

he lived. He was a worthy son of Australia, who devoted all his life to pushing forward that part of the continent in which he had his residence, and where he worked for a very long lifetime, laying up a store of universal esteem and regard from all who knew him.

Question put and passed.

ADJOURNMENT.

The House adjourned accordingly at 4:50 o'clock, until the next day.

Legislative Assembly,

Tuesday, 27th August, 1901.

Election Writ, West Kimberley—Royal Visit, Reply to Address—Papers Presented—Railway Administration: Charges against Officers, Suspensions, Inquiry; Questions asked; Motion of urgency, debate—Adjournment.

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

PRAYERS.

ELECTION WRIT, WEST KIMBERLEY.

The SPEAKER announced the return of writ issued for election to the seat for West Kimberley, vacant by the death of Mr. A. Forrest; and that Mr. S. C. Piggott had been duly elected.

Mr. PIGGOTT, having been introduced, took the oath and subscribed the roll.

THE ROYAL VISIT—REPLY TO ADDRESS.

THE SPEAKER announced that he had received the following reply from the Duke of Cornwall and York, to the Address of welcome from Parliament:—

MR. SPEAKER AND GENTLEMEN OF THE LEGISLATIVE ASSEMBLY,—

I have received with deep appreciation the Address which has been presented to me on behalf of the Parliament of this State, according to the Duties and myself a hearty welcome to Western Australia.

We have already had an earnest of the deep feeling of loyalty to the Throne expressed in the greetings with which we have been received since our arrival here; and we shall leave the shores of this great Continent with a gratifying sense of the great pleasure that we have received in having become acquainted with its inhabitants and its varied interests on which the welfare of your country so greatly depends.

GEORGE.

Government House, Perth,
26th July, 1901.

PAPERS PRESENTED.

By the PREMIER: 1, Lands and Surveys—Report by the Under Secretary for Lands for 1900; 2, Lands and Surveys—Report by the Surveyor General for 1900; 3, Department of Agriculture—Report by the Secretary of the Department of Agriculture for 1900; 4, "The Lands Act, 1898"—Regulations for Residential Leases, and By-Laws relating to the Protection of Caves; 5, Revenue derived from Lands and Railway Departments—Return to Order of the House dated 11th July, 1901; 6, Expenditure in certain Government Departments—Return to Order of the House, dated 11th July, 1901; 7, Agreements with Midland Railway Company—Return to Order of the House, dated 18th July, 1901.

By the COLONIAL TREASURER: 1, Victoria Public Library—Report of Committee, 1900-1; 2, By-Laws of the Municipality of Coolgardie.

By the MINISTER FOR WORKS: 1, Department of Public Works, Report for the half-year ending 31st December, 1900.

By the MINISTER FOR MINES: 1, Department of Mines, Report for 1900; 2, Amended Regulations relating to Exemption of Prospecting Areas.

Ordered to lie on the table.

RAILWAY ADMINISTRATION—CHARGES AGAINST OFFICERS, SUSPENSIONS, AND INQUIRY.

QUESTIONS ASKED.

HON. F. H. PIESSE (Williams): Before the business of the day is proceeded with, I wish to ask the leader of the Government, by leave and without notice—

MR. J. GARDINER: Mr. Speaker, as I am about to make a motion with refer-

ence to the matter on which the hon. member is asking a question—

THE SPEAKER: The member for the Williams can ask his question, if he likes. Of course, the Government need not answer.

HON. F. H. PIESSE: By leave, and without notice, I beg to ask the leader of the Government:—

1, What were the reasons for the appointment of Mr. George Williams Davies as Secretary to the Commissioner of Railways? 2, What is the charge against him for which he has been suspended? 3, What is the charge against Mr. John Davies, for which he has been suspended?

THE PREMIER (Hon. G. Leake): I shall ask the hon. member to give notice of those questions. [Laughter by Opposition members.] Hon. members opposite need not be in a hurry, because it is highly probable that in the course of a few minutes the questions of the member for the Williams may be anticipated, and he may not think it necessary to ask them. At present, I say I require notice of those questions. Is it necessary that the demand for notice should be submitted in a formal way?

THE SPEAKER: No.

HON. F. H. PIESSE: I beg to give notice of these questions for to-morrow.

MOTION OF URGENCY—DEBATE.

MR. J. GARDINER (Albany): On a matter of urgency, I rise to speak a few words, and before I resume my seat I shall move the adjournment of the House. Since the House last adjourned, the Government have seen fit to take severe steps with regard to the management of our railways, and have also seen fit to suspend one of the most prominent officers, and to inform another of the most prominent officers that his holiday can be continued for a short time longer. I think the country desires to know from the responsible Minister—as far as he can inform us consistently with a jealous regard for the right of appeal which these officers have claimed—what led up to these suspensions, what was the cause of the reinstatement of Mr. G. W. Davies, and, generally, to know why the Commissioner thought fit to suspend this officer after having appointed him. I beg to move the adjournment of the House.

THE COMMISSIONER OF RAILWAYS (Hon. J. J. Holmes): The task the member for Albany has set me will take some time to reply to. I realise the responsibility of my position, and I propose to deal fully with the matter now brought forward as one of urgency. It has been said there has been bias shown in the action I have taken. I propose to explain that there has been nothing of the kind; and in taking the step I have taken, I honestly believe I am doing my duty as Commissioner of Railways. I also believe that when I sit down the House will agree that in taking the step I have taken, I have done what was in the best interests of the country. When first I assumed office as Commissioner of Railways, I interviewed the General Manager, Mr. John Davies, and told him that, as far as the past was concerned, I was prepared to close the book, and we would commence with a clear understanding, and that we would judge each other upon things as they transpired from day to day. One of the first matters that came under my notice as Commissioner was the question of leasing the Fremantle Railway Refreshment Rooms to one Mrs. Hickey. This question was causing considerable trouble at the time I took office, and was one of the matters I had to deal with first. I explained to Mr. Davies, the General Manager, that I was not prepared to countenance anything that was not fair and square in reference to this or any other transaction; and I explained that, in my opinion, the better plan for him was to get out of the difficulty as quickly as possible. A previous Commissioner of Railways had decided that a license should not issue for the Fremantle Refreshment Rooms; but, as a license had issued, I decided that such license should be cancelled; that even if the Government had to pay compensation, the license had to be cancelled. The next I knew of this matter was that the General Manager had written to Mrs. Hickey, saying the Government had decided to cancel the license, and were prepared to pay compensation. When this phase of the matter came before me, I saw it was not in accordance with the conversation I had had with the General Manager; and I wrote to him saying that he had no instruction from

me to write to Mrs. Hickey to that effect. When the papers came before me, I repudiated the settlement. Subsequently, to get out of the difficulty, I had to advise the Crown Solicitor that it was my desire that the letter written to Mrs. Hickey should be withdrawn, as it had been written without my authority; and subsequently the letter was withdrawn. Prior to this trouble, the General Manager had been good enough to say, on one occasion in a public meeting in Fremantle before I came into office, that if ever Mr. Holmes became Commissioner of Railways, he (Mr. Davies) would resign. On a later occasion, and after the General Manager had had some dealings with me as Minister, he was good enough to say that since he had come into contact with the new Commissioner of Railways (meaning myself), he found him straightforward in his transactions, and though tall in stature he was every inch a man. This showed conclusively that I had tried to give him a fair deal, as between General Manager and Minister. All this occurred before the matter concerning Mrs. Hickey cropped up; but I was not long in discovering that the General Manager, if anything, was just a little too cunning for me, and I decided that to keep him in his place, I should have to go in for level pegging; and that is what I did. Matters subsequently became so difficult for me that I consulted the Cabinet. I had the instructions of Cabinet weeks ago to make the best terms I could with Mr. Davies as General Manager; to abolish the office of Under Secretary for Railways, and make the best terms I could with the Under Secretary, Mr. Alpin Thomson. It was also proposed that immediately Mr. Short returned from his holiday he should take the place of Mr. Davies, and that the General Manager should be got rid of, on the best terms possible. That was the decision some six weeks ago. I had an interview with the General Manager in my office, and explained to him that my colleagues were with me in this, and that we were prepared to deal fairly with him. I proposed to recommend that the Cabinet should give him one year's salary, £1,500, and that we should appoint some one in his place. I then discovered that he had been in negotiation with the leader of the

Opposition (Hon. F. H. Piesse); and my terms did not suit, because it transpired in conversation that if Mr. Piesse came into office, they were going to abolish the position of General Manager, place the railways under Commission, and give the then General Manager two years' salary, £3,000. Consequently, I was unable to make terms with the General Manager, and we decided to go on. Next I had to deal with Mr. Alpin Thomson. I discovered he had been 22 years in the service without leave—he was a nice old gentleman I admit, and he did the best he could. As he had been 22 years in the service, I had to handle him as gently as possible—to get rid of him on the best terms I could. The next thing that cropped up was the appointment of a secretary to take his place. I had the instruction of Cabinet, seeing that I could not get too much assistance from the General Manager, to appoint a secretary to assist me in my office; and we decided that the Secretary to the Commissioner should be a man of railway experience. I made inquiries, and subsequently found Mr. G. W. Davies, at one time in the service, a capable and qualified man, and I sent for him.

MR. MONGER: The man who gave you the information before.

THE COMMISSIONER OF RAILWAYS: I first asked for the record book, which showed that this man's services had been dispensed with. I then asked for the Commissioner's file showing the man's record. I found that his services had been dispensed with, and that he had been given three months' salary in lieu of notice, no charge against him appearing on the file. I sent for Mr. G. W. Davies and had an interview with him, and I was perfectly satisfied he was the man I wanted, a man possessing ability and the qualifications necessary. He produced his testimonials, and I contend that they are second to none in this country. They are signed by prominent railway officials in New South Wales. Then I turned to the man's record on the Commissioner's file, and I found there was not a line of any description against him.

MR. F. CONNOR: He was a first-class detective.

THE COMMISSIONER OF RAILWAYS: I said to the man, "Your record

seems satisfactory: is there any other file in the department which will show anything against you?" I said "Be perfectly candid with me." He replied, "Send for the Commissioner's file, send for the Chief Traffic Manager's file—I was the Chief Clerk to him: those files may disclose something." I sent for those files, and on the Commissioner's file there was not a single line against the man. I asked for the Chief Traffic Manager's file, and greatly to my surprise it was not forthcoming. I insisted on having it, still it was not forthcoming. Then I said to the man, "On the strength of your recommendations brought from New South Wales, and seeing that you appear to have been hounded out of the service without rhyme or reason, I appoint you as my Secretary," and I then introduced him to the staff. It has been said that I should have appointed a man from the service. If I had appointed a man from the service, I should have been called upon to ask the General Manager, in whom I and my colleagues ceased to have confidence, for an officer to be my secretary. The whole thing seemed ridiculous. I took what I thought was the correct course: I got a man from outside the service, and I contend I have a right to appoint a secretary for myself, as Commissioner, in that way if I think fit. In order to show that I was correct in taking this step, I now propose to quote from the report of the Royal Commission which sat in connection with the Ice Company's frauds. I will not read the whole report, only a portion of it. I find in that report a statement as follows:—

There was an entire want, or pretended want, of knowledge on the part of the railway employees. . . . The assistance rendered us by the railway employees was not, on the whole, of much value. . . . Owing to lack of assistance from railway employees, we found it necessary to take evidence tendered by railway employees. Negligence could not have been possible under careful supervision. The evidence given by most of the witnesses showed that they were absolutely irresponsible. . . . There must have been collusion, or it would not have been possible for negligence to exist to such an extent. . . . We regret that, in consequence of the ignorance generally exhibited by the witnesses, we are unable to sheet the matter home to those who are personally responsible. . . . It was not within our province to apportion the degree of blame to each individual; but in reporting the result of our investigations, we have indicated the

direction in which punishment should be awarded.

This quotation is from the report of the Royal Commission which sat in connection with the Ice Company frauds; and on that report, I went outside the service for a man to assist me in putting the department on a satisfactory and better footing. After making this appointment—I see the member for the Murray smiling—

MR. W. J. GEORGE: I was smiling at my own thoughts. May I explain, Mr. Speaker, that my thoughts were as far from Mr. Holmes as his words are true.

HON. W. H. JAMES: The hon. member's face looked vacant. No wonder his thoughts were absent.

THE COMMISSIONER OF RAILWAYS: After making that appointment, correspondence between myself and the General Manager ensued, and the General Manager wrote as follows:—

The Commissioner of Railways.—I note your instructions of the 6th August, that you have abolished the position of Under Secretary for Railways, and that all correspondence is in future to be conducted direct with yourself.

