

THE MINISTER FOR WORKS: The amount of £2,000 would cover everything.

Item—Plympton School, additions, £450:

MR. THOMAS asked for information.

THE MINISTER FOR WORKS: The final cost would be £450.

[**MR. ILLINGWORTH** took the Chair.]

Item—Ravensthorpe school additions, £200:

MR. JOHNSON: From all one could gather there was no need for additions to this school. The Ravensthorpe district was practically dead. The local people said that a smelter was needed to make the place flourish, but he contended that not only a smelter but a new system of ore treatment was required. Until the district revived, no additions to the school were necessary. He therefore moved that the item be struck out.

THE MINISTER FOR WORKS moved that progress be reported.

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

Ayes	...	...	17
Noes	...	...	6

Majority for ... 11

AYES.	NOES.
Mr. Diamond	Mr. Holman
Mr. Ewing	Mr. Hopkins
Mr. Foulkes	Mr. Johnson
Mr. Gardiner	Mr. Thomas
Mr. Gordon	Mr. Yelverton
Mr. Gregory	Mr. Jacoby (Teller).
Mr. Harper	
Mr. Hastie	
Mr. James	
Mr. Kingsmill	
Mr. McDonald	
Mr. Nanson	
Mr. Rason	
Mr. Reid	
Mr. Smith	
Mr. Yelverton	
Mr. Higham (Teller).	

Progress reported, and leave given to sit again.

PAPER PRESENTED.

By the **PREMIER:** Copy of permission granted to West Australian Goldfields Firewood Supply Company, Limited, to construct a timber tramway.

Ordered: To lie on the table.

ADJOURNMENT.

On motion by the **PREMIER**, the House adjourned at 40 minutes past 5 o'clock (Thursday morning), until the afternoon at 4:30 o'clock.

Legislative Council.

Thursday, 11th December, 1902.

	PAGE
Questions: Land Applications, Conditional Purchase	2889
Lighthouse, Cape Naturaliste	2889
Bills: Rabbit Pest, Committee resumed, reported	2890
Dividend Duties, in Committee, progress	2890
Motion: Esperance-to-Goldfields Railway, to construct, debated, concluded, division	2904
Assent to Bills	2890

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

PRAYERS.

QUESTION—LAND APPLICATIONS, CONDITIONAL PURCHASE.

HON. J. M. DREW asked the Minister for Lands: 1, If any applications have been made by the holders of conditional purchase lands to the Lands Department, since 1st January last, for the classification of such lands with a view to the reduction of the price thereof. 2, If, in any case, the Lands Department has consented to such classification and reduction of price. 3, The names of the districts, if any, in which such classification and reduction of price have been sanctioned. 4, If, in any case, the Lands Department has refused, on principle, to consider such classification and reduction of price. 5, The names of the districts, if any, in which such classification and reduction of price have been so refused.

THE MINISTER FOR LANDS replied: 1, Yes. 2, Yes. 3, Victoria. 4, Yes. 5, Victoria.

QUESTION—LIGHTHOUSE, CAPE NATURALISTE.

HON. T. F. O. BRIMAGE asked the Minister for Lands: How many parties

of surveyors or engineers have been engaged in surveying and selecting a site for a lighthouse at Cape Naturaliste.

THE MINISTER FOR LANDS replied: Two parties were engaged on this work. The reason for the second survey being that the site originally selected was not concurred in by the late Chief Harbour Master.

RABBIT PEST BILL.

IN COMMITTEE.

Resumed from the 4th December.

Clause 36 (postponed)—agreed to.

Preamble, Title—agreed to.

Bill reported with amendments, and the report adopted.

ASSENT TO BILLS.

Message received from the Administrator, assenting to the following Bills:—Local Inscribed Stock, Mines Development, Companies Act Amendment, Stamp Act Amendment, Post Office Savings Bank Consolidation Act Amendment, Fremantle Harbour Trust, Agricultural Bank Act Amendment, Indecent Publications, Public Service, Municipal Institutions Act Amendment.

DIVIDEND DUTIES BILL.

IN COMMITTEE.

HON. M. L. MOSS in charge of the Bill.

Clause 1—agreed to.

Clause 2—Interpretation:

HON. J. D. CONNOLLY moved that in line 2 of the definition of "company" after "association," the following words be inserted "or any trading firm or partnership consisting of three or more persons carrying on business within Western Australia or elsewhere."

POINT OF ORDER.

HON. M. L. MOSS rose to a point of order. This Bill was a taxation measure introduced by an appropriation message in another place; and it was not competent for the Committee to pass this amendment, the effect of which would be to widen the scope of the Bill as a revenue-producing statute. Such amendment could not be made save by a message from the Governor to another place. The proposal was entirely out of order, either as an amendment or a suggestion.

THE CHAIRMAN: The amendment was out of order, even as a suggestion, because it proposed to expand the area of taxation.

DEBATE.

HON. T. F. O. BRIMAGE: If one kind of life assurance company were taxed, why not tax all? By the Bill two companies would suffer, and the balance would escape.

HON. M. L. MOSS moved that in the definition of "life assurance company," all the words after "assurance" in line 2 be struck out. This would meet the hon. member's wishes.

Amendment passed.

HON. A. G. JENKINS moved that the following definition be inserted: "'Banking company' means a company carrying on the business of banking exclusively."

HON. M. L. MOSS: The drastic amendments tabled by the hon. member should be dealt with before passing this clause. He moved that it be postponed till the end of the Bill.

Motion passed, and the clause postponed.

Clauses 3, 4, 5—agreed to.

Clause 6—Returns of dividends declared, and payment of duty:

HON. A. G. JENKINS moved that after the word "a," in line 2 of Subclause 1, "banking company or a" be inserted. He intended to move a subsequent amendment in the same clause, and the amendments tabled should be considered together. Banking companies which carried on business here, whether doing business elsewhere or not, ought to pay on their dividends only. Banks were to some extent in a position different from that of other trading corporations. They held positions of trust not occupied by other companies. Their business must necessarily be kept as secret as possible, in the interests of the State and of trade. Unless the amendment were passed, every banking company trading in Western Australia, with one exception, would be taxed on its profits. Only the Western Australian Bank traded exclusively in the State, and it would be taxed on dividends only. If a bank made a certain profit in the State, and sent to the Treasury a cheque for the amount of the tax, every official through whose hands the cheque passed would know the exact

profit made by the bank during the preceding year or half year. Would that be a proper position for a large financial institution, to which the slightest whisper might mean ruin? There was no such danger in taxing dividends. It was not reasonable to differentiate between institutions which invested money here. By the amendment, if a bank had £200,000 invested here, the dividend would, for taxation purposes, be considered as proportionate to the capital the bank employed to earn that dividend; and to arrive definitely at that the assets in this State would be taken in proportion to the whole of the assets of the bank, wherever it traded. That was surely fair.

HON. G. RANDELL: What was the meaning of the word "capital" in a subsequent amendment?

HON. J. W. HACKETT: How much capital was employed by the Union Bank?

HON. A. G. JENKINS: That he did not know; but the average capital could be ascertained from the quarterly banking returns, and would be assessed in proportion to the average capital employed by the Union Bank throughout the Commonwealth, and wherever else it had branches. It must not be forgotten that banks throughout the State paid a heavy note tax. Why seek to tax them doubly on profits from which the shareholders derived only a fractional benefit? Was it desired to tax the banks on the money earned which might be of no benefit to the shareholders, or only on money earned and actually returned to the shareholders? The amendment would bring all the banking corporations in the State into line. Those who brought money here and invested it should get consideration as well as the local institution.

HON. M. L. MOSS: The Bill aimed at charging the companies carrying on business in Western Australia, and not elsewhere, 5 per cent. on the dividends, and it aimed at making a charge on companies carrying on business in Western Australia and elsewhere a tax of 1s. in the £, on the amount of profit earned in Western Australia. If there was a reason for making a charge on the profits of foreign companies, in no case was the argument so strong as to make that tax apply to the banking companies. It was

a well known fact that to do what the hon. member desired and charge a tax on the companies other than the Western Australian Bank, in proportion to the capital employed in Western Australia, would mean that not a fraction would be paid. Reference to the quarterly returns of these banks would show that they employed no capital here. The fixed deposits exceeded largely the amount of their advances for the purpose of business. The result of levying a tax in proportion to the capital in Western Australia would be that the Western Australian Bank would pay on their dividends, and the other banks would pay nothing at all. There was nothing at all in the argument that the secrets of the institution would be disclosed. The Western Australian Bank was obliged to publish its balance-sheet and everybody knew what the Western Australian Bank was making in this State. The other banks published balance-sheets containing the whole of their operations throughout Australia. Under Clause 4 every officer charged with the administration of duties under the Bill was bound to take an oath of fidelity and secrecy; but supposing he had not to do so, it would be a good thing and do the banking institutions no harm if the public knew whether they were solvent or not. The Treasurer had informed him that with regard to the measure, as far as it affected the banking institutions, he had interviewed the managers and inspectors in Perth, and they were satisfied with the measure.

HON. A. G. JENKINS: That was not correct.

HON. M. L. MOSS: Perhaps he had misunderstood Mr. Gardiner: he would not speak with absolute authority on that point. The local institution had to pay on its dividends in the same way as a trading corporation. The banking corporations had no capital in the State for they were using the fixed deposits, therefore why should they escape liability? The Committee should be extremely careful how far it attempted to interfere with this or any other taxation measure. It would be an easy thing to put into the hands of opponents against the Legislative Council a weapon of attack. If the measure became mutilated in such a way as to destroy its efficiency, that would put into the hands of opponents

an opportunity of going to places throughout the State and saying that the Legislative Council was the body who endeavoured to shield the powerful and wealthy bodies and to put a tax on the less wealthy. Therefore members should be extremely careful before commencing to interfere with the utility of the measure. Last year the Government realised £85,890 2s. 5d. under the Dividend Duty Act of 1899. The estimate for this year was £94,500. The Government anticipated losing this year through the operation of the sliding scale £60,851. For the last six or seven years there had never been such a scarcity of shipping in Fremantle as there was to-day, and everyone knew that would operate on the customs revenue. If the "Fifeshire," which had some six or seven thousand tons of cargo for this port, did not arrive before the end of the year, the December month with regard to customs, would be an exceedingly bad one. The Government could not afford to lose £90,000 which the Treasurer estimated to receive by the passage of the Bill into law. He strongly opposed the amendment and trusted members would vote with the Government.

