out all words after "that" and adopt the report with the exception of paragraphs 8 and 12, and providing that the recommendations contained in the latter paragraphs be not carried into effect pending

official investigation—put, and negatived on the voices.

Amendment (Mr. Moran's) put and passed.

Question as amended agreed to.

#### ADJOURNMENT.

The House adjourned at 10:41 o'clock until the next day.

### Legislative Council,

Wednesday, 24th October, 1900.

Question: Helena Racecourse, Railway Fares—Motion: Railways, Control by Commissioners—Motion for Papers: Fourth Judge, Division (negatived)—Municipal Institutions Bill, third reading—Trustees Bill, in Committee, reported—Assent to Bill—Paper presented—Land Act Amendment Bill, in Committee, Divisions, progress—Call of the House—Adjournment.

THE PRESIDENT took the Chair at 4:30 o'clock, p.m.

#### PRAYERS.

#### QUESTION—HELENA RACECOURSE, RAILWAY FARES.

HON. M. L. MOSS asked the Colonial Secretary: 1, What return fare was charged on Saturday last to passengers from Perth and Fremantle, respectively, to Helena Vale Racecourse? 2, Why were passengers from Fremantle on the day named charged ninepence more for the whole journey than others who made the journey in two sections from Fremantle to Perth, and Perth to the racecourse? 3, Will instructions be given so that this inequality will not recur?

THE COLONIAL SECRETARY replied: 1, From Perth, 2s. 6d., second class. From Fremantle, 5s., first class; 4s., second class. 2, The rates are the same as they have always been, but since the introduction of the cheap Wednesday, Saturday and Sunday excursion tickets, and the first race starting at 2:30 p.m.

instead of 2 p.m., it is now possible for passengers to leave Fremantle at 12:30 p.m., and take advantage of the excursion rates to Perth. This, of course, was not intended when these Wednesday and Saturday excursions were introduced. 3, Yes; the through fare is being so altered that it will not exceed the combined fares for the sections Fremantle-Perth and Perth-Racecourse.

#### MOTION—RAILWAYS, CONTROL BY COMMISSIONERS.

HON. J. T. GLOWREY (South): I beg to move:

That, in the opinion of this House, the time has arrived when the railways of the colony should be placed under the control of Commissioners, as far as possible removed from political control, and that the Government should introduce a Bill next session to deal with the question.

He said: I have no desire to take up the time of hon. members with any lengthy statement. The motion is one I feel sure will commend itself to every hon. member of the House, and it is one I hope will receive members' unanimous support. The object of the motion, if carried into effect, will be to remove our railways from the pale of political influence, so that they may be worked on business principles and in the financial interests of the colony. The Railway Department will be protected by giving independent and absolute control to a board of specially trained men. This will prevent the staff being interfered with politically by means of associations under political influence, and it will avoid the practice of employees approaching members of Parliament with their grievances. It will also minimise the construction of non-paying lines. Under a board of management statistics and other information will be collected, and recommendations made by the board accordingly. The construction of new lines would come under the board of commissioners, and the lines would be equipped only as the traffic required. A board of commissioners when removed from political control should not be unduly pressed to bring into existence a non-paying tariff: their powers should be to secure a fair and remunerative tariff for all work done, and this, I