Hitherto I had to write to the Under Secretary if I wished to address the General Manager, and I decided that I would write to the General Manager direct. The letter continues:—

These instructions will be carried out as directed. I also note that the chief position on your staff will be under the title of "Secretary to the Commissioner of Railways," and that the appointment will be held by Mr. George W. Davies. I am aware that it is not competent for me to criticise any reorganisation of your staff, but I respectfully beg to take the strongest exception to the person whom you have appointed to the chief position. In the first place, I beg to draw your attention, on behalf of those officers in the service to whom, by the appointment of this person, promotion has been denied, to the terms of Part III. of the Public Service Act. There are, I can say without hesitation, a number of officers in the Railway Department who could efficiently and satisfactorily fill the position; yet, so far as I am aware, no inquiry has been made by you, in accordance with the terms of the Act. In justice to these officers, I cannot refrain from protesting against their long and loyal service being passed over and promotion being denied them, in violation of the terms of the Act governing the public service, and the practice recognised throughout every grade of the railway service. You have also issued direct instructions enforcing this principle (W.R. 28/19/01, G.M. 10/400.01 of 13th June, 1901) that you deemed it advisable, in

the best interests of the service, that, as far as possible, all vacancies be filled up from the ranks of the service.

So I did. The first thing when I went into the office of Commissioner of Railways, I instructed the officers that no appointments were to be made outside of the service while there were men in the service fit for the position. I was not consistent, I admit, but I have given my reason. My opinion is that there was not a man in the service who could have been relied upon at that particular juncture to assist me. The General Manager goes on to say:—

In the second place, I have to draw your attention to the fact that Mr. G. W. Davies was dismissed from the department under circumstances which should preclude him from re-entry to it.

I hope hon. members will follow this carefully, and will not come to a conclusion until I have finished. The letter goes on to say:—

The reason of his dismissal was that it was found that he was in the habit, while chief clerk of the traffic branch, of cashing cheques (drawn by himself) at the Perth booking office before funds had been provided at the bank to meet same. Knowing when the cheque would be presented, Mr. G. W. Davies would draw and cash a second cheque at the booking office, paying the cash in to meet the presentation of the first cheque. Four cheques drawn by Mr. G. W. Davies, and cashed at the booking office, were dishonoured, and on the last occasion instructions were issued that no more cheques were to be cashed. On other occasions he used his position to induce the booking clerk (according to the booking clerk's statement) to hold over the presentation of his cheques in order that the same might not be dishonoured. For these manipulations Mr. G. W. Davies was dismissed, three months' salary being paid in lieu of notice; and the booking clerk was reduced by £75 per annum, and transferred to an inferior position. There was no doubt that Mr. G. W. Davies used his position to influence the booking clerk to carry out these very serious irregularities, and to withhold revenue. I respectfully beg, therefore, that you will reconsider the appointment of a person which, it is my duty to say, I believe will cause dissatisfaction and discouragement not only in the railways, but in all Government departments, for the reasons (1) that it is a contravention of the Public Service Act, and an injustice to officers now in the public service; (2) that the circumstances of the dismissal of the person in question from an appointment which he abused should entirely preclude him from such a responsible and prominent position as Secretary to the Commissioner of Railways.

I replied to that letter immediately, as follows:—

August 17, 1901.—The General Manager.—I am in receipt of your letter of 11th inst., which reached me about noon to-day. In regard to the question raised by you in connection with Public Service Act as applying to my action, this is a legal point, and I do not think I have to look to you for an opinion. Referring to instructions by me of June last, these instructions should remain in force. Before making the appointment, I referred to all the records and called for all the files, and found nothing to justify this man's dismissal; and seeing that there is nothing on record, it would appear, if this man were guilty of any misdemeanour, that you have failed in your duty as General Manager, in not placing the alleged circumstances in your recommendation as to his removal from the service. If the cashing of the cheques at the booking office was contrary to regulations, why was it permitted? The statement of the booking clerk appears to have been taken as final in this case, and I wish to know whether Mr. Davies was ever charged with the alleged offence, and what explanation, if any, was made.

To that I received the following reply:—

August 20, 1901.—In reply to your letter of yesterday, I had no desire to offer a legal opinion, but rather to draw your attention, as my position binds me to do, to a matter in which I thought you would be particularly interested, and also to draw your attention to the terms of an Act which appeared to have escaped your notice in making this appointment. Your instructions that, as far as possible, all vacancies be filled up from the ranks of the service, will be carried into effect. I am advised that the only request for papers bearing on the question of Mr. G. W. Davies previously leaving the service was made by telephone on Friday morning last (16th inst.), while I was absent from Perth. My own and the Chief Traffic Manager's files were asked for. The former was sent you, but the latter was not obtainable. Had the request been in writing, it would have been held over for my personal attention, as my office was aware that I was conversant with the reasons that led up to the issue in question. If necessary, papers dealing with the actual offences will be provided.

They subsequently tried to manufacture them.

HON. F. H. PRIESE: Why, they were stolen out of the place.

THE COMMISSIONER OF RAILWAYS: Stolen? I will come to that presently. They were found in the possession of the General Traffic Manager, who brought them from the station after he left the service.

HON. F. H. PRIESE: Not that letter.

THE COMMISSIONER OF RAILWAYS: I have not done with that yet.

THE PREMIER: He (Mr. Piesse) knows all about it.

HON. F. H. PIESSE: It all happened in my time.

THE COMMISSIONER OF RAILWAYS: The hon. member says it all happened in his time. I am trying to right the errors of the past. The letter goes on:—

It must be borne in mind that the matter of the cheques is not the only serious charge on which Mr. G. W. Davies's dismissal was resolved upon, as other cases of gross misconduct were reported against him. The cashing of cheques at the booking office was not contrary to regulations—

A MEMBER: Not contrary to the regulations?

THE COMMISSIONER OF RAILWAYS: No.

But it was understood that the booking clerk was personally responsible for any loss that might occur. The irregularities were brought to light by a cheque being dishonoured, and the audit inquiry which followed disclosed the extent and period over which Mr. G. W. Davies had been indirectly manipulating the booking office cash. The booking clerk's statement was borne out by documentary evidence, and by alteration of dates in the books. Cheques were cashed for Mr. G. W. Davies for the six months prior to October, 1899 (the date of his leaving), on a monthly average of £150, an amount which, it was obvious, could not probably represent his own *bona fide* transactions. In one instance the monthly total was over £200. The various files referred to—

which could not be found afterwards—

were taken by myself and the Chief Traffic Manager to the then Minister (Mr. Piesse) and Premier (Sir John Forrest), and the removal of Mr. G. W. Davies was decided upon after the papers had been considered. It was subsequently decided by the Cabinet to pay three months' salary in lieu of notice. In view of this, it was considered unnecessary to make any direct charges, the proof of misconduct contained in the files being amply convincing.

MR. W. J. GEORGE: Does he give any date for this?

THE COMMISSIONER OF RAILWAYS: No; I am reading from the General Manager's letter. He does not give any date. A member has asked what was the charge against Mr. G. W. Davies. In view of this letter and the reference to the files which could not be

found, subsequently I wrote the General Manager as follows:—

August 20th, 1901.—The General Manager.—Referring to yours of even date, I am at a loss to understand how it is possible for such a condition of affairs to exist, and not one single line to be placed on record. It is a most unusual procedure, and I must enter my protest against information of any description being withheld. A record should be a perfect record, or it is no record at all; and I must insist upon knowing the facts as they appeared on your papers at once, in order that I may deal not only with the person referred to, but also with those who are responsible for the suggested unsatisfactory state of affairs. If Mr. G. W. Davies is a man of the description you suggest he is, no one will be more anxious than myself to have him removed from the service, and severely dealt with.

Following on that comes this letter from the General Manager:—

August 21.—To the Commissioner of Railways.—In answer to your letter received yesterday, I have previously informed you of the reason of there being no record of the papers dealing with Mr. G. W. Davies's dismissal, and as to the circumstances thereof, viz., in the last paragraph of mine of August 20. If you will refer to your papers, W.R. 7588/99, you will find that in dealing with the reduction of Clerk R. Evans, reference was made to the irregularities committed by Mr. G. W. Davies. That there is no record on the papers dealing with Mr. G. W. Davies is to be regretted, but it is explained by the fact that the Chief Traffic Manager's files containing the information on which the decision was arrived at were submitted to the Minister and Premier personally. I can assure you that there is no intention of withholding information, and, as directed, I now make the statements as they appear in the papers before me. I may say at the outset that the Chief Traffic Manager's original files, or the documents which prove the culpability of Mr. G. W. Davies, have not yet been traced, but the search is being continued, and when Mr. Short returns to-morrow he will probably be able to give information which will lead to their discovery, as he dealt personally with the question. Regarding the charge made against Mr. G. W. Davies, of securing accommodation through departmental revenue at the booking office, I send herewith a report furnished by the Chief Accountant on the subject as asked for by me. This will, I think, be sufficient to show that the statement made in mine of the 17th inst. is correct. Regarding other charges, I need only mention the details of one, concerning which I enclose statements by Signalman A. H. Lucas, Station-master Slater, Detective Campbell, and two porters, who were eye-witnesses of an occurrence wherein Mr. G. W. Davies disgracefully misconducted himself.

Those are the papers manufactured. They could not find the files, and they

tried to manufacture the evidence two years after.

MR. W. J. GEORGE: A regular conspiracy, then?

THE COMMISSIONER OF RAILWAYS: It appeared to me to be such. A board will decide that ultimately, I suppose. The letter goes on:—

You will see from Mr. Slater's statement that he reported the matter promptly. It did not, however, come to my knowledge until the subsequent disclosures were made. Had I been aware of it, I should not have hesitated in recommending the instant dismissal of an officer who had so flagrantly misbehaved himself on railway premises. His general conduct was also very unsatisfactory for a lengthy period prior to his dismissal.

Nothing on record, though.

While chief clerk in Mr. Short's office, he was in the habit of ridiculing the work of the Chief Traffic Manager and other officers, at all times and in all places. While under the influence of intoxicants, he was in the habit of making the business of the department public, and his conduct at these times reflected very discreditably upon the service. I note the concluding paragraph of your letter, and it was with the object of making you aware of the true state of affairs as regards Mr. G. W. Davies that I wrote you in the first place.

This was in reply to my paragraph, demanding information and stating that I would be glad to get the man out of the service if he were as they say he is. That letter was written on the 21st. On the morning of the 22nd I walked into the General Manager's office, and asked for the General Manager. He was not there—he had gone to Fremantle to meet Mr. Short. I asked the clerk for pen and ink and paper, and I sat down at the desk and wrote as follows:—

On the 20th inst. I asked for all papers (said to be held by you) in connection with Mr. G. W. Davies's removal from the service, and requested you to consider the matter as urgent. Have these papers been sent forward? If not, why not?

I left that immediately after 9 o'clock on the morning of the 22nd. I wish to show the urgency of the matter, and how anxious I was to get it cleared up. Mr. Short had arrived on the morning of the 22nd. I thought the General Manager had gone down to Fremantle to make inquiries for the missing papers, said to be in Mr. Short's possession. I waited until 3 o'clock in the afternoon, and there was no reply. I then rang up Mr. Short at his private house at Guildford, and after

introducing myself through the telephone, I said, "Do you know, Mr. Short, that some of your papers are missing?" He said, "No; I do not." I said, "I have been inquiring for some of your papers since Friday last, and I have not been able to get them." He said, "Is that so?" I said, "You have a record clerk, have you not?" He said, "Yes." I said, "They should be in the possession of your record clerk." He said, "Not in all cases." I said, "I have been asking for them since Friday last, and I cannot get them." Mr. Short subsequently told me that he would be down in the morning. Not getting any satisfaction from him, I rang up the General Manager and said, "Have you found those papers yet?" He said, "No; I have not: Mr. Short will be here this afternoon." Mr. Short, two minutes before, had told me that he would come down in the morning. The General Manager however said, "Mr. Short will be here in the afternoon." As a matter of fact, Mr. Short was there during that afternoon—he was there until 10 o'clock that night, because I accidentally ran against him coming out of the office at night, when I was catching the 10 o'clock train. However, at 10.30 on the 23rd I got the following letter from the General Manager:—

August 22, 1901.—To the Commissioner of Railways.—In answer to yours of even date, I beg to state that immediately on receipt of yours of the 20th inst., I gave instructions for all the information available to be prepared and sent you. The original papers of the Chief Traffic Manager's office could not be found, and it was necessary to, in one case, have a fresh report prepared by the chief accountant, and in another case for the persons who originally made reports —

Two years before, mark you!

to again give statements, and this occupied the whole of the 24th inst., and it was late in the evening before it was completed. The information was sent you this morning.