HON. A. G. JENKINS: Some of the banking institutions carrying on business here imported a large amount of capital. He knew of two institutions who brought a large amount of money to the State for investment: they were the Commercial Bank and the National Bank.

HON. W. T. LOTON: They paid no duty.

HON. A. G. JENKINS: They paid according to the amount of capital employed. Most of the banking companies were employing more capital here than the amount of their fixed deposits, and two of the banking corporations employed considerably more money than they had on fixed deposit. These companies deserved some consideration.

HON. M. L. MOSS: How much did they pay in dividends?

HON. A. G. JENKINS: These corporations did declare a dividend each year, whether 4 or 5 per cent. he did not know.

HON. M. L. MOSS: They paid something like 2 or 3 per cent., and then on preference shares.

HON. A. G. JENKINS: Some banks paid 6 and some 10 per cent. As to the statement of the Treasurer that the

banks were satisfied with the Bill, that was incorrect. He was sure the Treasurer would never make such a rash statement. The banks objected strongly, chiefly because the measure was inquisitorial. It was all very well to say that there was an oath of secrecy. That might bind the head of the department, but not the office boy.

HON. J. W. HACKETT: Would the hon. member give the names of the banks who objected.

HON. A. G. JENKINS: The banks generally objected. The names of the banks were the Union, the Bank of Australasia, the National, and the Commercial.

HON. G. RANDELL: Was it not in regard to the inspection of their books?

HON. A. G. JENKINS: The Minister had to send the Auditor General or somebody to inspect the books, and to see the amount of profit made, and there was no doubt the Minister would exercise that power. The temper of the Committee was against him, but personally he thought the amendment should be carried.

HON. M. L. MOSS: Though the Dividend Duty Act had been in force here for three years, it did not appear that the banks had suffered.

Amendment negatived.

HON. A. G. JENKINS moved that Sub-clause 4 be struck out and the following inserted in lieu:—

(4.) A company carrying on business in Western Australia shall not be deemed to be carrying on business elsewhere than in Western Australia because (a.) Its head registered office is situated and its board of directors meet elsewhere than in Western Australia; or (b.) It sells the product of the business carried on by it in Western Australia elsewhere than in Western Australia; or (c.) It puts out at interest elsewhere than in Western Australia moneys obtained for such product pending distribution of same amongst its members; or (d.) It makes or enters into any contract to be executed elsewhere than in Western Australia for the the purposes of the conduct of its business in Western Australia.

A layman reading the subclause would think that a company having its registered office outside Western Australia would not for that reason only be deemed to be carrying on business elsewhere; and the Minister said the Bill was to tax the dividends only of companies which carried on business exclusively in this State. But the present Treasurer would

put a different interpretation on the subclause. Certain mining companies carried on business here exclusively, and were nevertheless obliged to enter into contracts in England for the supply of machinery, etc. Some corporations found that it paid better to send their bullion to gold-buyers in London; bullion, in some places, commanding a higher price than sovereigns. Both classes of company would be taxed on their profits, even though carrying on business solely in the State. There could be no objection to the amendment. A company, after selling its bullion, invested the proceeds in short loans or in consols until the dividends were due; and by the subclause as drafted, such investment would amount to carrying on business outside the State, and the company would be taxed on profits. Paragraph (*d.*) of the amendment covered mining machinery and other articles required by the company in connection with its business.

HON. J. W. HACKETT: If the amendment passed, could the hon. member mention a single company doing business outside the State which could be taxed on its profits?

HON. A. G. JENKINS: With the business of the trading community he was not conversant; but restrict the amendment to mining companies if desired. If the amendment were negatived, next year the Treasurer would tax on its profits every mining company which sent its bullion to England. A decision of the Court of Appeal, No. 1 Queen's Bench Division Reports, 1895, page 508, clearly proved what would be the effect of subclause 4, which might have been framed to meet the case there reported, the decision showing that by the clause mining companies would be taxable on their profits. A company whose registered office was in London was the proprietor of a railway in Brazil. The working of the railway was under the control of London directors, who purchased in England and sent to Brazil material and plant. The accounts were kept in London, where the meetings of the company were held and dividends declared and paid. With the exception of some small amounts, the whole of the company's revenue arose from money earned in Brazil in connection with the railway. It was held that the business of the company being partly

carried on in the United Kingdom the company was liable to income tax upon the full amount of the profits of their business, and not on the sums actually received in the United Kingdom. The position of that company was exactly analogous to that of a mining company here.

HON. M. L. MOSS opposed the amendment. Subclause 4 laid down the rule that a company having a registered office outside Western Australia should not for that reason alone be deemed to be carrying on business outside the State, thus providing that companies trading elsewhere than in Western Australia would have to pay duty on profits. To cut down the clause as proposed by the last speaker would affect such concerns as the United Stores, Perth, which purchased goods direct from London, and nearly every other limited company in the State. All these concerns carrying on business in Western Australia would be carrying on business elsewhere because of their having a buyer in another country, and they would be charged on their profits. That was not the intention. Take a company like Dalgety and Co., having branches throughout Australia and New Zealand. That company should pay on profits. He hoped the Committee would trust the Colonial Treasurer in the matter. Up to the present time the mining companies carrying on operations only in Western Australia had complained about being charged on their profits. They thought they should be charged on dividends only. A deputation waited on the late Mr. Leake when he was Premier, and Mr. Keenan, who was the spokesman, asked that the mining companies should be taxed only on dividends and not profits. The companies thought they should be placed on the same footing as industrial enterprises and taxed on dividends. Mr. Leake promised that the matter would receive consideration. Subsequently the Treasurer went to the goldfields to ascertain the views of the persons representing the mining industry, and as a result it was agreed that the mining companies were practically to pay on dividends. In the August monthly report of the Chamber of Mines Mr. Black stated that the mining companies did not object to pay five per cent. on declared

dividends, but they objected to pay on money spent in the purchase of machinery and in development. The measure was brought in to give the companies the benefit of paying on their dividends only and not on profits. Mr. Jenkins had stated that the Treasurer was not to be trusted, and that as soon as the law was on the statute book he would try to levy a tax on the profits of mining companies.

HON. A. G. JENKINS: That was what he would be obliged to do.

HON. J. D. CONNOLLY: Why not make it plain in the Bill then?

HON. M. L. MOSS: It was not desirable to make it plain, for the reason that it would bring every incorporated company in the State within its operations. While the Government were anxious to assist the mining industry to the extent they had asked and tax them on profits only, the Government objected to having four such definitions as that suggested by Mr. Jenkins placed in the Bill, so as to interfere with the operations of the measure and the estimate of £90,500 which the Treasurer anticipated. Naturally, the Government were not able to say what the revenue obtainable from these dividends would be. The decision cited by the hon. member had been given in connection with the English income tax, and the section of that law was entirely different from the one which the Committee were dealing with. He asked the Committee to give the Government credit for being honest in this matter. It had been stated throughout the State that if the measure were passed the Government did not intend to tax the mining companies on profits, only on dividends.

HON. A. G. JENKINS: It was not said that the Government were dishonest, but the terms of the Bill ought to be clearly set out, so that there would be no room for an appeal in the law courts. What was the meaning of the clause? The decision he had quoted was on all fours with the present case. The court decided that a mining company carrying on business, no matter of what description, outside the State was liable to pay a tax on profits and not on dividends, and unless the amendment which he moved was passed it was impossible for the Treasurer to tax a company on its dividends and not on profits. The Government would have to tax companies on

their profits or there would be an outcry. Mining companies desired to be taxed on their dividends, and if the Government intended that, why not make it clear?

HON. M. L. MOSS: Let members take the four proposed subclauses and consider them. With regard to Subclause (a.) the Bill already provided that if a company or firm had an office outside Western Australia that did not mean carrying on business outside the State. As to Subclause (b.) the hon. member was pleading for the mining companies, and he (Mr. Moss) was pleading for the country, which had spent £100,000 in the erection of a Mint. It was a fair thing that the gold produced in Western Australia should be sent to the Mint. He did not think any money which was awaiting distribution as profits was invested on mortgages in England. The money might be placed on fixed deposit or in consols.

HON. W. MALEY: Although at the present time the copper industry was not a big one, we should remember that that industry existed in the State, and if the Bill was passed in its present form it would seriously interfere with what might ultimately be an important industry. South Australia had benefited by some millions of pounds through its copper industry, and why should not that be the case in this country. If we passed this legislation, and the board of directors in Melbourne of the copper mining company in this State heard that five per cent. had to be paid on profits, the company would not continue to carry on business. It took all the directors could do now to keep the mine working. The copper company were sending away about 100 tons per month from the Phillips River field. The Bill should not be allowed to press heavily on any industry.

HON. J. T. GLOWREY: The Minister seemed to think the Bill should be passed without alteration. If the subclause were passed, the mining industry would be in the hands of the Treasurer.

HON. J. A. THOMSON: Mr. Maley was the only member who gave any reason for the amendment; but a struggling company would not be affected by a tax on profits, for the amount of profit made was easily demonstrable. If expenses were incurred in disposing of

ore outside Western Australia, those expenses could be brought to debit against local earnings. He (Mr. Thomson) represented a company which would be affected by the Bill; and although he maintained trading companies should not be taxed while non-incorporated concerns were exempt, it was nevertheless necessary that the Treasurer should have a certain revenue, and mining and other companies which could afford to pay this tax ought to be the last to complain of the Bill. He would be pleased to send in to the Treasury a return showing the profit he had made on the business he managed, and a cheque for £150, rather than be obliged to furnish a statement showing a loss. It was better that companies who could afford to pay should be taxed, rather than that the impost should fall on people at large in the shape of an income tax.

SIR E. H. WITTENOOM: The amendments were very complicated. There was a clear-cut issue whether companies were to pay on dividends or on profits, and the theory of the Bill was that the companies doing business exclusively in Western Australia were to pay on dividends, and all doing business abroad to pay on profits. To put every company on the same footing would be the simplest solution. No companies objected to pay on dividends, but all objected to taxation of profits. It was difficult to ascertain profits; and why should there be discrimination between companies trading in the State? The tax affected mining rather than industrial companies, because there were more of the former. The amendments were too intricate, and would defeat the object of the Bill.

HON. S. J. HAYNES: The amendment seemed reasonable. The appeal court decision cited by Mr. Jenkins showed that most mining companies might be taxed on profits instead of dividends; and this would not carry out the intent of the Bill. It was evident Mr Jenkins did not intend to slight the present Treasurer. In consequence of the decision quoted, a future Treasurer might conscientiously tax such companies on their profits. Would not the wishes of all parties be met by inserting the word "mining" between "a" and "company," in Subclause 4, and then adding Mr.