That information was manufactured in the interim. They could not find the original documents, and they set to work to manufacture documents, and sent them on to me.

MR. W. J. GEORGE: Who are "they"? "They" set to work—who are "they"?

THE COMMISSIONER OF RAILWAYS: The General Manager says he gave instructions for the preparation of

the information, as the papers were missing. I have read the correspondence with the General Manager. I have already explained that the documents could not be found. Some of them were found, and are available: I will not read them. Subsequently, however, the Chief Traffic Manager's files, or portions of them, turned up. I will explain how they came into existence. On Friday morning I issued a notification to the General Manager that we had decided to suspend him. I have not explained that yet, but I shall do so fully before I sit down. I shall explain how the suspension was brought about. It is necessary here to say that I then, on the Friday morning, called for the General Traffic Manager's record clerk (Mr. Teague). The record clerk came up to my office. I explained who I was. I said to him, "You are the record clerk, are you not? Do you know that some of your papers are missing?" He said, "No; I do not." I said, "I have been asking for files from your office since Friday last." This was a week later. The clerk replied, "I supplied all the files asked for." I said, "Can you give me the number of them, and the subjects?" He replied, "Yes." I said, "Can you put it down on paper, and sign it and leave it with me?" He said, "Yes," and wrote the following statement:—

On Friday last I was asked by Mr. Railton for files 10803/99 and 10763/99, which I supplied. No. 10803 refers to irregularities in connection with accounts at Perth booking office; No. 10763 refers to Mr. G. W. Davies leaving the position of Chief Clerk to Chief Traffic Manager.

In the face of that I thought, "There are the missing files turned up now." I considered it necessary to challenge this man farther. At this time the papers could not be found. They could not be found until I had got hold of this record clerk and got him in my office. Having obtained possession of this record clerk, I said: "You may as well bring me all the papers in connection with the Kurrawang Firewood Co., Wilkie Bros., Smith & Timms, W. N. Hedges, Northam Milling and Mining Co., Canning Jarrah Timber Co., Goldfields Water Supply Department, Baxter & Prince, Jarrahdale Timber Co., Millars Karri and Jarrah Forests Ltd., Millar Bros., Swan River

Shipping Co., and I reckoned it would be an injustice to pass over the Black Swan Foundry Co., so I asked for the papers relating to the Black Swan Foundry Co. (General laughter.) I also asked for papers in connection with Mr. Statham, Darling Range Timber Co. I sent the record clerk away to obtain those files for me, and I journeyed to the railway station. I asked for the Acting General Manager, whom I had previously appointed, and I said, "Mr. Douglas, have you a Mr. Railton here?" He said, "Yes." I said, "What is his position in the service?" He said, "Record clerk to the Chief Traffic Manager." That officer was sent to me. I said, "Mr. Teague explained that he handed you some files I was asking for last Friday." He said in reply, "Yes, he did, and I showed them to Mr. Gallagher, the chief clerk." I questioned him for some time. He made a rambling statement, and called for Mr. Gallagher, who was not too clear on the position. I sent for Mr. Teague again, and he tried to alter the statement he made in the morning, which he had committed to paper. I called for the chief clerk to the Chief Traffic Manager. I could not get them to agree, and I said, "Well, I do not want to flurry you. I do not want to confuse you. Each of you make a written statement, and I will wait for it." I waited till 4 o'clock in the afternoon, and got the statements. I do not propose to deal with those statements.

A MEMBER: Why not?

THE COMMISSIONER OF RAILWAYS: They will be dealt with probably at another time and in another place. On Saturday morning, the 24th, when I arrived at my office, there was this letter from the Acting General Manager, accompanying it being a large envelope addressed to me as Commissioner of Railways. He said:—

I attach hereto the original file, G.T.M. 15425/97.

This does not correspond with the other number, and it was not a file, but a collection of papers fastened together with a paper fastener. He said:

I attach hereto the original file dealing with Mr. G. W. Davies from the time of appointment until he left the service, and also the original reports dealing with the Claremont episode on 23th July, 1899. These were handed to me by Mr. Short last evening.

I took the precaution to tell Mr. Short on Friday morning he could extend his leave, which he did. He left the premises at once, as soon as he got my letter. He was not to go to work until Saturday morning, but for some reason or other he came to work on Friday morning, because when I sent my clerk with a letter to him I said, "If he is not in town, take it to Guildford." However, he was in town, and my clerk let him have the letter. The Acting General Manager says these were handed to him. How Mr. Short came to be in possession of certain papers, the balance of the file left in the office, I have not yet been able to discover. But, at all events, I do not consider it satisfactory to the department or satisfactory to Mr. Short, or that I should be doing my duty if I countenanced such things and allowed them to go on.

A MEMBER: Did you ask Mr. Short where he got the files from?

THE COMMISSIONER OF RAILWAYS: I did not. I wrote to him and he sent a curt, I might say impudent, answer, to which I have not yet replied. In addition to complications in this matter, I have already cases before me.

MR. MONGER: Leave the women out: go for the men.

THE COMMISSIONER OF RAILWAYS: I had reason to complain of the manner in which the General Manager sent his estimates forward to me. I guarantee to bring them before this House and put them before any body of men, and they will agree with me that if the estimates were compiled with the object of confusing the Minister, they could not have been more cleverly framed. I sent them back, and in order to get a grasp of the situation, I asked the name, occupation, and station of every officer, and I hope by this means to unravel the mystery. I have the papers in connection with the Kurrawang Firewood Company. I have had the Royal Commission report, and have read extracts, and I had the removal of Mr. G. W. Davies, who has been hounded out of the service without explanation or anything else. No charge was ever made against him until the General Manager made it the other day. The General Manager has advised me in certain instances, and I will give one.

MR. MONGER: Bring another woman's name in?

THE COMMISSIONER OF RAILWAYS: No; I am not going to. There was some trouble with the foremen carpenters at the time of the strike. The foremen carpenters were members of the Railway Association. The General Manager wanted to insist that the foremen carpenters should not be members of the association. I sent the file back to know how he singled out the foremen carpenters and not every other carpenter in the service. The result is I have not seen the papers since. I suggested an increase of the timber rates, but was told by the General Manager, who seemed partial to timber companies, that they would have to get six months' notice, because they had made contracts which they would have to fulfil. Greatly to my surprise, however, he suggested that the rate on coal should be advanced 50 per cent. straight away from the 1st of next month. That seemed somewhat inconsistent. The timber companies were to get six months' notice, and the coal companies were to be advanced next month.

MR. F. CONNOR: Coal companies do not get any trucks, so that does not matter.

THE COMMISSIONER OF RAILWAYS: The Sunday before last I sent to the General Manager. I told my secretary to see the General Manager got for Monday afternoon the New Zealand Act, showing the manner in which railway servants were dealt with in New Zealand, and to tell him the matter must be dealt with, and I would like to have his opinion at once. I have been worried ever since. Any suggestions I make in the way of reform seem to be blocked by the General Manager. I would like to mention another matter, and that is in connection with the rolling-stock difficulty. It was suggested by myself that we should obtain trucks from America instead of from England. Our orders have been placed in England to a very large extent, but we wanted trucks speedily. I suggested that we obtain these trucks from America, and the Chief Mechanical Engineer explained to me that the trucks from America that he would specify were to have English manufactured axles and wheels, and that the

whole were to be up to the English standard; but the General Manager could not agree to this. However, I took upon myself the responsibility—and I believe the House will be glad I did so—upon the advice of the Chief Mechanical Engineer, to order these trucks from America, and I will tell the House with what result. The General Manager's recommendation was that we should get 200 four-wheel high-side wagons from England at, say, £162, costing £32,400; and that we should get 50 eight-wheel bogie wagons from England at £344, costing £17,200. There was no delivery penalty, and as far as I and the department were concerned we had no idea what time the trucks were to get here. The Chief Mechanical Engineer states that the American wagons, as specified by him, would be equal to English; they would be provided with English manufactured wheels and axles; and delivery at Fremantle would be within 160 days. The saving on that transaction alone, getting the wagons from America, amounts to something like £4,000. This enabled me to order 20 additional trucks, 10 of each (10 eight-wheel trucks and 10 four-wheel trucks) for practically the same money. In that way I mopped up the £4,000 I had saved on the previous contract. There is another matter I should like to mention, and I had on this subject the approval of the General Manager. When I came into office I found that the previous Government had ordered 50 coal hopper wagons from England, each 20 tons, with a capacity of 1,000 tons in all, and that they proposed to pay £23,200. If we get the wagons from America they are to be delivered within six months, and there is a penalty for nondelivery. Specifications have been agreed upon between the Chief Mechanical Engineer and the Engineer-in-Chief, who now controls this loan vote.

A MEMBER: It is not a fair thing.

THE COMMISSIONER OF RAILWAYS: It is a fair thing, and I say with pride and confidence that the Engineer-in-Chief now takes over this vote.

MR. F. CONNOR: He should have taken it over all along.

THE COMMISSIONER OF RAILWAYS: I then cabled to London to cancel this order for 50 20-ton trucks,

costing £23,200. I had a representative to cable to America for 50 coal hopper wagons, which will carry 25 tons; so that will be 1,250 instead of 1,000 tons, and these hopper trucks from America are to cost £16,900, and be delivered within six months.

THE PREMIER: £15,900.

THE COMMISSIONER OF RAILWAYS: I am giving the price of the wagons erected at Fremantle. On that transaction there was a saving of £6,300.

MR. W. J. GEORGE: The metal market has gone down considerably since then.

THE COMMISSIONER OF RAILWAYS: But freights have gone up.

MR. GEORGE: There is a difference of 20 per cent. between the present price of pig iron and that which existed nine months ago.

THE COMMISSIONER OF RAILWAYS: Another matter, the question of lending trucks to other companies was brought under my notice, because the Public Works Department, which was constructing the Leonora railway, required trucks from the Railway Department. This question of the hire of trucks came under my notice. I went fully into the matter; and the Minister for Works (Hon. H. Gregory) can bear me out that the Works Department, instead of being considered as another department attached to the Government, was like a red rag to a bull to the General Manager of Railways. When anything for the Works Department was required, every obstacle was put in the way, and no progress could be made. To lead up to this truck trouble, it will, I think, be necessary to deal with the Kurrawang Firewood Company. Papers have been laid on the table of this House respecting the transactions between this company and the Railway Department; but I have had the pleasure of perusing some of the files, and it is, I contend, my duty as Commissioner of Railways to throw some farther light upon the workings of this Kurrawang Firewood Company; and this I propose to do.

MR. MOOREHEAD: Do you mean, from the papers on the table?

THE COMMISSIONER OF RAILWAYS: No; from file 788/1900, "Goldfields Firewood Company, freight outstanding." The first thing I notice is that part of a letter is missing. How-

ever, in April, 1900, I find that outstanding freight for railage on sleepers to Golden Gate station amounted to £2,871 5s. 5d. There was a pencilled memorandum on the same file to the effect that there were rails and materials supplied to the extent of about £12,000; and as far as I could learn, nothing had ever been paid. In March, 1900, a large quantity of sleepers was consigned by the Resident Engineer, Coolgardie, to Kalgoorlie. These sleepers were stopped by the General Manager of Railways at the company's siding. Subsequently Mr. Douglas, District Superintendent, asked, was freight to be paid? The reply was to this effect: This is an exceptional case; the sleepers have been lent to the Firewood Company. On May 10th, 1900, Mr. Short writes to the District Superintendent regarding the freight due by the Goldfields Firewood Company, and states: "The matter is in the hands of the General Manager. Chief Accountant will probably pass a credit." On June 4th, 1900, a memorandum on the file states that the company owe £10,000 to £12,000 for rails and sleepers, and are paying off this indebtedness by supplying water. On April 17th, 1900, the District Superintendent states that no water is available. On 23rd August, 1900, Mr. Douglas was told to cease writing about this matter. He was the District Superintendent; and I should like to say that in all my investigations in this connection I can trace the hand of Mr. Douglas, that every time he seems determined to do what is right; and I am glad he is now Acting General Manager. However, he was told to cease writing about this.

MR. F. CONNOR: By whom?

THE COMMISSIONER OF RAILWAYS: By either the General Manager or the Chief Traffic Manager. I have not the signatures: they are on the file, and I have given the number of the file.

MR. CONNOR: You do not know by whom the instruction was given?