Jenkins's amendment as Subclause 5, thus removing all doubts as to whether companies other than mining companies could be called on to pay on their profits instead of their dividends?

HON. G. RANDELL agreed that Mr. Jenkins's amendments were complicated. The definition in Subclause 4 was sufficient. Paragraphs (c.) and (d.) of the amendment would evidently open the door to trickery and fraud, giving opportunities for evading the Act to persons acquainted with the intricacies of law and of trade. The State required this money, and it would be unfortunate if the Bill were nullified by such clever amendments as Mr. Jenkins had tabled, which were liable to lead members quite astray. This amendment would certainly defeat to a large extent the objects of the clause, which had been made perfectly clear by the Minister in charge of the Bill. In the absence of strong reasons, it was most inadvisable for us to meddle with a Taxation Bill in the manner proposed. The mover himself was unable to state the effect of his amendment. Besides, Mr. Moss had given good reason why no revenue should be surrendered at the present time. The hon. member (Mr. Jenkins) had on the Notice Paper another amendment which would enable a company to withhold payment of dividends for an indefinite period and so defeat the object of the Bill. A purchase of machinery would not bring a company under the operation of the subclause which had been submitted for our consideration.

HON. A. G. JENKINS: Unfortunately, the law said the other thing.

HON. G. RANDELL: Clearly, it could not do so. The only possible effect of the amendment would be to enable persons so disposed to do that which was wrong—to deprive this State of the revenue which it had a right to demand. He heartily agreed with the principle that those who could afford it should pay taxation. There would be good ground for complaint in certain quarters if the House dealt with this measure in such a way as to defeat its objects and release large institutions which could well afford to do so from contributing to the revenue of the country. [MEMBER: The amount was only £18,000.] It was difficult to say how many thousands the amount

would reach under the amendment. In view of this uncertainty he hoped members would not support Mr. Jenkins's amendment, no sufficient reason having been advanced for its adoption.

HON. J. M. DREW: While not much in love with a tax on profits and preferring greatly a tax on dividends, he was, as a member of the Upper House, strongly disinclined to interfere with financial arrangements arrived at elsewhere. Undoubtedly this amendment would considerably reduce the revenue to be derived under the Bill, and it was against constitutional usage that an Upper House should interfere to any serious extent, and without just cause, with financial arrangements arrived at in another place.

HON. J. D. CONNOLLY: A good deal had been said as to the inadvisability of this House interfering with the financial arrangements of the Government. The object of the amendment, however, was not to interfere with taxation, but to make the meaning of the clause clearer.

[HON. J. W. HACKERT: Not clearer.] The Minister in charge, while stating the object of the Bill as taxation of dividends and not of profits, had admitted that the selling of the product of any company in London would constitute it a foreign company and make it liable to pay duty on profits. Was that fair? There was no sale in this State for timber, or for wool; and should a company be considered a foreign company simply because it disposed beyond our borders of products which it could not dispose of within our borders? No doubt the present Treasurer knew his intentions, but he might not be Treasurer for long, and the next Treasurer might take his own view of the measure, quite regardless of his predecessor's opinions. The Government would do well to accept the amendment. He did not wish to be misunderstood at all: he was not in sympathy with the exemption of foreign companies. A company making profits here and making losses in other countries ought to pay duty on the profits it made here; otherwise a company doing business here only was placed at an unfair disadvantage.

HON. M. L. MOSS: Hon. members need not anticipate any difficulty. If Mr. Connolly feared that companies selling the products of their mines and so forth outside the State would on that account be

regarded as carrying on business outside the State—

HON. J. D. CONNOLLY: The Minister had expressed that opinion.

HON. M. L. MOSS: Assuming that it was so, he still was more in sympathy with a mining company having its gold minted here than with a mining company which sent its gold out of the State in bars and refused to avail itself of the facilities of a mint on which the country had spent over £100,000.

HON. J. D. CONNOLLY: The remedy was to put an export duty on gold.

HON. M. L. MOSS: No. In any case he would oppose class taxation of that description. Besides, Mr. Connolly ought to know that neither import nor export duties could now be imposed by individual States. Our mint, which had been constructed at large expense and was being maintained at large expense, might fairly expect to derive some little benefit from the coining of gold won in this State, particularly as it was stated on good authority that those sending their gold to our mint got as good returns as were obtainable outside the State.

SIR E. H. WITTENOOM said he had listened with considerable amusement to the argument that while a company doing business in Western Australia only should be exempted from taxation, that company so soon as it unfortunately proceeded to afford facilities to its clients all over the world should become liable to taxation. The contention that a company disposing of its products here should be exempt, but that it ought to become liable so soon as it sold its goods in England or Germany, was absurd on the face of it.

HON. J. A. THOMSON: What companies were prepared to pay a tax on dividends in preference to profits?

HON. A. G. JENKINS: Mr. Moss had referred to bullion being sent to the mint. Companies sold ore to smelting works outside the State. We should encourage bullion to be sent to the mint, but how could ore be sent to the mint for treatment. Then there were other metals which had to be sent outside the State to be treated.

SIR E. H. WITTENOOM: In reply to the question as what companies objected to paying on profits, they were the industrial companies of Western

Australia which had brought capital into the country and had distributed it freely, and had helped the country along. There were scores of companies with connections in other parts of the world which had done good for Western Australia. Those were the companies who objected to pay on profits. Let all companies be put on the same footing, and tax everyone on dividends. Encouragement should be given to persons to send capital to the country; but a tax on profits would annoy capitalists. If we were to inspire confidence in the country, then the tax must be placed on dividends and not on the profits.

Amendment put, and a division taken with the following result:—

Ayes ...	...	...	11
Noes ...	...	...	16
<hr/>			
Majority against ...			5

AYES.

Hon. G. Bellingham
Hon. T. F. O. Brimage
Hon. W. G. Brookman
Hon. J. D. Connolly
Hon. S. J. Haynes
Hon. A. G. Jenkins
Hon. W. Maley
Hon. Sir George Shenton
Hon. C. Sommers
Hon. J. W. Wright
Hon. J. T. Glowrey
(Teller).

NOES.

Hon. R. G. Burges
Hon. E. M. Clarke
Hon. J. M. Drow
Hon. J. W. Hackett
Hon. A. Jameson
Hon. R. Laurie
Hon. W. T. Lotou
Hon. E. McLarty
Hon. M. L. Moss
Hon. C. A. Piosse
Hon. G. Randell
Hon. J. E. Richardson
Hon. J. A. Thomson
Hon. Sir E. H. Wittenoom
Hon. B. C. Wood
Hon. C. E. Dempster
(Teller).

Amendment thus negatived, and the clause passed.

Clause 7—Returns of companies carrying on business in Western Australia and elsewhere:

SIR E. H. WITTENOOM moved that the clause be struck out so that dividends only would be taxed. He had asked a question a few days ago as to what would be the loss to the revenue in connection with a tax on profits, and he understood the amount was £13,000. That was nothing compared with the annoyance which would be given to trading companies.

HON. M. L. MOSS: It was to be hoped the Committee would not agree to the amendment. Western Australia was under a deep debt of gratitude to Dalgety and Co. and to the timber companies to which reference had been made; he would welcome the starting of other similar institutions in this country. If he

thought the clause would stop capital coming into the country and would destroy confidence in the country, then he would give way; but this was only the repetition of an Act passed in 1899 by a Government of which Sir Edward Wittenoom was a member, or was previously a member. The law had worked for three years, and we had heard nothing of the annoyance about which the hon. member spoke. He would give a few figures to show the liberality with which the Government had allowed deduction on profits. One company was allowed to deduct £35,000 for a sulphide plant, £20,000 for mine development, £12,230 for machinery, and £415 for a main shaft. Another mine was allowed to deduct £19,913 off £48,736 profit. Another company, from £13,800 was allowed to deduct £4,736, and one other mine that made £119,000 was allowed to deduct £32,614.

SIR E. H. WITTENOOM: Would the hon. member give the details of deductions from industrial companies.

HON. M. L. MOSS: If Dalgety & Company, or any shipping company, could show that to make certain profits they had to keep offices elsewhere, those expenses should be fairly debited against profits made here, and it would be the duty of the Government to allow such deduction to take place.

SIR E. H. WITTENOOM: Why had it not been done.

HON. M. L. MOSS: There was no doubt that the hon. member would see that it was done in the future. An assurance of this kind given on behalf of the Government should be accepted. Assuming for the sake of argument Clause 7 was struck out, and the Bill imposed a tax on dividends only, where would the Government find themselves? Take large concerns such as Dalgety & Company, who had an enormous amount of capital in Western Australia and elsewhere, it would be difficult for the Government to devise a scheme whereby the operations of the different branches could be charged with the duty separately; it would more than tax the ingenuity of the hon. member to devise such a scheme.

At 6.40, the CHAIRMAN left the Chair.
At 7.35, Chair resumed.

Amendment negatived, and the clause passed.

Clause 8—Returns by insurance companies and duty payable:

HON. A. G. JENKINS: Mining companies had now to pay heavy premiums against losses by fire or by injury to workmen; and certain companies desired to form among themselves a trust for the purpose of doing their own insuring. No dividends or profits would be distributed; and only in case of fire or accident would money be paid away. The present rate for such insurance was altogether extortionate, and this had been adopted out of many schemes proposed. Though the trust would be a trading company it could not fairly be classed with those distributing dividends or profits, for all earnings would be held against claims. He moved that after the word "company," in line 4, the following be inserted: "or being a company exclusively formed for mutual insurance of the shareholders against the risk of loss of their property by fire or loss by compensation to workmen in their employ on foot of claims arising from injuries received in the course of such employment."

HON. M. L. MOSS: This was the most reasonable amendment the hon. member had yet proposed; but Clause 8 as drawn would achieve the desired end. If a number of goldmining companies chose to form a subsidiary company as described, that could not be done save by registering the company for insurance purposes; and then it would have the benefit of Clause 8, namely, of paying only 20s. for every £100 or proportionate part of £100 of its premiums. Nothing was to be gained by inserting the words, for the clause was perfectly plain. The hon. member had stated that the rate of insurance charged was so excessive that the mining companies wished to form a kind of mutual insurance company for the purpose of combating those excessive rates. Everything that the hon. member had said on the subject was perfectly correct. The trouble arose in this fashion. The Workers' Compensation Act, which had been passed when he (Hon. M. L. Moss) was not in Parliament, was intended to be brought into operation by proclamation, but the Leake Government had brought it into operation before the time intended by its framer, the present Pre-

mier. The intention all through had been that prior to the Act being brought into force regulations should be framed to give the Government some control over premium rates. However, a clamour was raised, the Act was brought into operation, and the companies were allowed to fix their own rates. Those rates were extremely excessive, and pressed unduly on mining companies. A company for mutual insurance, such as the mining companies designed to form, would still be an insurance company.

HON. A. G. JENKINS: It would be a life assurance company. The object of the amendment was only to make the meaning of the clause clearer.

HON. M. L. MOSS: So far as insurance against fire was concerned, Clause 8 made ample provision. It had to be remembered that the measure dealt with three classes of company: companies doing business in Western Australia only, which were charged duty on dividends; companies doing business here and elsewhere, which were charged duty on profits; and insurance companies, which were charged one per cent. on premiums collected. The question of insurance against injury to workmen ought not to be dealt with under this measure, but by amendment of the Workers' Compensation Act. Early next session the Government would take steps to introduce an amendment which would give control of insurance rates.

[Pause ensued.]

HON. A. G. JENKINS: Having arranged with the Minister that the amendment should be submitted to the Premier and the Treasurer, and thereafter should be dealt with on recommitment, he asked leave to withdraw the amendment for the present.

Amendment by leave withdrawn.

Clause passed.

Clauses 9 to 31, inclusive—agreed to.

New Clause (rules to estimate dividends):

HON. A. G. JENKINS: The new clause standing in his name was most reasonable, and he hoped it would receive the support of hon. members. Its adoption would in no way benefit the large mining companies, which would be in no better position after the clause had been passed than they were in to-day, for the clause would not operate until after the

1st January, 1903. Thus the Treasurer would lose no revenue. The object in moving this clause was to encourage the introduction of capital, the opening up of fresh mines, and the general development of the industry. The clause proposed that before the Treasurer could levy duty on a dividend declared, he must allow the company to set off against the dividend the working cost of earning the dividend. Moreover, the clause provided that a company should be allowed to set off 75 per cent. of the cost of machinery. Of course, if a company had already written off the cost of machinery before declaring a dividend, it could not claim the same set-off again. A mining company was in a different position from that of an ordinary trading concern: it was here to-day and gone to-morrow. A mining company might pay £20,000 in dividends one month, and spend £50,000 for no return during the next month; so that actually it would be £30,000 out of pocket on the two months' operations. Notwithstanding, under this Bill the company would be charged dividend duty on the £20,000 distributed. Was that reasonable? Such cases occurred every day. Not five per cent. of the mining companies were paying dividends.

HON. M. L. MOSS: Then they would not pay dividend duty.

HON. A. G. JENKINS: Members who had a knowledge of mining were unanimous on the point, and other members who claimed to represent the mining industry because they were returned for mining districts ought to yield to better knowledge. A mine was not an ordinary business proposition which existed practically for all time, or in any event left realisable assets. If a mine failed, the only asset remaining was a shaft; and yet in the case of such a mine, if a dividend had been paid, duty would under the Bill be levied. The new clause was in force in Queensland, where it had been found to work successfully. If Queensland could afford to give the mining industry such consideration, a rich State like Western Australia could afford to give the same amount of consideration to an industry which had done so much for the State. He moved that the following be added as a new clause:—

business of mining, the following rules shall be applied for the purpose of estimating the amount of the dividends on which duty shall be payable:

- (1.) The first and subsequent dividends paid by any such company shall be taken to be applied, and in the case of dividends declared or paid, after the 1st day of January, 1903, to have been applied in the first instance in repayment of the cost actually incurred by the company before the declaration of the first dividend in respect of labour or material employed in developing the mine, and in the second place in repayment of three-fourths of the cost of any machinery erected for raising ores and other materials from the mine, and recovering the gold contents thereof.
- (2.) So much of the dividends as are shown to the satisfaction of the Minister to have been applied for the purposes specified in the last preceding rule shall be exempt from dividend duty under the Act.

HON. M. L. MOSS: The hon. member had talked about the apparent disregard the Government had for the mining industry; but the Government and a majority of members did all they could to support the mining industry, for everyone recognised all that mining had done for the State. It had brought this country from a position of comparative insignificance to one of importance, until to-day we were the largest producer of gold, except the Transvaal, in the world. The Government had not shown themselves indifferent to the mining industry. Only this session a measure had been passed to enable the Government to give aid to prospectors and the development of mining. He would always be a strong supporter of grants in this direction. The discovery of an additional gold-field would mean a great deal to this State. It was to be hoped members would not agree to the amendment, and it must not be supposed because members voted against the amendment they did not wish to give aid to the mining industry. The passing of an amendment such as this would enable persons liable to be taxed under the Bill to escape taxation. At the present time the Government had twenty or thirty actions pending against persons who, it was alleged, had not paid the requisite amount of duty. He did not say whether the accusations were true or false; perhaps in respect of some the Government were

In the case of companies which carry on in Western Australia, and not elsewhere, the

barking up the wrong tree. But greater facilities should not be given to people to escape from the payment of duty and to make it more difficult to collect that duty. If people could evade the payment of taxation of this kind they would do so. The Government had to obtain a certain amount of revenue to carry on the country, and the more facilities that were given to people to escape taxation the worse for the country. If we were going to levy a tax of this kind, it should not be said that people honourably inclined were to be placed at a disadvantage because other people could escape taxation. He could not agree to the clause because he did not believe that it would have the effect the hon. member thought. Since 1899, when this law was first enacted, prospecting had not stopped. Those who had read the statistics must come to the conclusion that there had been a very great increase in the gold yield ever since. There had been new finds, and he did not believe the Dividend Duty Act of 1899 had stopped prospecting. The bulk of the opposition to the measure came from a different direction. It was that the tax was unfair because it was a tax on one class.

HON. T. F. O. BRIMAGE: It was to be hoped the amendment would be carried. There was no doubt that mining to-day was very different from what it was seven or eight years ago. At that time there was no difficulty in getting £10,000 or £20,000 for working capital. Money was easily procured for working mines and the country received the benefit, for there was heavy carriage to the fields; the railways earned money and numerous leases were taken up for flotation purposes. To-day mining was different. When a man obtained a piece of ground, he calculated what it cost to open that mine, and he could tell within a pound or so. Was it fair that the prospector, after going into careful calculation, should have to pay a tax to the State when he was just beginning to get back his money. If Queensland was able to give this benefit to the mining industry, we could do so. The mining industry required assistance. He admitted that the Government were to be congratulated on bringing forward a measure to assist it, but it was not right to ask prospectors to pay money to the State before they had repaid them-

selves what had been sunk in the mine.

HON. J. A. THOMSON: The clause should be passed as printed, for the arguments in favour of it did not carry much weight. If directors set aside money for dividends that ought to go into working expenses, that was their fault. Mr. Jenkins had instanced a mining company making a profit of £50,000 one year and a loss of £25,000 the next. Trading companies stood in exactly the same position. A business might make a profit of £10,000 and have to pay a tax of £500 on that profit. Next year the business might show a loss of £5,000, but the owner of the business was not entitled to a refund of £250 because of the loss. The amendment would be unfair to trading companies.

HON. C. E. DEMPSTER: It was hardly fair to impose a tax on dividends before working expenses had been allowed for.

HON. M. L. MOSS: All the trading companies had to pay. Pass the new clause and the Bill would be useless.

HON. C. E. DEMPSTER disapproved of the Bill. His sympathies were with struggling companies, which ought not to pay taxes except on the net profit of their mines after deducting money spent on development.

HON. J. D. CONNOLLY supported the new clause. Mr. Moss argued that it was invidious. But why all the other exemptions in the Bill? The Minister displayed little knowledge of mining when he said prospecting had not ceased, and pointed to the increase of the gold yield as proof of the statement. Who ever heard of such an argument? The bulk of the gold came from big mines, not from prospectors. The new clause would not reduce the revenue collected under the principal Act, but would encourage new companies and increase expenditure in prospecting the mines; and every pound well spent in mining must mean hundreds spent subsequently in the employment of labour. Every adult in the State meant a revenue of £18 to £20 a year through the Customs; thus the clause, by encouraging investment, would increase the revenue. It was recognised the world over that gold-mining was a speculation, not a business. This was the only industry the Federal Govern-

ment were allowed by the Constitution to subsidise; and that was a good reason why we should adopt the clause.

HON. G. RANDELL: The Federal Government subsidised the manufacture of iron.

HON. W. T. LOTON: The question of prospecting for gold was foreign to the Bill, which proposed to tax dividend-paying concerns, and profit-earning concerns engaged in business both inside and outside the State. Mr. Jenkins said mining was not a business proposition. Surely the hon. member's new clause was one of the most unbusinesslike propositions ever made. The Bill proposed to tax dividend-paying companies. When they declared dividends they must pay the tax, and the hon. member proposed that they need not pay the tax until they had earned three-fourths of the capital invested. This was a monstrous proposition. Better abolish the dividend duty altogether.

HON. A. G. JENKINS: Queensland gave this concession.

HON. W. T. LOTON: In Queensland mining was more strongly represented in Parliament than any other interest. Mr. Jenkins said the mines might pay dividends for a year or two, and then lose all their capital and shut down. Then who was to pay for the money borrowed by the State to develop those mines in the first instance by railways and other public works? True, mining was more risky than an ordinary industry; but there was the prospect of a larger profit, and people speculated with their eyes open. Make taxation as low as possible; but do not impose it with one hand and remit it with the other. That was merely playing with politics.

HON. A. G. JENKINS: It was very well for members who drew fat dividends from industrial companies to characterise mining companies as business propositions; but all interested in mining knew that such companies were to an extent speculations. Only in South Africa had mining been reduced to a business proposition.

HON. M. L. MOSS: Then the Government must have a bit out of the speculation.

HON. A. G. JENKINS: The Minister would drive the speculator out of the country.

HON. W. T. LOTON: No; we taxed merely the dividends made on the speculation.

HON. A. G. JENKINS: The Bill taxed profits as well as dividends. Mining was not more largely represented in the Queensland Parliament than in that of this State; and a section which had been so long the law of Queensland could not be very injurious, else it would have been repealed. In spite of the section, Queensland collected a dividend duty.