THE COMMISSIONER OF RAILWAYS: That was on 23rd August, 1900. Mr. Douglas continued to write until 22nd January, 1901, when he was told to file the papers. On 13th June, 1901, the Chief Accountant issued a credit note, number 1669, the amount of which was £2,837 14s. 1d. I do not know what the credit was for, not having got so far as

that in my investigations. On 22/4/01, Mr. Douglas writes to the General Manager and says:—

Our wagons are running 40 miles over this company's line, for which no charge is made. Some charge should be made. This also applies to some other timber companies.

On 28/5/01, the General Manager replies to the District Superintendent, Mr. Douglas, as follows:—

W.A. Goldfields Firewood Company. Yours of 22nd ult. Please note that present custom is to be adhered to; also Firewood Company's goods free.

Other people were to pay 10s. for a small truck, and £1 for a large truck, per day. I should like to say here that, although I called for all these files and gave a list of them, I have only had time to deal with the Firewood Company and the Black Swan Foundry. With the others I have not dealt; and I am now dealing with the Firewood Company, file 6566/91.

MR. GEORGE: I suppose I can represent myself here.

THE COMMISSIONER OF RAILWAYS: Regarding the W.A. Goldfields Firewood Company truck supply, on 23/5/01 the General Manager issued instructions to supply 150 trucks per day to this company. On 27/5/01, the Acting Chief Traffic Manager advises the District Superintendent at Kalgoorlie in the following way. He repeats the General Manager's instructions, and concludes: "I am anxious that this order should be consistently supplied, and I promised the General Manager so." On 14/6/01, at Coolgardie a deputation waited on the Minister for Lands (Hon. C. Sommers) in connection with this matter, just about the same time as that referred to in the file; and subsequently a deputation waited upon me in Perth on the same subject. These deputations explained at Coolgardie and Perth that the Firewood Company were getting all the trucks, and that other customers of the department were not getting anything like the supply of trucks to which they were entitled. Now there was a statement put before me and before the deputation, which deputation consisted of Mr. Morgans, M.L.A., Mr. Glowrey, M.L.C., I think Mr. Bellingham, M.L.C., and some others. This statement was to the effect that everything was satisfactory; that there was no favour shown by anyone to this company. But,

prior to this, I find the instruction had been issued by the General Manager to supply 150 trucks a day to the Firewood Company; and the Acting Traffic Manager says the instruction is to be carried out, because he promised the General Manager so. Now the General Manager promised the deputation, and promised me, that there would be no favour, and that fair-play would be given to the timber companies, to the Fremantle shippers, to the coal companies, to everyone who was crying out for trucks: all should get a fair proportion; and that I insisted on, though my instructions were not carried out. I must now go back from the 15th June, 1901, to the 11th, because the figures I require appear on another file. Why they keep all these different files concerning the same matter, I do not know. I asked for the Firewood Company's file: they brought up about half a dozen. I have to deal with them all, and consequently the dates do not fit in. But on 11/6/01, Mr. Douglas, the District Superintendent at Kalgoorlie, writes to Mr. Short, Chief Traffic Manager, Perth:—

I should be glad of your decision as to the shunting charges to this company. At present this charge is not being made.

They call this a "shunting charge," but that is a quibble. It is not a shunting charge. It means that the Government rolling-stock are travelling 40 miles—20 miles in and 20 miles out—on the company's rails. It is a free loan of our rolling-stock. On 15/6/00, the Chief Traffic Manager replies:—

We only enforce demurrage for delays over 12 hours. Shunting is not charged; but whether it should be is very questionable at this late date.

And the letter concludes:

As the firewood is principally for the mines, I take it we should not charge.

Now I ask, who is better able to pay for firewood than the mines? I should like to explain here what the Railway Department did in connection with the Public Works Department on 12/8/01. It was represented to me by the Minister for Works (Hon. H. Gregory) that he required trucks, as I explained before, for carrying goods over the new section of the Leonora line which was being constructed by the Works Department. I, being at the head of another department,

and as a fellow Minister, of course tried to do the best I could. I had a report sent along to the Minister for Works from the General Manager; and, in this instance, the General Manager was very careful not to make any recommendation. He got the Acting Chief Traffic Manager to make the recommendation—a most unusual proceeding. He would not make the recommendation personally, as it was his duty to do, but got his subordinate officer to recommend as to how we should deal with the Public Works Department; and it was proposed that the last-mentioned department should pay 8s. and 16s. for four-wheel and eight-wheel trucks respectively; 8s. for the small, and 16s. for the large. If trucks were not returned within twelve consecutive hours, there was to be a special charge of 4s. and 8s. per day for wear and tear, in addition to the demurrage charges. That is the recommendation of the Acting Chief Traffic Manager as to how the Railway Department should deal with the Works Department; but I have already explained how the General Manager dealt with the Kurrawang Firewood Company. Now I go back to file 6223/00. On 12/6/1900, Mr. Short writes to the District Superintendent:

Charge Goldfields Firewood Company demurrage, 4s. for four-wheel trucks and 8s. for eight-wheel for every 24 hours. No other charge to be made.

There is no necessity to labour the question. Hon. members can see how the railway officials deal with the Works Department, and how they have been dealing with the Kurrawang Firewood Company. On 15/6/1901, in the same file, the General Manager wrote a report to me, about the time this deputation waited upon the Minister for Lands (Hon G. Sommers) at Coolgardie, and when the subsequent deputation waited upon me in Perth. The General Manager wrote me a letter in connection with the Kurrawang Firewood Company and the supply of trucks generally. I have explained that the order had been given for 150 trucks per day, prior to this trouble. The General Manager's letter concludes:—

No order has been given as to undue supplies to any company. The only order I have issued is that the mines must be kept well supplied with firewood.

Now the report furnished to this last-mentioned deputation shows that it had been arranged that, for eleven days, at least 1,650 trucks should be supplied to the Kurrawang Company. That was the 150 trucks a day they had been told to supply. At the same time, all the other companies had been treated *pro rata*. The General Manager then said there would be no farther unfair distribution; that the distribution in future should be equal. On 5/7/01, ten days later, there appears on another file, 6566/01, a communication from the General Manager to the Acting Chief Traffic Manager: "Trucks supplied W.A. Firewood Co.," and the letter concludes, "The previous instructions, which are clear, must be adhered to." A deputation had waited on me in the meantime. On 17/7/01, twelve days later, the District Superintendent apologises, and states that he has given to this company all the empties he has, and will see that they get special attention. He sends a statement that shows that between the 27/6/01 and the 2/7/01, the company got all the trucks they ordered, and their orders only averaged 115 trucks per day. Yet the General Manager insists that the company should have 150 trucks a day, while everyone else, all over the country, was crying out for trucks.

MR. W. J. GEORGE: Was that in his writing?

THE COMMISSIONER OF RAILWAYS: That is in connection with what we know about the Kurrawang Firewood Company, and the Auditor General's report and the papers have been laid on the table of the House. This is somewhat serious, and I venture to suggest that the House will think it serious. I notice that some members opposite look a bit surprised. I am pleased to see this, because I thought they would treat the matter seriously, as it should be treated.

MR. GEORGE: More in sorrow than in anger.

THE COMMISSIONER OF RAILWAYS: If the member for the Murray must have it, I propose now to deal with the Black Swan Foundry. I will commence with file 1072/98, and it goes right up to 1900: "Black Swan Foundry Company *re* rate for machinery." On 26/9/98 the District Superintendent at Geraldton advises the Chief Traffic

Manager, Perth, that he had refused to accept certain machinery consigned to Perth to this company as railway contractors' plant, which is carried at a low rate. The machinery had been consigned at the third-class rate, which is the machinery rate, and the freight amounted to £50 8s. 3d. It will be shown subsequently that the freight actually paid was £9 10s. instead of £50 8s. 3d. It was not contractors' plant, because it was shown that this machinery came off the "Mayhill," a ship which arrived in Geraldton harbour. On 26/10/98 the District Superintendent, Geraldton, refused to reduce the charge. He states in his letter: "Surely Messrs. W. J. George and Co. will not maintain that this is railway contractors' plant." He also states: "This charge is correct, and if any allowance is to be made, Perth must do it." In other words, the District Superintendent at Geraldton was not prepared to accept the responsibility for alteration of the rate.

MR. W. J. GEORGE: What do you say we paid?

THE COMMISSIONER OF RAILWAYS: It was £9 10s.

MR. GEORGE: I will explain it all.

THE COMMISSIONER OF RAILWAYS: On 27/10/98 Mr. Short writes to the District Superintendent at Geraldton, and the word "personal" is on the letter, saying: "Kindly carry out instructions." On 30/10/98, Perth sent to the District Superintendent at Geraldton to write off £40 10s. 8d., leaving £9 10s. to charge. Then the difficulty had to be overcome with the Midland Railway Company, because this material passed over that company's line; and on 15/11/98 Mr. Short wrote to the Midland Railway Company, asking them to agree to the reduction; but the Midland Company replied: "Inform us of the exceptional circumstances that warrant this being done." Mr. Short replied on 18/11/98 that it was an error by the Geraldton staff. There was no error, because the Geraldton staff had refused it as contractors' plant, and wrote "machinery only." The only error is that they neglected to rule out the words "contractors' plant."

MR. W. J. GEORGE: That is the error.

THE COMMISSIONER OF RAILWAYS: If an error was made, it can be

rectified; but it was not an error by the Geraldton staff, and they refused to make the allowance. On 24th November, 1898, the Midland Company replied: "Inform us what railway contract this machinery was used on;" and the letter concludes as follows: "We are informed that Messrs. W. J. George & Co. buy machinery, overhaul it, and sell it as contractors' plant." That may be quite right; but to carry the machinery over the railways as contractors' plant is a different thing. On 24/11/98, Mr. Short replies to the Midland Company: "There is no doubt that Messrs. W. J. George & Co. would not be entitled to the reduction but for the error of the Geraldton staff." On 30/11/98 the Midland Co. replied: "If your staff made a mistake, it is not binding, if it can be shown that a false declaration was made." The file ends there. I suppose another one was started, but I have not since got hold of it.

MR. W. J. GEORGE: Do not make aspersions. I do not know, Mr. Speaker, whether it is allowable for me, but I should like to say one word. If the hon. gentleman had told me or sent me one word of anything of this sort, I would have sent for all the papers in connection with the matter. I am not afraid of anything that has been said, and I will have the papers here to-morrow, and if it costs me £1,000 I will have the witnesses from Geraldton. I will not allow the hon. member to asperse me in that way.

A MINISTER: Asperion?

MR. GEORGE: The Commissioner spoke about false declarations: he should be careful what he says.

THE COMMISSIONER OF RAILWAYS: I am quoting from the minutes, and I am dealing with the Black Swan Foundry Company.

MR. GEORGE: I am the Black Swan Foundry Company. You are not going to attack me like that.

THE COMMISSIONER OF RAILWAYS: I am not attacking the hon. member. The hon. member said he would come here to-day to "chaw" me up, because I was prepared to do my duty to the country. I do not care whether it is the Black Swan Co. or the Kurrawang Firewood Co.: I am receiving the country's money, and I am going to do my duty. The Midland Co. replied: "If your staff made a mistake, it is not binding, if

it could be shown that a false declaration was made." There is nothing more on the file until 18/4/99, that is about five months later, when Mr. Short wrote; and it is shown that he had interviewed the Midland Company, who consented to a portion of the amount being written off, but what proportion the file does not disclose. There is another matter somewhat similar, connected with the same company. On 30/11/00, last year, I find that five tons of machinery had arrived in Perth from Northampton, and first-class rates were charged. I believe no one has the right—and the late Commissioner, now the leader of the Opposition, will bear me out when I say no one has the right to alter the rate, except the Executive Council. An officer of the Railway Department cannot alter the rate if he think fit.

HON. F. H. PIESSE: It all depends on the classification.

THE COMMISSIONER OF RAILWAYS: I find that five tons of machinery arrived in Perth from Northampton at first-class rates, in Government trucks. Mr. Short had agreed to carry 30 tons of machinery from Northampton to Perth for the Black Swan Foundry Company at a halfpenny per ton per mile, in Midland trucks, and subsequently he wrote that Government trucks were to be used if Midland trucks were not available. Mr. Short advised the General Manager of the arrangement, and subsequently the General Manager approved of the transaction. One of Mr. Short's letters on this matter has been mutilated, and is not decipherable. On January 17th, 1901, 15 tons of machinery had been carried at a halfpenny per ton per mile, and the Chief Accountant points out that only 15 tons had been despatched to Perth. It is not too clear where the other 15 tons went to. The file ends there.

MR. W. J. GEORGE: That is in the file, is it?

THE COMMISSIONER OF RAILWAYS: No; that is my comment. It is not too clear.

MR. GEORGE: That is your comment?

THE COMMISSIONER OF RAILWAYS: Yes. I think the rates for 300 miles are somewhat as follow:—

Contractors' plant in truck loads, £1 3s. 4d.; mining machinery, £2 3s. 9d.; first-class rate,

£3 10s.; engines other than locomotives, £4 9s. 2d.; third-class rate, £6 10s. 10d.

File No. 12806/98 explains coke transactions with the same company.

MR. GEORGE: Coke transactions?

THE COMMISSIONER OF RAILWAYS: Yes. The Chief Traffic Manager, writing to the General Manager, says:—

If this company did their work properly—

That is, stow the coke properly:

there would be no necessity for special interference with traffic regulations and conditions; and he regrets the General Manager's decision.

He "regrets the General Manager's decision." The file is not complete.

MR. GEORGE: What was the matter with the coke?

THE COMMISSIONER OF RAILWAYS: They were charging you at the rate of four tons for small trucks and eight tons for large trucks.

MR. W. J. GEORGE: Perhaps there was not the quantity in the trucks.

THE COMMISSIONER OF RAILWAYS: Yes; there was more sometimes. Occasionally the large trucks contained 8½ tons, and the small ones 4½ tons. The Chief Traffic Manager says that if the Black Swan Foundry Co. did their work properly there would be no necessity for special interference with the regulations and conditions, and that he regrets the General Manager's decision. There is one other file that I shall refer to, and that is a file in connection with transactions on the Great Southern Railway.

MR. W. J. GEORGE: Does that concern me?

THE COMMISSIONER OF RAILWAYS:—No; I am dealing with the Chief Traffic Manager's file 21246/97. For some unexplained reason, no charge was made for a siding which Messrs F. and C. Piesse had at Katanning. Inquiries were made by the railway representative at Albany, and it was discovered that from September, 1897, to February, 1898, this siding—

HON. F. H. PIESSE: It is a very good siding too.

THE COMMISSIONER OF RAILWAYS: It seems that there was a siding at Katanning that led into F. and C. Piesse's mill, and that nothing had ever been paid for this siding.

A MEMBER: Why should the Commissioner of Railways pay?

THE COMMISSIONER OF RAILWAYS: The file showed that from September, 1897, to February, 1898, no charge had been made for this siding. There was a lot of correspondence about it, and it was finally discovered that this was so in accordance with an agreement previously entered into with the West Australian Land Co. No rental was to be charged for this siding. "You need not take any farther action," the file says. Mr. Short was to have dealt with the matter when he went down the Great Southern Railway, but what action was decided on or what decision came to, I am unable to discover. The Chief Traffic Manager's file moreover shows that in July, 1898, Messrs F. and C. Piesse were using the Katanning engine and carriage shed without payment. They were stowing chaff in it—using this shed for stowing chaff and other things. The District Superintendent considered that they ought to pay for the use of the shed like anyone else. All other people had been compelled to pay. I have not been able to follow this matter to its logical issue.

HON. F. H. PIESSE: Look up the receipts.

THE COMMISSIONER OF RAILWAYS: Strange to say the file is subsequently mutilated. There is a memo. in the file drawing attention to the fact. Now in perusing the approximate figures of the working of the railways for last year, the following facts were brought to my notice. I quote only approximate figures. It certainly seems to me that these figures show that the management of the railways, apart from any other considerations, is not as satisfactory as it should be; for here we find that last year the revenue exceeded the estimate by only about £60,000, while the expenditure exceeded the estimate by about £160,000.

HON. F. H. PIESSE: Did you get all the revenue in?

THE COMMISSIONER OF RAILWAYS: We got all we could. We did not get the money for the Kurrawang rails. I did my best to get it, though: I served a writ for it. When these figures came before me I thought it necessary that some explanation should be offered, and I had an interview with the General Manager. At this interview I also dis-

cussed the estimates with the General Manager, and explained to him that certain recommendations made by him would have the effect of making him popular with the heads of the department, and me very unpopular with them. The recommendations were those relating to increases, and were such as I could not support in the House. I told the General Manager that I was not prepared to support them. I need quote only a few of these now. I will take the case of the Engineer for Existing Lines, Mr. Dartnall; and the House will bear in mind that we have removed the loan expenditure from the control of the Railway Department, and that the vote for improvements to opened railways has been cut down so much that there is practically nothing left but to keep the lines in repair. The loan expenditure on large items is under the control of the Public Works Department, whilst small items are under the control of the Existing Lines Branch. The Engineer for Existing Lines last year received a salary of £800, and the recommendation of the General Manager was that the Engineer for Existing Lines should receive £1,000, or £200 a year increase. The Chief Accountant last year was paid £600, and the General Manager recommended that he should be paid £700 this year. And so on right through the piece. I explained to the General Manager that I did not think his recommendations fair. The only excuse he had to offer was that we paid the man whom we specially imported from New Zealand, Mr. Rotherham, £1,000, and the General Manager considered that the heads of other departments should be treated in a like manner. I could get no satisfactory replies to my suggestions, and I therefore wrote the General Manager a letter which I shall now read. I think it just as well to read it to the House in order that hon. members may grasp the position as I grasped it. I have already explained that the increases were originally presented in such a manner that I could not follow them, and I gave instructions that the original recommendations should be preserved. I wrote on the 20th August, but events came so quickly on top of one another that the General Manager had no opportunity of replying. Day after day

developments arose, and we decided that prompt action was necessary. My letter reads:—

In scrutinising the details of the Estimates submitted, I was surprised to find the administrative staff of the various branches so large and excessive.

Hon. members will notice this:

In the Chief Accountant's branch no less than 75 officers are provided for, at a cost of £11,740 per annum, and I require a special report from the officer in charge of the branch, together with your remarks, as to the necessity of the retention of such a large staff. Is this system of accounts the best that can be adopted, having in view simplicity and effectiveness?

As the leader of the Opposition says, there has been no chance for the General Manager to reply to this.

HON. F. H. PRESSE: I did not say anything of the kind. I was talking to my friend here.

THE COMMISSIONER OF RAILWAYS: You did say so, previously. For that matter I do not consider it is my place, as Commissioner of Railways, to address the General Manager on a subject such as this. The General Manager should be qualified to deal with it, and should be prepared to deal with it in such a fashion as shall meet with the approval of the House. As Minister, I contend that he has not done so. I made the following suggestions, first verbally and then in writing. I said:—

The auditing of all railway accounts is shortly to be handed over to the Auditor General's Department, and I desire to know what saving will be effected thereby?

The Auditor General in his report, I may explain, contends that his department should audit the accounts of the Railway Department, and that the auditing staff of the Railway Department should be transferred to his department in order that he might pick out the best of them and then audit the whole of the railway accounts. However, the position is as follows. There are attached to the Railway Department thirty-one auditors at a cost of nearly £5,000 per annum. Thirty-one auditors at a cost of nearly £5,000! The Auditor General audits the whole of the other accounts of the public service with a staff of twenty-nine—included in that number are the office-cleaner and the Auditor General himself—and he does the work for about the same amount

as it costs to audit the railway accounts. It costs the Railway Department the same amount to audit their accounts as it costs to audit the whole of the accounts for the rest of the public service. The General Manager maintains that there would be no saving effected by the adoption of the Auditor General's suggestion; contending that if the auditing of the railway accounts were transferred to the Auditor General, it would still be necessary to retain the railway audit staff. I did not agree with the General Manager in that. It does not appear reasonable. This is only another of those blocks in the way of reform, put in at every stage by the General Manager. In my letter I go on to say :—

I notice that the Locomotive and Existing Lines branches are also supplied with an accountant and staff, and I presume that all the station accounts are made out monthly, and submitted to the Chief Accountant in some systematic manner which allows of ready compilation. If this is so, cannot something be done to reduce the present very heavy expenditure? In the Traffic branch, the expenses of administration are also exceptionally heavy, and under this head it would appear that considerable duplication of work exists.

The point is this. We have the District Superintendent's office in Perth, and we have the Chief Traffic Manager's office in Perth. The Acting Chief Traffic Manager, however, has been performing the duties of both officers; and I understand he has been writing from himself as District Superintendent in one office to himself as Traffic Manager in another office, and *vice versa*. He has had to keep the two offices going in order to make room for Mr. Short, who arrived by the mail-boat last week. That was what I referred to when I said that in the Traffic Branch considerable duplication of work appeared to exist. The letter continues :—

The district superintendents especially appear to be, in most cases, only a means of communication between the staff and the Chief Traffic Manager, and in many instances, especially so far as claims for loss of goods, supply of rolling-stock, time-tables, and even payment of wages, and checking of pay-sheets of the branches are concerned, it would appear, from the perusal of the instructions now existing that the principal portion of their duty is being performed by the Chief Traffic Manager's office. At Perth, the offices of the Chief Traffic Manager adjoin those of the District Super-

tendent, and it appears to me to be a most cumbersome arrangement for the majority of the correspondence to pass through so many hands and be duplicated; and seeing that one officer has for some time conducted these two departments, I desire to know why an amalgamation of the Perth offices cannot be made and a large proportion of the expense saved. The simplest mode of doing business must in all cases be adopted, and I am of opinion that if the present system were simplified, better results would follow. At the outside districts I see that much of the detail work is done by the Chief Traffic Manager at present: could not considerable saving be effected in the clerical staff, even if it were essential that some local officer be placed in charge of the centres?

Many things sent into Perth Office should, I contend, be dealt with at the various stations :—

I notice that there is no district superintendent at Albany, but at Geraldton and Bunbury both a district superintendent and staff exist. Is the difference in the business sufficient to warrant this, or could not a more economical arrangement be made with good results to the department? The clerical staff outside the administrative offices, notably in the goods and passenger departments, appears to be very heavy, and I would like to know whether the system could not be modified so as to permit of business being done more cheaply. The Existing Lines branch seems to suffer from the same system of duplication which affects the traffic branch, and the question of the necessity for the retention of all the resident engineers and assistant engineers at present employed is one that I require special inquiry into. When it is considered that at outside places not only resident engineers, but draftsmen and staff, and also inspectors, are employed, and that the whole business consists of maintenance of existing works alone, I think you will agree that a cheaper and equally efficient arrangement might be made. In the Locomotive Branch there appear to have been several reductions in staff lately. I wish all branches to be carefully looked through, and reports and suggestions from heads of the branches should be obtained at once and submitted to me. The Electrical Engineer's branch should, in my opinion, be placed under the direction of the Engineer for Existing Lines, and the Interlocking branch, which appears to be very closely connected with the Engineer's office, should be treated likewise. This amalgamation would lead to considerable saving in the staff, and should improve the efficiency of the service. These branches are mainly engaged in maintenance; and, put under the supervision of one officer, there should be a considerable saving in expenditure. It should be borne in mind that when the principal officers are away for some months, it has not been found necessary to make special arrangements to relieve them; and it confirms my opinion that considerable

saving can be made in the department. In connection with the staff provided for new works and improvements, I will have no money available from revenue for the purpose of new works, and from loan funds I do not anticipate having a very large sum of money available; consequently it will be necessary to consider what should be done with the staff now existing, and whether some rearrangement cannot be made, especially as only minor works will be carried out by the department, the principal works being placed in the hands of the Public Works Department. The working expenses being so heavy, it is incumbent on the heads of all branches to give this matter special attention, and I trust you will go into the matter exhaustively and submit a report at once as to what can be done.

As I first explained, I had had an interview with the General Manager and had made these suggestions, which he would not agree to or consent to; and I deemed it desirable to place them on record and to ask for a reply from the General Manager. However, as the leader of the Opposition says, the General Manager's reply did not come. I think my letter a fair criticism on the management; a criticism with a lot at the back of it.

At 6:35, the SPEAKER left Chair.

At 7:30, Chair resumed.