Question put, and a division taken with the following result:—

Ayes	...	...	...	10
Noes	...	...	...	14

Majority against ... 4

AYES.	NOES.
Hon. G. Bellingham	Hon. R. G. Burges
Hon. W. G. Brookman	Hon. J. M. Drew
Hon. J. D. Connolly	Hon. J. W. Hackett
Hon. C. E. Dempster	Hon. S. J. Haynes
Hon. J. T. Glowrey	Hon. A. Jameson
Hon. A. G. Jenkins	Hon. R. Laurie
Hon. W. Mailey	Hon. W. T. Loton
Hon. C. Sommers	Hon. E. McLarty
Hon. J. W. Wright	Hon. M. L. Moss
Hon. T. F. O. Brimage	Hon. C. A. Fiesse
(Teller).	Hon. G. Randall
	Hon. J. E. Richardson
	Hon. B. C. Wood
	Hon. J. A. Thomson
	(Teller).

Question thus negatived.

New Clause (limitation period):

HON. A. G. JENKINS moved that the following be added to the Bill:—

This Act shall remain in force until the thirty-first day of December, One thousand nine hundred and three.

Section 25 of the original Act limited the duration of the measure to the 31st December, 1902. At the time of its enactment, a promise was given that an amendment bringing trading firms within its scope would be introduced during the ensuing year; but that had not been done. The divisions in this Chamber on the existing Act showed that there had been considerable difference of opinion as to the merits of the case. At all events, the Treasurer would have this measure to work on until the end of the financial year, and Parliament would be in session before the next financial year closed. The Treasurer would thus have an opportunity of either extending the operation of the measure or making up his Estimates without its aid. The Bill was purely experimental, and widely different from the principal Act, inasmuch as it

proposed to tax profits and not dividends. Twelve months was a sufficiently long period for experiment. In view of the difference of opinion, members should agree to limit the duration of the measure, which was objectionable from the circumstance that it taxed some companies, left others untouched, and imposed differential duties.

HON. G. RANDELL: The hon. member (Hon. A. G. Jenkins) had stated that this Bill represented new legislation. Now Section 5 of the Act about to expire read:—

Every mining company, and every company which carries on business within and also beyond Western Australia, shall, on or before the first day of April in every year, forward to the Colonial Treasurer a return in the prescribed form containing the prescribed particulars . . . stating the amount of profits made by the company in Western Australia during the year ending the thirty-first day of December immediately preceding the return . . .

The hon. member had said the original Act taxed dividends only and not profits. Paragraph 2 of the same section read:—

Every such company shall, at the time of making such return, pay to the Colonial Treasurer a duty equal to One shilling for every Twenty shillings of such profits.

The hon. member distinctly stated that this was new legislation.

HON. A. G. JENKINS: The statement made by him was that this measure would impose a tax purely on profits.

HON. G. RANDELL: The fact was that this Bill was the old measure re-enacted with certain ameliorating provisions. The present circumstances were entirely different from those under which Dr. Hackett had, with good reason, urged a limitation of the duration of the original measure. We now had three years' experience of the old Act; therefore this Bill could in no way be termed experimental legislation. The hon. member was well aware that this Bill could be repealed next session, and that members could be persuaded to that course as easily as to the insertion of a clause limiting the operation of the measure to one year. The uncertainty which would arise under the proposed clause was highly undesirable. The matter should be left to the good sense and judgment of the Legislature.

HON. J. D. CONNOLLY hoped the Committee would adopt the clause. Why was limitation of the measure undesirable?

HON. G. RANDELL: Because the measure was not in the nature of an innovation.

HON. J. D. CONNOLLY: To extend the operation of the measure over a period of more than one year would be highly undesirable, since the taxation it imposed was one-sided and unfair. Why should not other members of the community contribute taxation of this nature, as well as shareholders in companies? What could be fairer than an income tax? Would members receive an income tax with open arms? He hoped that this measure, under which he would pay nothing, would soon be repealed in favour of an income tax, under which he would be called on to pay.

HON. C. SOMMERS supported the inclusion of the new clause. If we could do away with this form of taxation and substitute something fairer, we ought to do so at the earliest opportunity. The new clause would not interfere with the Treasurer's Estimates.

HON. J. M. DREW said he would be inclined to support the new clause if it limited the operation of the measure to the close of 1904 instead of 1903. The latter term was insufficient.

HON. M. L. MOSS: Surely no member took this new clause seriously. But, if any member did, let him also consider seriously whether it was proper that this House should attempt to dictate to the Government in regard to financial arrangements. Had the proposal to limit the operation of the measure to one, two or three years emanated from another place that would have been a different thing. There were as many members representing mining in another place as in this House, but those members did not attack the Bill in the manner it was being attacked here. The hon. member was going entirely beyond his rights in endeavouring to restrict the measure. The Legislative Council in interfering with measures of this kind were putting a weapon into the hands of those people who were clamouring for the abolition of this House to deal a deadly blow at this Chamber.

HON. A. G. JENKINS said he would accept the amendment to extend the operation to 1904.

Amendment passed.

HON. J. W. HACKETT: The section limiting the operation of the first measure was inserted at his suggestion. He was not prepared to go the length which Mr. Moss had done in declaring that it was outside the powers and constitutional capacity of this Chamber to insert such a provision. In limiting grants or aids made in another place this House should be extremely careful. It was only in cases of grave necessity and emergency that we should interpose, and when it was thought there was distinct right on our side, when we were acting in the interests of the community at large and not for a few well-to-do wealthy corporations. The reasons the clause was introduced in the original Bill was that three years ago the question was raised in this Chamber whether it was right to tax mining companies on profits and not on their dividends. The very point which the pamphlet issued by the Chamber of Mines had declared was not raised was debated at length. While he voted for the Bill he had a doubt in his mind whether it was fair and just. Another matter operated in his mind. It was a serious question with the banking companies of the country. The banking companies were not opposing the Bill but they viewed it with grave apprehension and they asked that the Bill should be limited to three years. There were several other considerations which acted in his mind, and he approached the Government which represented the other Chamber in this matter and asked whether the amendment would be acceptable or not, and until he obtained the support of the Government, whom he looked upon as the trustees of the finances of the country, he did not move in the matter. The Bill was experimental, and was on trial at that time. But it had now passed through three years' experience and that experience justified members in renewing the Act permanently. The mining members had better accept the permanent application of the measure, for if the measure came before Parliament in another year the favourable terms granted now might not then be conceded.

HON. M. L. MOSS: Early in the afternoon he stated that the Treasurer had conferred with the bank managers and they were agreed as to the desirability of the Bill passing into law. That statement was contradicted by Mr. Jenkins. The Treasurer has since informed him (Mr. Moss) that he had arranged with Mr. Percy, the chairman of the associated banks in Perth, that the banks were perfectly satisfied with the legislation, and that during recess, before any tax was collected, Mr. Percy would meet Mr. Gardiner to arrange the basis on which assessments and the collection of duty under the Bill were to be calculated so far as the banking companies were concerned.

HON. A. G. JENKINS: What was stated by him was that certain institutions in Perth—and he still said so—were not satisfied with the Bill. He was asked to move the amendment which he did. How did that bear out the statement of the Treasurer that the banks had assured him they were satisfied?

HON. T. F. O. BRIMAGE: Two legal opinions had been given to-night as to whether the Bill imposed a tax on profits and dividends. We should allow time to see whether the Government would tax on profits or dividends. Therefore it was a good move on the part of Mr. Jenkins to limit the operation of the measure to 1904.

Question as amended put, and a division taken with the following result:—

Ayes	...	...	...	14
Noes	...	...	...	11

Majority for ... 3

AYES.		NOES.	
Hon. G. Bellingham		Hon. R. G. Burges	
Hon. T. F. O. Brimage		Hon. C. E. Dempster	
Hon. W. G. Brookman		Hon. J. W. Hackett	
Hon. E. M. Clarke		Hon. S. J. Haynes	
Hon. J. D. Connolly		Hon. A. Jameson	
Hon. J. M. Draw		Hon. W. T. Loton	
Hon. J. T. Glowrey		Hon. M. L. Moss	
Hon. A. G. Jenkins		Hon. G. Randall	
Hon. R. Laurie		Hon. J. E. Richardson	
Hon. W. Maley		Hon. J. A. Thomson	
Hon. C. Sommers		Hon. C. A. Piesse	
Hon. B. C. Wood			(Teller).
Hon. J. W. Wright			
Hon. E. McLarty			

(Teller).

Question thus passed, and the clause added to the Bill.

Clause 2 (postponed)—agreed to.

THE CHAIRMAN: This Bill had originated in the Assembly by recommendation

of the Governor. It was not usual to pass the preamble and title in Committee when there was a request to be made in another place. The better plan was to report progress.

HON. A. G. JENKINS: The Minister did not wish to do that, or to accept the amendment.

HON. M. L. MOSS moved that progress be reported, and leave asked to sit again on Tuesday next.

THE CHAIRMAN said he was advised that the Committee could not sit again until receipt of a message from another place.

HON. M. L. MOSS: The Government did not wish to lose the Bill by reporting progress without a day fixed.

SIR GEORGE SHENTON: The Bill should be sent by message to the Assembly, with a request that the amendments be made; and this Committee could sit again on receipt of the message from the Assembly.

HON. M. L. MOSS altered the motion accordingly.

Motion passed.

Progress reported, and leave given to sit again.

Bill transmitted by message to the Assembly, with request for amendment as suggested.

MOTION—ESPERANCE-TO-GOLDFIELDS RAILWAY, TO CONSTRUCT.

Debate resumed from the previous sitting.

HON. M. L. MOSS (Minister): I propose to be brief in my observations, but cannot allow the opportunity to pass without offering a few remarks. We have listened to a large number of speeches on this motion, and no doubt hon. members who have spoken are perfectly satisfied that they have now got rid of the electioneering pledges they made on the hustings. I am quite satisfied that if hon. members will look at this question apart from its electioneering aspect, they must come to the conclusion there is nothing to justify the proposition before the House.

HON. A. G. JENKINS: Is the hon. member justified in imputing motives to those who spoke on the motion?

HON. M. L. MOSS: No reflection is intended in congratulating members on carrying out pledges made to their constituents. In asking Parliament to agree

to such a motion the onus of proving the case rests with those who maintain the Government should construct the work in question. I fail to see in the speeches already delivered any argument which would justify us in concluding that the hon. members have proved their case. Mr. Connolly, who moved the motion, has, for the purpose of getting a little more support, particularly from Dr. Hackett, with reference to whose speech I shall have a few observations to make, agreed to the motion being somewhat modified; and he has in that way obtained Dr. Hackett's vote. But looking at Mr. Connolly's speech, the grounds he advanced for the construction of this line were, firstly, that the railway from Esperance to the goldfields would cheapen the cost of living, and that it would tend to develop the salt industry. These were the two main arguments adduced.