THE COMMISSIONER OF RAILWAYS (continuing): When the House adjourned, I had finished reading a letter I sent to the General Manager, making suggestions for the reorganisation of the department; and I explained that the General Manager, in my opinion, attempted to put me in a false position by recommending increases to the salaried officers which he knew I could not approve of, and I mentioned the amounts. I omitted to mention that, prior to the preparation of these estimates, and prior to the present Government coming into office, the late Premier, Mr. Throssell, issued a circular to the whole of the departments, setting forth that there would be no increase unless under exceptional circumstances to any person who was in receipt of £300 or over £300 per annum. This circular was issued by the late Government; and the present Government, in view of the condition of the finances, did not feel justified in withdrawing that circular. These increases and suggested increases to the Railway Department, amounting in some instances

to £200 per annum, had been made and recommended by the General Manager in the face of that circular. In dealing with the dissatisfaction that had existed in connection with the public who were using the railways, and the outcry in relation to the rolling-stock for the timber mills and such like, I may mention there were various complaints that were never satisfactorily explained, including one by Mr. Yelverton, who complained that the supply of timber trucks to his timber station was not by any means satisfactory. The General Manager produced a statement which went to show that Mr. Yelverton had received fully 50 per cent. of the trucks that he had ordered, which the General Manager considered a fair proportion under the circumstances. Mr. Yelverton, on the other hand, produced a list, giving day and dates, to show that the General Manager's figures to me were not in accordance with the facts, and that instead of getting 50 per cent. of the supply he ordered, he really got only 25 per cent. That matter was sent on to the General Manager to be dealt with, and so far no satisfactory explanation has come forth. Farther, I omitted to mention, in regard to those transactions of the Kurrawang Firewood Company, that I did not refer to any papers which had been laid on the table of the House; and accompanying those papers is a report by an officer of the Audit Department, which itself, I think, is sufficient to convince members of Parliament and the public generally that things are not as satisfactory as they ought to be. I omitted also to mention that while this company was allowed an indebtedness of about £20,000 for material supplied, for rails, sleepers, *etcetera*, no payment had been made except by water; and I quoted from one of the files to show that at that time there was no water available, and consequently no payment had been made. When I came into office, the subject in dispute was as to whether payment by instalments meant payment by instalments of cash or payment by instalments of water; and I considered it the duty of the Commissioner of Railways to decide this question. I decided that payment by instalments, referred to in the contract, meant payment by instalments of cash; and to support this contention I wrote letters to the

General Manager demanding payment in cash; and in order that the matter might be settled, and settled once and for all, I instructed the Crown Solicitor to issue a writ for the recovery of the amount then in dispute, namely, some £3,000 to £4,000. I have explained that I have not dealt with the Kurrawang papers laid on the table of the House, and that I do not propose to do so, nor do I propose to deal with the report of the Auditor General. Members can avail themselves of this information. My object has been to bear out and support the contention set forth here. I think that had I chosen to peruse the files now piled up in my office, I could perhaps, like Tennyson's brook, "go on for ever" criticising the department. I do not propose to do that. Having spoken from half-past four to half-past six, I propose briefly to sum up; and perhaps I have yet some information which will interest the House, and convince members I am right in the position I am taking. The matters I have mentioned this evening are only some of the questions considered by myself and by the Cabinet, before deciding that the officer controlling the working of the railways should be suspended pending a satisfactory explanation; and I think, seeing the position was so serious, that these things were cropping up from day to day, and that general dissatisfaction existed, these matters, without going into anything farther, were sufficient to justify the action we have taken. The appointment of the Secretary to the Commissioner of Railways has been criticised; and so far as is shown by the records which I have demanded and insisted should be forthcoming, there is nothing conclusive, nothing to show that such a drastic step as dismissal should have been taken with reference to the officer in question. The references upon which he was appointed speak for themselves as to his ability. So far as I know, he is the very man to act at the present juncture as Secretary to the Commissioner of Railways. However, the General Manager has brought serious charges against him; and in order that my Secretary might have an opportunity of refuting these and clearing up the whole of the circumstances, my colleagues decided that he should be suspended and treated in like

manner to the General Manager. I should like to say that at the time of the suspensions, the reason for asking Mr. Short, whom we originally intended to appoint as Acting General Manager, to extend his holiday, was in order that he might not be implicated in the trouble then going on. The report of the Royal Commission, a quotation from which I read this evening, is sufficient to justify me in going outside the service to make the appointment. During my remarks this afternoon, it will be noticed that I did not halt to elaborate: I simply confined myself to facts. I did not halt to enlarge upon the figures which came before me: I simply quoted them as they appeared on the files. There is one matter I must here once more refer to: the number of instances in which papers are missing from the files. On one occasion, I have distinctly proved that a deliberate attempt was made to manufacture a file which was absent in the Chief Traffic Manager's office; and in manufacturing that file, after two years had elapsed since the original file had been compiled, the officers and those responsible for its manufacture did not scruple to make the contained statements as severe as possible; because when the Chief Traffic Manager, 12 hours later, produced the original file bearing on Mr. G. W. Davies's removal from the service, the statements contained in the original were not nearly so severe as those that had been manufactured in the new file. In this debate I regret having had to refer to the Black Swan Foundry. I explained I had dealt with certain files only—those of the Kurrawang Firewood Company, the Black Swan Foundry, and F. & C. Piesse. If I had made statements in connection with one concern and withheld what I might have said in connection with others, then, I contend, I should not have been doing my duty. These are the files I have examined. That is the result of my investigation. One other matter I propose to deal with before I conclude—the sale of some rolling-stock to W. N. Hedges, who I think I am safe in saying was really the same old Kurrawang Firewood Company under another name. That company seems to crop up at all places and at all times, first under the name of Hedges, then under the name of the Kurrawang

Firewood Company, and again under some other name. This is the position in connection with that sale. There were two locomotives purchased by the Railway Department for £930 each, or a total of £1,860. There were 28 trucks purchased for £40 each—£1,120—making a total of £2,980. Repairs to the value of some £250 were, I understand, effected upon each of the engines; and subsequently the two locomotives were sold to Hedges for £550 each, or a total of £1,100, and 21 trucks for £20 each, or £420, making a total of £1,520; and this rolling-stock was purchased originally for £2,980, nearly double the amount; and in the meantime, the Railway Department had spent a considerable sum in effecting repairs.

MR. W. J. GEORGE: Had the stock seen any service?

MR. DOHERTY: How many years elapsed between the purchase and the sale?

THE COMMISSIONER OF RAILWAYS: This was a purchase by the Railway Department, and a subsequent sale to Hedges; and I should like to explain here that this sale was effected with the approval of the late Administration. When I came into office Executive approval had not been obtained. First of all I was asked to approve of the sale, at £20 each, of two trucks that were useless for anything else; and on the papers before me I approved of the sale of two trucks to the same person, which trucks were stated to be useless. After I had approved of the sale of these two trucks for £20 each, the papers in respect of the whole of these sales were brought before me to be sent on for the approval of the Executive Council; and the explanation was that the late Administration had sold this rolling-stock, but that the Executive Council's sanction had never been obtained. Instead of putting before me papers in respect of a sale of two locomotives and 18 trucks, the departmental officers put before me, and I did not notice the error, a statement showing two locomotives and 20 trucks, including the two for the sale of which my consent had already been obtained. I then knew nothing of the facts which subsequently transpired; but when the papers went down to the Executive Council, the other Ministers there knew of this transaction

and the suspicious circumstances attending it, and sent the papers back to me. It was only then I discovered that in approving of the sale of those two engines, 20 trucks, etcetera, I had approved of the sale of the two trucks which I had previously approved. As soon as I found I had been tricked into this, I telephoned to the Fremantle Workshops that if the trucks were not delivered, they were not to be delivered. The reply was that they had not been delivered, and my order then went forth that delivery was not to be made. Subsequently, however, in spite of my instruction to the contrary, those two trucks were delivered to Hedges. The other 18 had been delivered and payment made before I came into office. Then a form of approval came along for a ballast plough; and I would not give approval for sale of the ballast plough for £20. Subsequently I found that, without my approval, the ballast plough had been delivered. Later on I discovered that some employee connected with the Kurrawang Company was travelling over our railways on the secretary's pass, and that he had been stopped at Coolgardie. Some man signing himself "J. Brown" wrote to me from the goldfields. I have not been able to trace him since, but he gave me very reliable information. He explained that some employee of the company was travelling over the railways on the secretary's pass. I believe the secretary of the Kurrawang Company had obtained a pass to which he is entitled, having provided the Railway Department with so much traffic. This pass was supplied to the secretary of the company; but it afterwards transpired that the secretary wrote to the General Manager to this effect:—"It is impossible for me to get down to Perth. Unless I hear from you by a certain date, I propose to send Mr. (So-and-so): he will travel on my pass." This letter did not reach the General Manager in time. Mr. So-and-so started down on the secretary's pass; and I knew nothing of his doing so until he was blocked at Coolgardie and made to pay. A report came along and was submitted to me to see what action I would take; but the departmental officers had, as it were, compounded a felony; they had taken payment, and I was powerless to act. In dealing with this sale of

rolling-stock to Hedges, I do not think I can do better than read the report from the Engineer-in-Chief of the Public Works Department, sent on to the Minister for Works, who deemed it desirable to send it to me, my officers having sold this rolling-stock to Hedges, and the Public Works Department wanting such stock. The Engineer-in-Chief wrote as follows:—

In reference to conversation yesterday afternoon, the following are the figures with which you wished to be supplied.

This is from a letter to the Director of Public Works, sent on to me.

In pursuance of contract with Baxter & Prince for Mullewa-Cue railway, the Government (through the railway construction branch of the Public Works Department) purchased from them in June, 1899, two locomotives, four low-sided wagons, 16 hopper wagons, five travelling water tanks, two brake vans, one ballast plough. The two locomotives were valued on our behalf by the local representatives of the Locomotive Department at Geraldton at about £930 each; total, £1,860. Eleven of the remaining vehicles were also valued by the same authority at about £40 each; and seventeen others were valued by our resident engineer, Mr. Hargrave, at £40 each, making in all twenty-eight at £40, a total of £1,120. Grand total, £2,980.

It will be understood that the Public Works Department bought this rolling-stock on the recommendation of the Locomotive Department in June, 1899. The Engineer-in-Chief's letter continues:—

Subsequently thereto, in November, 1899, the Under-Secretary for Railways wrote to the Under-Secretary for Public Works to the effect that the Working Railways Department was badly in want of wagons, and wished to have the rolling-stock above mentioned transferred to them. Subsequently to that, the said rolling-stock was handed over accordingly, about January or February, 1900. Following report in July, 1900, the Under-Secretary for Railways wrote to the effect that the wagons were considered to be worthless, and intimated that it was proposed to dispose of them.

This was at the time the Railway Department proposed to sell this stock to Hedges. The Railway Department first insisted upon having the wagons; and having got them, they proposed to dispose of them. Let it be remembered, the wagons were purchased on the recommendation of their own officers. The Engineer-in-Chief continues:—

Thereupon I wrote, in August, 1900, to the effect, *inter alia*, that I could not believe they

were worthless for construction purposes, although (as I had thought all along) they were not suitable for traffic purposes, and that I thought they could be utilised on the Cue to Nannine or Menzies to Leonora railway, either by leasing them to contractors, if contract was let, or by using them ourselves, if work was done departmentally. Notwithstanding that, however, they were sold to the Goldfields Sawmill Firewood Company, the rolling-stock as follows:—

There is another distinction here. It is, I understand, the same company.

MR. TEESDALE SMITH: There are three or four different companies.

THE COMMISSIONER OF RAILWAYS: The letter continues:—

Two locomotives, 18 wagons, two brake vans, one ballast plough. So far as I am aware there was no intimation sent to the Public Works Department at all of any intention to sell the locomotives. The said locomotives, however, which were purchased from Messrs Baxter & Prince for £930 each (having subsequently, as I understand it, had £250 each expended upon them) were sold for £550 each; that is to say, in fact, deducting what was spent upon them by the working railways department in the shape of overhaul after obtaining them from us, the price obtained was £300 for each of the locomotives, for which we had given £930. The 18 wagons, two brake-vans, and the ballast plough were sold for £20 each. Subsequently to that, as I anticipated would probably be the case, we required certain rolling-stock for the Menzies-Leonora railway, and endeavoured to obtain the same from the working railways department, but with only partial success. Thereupon we were driven to endeavour to obtain from the Goldfields Sawmill Firewood Company some of the rolling-stock which had been sold to them as above-mentioned. They, however, declined to sell any locomotives at any reasonable price, and we have been obliged to hire one from them at the rate of £3 a day of nine hours, which amounts to nearly twice as much per annum as they paid for it altogether. Similarly, again, we had to hire from the Goldfields Sawmill Firewood Company 17 wagons, for which we pay at the rate of £45 per annum, the price which they paid for them to the Government being £20 each. Similarly, again, we have had to hire from the Goldfields Sawmill Firewood Company one brake-van and one ballast plough, for each of which we pay £75 per annum, the price which they paid to the working railways department for them having been £20 each.

We were hiring at the rate of £75 per annum, whereas they paid the department £20 for each truck.

MR. GEORGE: If you buy a sheep at a penny a pound, you do not sell it at the same price.

THE COMMISSIONER OF RAILWAYS: Let us treat this matter seriously.

MR. GEORGE: Business is business.

THE COMMISSIONER OF RAILWAYS: If that is business, I do not want to transact business on those lines. The minute continues:—

Similarly again, we have purchased 10 wagons from Messrs. Smith & Timms for £65 each, some or all of which, I believe, they previously purchased from the working railways department.