HON. J. D. CONNOLLY: Be fair. The salt industry was a minor point.

HON. M. L. MOSS: Well, I shall deal, firstly, with the cost of living. It is perfectly clear from the manner in which land settlement is now progressing that in three years' time Western Australia will be able to produce sufficient food-stuffs to satisfy the demands of her people; and I think most hon. members will agree that the Esperance railway will not then be requisite for the purpose of cheapening the cost of living, because, as all the produce will be grown in the eastern districts, it will be much cheaper to send that produce direct to the goldfields by the present line than to take it by rail to Albany, ship it to Esperance, and send it thence by rail to the fields. It is not an extravagant estimate to say that with our present population we shall in three years produce enough to feed the people of Western Australia. Then the reason for the Esperance line will vanish. With regard to goods imported from England, even the expenditure of a considerable sum on the harbour at Esperance would never induce cargo boats to visit the port. I shall presently invite hon. members' attention to an Admiralty chart of Esperance. Moreover, they will find that in any circumstances the freight to Fremantle, even if a harbour were constructed at Esperance, would be very much less than the freight to Esperance even if ships could be induced to go there.

So, as to food supply and to oversea importations, the argument falls to the ground. Mr. Connolly says, in support of his motion, that the railway will cheapen the cost of living. "Look at the £30,000 a month going out of this State through the Money Order Office." Now £30,000 a month would be something like £360,000 a year; and four or five years ago, when our population was much smaller, the money sent yearly through the post office exceeded one million sterling. It is idle to suppose that the whole of the money sent through the money order office is intended to feed wives and families in the Eastern States. Probably many who use that office as a medium for transmitting money use it for other than domestic purposes. But admitting for the sake of argument that the whole of the money goes away for the purpose of maintaining families in the Eastern States, it is perfectly evident still that during the last four or five years there has been a very considerable reduction in the amount of money sent through that medium.

HON. G. RANDELL: But not through the Savings Bank.

HON. M. L. MOSS: Through the post office; that is the same. [SEVERAL MEMBERS: No.] Very well; I shall say, sent by means of money orders. Whereas five years ago over a million sterling per annum was sent out of the State, the amount is little more than a quarter of a million at the present time. Now, those who take the trouble to look at the lists of passengers coming to this State by the intercolonial fleet will find that for some considerable time past, and certainly for the last two years, the great majority of the passengers have been women and children; and that fact affords a very fair indication as to whether the people located on the goldfields and in other parts of the State feel themselves justified in bringing their families to this country. That argument of the hon. member need have very little weight with us. Now, it is evident to me that the construction of the railway from Esperance to the goldfields, and the construction of a harbour at Esperance, will assuredly have a startling effect. If there is any necessity to use that port, instead of merchants of this part of Western Australia getting the benefit of

the goldfields trade, the benefit will pass to new competitors who will be brought into the field—I refer to the merchants of South Australia. That State has been more than fortunate in connection with the discovery of silver at Broken Hill. Although Broken Hill is not South Australian but New South Wales territory, Sydney I think derives very little benefit from the Broken Hill trade, which has for a long time been almost the salvation of Adelaide. But, after this State has spent millions of money in the construction of public works, millions of money on the construction of the Coolgardie Water Scheme, hundreds of thousands of pounds on the construction of post and telegraph offices, hospitals, and other conveniences and necessities of civilisation on the goldfields, is it likely that the Parliament of this country will give its assent to the construction of a railway line and to the construction of a harbour, which, if their construction be justified at all, would be the means of dealing a deadly blow at the settled portions of our community, for the purpose of bestowing great benefit on another part of Australia? I come now to the speech of Dr. Hackett—a most extraordinary speech. The hon. member says that in order to conciliate our goldfields friends, and to carry out a pledge made by him at a banquet which he attended, and at which he stated that "some years hence" this line ought to be constructed.

HON. J. W. HACKETT: I said that? I have never said anything of the kind.

HON. M. L. MOSS: Well, then, somebody else at the banquet said it.

HON. J. W. HACKETT: I rise to order. The hon. member charges me with having made a statement which I have never made. I gave no pledge at any banquet. On the contrary, when I was invited to address myself to the question of the Esperance railway I thought I did very cleverly in talking about payment of members, instead of about the Esperance railway.

HON. M. L. MOSS: Then the pledge must have been given by Sir John Forrest.

HON. J. W. HACKETT: Oh, probably! By anybody!

HON. M. L. MOSS: The statement was certainly made that "some years

hence" it would be a good thing to construct that line.

HON. G. BELLINGHAM: It is "some years hence" now.

HON. M. L. MOSS: Dr. Hackett certainly did say that the claims of the Commonwealth demanded that we should construct that line and make that harbour. Well, I voted for Federation; but I should like to recall my vote. As for the claims of the Commonwealth, I think this country is doing very well indeed for the Commonwealth. If there are any claims to be considered, they are the claims of the people in the settled parts of Western Australia. So far as the Commonwealth is concerned, I shall not consider its claims for a moment. Dr. Hackett has expressed the view that it is rather a calamity that from Eucla to Port Lincoln there should be no port.

HON. J. W. HACKETT: I rise to order again. I made no such statement. I do wish the hon. member would quote me accurately.

HON. M. L. MOSS: I have not a copy of last night's *Hansard*.

HON. J. W. HACKETT: You had better leave the speech alone.

HON. M. L. MOSS: No; I shall not leave the speech alone, because the hon. member most distinctly made that statement.

HON. J. W. HACKETT: Certainly not. My geography is a little better informed.

HON. M. L. MOSS: The hon. member stated that it was a great calamity that on such a large stretch of coast there should be no port, and he also said that the claims of the Commonwealth justified us in going to the expense of the line and the harbour. On the other hand I maintain that this country has done quite sufficient for the Commonwealth of Australia. So far as I am concerned, henceforth my position in politics will be this. I anticipate that in the near future we shall be fully employed in preventing the Commonwealth from making inroads on the rights of this State, as it has made inroads on the rights of other States. I shall never be a party to giving consent to the expenditure of money which is to provide the Commonwealth with another means of doing injury to the settled portions of this community. Dr. Hackett has lately made a number of humorous speeches in this House,

and I think the quarter of an hour which he filled up so admirably last night was devoted to another of his humorous efforts. I can hardly believe the hon. member was really in earnest in advocating the construction of a port at Esperance for the purpose of benefiting another part of the Commonwealth.

HON. J. W. HACKETT: You will never see a joke until you are in a minority.

HON. M. L. MOSS: Now let me deal with the salt industry for a moment. While Mr. Connolly was speaking, Dr. Hackett, by way of interjection, directed attention to the fact that large supplies of salt existed within some two or three miles of Esperance. If the salt industry is such a splendid industry and will produce such magnificent returns, is it not strange that the people about Esperance have been so dilatory in the past, and have not turned that salt into money, and by means of the salt trade brought into Esperance harbour all those fine ships of large tonnage which can enter and leave the harbour with the greatest of safety in all sorts of weather? Why should they have allowed this great salt industry to lie dormant at their doors for years? The fact is that they have done nothing with the salt industry. Who ever heard of the construction of a railway costing £750,000 for the purpose of developing a salt industry, which can be developed without a railway? Moreover, the construction of the line means the construction of a harbour at Esperance, and the cost of constructing the line *plus* the cost of constructing the harbour will amount to £1,125,000.

HON. J. D. CONNOLLY: Who said so?

HON. M. L. MOSS: Those are the figures supplied to me by the Minister for Works, who has obtained them from his own officers.

HON. J. W. HACKETT: The odd shillings and pence ought to be mentioned, too.

HON. M. L. MOSS: Perhaps the hon. member will be able to frame more accurate estimates.

HON. J. D. CONNOLLY: How can an accurate estimate be arrived at when the survey has not even been completed?

HON. M. L. MOSS: Interest and sinking fund on that sum of money amount to £56,000 annually. I now draw the attention of the House to the

fact that in connection with operations on the Eastern Goldfields line for the year ending 30th June, 1901, there was a profit of £58,000. To earn that profit of £58,000, the railway had to carry freight to the value of half a million sterling; that is to say, the Government had to carry goods returning in freight £500,000 in order to make a profit of £58,000. Thus, the Esperance railway would have to carry half a million pounds' worth of freight before it could pay interest and sinking fund on the cost of construction of line and harbour.

HON. G. BELLINGHAM: But see how the State railways are being mismanaged.

MEMBER: Yes; by the Commissioner.

THE PRESIDENT: Order!

HON. M. L. MOSS: I now call the attention of members to the inevitable result of the construction of the line. With the population we have in this State, the construction of the Esperance railway will not lead to another ton of goods being carried over and above what is carried at the present time. The 220,000 people of this State require a certain tonnage of goods carried, and no more goods will be carried in Western Australia after the Esperance line has been built than are carried now. Therefore, the result will be that instead of one line, which is already built, carrying the whole of the goods requiring to be carried at the present time and earning a profit of £56,000 in doing so, we shall have two lines carrying the same quantity of goods, with the result that neither line will pay. These contentions I regard as incontrovertible. [MEMBER: In your opinion.] My opinion is borne out by the fact that even with one line the result of operations was such that the Government found it necessary to raise the railway rates. The Government were confronted with the position that the railways were not earning interest and sinking fund, and that an increase in rates was thus necessitated. In the result, rates were raised; and now we are presented with a calm proposal to construct another 220 miles of railway, and, in addition, a harbour at Esperance. [MEMBER: It is just like the Jandakot line.] Let us talk sensibly for the present. I give the hon. member who has interjected this one experience. The colony of New Zealand

tried the expedient of constructing harbours every 1,500 miles along its coast, and of constructing railway lines to compete against those harbours, with the result that neither harbours nor railways paid expenses. We have spent a million and a quarter at Fremantle on the construction of a harbour; we have spent a considerable amount on the construction of the Eastern Goldfields Railway; and the Coolgardie Water Scheme has run the country into millions of money. [MEMBER: That last expenditure is all wasted.] What will the result be? We shall have another harbour to compete with the harbour at Fremantle, and another railway line to compete with the Eastern Goldfields Railway, which, at the present time, is carrying the traffic with every satisfaction to the State, so far as I know.

HON. J. D. CONNOLLY: How often do you travel on the line?

HON. M. L. MOSS: There are no serious complaints about the way in which the Eastern Goldfields Railway is doing its work. To make another railway and another harbour would require—

HON. J. D. CONNOLLY: How often have you been along the Eastern Goldfields Railway?

THE PRESIDENT: Order! There must not be so much interruption in debate.