That is the report of the principal officer of the Works Department, sent to the Minister for Works, who has passed it on to me to show the manner in which my officers had dealt with this very important transaction. I do not intend to detain the House longer. I have spoken at some length, but I say that if Parliament requires a Minister to countenance this kind of thing—I have already explained that this is only in passing as it were, I have only had a few days to look into these matters, and I have also explained that I have only dealt with two firms when I asked for files in connection with about a dozen—if Parliament desires a Minister to countenance this kind of thing, I am not going to be the Minister to do it. If the country demands, or the House demands—and I am generous enough to think that the House does not demand it—if the House demands that I should close my eyes to this kind of thing, then another Minister must be appointed; but I do not think the House desires that. I believe the House will support me in the action which I have taken. I must perform the duty I have undertaken to serve the country, and to earn the money which the country pays me.

HON. F. H. PIESSE: Have you gone about it in the right way?

THE COMMISSIONER OF RAILWAYS: I have gone about it in the right way. As Minister I am entitled to documents which I may require, but my trouble has been to get possession of these documents. I have explained that the documents have been withheld from me, and an attempt has been made to manufacture documents. If one of the Ministers of the State is to be subjected to this kind of thing, I am not the Minister to tolerate it.

HON. F. H. PIESSE: I said that, you know.

THE COMMISSIONER OF RAILWAYS: I have put hard facts before the House, as is my custom, and I believe the House will support the action that the Ministry have taken. I believe the country will indorse my action, and say that I am endeavouring to perform the duty which I have undertaken.

[Applause from Members.]

HON. F. H. PIESSE (Williams): I have listened for nearly two hours to the statement made by the Commissioner of Railways in regard to this matter, which has been one of the most startling occurrences that has taken place in connection with our public service in the State. The Commissioner has stated to-night that, like Tennyson's brook, he could "go on for ever"; but I think that perhaps the simile is a bad one. Tennyson's brook might go on for ever, and might become stronger; but the Minister, in going on as he did, became weaker. Perhaps now the gentleman who occupies the position of Commissioner of Railways will see that it is not a bed of roses; that there are many difficulties to contend with. I have every sympathy with those who have to fill public positions, and I say there are many difficulties to contend with, and there is this to be expected, that every man shall do his duty in his position. No doubt the Commissioner has been prompted by a desire to do his duty; no one will say he has not; and in attempting to do his duty he has done it in a fair and just spirit. I am not one who would rise to defend a man if I thought he were guilty; but, until a man has been proved to be guilty, we should follow the old custom which is well known throughout Great Britain, that a man is deemed to be innocent until he has been proved guilty. When this matter comes forward, which it will do, for farther inquiry, all I ask for is that justice shall be meted out to those who should have justice meted out to them. That is all I say should be done. If a public official so far commits himself as to bring down upon him the displeasure of the House and the country, by all means let him suffer such a result as will deter others from committing similar offences, which, I say, would be a just punishment to him. I do not intend to-night to dwell

on this matter, but I may say, in concluding my remarks, that I consider the Minister throughout his speech to-night has said nothing to justify any other step than an inquiry by a Royal Commission, which I understand the Government intended to have appointed; and until that inquiry is held, no evidence of actual dishonesty or incompetence—which are essentially the grounds for such a serious step as suspension, which implies that a *prima facie* case has been made out for dismissal—have been given. In the circumstances I consider a most cruel and humiliating course has been taken in regard to a prominent public official. I defer any farther observations on this matter until the questions of which I have given notice are answered by the Government. I may say in regard to those questions that I communicated with the Premier this morning, and I understood from him that there was no objection to answering them; otherwise I would not have put the questions without notice; yet, when I put the questions, I was surprised to find the Premier rise and ask that notice should be given of them. Having given notice, I was delighted at the course which was taken, for the reason that we have been able to listen to a statement made by the Minister to the House which so far confirms the opinion which I have held all along, that a most cruel and humiliating course has been taken—a course that should not have been taken under the circumstances, and until an inquiry had been held. I may say that to take such a course as this proves that no public servant is safe in the hands of a Government who will act in the way in which the Government appear to have acted. And I think, too, that the Minister throughout the statement which he made to-night has not strengthened his case, but has proved to the House that the course I have suggested, that an inquiry should have been held, is the right one.

MR. TEESDALE SMITH (Wellington): I do not intend to refer to the Minister's statement in any extensive way; but I can assure the Commissioner of Railways and the House that, when the inquiry is held, every statement that the Commissioner has made with reference to the Kurrawang Company's dealings

with the Railway Department will be answered satisfactorily. The inquiry will prove also that one or two other mis-statements have been made by the Commissioner of Railways in referring to other companies which have nothing whatever to do with the Kurrawang Company.

THE PREMIER (Hon. G. Leake): I notice that the member for the Williams (Hon. F. H. Piesse) says the course taken by Ministers in this particular instance is the wrong one; and he stigmatises it as cruel and humiliating to a high public official, and moreover that there should, in the first instance, have been an inquiry. I understand the hon. member also to say that the Commissioner this evening has not done more than justify a Royal Commission to inquire into what has happened. But I would remind the House, and the hon. member in particular, that the exigencies of the public service demand that the employees of the public service, whether the lowest paid or the highest paid official, shall do their duty in the way that the State expects them to do. The first principle to be inculcated and observed is loyalty to the department and to the State. Unless we have that loyalty—

MR. DOHERTY: Loyalty—that is it!

THE PREMIER: I believe it is sometimes very rude to interrupt people when speaking. I have no desire to interrupt any member, and if necessary I will sit down while the hon. member speaks. Otherwise, I shall go on. We must have loyalty to the department.

A MEMBER: Loyalty to the Kurrawang Syndicate.

THE PREMIER: What I contend is that although no public servant may be safe if the Minister has this dominating power, yet at the same time the State will not be safe if the dominating power is in the hands of the subordinate. The Minister is the officer responsible to Parliament, and he has to take care that his subordinates are loyal to him and do their duty. If he cannot rely on them, and if he cannot enforce the observance of the recognised rules, then it is his duty to get rid of those officers and obtain others in their place.

HON. F. H. PIESSE: And do it constitutionally.

THE PREMIER: Oh, constitutionally! By all means do it constitutionally.

MR. DOHERTY: Yes; the cobble-stones of constitutionalism.

THE PREMIER: I am afraid I am again rude to an hon. member. I fear I am interrupting his speech. The Commissioner has told us that he was unable to administer his department satisfactorily because he was hampered at every turn by the General Manager of Railways. Moreover, an inquiry into what has happened during the last few months, both whilst the present Commissioner was in office and before, disclosed the fact that the General Manager was not conducting himself in the way that the Commissioner thought he should. I take it that the position amounted to this—either the Minister would have to go, or the General Manager would have to go. Very well. I understood that to be the position, and, if I mistake not, that is pretty well what the Commissioner said to me. It seemed to me that if the Commissioner went, I should go with him; and I resolved therefore to support the Commissioner in what he did. After the statement which has been made by the Commissioner, and after the short criticism which has been indulged in by the member for the Williams (Hon. F. H. Piessé), I do not myself regret the step which I have taken. I intend consequently to support the Commissioner in what he has done. How can the affairs of the State be carried on satisfactorily if a public servant who has offended is allowed to carry on, pending the report of a Royal Commission? The member for the Williams says we have justified no more than the appointment of a Commission to inquire into what has happened.

HON. F. H. PIESSE: No; I did not say anything of the kind.

MR. DIAMOND: He did not say that.

MINISTERS: He has it all written out.

THE PREMIER: If I have misquoted the hon. member, perhaps he will kindly quote from his elaborate notes. What I said was, the hon. member had stated that all we had shown was to justify the appointment of a Royal Commission to inquire into the conduct of the General Manager of Railways.

HON. F. H. PIESSE: Which Royal Commission you had undertaken to appoint.

THE PREMIER: That is the effect of what the hon. member said, whether we

had undertaken to appoint it or not. Now the position would be that, pending the inquiry, which might last and probably would last several months, the Minister would have on his right hand the man who he believed was blocking him at every turn. How, then, was it possible for the affairs of the department to be administered satisfactorily, so long as the Commissioner was hampered by the assistance of the gentleman referred to?

MR. W. F. SAYER: Which gentleman? Which Mr. Davies?

THE PREMIER: I refer to the General Manager. The Commissioner realised clearly that this was the position of affairs, and he decided to act. He could not carry on the railways with the General Manager, and it seems that the General Manager would not carry on the railways with the Commissioner. Then which had to go? It was open to the Ministry, if they thought fit, to dismiss the General Manager, and leave him to his remedy. [SEVERAL OPPOSITION MEMBERS: No.] There is a general shaking of heads on the other side of the House, which signifies a negative to the proposition which I have just laid down, namely that it was open to us, if we had thought fit, to dismiss the General Manager.

MR. JACOBY: The Public Service Act will not allow it.

THE PREMIER: It was open to us, if we had thought fit, to dismiss the General Manager.

HON. F. H. PIESSE: And take the consequences, of course.

THE PREMIER: And take the consequences, no doubt. But we thought it would be fairer to the General Manager not to throw him on his legal remedy, whatever it might be.

HON. F. H. PIESSE: That is it.

THE PREMIER: Possibly suing for wrongful dismissal. We suspended him in order that his case might be inquired into, and that the Minister might, in the meantime, appoint someone with whom he could work amicably while the inquiry was going on. If, when the inquiry which it is proposed to hold is completed, it shall appear that the General Manager of Railways is not deserving of dismissal, it will be quite competent for the Minister, if he think fit, to reinstate the General Manager in his position—

[SEVERAL MEMBERS: Hear, hear]—after his suspension; and, really, the effect of that suspension would, in such circumstances, be no more than that of a prolonged holiday. [Interjections: Oh, oh! Rot!] The General Manager would draw his salary, and, after all, he would not very materially suffer.

HON. F. H. PIESSE: Suffer in his reputation.

THE PREMIER: If, on the other hand, the Ministry of the day were to find, as the result of the inquiry that the Minister's opinion was well founded, the chances are that the officer would go. In the event of a dismissal he would have no opportunity of an inquiry: in the event of suspension he has. How then can it be said that this man has been cruelly treated? We say that the Minister has been cruelly treated by reason of that lack of loyalty which is shown to him by his responsible right-hand man in the department.

MR. F. CONNOR: The Minister has been too slow, that's all.

THE PREMIER: The hon. member, of course, suggests that this action ought to have been taken long ago; and really, from what the Commissioner has told the House to-night, there is, perhaps, some justification for that expression of opinion. However, not desiring to act too hastily, and in order to allow a fair inquiry to be held, the process of suspension was adopted.

A MEMBER: Expediency.

THE PREMIER: I do not know that there is not a great deal in the remark as to expediency. So far as regards my own opinion, it is this. Whilst I am Minister, if I find an officer disloyal to me, or even suspect an officer of not being loyal to me and of not doing his duty, and if farther, I am satisfied that my suspicion is well founded, then that officer has to "clear," and no mistake about it. And if that applies to officers under my immediate control, it shall apply to the officers of any other Ministerial department. Which of the members of this House, professing to be a business man, conducting business affairs on a large scale, would for a moment allow himself to be hampered by any of his employees in the administration of his business? Would hon. members, under such circumstances, pause to appoint

a Royal Commission or a Board of Inquiry? An hon. member in such a position would say to his employee, "I am not satisfied with you; away you go; get your cheque in the morning."

MR. W. J. GEORGE: He would ask for an explanation first, and be satisfied. He would not sack a man on mere suspicion.

THE PREMIER: He would not sack a man on mere suspicion! I have no doubt the hon. member interjecting has sacked many a man, even without suspicion, when he wanted to get rid of him. It is a question, as a member just now said, of expediency; and principles of expediency apply quite as well in business as in the public service, and apply in the public service just as much as they do in business. The public service cannot be hampered in this way: at any rate, so long as I am a Minister I shall support any Minister who acts as the Commissioner of Railways has done on this occasion. I do not regret a single step taken in this case, because the officer concerned is not deprived of the opportunity for the fullest possible inquiry. If he can justify himself, very well; I dare say amends will be forthcoming. But I cannot think that the instances which the Commissioner has referred to do not create a little more than suspicion. There is a spirit, I may say, of defiance shown by the General Manager, and that to such a degree as to make it impossible for the Commissioner to administer the affairs of the Railway Department with that gentleman as General Manager. Take the last instance given by the Commissioner. A second-hand engine was purchased for £930. I am taking one engine, and we will say it was purchased for £930. £250 was spent on it in repairs, and then it was sold to a company for £500. Later on it was hired back from the original purchaser at something like £3 a day.