HON. M. L. MOSS: I cannot undertake to answer the hon. member while I am making my speech. These interjections are rather embarrassing to me. If the hon. member wants to have a debate on such lines, I shall be pleased to meet him in the refreshment room. It comes to this. If there be any truth in the assertion that one railway is incapable of carrying the traffic, the difficulty can easily be got over, when it arises—I do not believe it has arisen yet—by duplicating the existing line. Now, we have been told by goldfields members that the duplication of the Eastern Goldfields Railway will cost far more money than the construction of the Esperance railway and harbour. I cannot agree with that contention, for this reason. The whole of the buildings in connection with the equipment of the Eastern Goldfields Railway are as adequate for the requirements of a double line as for those of a single line. The staff right from Perth to Boulder will be

able to do the work of a double line with even greater facility than that of a single line. As hon. members are aware, the working of a single line requires very much more care and caution than that of a double line. Therefore, the duplication of the line to the Eastern Goldfields is not nearly so expensive a matter as would be the construction of a line from Esperance to those goldfields. But more than all these things—I set them all aside now—is the effect on vested interests of this State. If we were starting at scratch in Western Australia, if there were no Perth, no Fremantle, no eastern districts, no expenditure approximating 14 or 15 millions sterling, if no vested interests had grown up, there might perhaps be reason for constructing a harbour at Esperance and for building a railway from that port. The matter would then be one for consideration. But, with the whole of the vested interests of the State grown up around these centres since the settlement of Western Australia in 1826, after the expenditure of these millions of money, with Interstate free trade staring us in the face, can we, as reasonable men, view with any favour a proposition to expend hundreds of thousands of pounds in the construction of a line which will simply divert traffic from a railway already in existence and fully capable of coping with that traffic? I ask, can any reasonable man support a proposal which will have such an effect? For such will inevitably be the effect. Any reasonable business man in this country to whom you talk about the Esperance railway, wherever his interests may lie, will simply call it bosh; and that is exactly what it is. The existing line is carrying the traffic at the present time, and we are asked now to enter on the construction of huge works for the benefit of a population of something like 200 people.

HON. J. D. CONNOLLY: But what was the population formerly?

HON. M. L. MOSS: We have it eternally dinned into our ears that this expenditure is necessary for the purpose of developing the Norseman goldfield. Now, what do the statistics relative to that field show? Clearly, that over a period of seven or eight years the gold production of Norseman has averaged approximately, year by year, some 40,000

ounces. Can it be said that the Norseman field justifies the State in going to the expenditure of building a railway and constructing a harbour? I think the proposition is utterly absurd. Again, leaving vested interests out of the question: members come to this House and ask for the construction of 220 miles of railway and the construction of a harbour at Esperance just as if one only had to go to a tree and pick the millions off it. We know perfectly well that the Government have decided at the present time not to go to the London market for the purpose of raising money, and we know perfectly well that there are a large number of public works in the State requiring completion. As common-sense men, is it possible within a reasonable distance of time that we shall be able to find money to carry out a fancy work of this character. I have said before, and I say it again, that the hon. gentlemen from the goldfields—and for those gentlemen I have the greatest respect—have gone on the platform at election times and have pledged themselves to get the line constructed. I may venture this opinion that in the expenditure of a million or so of money is it at all surprising to find that 35 of the local bodies in the districts where the money would be spent have given their assent to the line? Would it not have been more surprising if the local bodies in those districts had not given their assent? It would have been surprising to me, because the more grab that is going on and the more money that is being spent in a district, the more important is the member who gets it. Even although members are anxious to have this expenditure and to build this line to compete with the existing line; even although members are anxious to deal a deadly blow at the vested interests which have grown up around Perth and Fremantle and the adjoining districts, it is a question whether Parliament would go so far as to humour the goldfields in their desire when the requirements of the State are satisfied by the means of communication which we have at the present time. Mr. Jenkins told us that Esperance had a splendid harbour, and that no expenditure would be required to make it safe. His authority for stating that was Commander Coombe's report. I have that Admiralty report in

my hand at the present time, also the chart of the harbour. I have taken the opportunity of submitting Commander Coombe's report to a nautical gentleman who is capable of expressing an opinion upon it. That nautical gentleman, and I believe that Captain Laurie will bear me out in what I say—is of opinion that Esperance is a very unsafe place indeed. I will read to hon. members what the Admiralty report says.

MEMBER : You go to Esperance and see the harbour.

HON. M. L. MOSS : If I went to Esperance I should not, like Dr. Hackett, say that I was in favour of the Esperance line. I will give one extract from Commander Coombe's report. It says :—

In 1897 a wooden pier was in course of construction, and which was to be carried out 2,715ft. into a depth of 18ft. at the outer end. Steamers of 12 to 16 feet draught will be able to lie alongside.

Two thousand nine hundred and fifteen feet is a little over half-a-mile, and although there is a depth of 18ft. of water at the end of the jetty, a steamer drawing 12ft. to 16ft. of water cannot lie alongside; only in fine weather. Although there is 18ft. of water at the end of the jetty, in fine weather only is it safe for a vessel drawing 12ft. to 16ft. of water to lie alongside that jetty. An inspection of the chart discloses that in what is known as the Causeway channel—that is the channel which Commander Coombe recommends to mariners—between Douglas Patch and to the East of it, although on the chart there appears to be 30ft. to 33ft. of water, when the wind is from the East and South-East it breaks to the extent of 8ft. to 10ft. where the water is 30ft. in depth. Nautical men state that where the water breaks to a depth of 8ft. to 10ft. when there is a depth of 30ft. of water it is a very unsafe place indeed. The result is that any boat lying under the lee of Dempster Head with the wind blowing in a Southerly direction is fairly safe, but when the wind is from any other direction, it is very unsafe. Members who are interested will be very glad to learn that within a radius of 20 miles from the jetty there are shoals, rocks, reefs, and breaks, not named, 86; islands, 34; rocks, 40; isle, 1; heavy breaks, 2; sunken rocks, 2; reef, 1; total, 166. Within a radius of

20 miles from the jetty where there ought to be no obstacles, there are 166 dangers. This would prevent any mariner, except one with great experience, and then only with a ship of very little draft, from going near this place. Just another quotation to show the safety of this harbour. The report says :—

The anchorage is safe but uncomfortable. During the survey the "Waterwitch" experienced several moderate gales from the West and S.S.W.; but with two anchors down, the vessel rode out with safety. During such gales a heavy swell from the southward was experienced the following day.

The "Waterwitch" is a very small boat, and will only ride with safety with two anchors out, and the commander of the boat said it was very uncomfortable to be there. At Esperance they have in a more pronounced degree what we had in Fremantle with the old sea jetty. It was very difficult to land any heavy weight except on the finest days. When people talk about this place being safe for steamers of considerable draft, I say they are talking about that of which they know nothing.

HON. R. G. BURGESS : Talk about the "Innamincka."

HON. M. L. MOSS : At the special request of Sir John Forrest, the "Innamincka" was taken into Esperance Harbour pretty well empty. I know the commander of the "Innamincka" very well, and he told me that he went in when the boat was pretty well empty, and he had no desire to go in there again, as it was an exceedingly dangerous place.

HON. J. W. HACKETT : He went in there at night time.

HON. H. L. MOSS : I promised that I would be very brief in my observations. I have been pretty clear, and I believe I have been brief; however, I do not desire to detain members any longer. The arguments which Mr. Connolly has used in submitting his motion do not appeal to me. The argument about cheapening the food supply is all moonshine. The fact that this line will bring a competitor into line with the Eastern Railway and the Fremantle Harbour I do not think will appeal to members for one moment, nor do I think it will be tolerated by anyone; and beyond that there are vested interests in the State which we are not justified in aiming a deadly blow at, just to

satisfy the desires of those who have some interest at Esperance, and when we know the construction of the line will add to the debt of the State very considerably.

HON. T. F. O. BRIMAGE (South): I do not desire to speak at length on the motion, but several statements have been made by Mr. Moss which I would like to refute. I quite expected that the honorary Minister would not be in favour of the building of this line to Esperance, for we know he is biassed, and anything bearing on the Esperance Railway would meet with his stern disapproval. Mr. Moss states that an enormous amount of money has been expended by the Government in the construction of various works from Perth to the goldfields, and he gave three instances—the building of the railway, the water scheme, and various buildings on the fields. I think if the hon. member had been just to the goldfields he would have given some figures to show the various amounts of money derivable from the goldfields, from lease rents and other sources. The money which has been spent on the works mentioned has been drawn from the goldfields and sent back in the shape of public works. From a goldfields standpoint I may say we have nothing to be beholden to the coastal people for; I think we have paid our way, and in the motion we only ask what is due to the goldfields residents. One of two things will have to be done, the Eastern line will have to be duplicated or we shall have to open up Esperance, and surely to build a railway from the fields to Esperance is the wiser course of the two. I state this unhesitatingly: the rolling-stock we have now could be utilised without very large purchases being made for the new line. The mileage is reduced by 220 miles; consequently the trucks will not be so long in use. This case has been fully debated by other goldfields members therefore I shall not delay the House longer. I shall support the motion.

HON. R. LAURIE (West): I do not intend to support the motion. We were asked by Mr. Jenkins not to make this a parochial matter, but from the moment the first statement was uttered it has been made, to my mind, a parochial matter. It has been goldfields, goldfields, all the time, without considering any other interest in the country. Mr. Moss

has left very little for me to say; but I will make this remark, and I say it with a full sense of what I am saying, that to make a harbour at Esperance fit to work any number of ships with safety it will take £350,000. That is the amount mentioned by Mr. Rason, and that is a very low computation indeed. I know the late Engineer-in-Chief, whose opinion on a matter of this sort is entitled to respect, stated that it would cost about £500,000 to make a safe harbour at Esperance Bay. The jetty at Esperance was erected in a very bad place indeed. I am satisfied that no large number of vessels could be accommodated at Esperance unless a sum of £300,000 or £400,000 was expended. The rocks which abound in this harbour make it very unsafe indeed. I speak from practical knowledge, after having looked at the chart and taken the advice of the officer who has been running the steamer to Esperance for the last five years. I think a very much larger sum than £300,000 would be required to build a safe harbour at Esperance. In considering this matter, it would have been as well for the goldfields members to have given us some figures as to what the cost would be. Taking into consideration the country and the small population, we are not justified in expending money on such a work as this. Mr. Moss, in speaking of the goldfields railway, said that a sum of £56,000 annually had been earned. That £56,000 was earned by means of new locomotives which have been paid for out of loan money. Nearly all the locomotives on that line are entirely new; the greater part of them have been paid for out of loan money and not out of revenue. If the railways were run as a private concern there would be very little profit at the end of the 12 months. I shall have much pleasure in voting against the motion.

HON. J. A. THOMSON (Central): It affords me much pleasure to support this motion, first because if it be carried it will be only an expression of opinion from this House as to the advisableness of having the line, and also on the grounds of equity and justice, and because I am an earnest believer in the good effects to the whole State of any policy of decentralisation. I need not instance the colony of New Zealand.

That colony is always before my mind when I speak of decentralisation. There is no huge overgrown city in New Zealand, but there are four large cities, Auckland, Wellington, Christchurch, and Dunedin, each having about the same population as the others; and it would be just as reasonable for the Government of New Zealand to say that all roads should lead to Wellington as for the Government of Western Australia to say that all roads shall lead to Perth and Fremantle. I strongly favour decentralisation because it will do good, not for one portion of the State, but for all. It has been the policy of past Governments in Western Australia to divert from the port of Geraldton the trade to which it is legitimately entitled, and to bring traffic by a round-about route to Perth. I shall not dwell on that, but shall confine myself to the Esperance railway. I may mention that no inconsiderable portion of the population of Western Australia are clamouring for this railway to their nearest port. About one-third of the total population of this State lives on the Eastern Goldfields; and as a pure matter of justice we have a right to consider those people. But apart from all that, I feel thoroughly convinced that if a poll of the electors of Western Australia outside the goldfields were taken as to whether the railway should be constructed from Coolgardie or from Kalgoorlie to Esperance, the majority would vote in favour of justice being done to the goldfields people. True, vested interests are much opposed to this project; but we must not allow vested interests to stand in the way of justice being dealt out to all classes of the community. In my opinion the principal if not the only objection to allowing the Government to construct or even to think of constructing this line comes from the traders and landowners of Perth and Fremantle. Of course they believe from their point of view that the line would not be in the best interests of Western Australia; but I cannot follow their arguments. Members know that in Victoria and New South Wales we have glaring examples of the evils of centralisation in the huge cities of Melbourne and Sydney. About one-third of the population of each of those States is living within a radius of some 20 miles.

That is not in the best interests of those States; and having their examples before us, we should do everything in our power to see that this system of centralisation in Western Australia shall be as soon as possible discarded.

HON. R. G. BURGESS (East): I am bound to say a few words. On the Address-in-Reply I opposed this railway, and mentioned my reasons; and I shall oppose it now. I am sorry I cannot on this occasion support the goldfields representatives, because I think it beyond all doubt that the Government and the people of this State have helped the goldfields people in every possible way, and I was sorry to hear an hon. member say that we are not doing the goldfields justice. We have given them full justice; in giving them the Coolgardie Water Scheme we have mortgaged the whole country for the benefit of the goldfields, so that the people there may live comfortably and develop their mines. One member spoke of the firewood supply for Kalgoorlie. That firewood is only from 20 to 40 miles from Coolgardie, or even from Kalgoorlie, where most of it is wanted. It will not pay to build a railway 220 miles in length to get this firewood, when a private company could bring it in by a tramline without any of this heavy expenditure on a railway and a harbour. Mr. Moss said that to make the Eastern Railway pay the Government had to raise the rates. I do not think the Government had any right to raise the rates. Had the then Minister for Railways gone thoroughly into the matter he could have done without raising the rates to the goldfields people, which I consider was a great injustice; because if the Government had only economised in their departments, they could have done very well without any increase of railway charges. The Minister for Mines, at what I believe was a public dinner at York, said—and his utterance was reported in the Press—that he could save £10,000 in his department, but that he did not like to throw people out of employment and scatter them about the country. Now I think a Minister who publicly makes such a statement shows that the Government are not doing their duty. He makes that statement, and then another Minister says the Government were justified in raising the rates to

make the railways pay! Ministers are not doing their duty if, instead of removing a lot of unnecessary officers, they raise the rates unjustifiably. The mover of the motion seems to be in a great hurry. Why do not the advocates of this line wait until we get a survey, and then we shall have something before us to work upon? A member says we shall be all dead before the survey is completed. Well, there will be plenty more to take our places. Mr. Sommers referred to a remark I made at a banquet at Kalgoorlie. I cannot let that pass, because he said I was a moderate man; that I had not taken too much when I made the statement. I will tell him why I made the statement. The people of this State and succeeding Governments have done much for the goldfields; and the great Coolgardie Water Scheme especially shows that we had the courage to mortgage the State to push the country ahead. What happened that night at Kalgoorlie? The then leader of the Government, who has since unfortunately passed away, and other members including Mr. Sommers, were present and spoke; and not one of them ever mentioned the Coolgardie Water Scheme, one of the greatest works ever undertaken in this country for the benefit of the people in the very town where this banquet was taking place on that night. The hon. member says the scheme is a big gamble. It will be of great benefit to the fields at any rate, once the water gets there. The people of this country have done everything possible for the goldfields, have never tried to stop a parliamentary vote which could in any way encourage those people; we have given them railways, and every facility for postal and telegraphic communication all over the fields; we have given them good buildings, public offices, and everything they need: and no one can deny, and all reasonable people one meets on the fields admit that they are better served than they were in any other goldfield in Australia or in any other part of the world. And yet some members tell us that in justice we should build this railway to Esperance Bay. If when the goldfields were first discovered our railways had not been started, a line might easily have been made from Esperance; but our railways had been commenced before Coolgardie was known;

and that was an altogether different matter. Would it not have been a nice state of things if we had started tinkering with a new railway to the goldfields when we already had a railway which on being extended 150 miles would send the goldfields ahead 10 years sooner than if we had wasted three or four years in starting a line from Esperance? The country was mortgaged for that Eastern Goldfields railway, which was at first looked on as only a white elephant. And, thank goodness, we had men who, although they were born in this benighted country, the Cinderella of Australia as people call it, had some pluck. It is a pity we have not more men with such pluck. If we had, we should have more railways and more money would be borrowed. [HON. G. RANDELL: Enough money has been borrowed.] No. If any part of the country is not worth a railway, it is not worth holding at all. Other places want railways, and we cannot give them all they require. What about the goldfields in the hot north? Must not justice be done to them? Have the goldfields representatives forgotten the rights of the northern goldfields? Let us build the Port Hedland railway first: let us give the people there first chance. I am surprised to find a member representing the Central Province supporting a railway to Esperance Bay, which will take away the Geraldton trade—which will take away trade from the people he represents, or, rather misrepresents. Indeed, the hon. member misrepresents himself, misrepresents his constituents, and misrepresents the State he lives in. As a division is to be taken to-night, I shall not occupy much of the time of the House. I am sorry I cannot assist my goldfields friends in this matter at present. No doubt the day will come—I hope Mr. Randell will live long enough to see it—when the construction of the railway will be justified. I hope Mr. Randell will yet have more faith in his adopted country. It is not my adopted country, for I was born in it. I intend to do all I can for it: I have a thorough belief in it—far more thorough a belief than Mr. Randell has. I am not afraid to borrow money on the security of this country. I am not afraid of borrowing money myself. I have proof positive that in this country one can borrow money and make that

borrowed money produce a profit. If private persons can borrow money profitably, surely the Government can borrow money to serve those parts of the country which do not enjoy, as these goldfields do, direct railway communication with Fremantle. The water scheme is now in operation along the Eastern Goldfields line, and that water scheme will be found of much benefit in bad seasons to come. We have had a good season, but bad seasons are bound to come round. As regards duplication of the line, I hope that will be necessary; but there is not the slightest doubt that if last year the Eastern Goldfields Railway was able to carry the enormous quantity of water required along the line, and, in addition, to carry the pipes for the water scheme, it can certainly, with good management, carry twice the traffic it has to carry now. I have seen seven water trains a day pass through Chidlow's Well; and at the same time, it has to be remembered, the pipes were being carried over the line as well. If that could be done, then, with good management, the line is equal to double the traffic passing over it now. We want at the head of the railways men with sound business ideas, who will push the railways as they would push a private business; not men who bluster about the country. Any man travelling about with his eyes open sees that under the new management things are no better than they were years ago, when everybody was crying out about mismanagement of the railways. I hope duplication of the Eastern Goldfields Railway will soon be necessary, but undoubtedly the line, under good management, will be able to cope with all the traffic for years to come.

THE PRESIDENT: We are not dealing with railway management now.

HON. R. G. BURGESS: We are dealing with the Esperance railway.

THE PRESIDENT: Yes; but not with railway management.

HON. R. G. BURGESS: I merely wish to say that with good management the present railway will answer all requirements for years to come. I will not support either the original motion moved by Mr. Connolly, or the amendment moved by Mr. Jenkins. True, the amendment would not in reality bind us to anything, but I do not think that we should dis-

approve of a thing at the beginning of a session and then support it in another form at the end of a session.

Amendment (Mr. Jenkins's) put, and a division taken with the following result:—

Ayes	...	...	...	18
Noes	...	...	...	9

Majority for ... 4

AYES.	NOES.
Hon. G. Bellingham	Hon. R. G. Burgess
Hon. T. F. O. Brimacombe	Hon. J. M. Drew
Hon. W. G. Brookman	Hon. A. Jameson
Hon. E. M. Clarke	Hon. R. Laurie
Hon. J. D. Connolly	Hon. W. T. Loton
Hon. J. W. Hackett	Hon. E. McLarty
Hon. S. J. Haynes	Hon. M. L. Moss
Hon. A. G. Jenkins	Hon. G. Randell
Hon. W. Maley	Hon. J. E. Richardson
Hon. C. Sommers	(Teller).
Hon. J. A. Thomson	
Hon. J. W. Wright	
Hon. J. T. Glowrey	
(Teller).	

Amendment thus passed.

Question as amended agreed to.

ADJOURNMENT.

The House adjourned at 10 minutes past 10 o'clock, until the next Tuesday.

Legislative Assembly,

Thursday, 11th December, 1902.

	PAGE
Questions: Water Weirs, Avon Valley	2914
Water Reticulation, Northam	2914
Goomalling Townsite, to declare	2914
Railway Stores, Reshipment to England	2914
Leave of Absence	2914
Sitting Days, Extension	2914
Assent to Bills (10)	2915
Bills: Bread Bill, Council's Amendments	2915
Annual Estimates (resumed), Works Votes completed, progress	2916

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

PRAYERS.

PAPERS PRESENTED.

By the **MINISTER FOR MINES:** Copy of Report made by the Inspector of Mines