MR. GEORGE: By another department? I am only asking for information.

THE PREMIER: Yes; by another department. But in this instance the General Manager of Railways is the department, and he declared that this engine was no good, and it was consequently sold for £500. Yet another department has to go and hire it back at two or three times its value.

MR. DOHERTY: That is one of the exigencies of the service.

THE PREMIER: I say that if the Minister was satisfied that this state of affairs existed, he was justified in dismissing absolutely. We find the General Manager was responsible for this state of affairs. He recommended the original purchase of goods, and then he sold them at an under-value to a company which seems to have been more or less favoured by him for some considerable time. That is the company which does not pay for running over 20 miles of line because, it says, this only amounts to shunting. A twenty-mile shunt! (laughter) and that for nothing. Of course it sounds very ridiculous, and it is very ridiculous, but it is worse than that. If the Minister is satisfied that this sort of thing has been tolerated by the man who ought to advise him, then I say the Minister is justified in saying, "I do not want that sort of advice." Then again we find, as the Minister says, there is a contract entered into for the supply of stuff amounting to something like £20,000; the payment is to be made by instalments; and they take it out in water. I believe the water was in a Government dam, to which dam these very people had built their own railway, and then they sell their water back to the Government at a very big price. That is a commercial transaction which no one will find fault with; but when the dam becomes empty, although the balance of the original debt remains, they say, "Our obligation to pay the balance of the purchase money remains suspended until that dam is full again." So that if there is no water, you will never get paid. (Laughter.) That is exactly the position, I am not, indeed, astonished that members should be moved to laughter in such a set of circumstances. It is appalling that the department should be carried on in such a way as that, and I would sack a man at a moment's notice who would so treat me, if I were his Minister. One hon. gentleman (Hon. H. Gregory) reminds me that the Minister of the day (Hon. F. H. Piessé) approved of that transaction, and probably he approves of it still, but we cannot sack him or suspend him. (General laughter.)

HON. F. H. PIESSÉ: You would very much like to.

THE PREMIER: It has been said this was merely a question of business. It may be a matter of business, but if the General Manager's idea of business is to be gauged by such transactions, then he is not good enough as a man of business to manage the affairs of this State, and particularly the railways. That is shortly the position. It is not for us at this juncture to prove any charges against the General Manager of Railways. What we have to do is to justify the drastic measure which the Commissioner for Railways has adopted. That Minister has found in the course of his inquiry that there is something wrong. He believes from what he can ascertain that the General Manager is to blame, and what does he do? He says, "I will take care this matter is sifted to the very bottom, but I know perfectly well that I cannot sift this matter if the General Manager remains in his position. I will consequently suspend him, and have an independent and impartial inquiry made, if necessary, to solve it."

A MEMBER: Nonsense!

THE PREMIER: The hon. member says "nonsense." Then, again, the Minister in the course of his inquiry wants to get certain files, some papers in the office. He makes the necessary inquiry, and finds that such papers are not forthcoming, and cannot be forthcoming until a certain other gentleman returns. There is something very wrong in that. Is the whole business of the State and of this Department to be delayed because one high official goes on a holiday for five or six months?

MR. W. J. GEORGE: Certainly not.

THE PREMIER: That is what I thought. And yet we find that the absence of a high official justifies one in not handing over to the Commissioner of Railways certain files. But curiously enough, we would be led to believe that these files were within reach, and yet they were not forthcoming. When they were forthcoming, or before they were forthcoming—and I have seen these files myself—it was said instructions were given to officers of the department to carry their ideas back over two years, and make a report to-day of events which happened two years ago. That was all right, but it was done in order to condemn an officer who had already been

dismissed unheard. When these papers, as the Commissioner for Railways says, had been manufactured, the original ones turned up, and undoubtedly it will be seen that the original files are not so scathing, not so damaging in their terms, as those which were compiled after two years' reflection.

MR. MOORHEAD: Was the file not in the pigeon-holes?

THE PREMIER: No. Here is a peculiar fact. This officer, Mr. G. W. Davies, was dismissed on or about the 1st November.

MR. M. H. JACOBY: For loyalty?

THE PREMIER: Mr. G. W. Davies was dismissed on or about the 1st November, but it was not until after his dismissal—and the date of these papers shows it—that these reports were made. After he was dismissed the written reports came in, and yet they seek to justify his dismissal on the reports contained in these papers.

HON. F. H. PIESSE: That is all right.

THE PREMIER: It is all right?

HON. F. H. PIESSE: It will be found so.

THE PREMIER: Am I to understand that the hon. member knows more about this than we do?

HON. F. H. PIESSE: I know all about the case.

THE PREMIER: Is it not extraordinary that the hon. member has not thought fit to venture a little explanation on this subject, on which he expresses apparently so much virtuous indignation? This Mr. G. W. Davies was dismissed, and it was after that, it appears from the file, these reports came forward. At any rate, they bear date after the 1st November, and the General Manager, in the correspondence which passed between himself and the Minister, has said this matter was reported to himself, to the then Commissioner of Railways, who is now member for the Williams (Hon. F. H. Piesse), and to the Premier of the day, and they were satisfied the officer ought to be dismissed without any inquiry; so he was dismissed. There is a protest in writing by this very G. W. Davies on these papers against this dismissal without any inquiry; yet we find the hon. member now waxing virtuously indignant over the suspension of a man, when he himself had dismissed a man without

inquiry and without any charge being made! Am I to understand that what applies to the man who is in the lowest grade in the service does not apply to the highest?

MR. F. CONNOR: What about the cheques paid by this man, the Minister mentioned?

MR. DOHERTY: Everybody knew that.

THE PREMIER: Everybody wants to make a speech.

THE SPEAKER: Order!

THE PREMIER: The hon. member reminds me that the hon. member —

MR. F. CONNOR: The hon. Minister, I said.

THE PREMIER: Yes, I know, and you are endeavouring to assist me. The other gentleman has tried to hamper me. I was reminded of a transaction about some cheques being cashed. I must admit that it looks highly improper. But why was the officer not dismissed or why was he not charged with that irregularity? There is not a scratch of the pen which shows this man was charged, or that he ever had an opportunity of explaining. But it would appear that he was not the only one who did this. There were others who did it. Moreover, the General Manager himself has said it was not contrary to the regulations, and he did not think it of sufficient importance then, apparently, to make it the subject matter of an official charge against G. W. Davies, and that was not done. As I say, it would appear that the practice obtained in the Department, and this man was not the only offender. No doubt he did offend in a way, but we have it shown in the departmental reports that although he cashed these cheques from time to time, not a penny was ever lost to the Department by reason of that practice, irregular though it appears to have been. I repeat, he is not the only one who appears to have indulged in this practice.

MR. W. J. GEORGE: It is stopped now, is it not?

THE PREMIER: Oh yes! under this Government. We shall no doubt be able to ascertain whether any other officers in the Department, and which of them, indulged in this practice, and when the debate comes up again we will be able to furnish the House with more particulars. The House seems to lay great stress upon

that point, and I notice the Press did the same thing; consequently it became necessary to make these inquiries. We find that although that gentleman admitted having done this, it is also admitted by other officers in the Department, and by the accountants, that the Department never lost a single penny. I quite agree this sort of thing should be stopped. I say again that, if this conduct was so very reprehensible, and it was in respect of this conduct the man was dismissed a couple of years ago, you would have expected to find something on the files about it; but there is not a word.

MR. F. CONNOR: The man dismissed was a "shareholder."

THE PREMIER: He did not dismiss himself, but would be dismissed at the instance of the General Manager. The General Manager, who now sets up the enormity of this irregularity, cannot point on the files to a scratch of the pen made by way of complaint against this man for this very practice. It is rather late now—two years after a man has been dismissed—to raise this question.

THE COLONIAL TREASURER: He was not dismissed.

THE PREMIER: It is wrong to say "dismissed." He was told to go. You can call that "dismissed" if you like, but he was not "fired out," if I may use a vulgarism.

MR. DOHERTY: He was shunted out.

A MEMBER: A twenty-mile shunt.

THE PREMIER: He was not ignominiously discharged, but was allowed to go and was given a cheque for three months' salary. That does not look as if the man were ignominiously dismissed, and as if he were such a person that he ought not to be allowed to re-enter the service. The position is this, that directly the Minister decided that officer would be a useful man to have at his elbow, he said "I know that he left the service: I will ascertain under what circumstances." He examined the files; and those files disclosed nothing to that man's discredit. He consequently took him on. Directly he is taken on, however, up comes a report from the General Manager, who speaks of this man as having been dismissed, and as being unfit to re-enter the service. As a result the Minister says, "Well, if that is the case, I do not want him near me; but I will not dismiss this

man summarily: I will give him a chance of inquiry." And consequently that man, directly it was reported to him that he was of this character, said, "I will have an inquiry." "It appears to me," says the Minister, "that there is nothing against you on the files. The General Manager says you are an improper person. Now then, I will suspend you, and you may have an inquiry." And there will be an inquiry; and if it turn out on inquiry that this man ought to have been dismissed two years ago, or was guilty of such conduct that he should not re-enter the service, then he shall not re-enter: he will go. But if he be innocent, there is no reason why the man should not go back because he was two years ago, if his statement be correct, improperly deprived of his office. And if our predecessors did an injustice, there is no reason why we should not make amends. In the same way, if we have done an injustice to the General Manager, there is no reason why our successors should not also make amends; and I am perfectly prepared to let hon. members turn out the Government on this question. I will not back down upon it; I will maintain the position I have taken up; and that gentleman's suspension will continue unless this House carry an adverse vote against me on the question. Then it will be for somebody else to come in and re-instate him. But this Government will not re-instate him until there has been a full inquiry. That is the position. And I dare say, if the hon. gentlemen on the other side make a request to me that the country should speak on this subject, I shall fall in with their views. I am not afraid even to meet the electors on this; and the sooner the better.

MR. DOHERTY: The sooner the better.

HON. F. H. PIESSE: "The wish is father to the thought."

THE PREMIER: The member for the Williams (Hon. F. H. Piesse) would have the House believe that I did not keep my word with regard to answering those questions. It is true the hon. member, very courteously as I acknowledge, wrote me this morning that he thought, in the circumstances, an explanation was necessary, and that he proposed when the House met to-day to ask certain questions, and would I answer those questions without notice. I con-

ferred with my colleagues, and we decided we should do so. But I pointed out later on to the hon. member that if I were confined to answering the questions without notice, I could give but a curt reply and no explanation; because the Speaker would very promptly stop me or any other member who, in answering a question, attempted to make a speech or an explanation. And I suggested to the hon. member that if he desired a full explanation, he should move the adjournment of the House. The hon. member did not feel disposed to move the adjournment of the House and thus secure an explanation; and, desirous as I was of making an explanation, I put up somebody else, or requested somebody else, to move the adjournment. And I may say at once that the first man I asked to do so consented, because, when I explained the position to him, he readily saw it was only fair and proper to do so. Had those questions which were put to me by the member for the Williams gone forth with bald answers to them, "aye" or "nay," or answers almost as curt as that, the public outside would have obtained an altogether wrong impression, and have possibly supposed that the Government were afraid of the position in which they found themselves. And I took very good care that the hon. member did not get his answers to his questions without notice, before the motion for adjournment; because, probably, had he done so, the Speaker would have stopped the motion for adjournment as dealing with matters of which the House was already in possession. [HON. F. H. PIESSE: No, no.] That is what I think, or that is the general practice. I do not mean to say—and I hope, sir, that you and hon. members generally will not imagine for a moment that I think—the member for the Williams was not anxious for the explanation. I can see throughout the course of the debate that he has been most desirous of listening attentively to everything that fell from Ministers; and he has expressed, as far as he physically can, the greatest degree of interest and pleasure in all that has taken place this afternoon. And I say at once, in order to relieve the hon. gentleman's mind of the idea that it was intentional on my part to avoid answering those questions, I will answer them now.

The first question the hon. gentleman put was:

What were the reasons for the appointment of Mr. G. W. Davies as Secretary of the Commissioner of Railways?

The answer is:

The Commissioner required the assistance of an officer conversant with the inner working of the department.

Now, that looks very bald when it is simply in the form of question and answer. But, taken with the observations of the Commissioner of Railways, there is more than mere suggestion in it. The second question is:

What is the charge against him for which he is suspended?

The answer is:

The General Manager reported to me, after Mr. G. W. Davies had been appointed, that he was dismissed from the department under circumstances which should preclude him from re-entering it.

The third question is:

What is the charge against Mr. John Davies for which he has been suspended?

The answer is:

The charge is that the General Manager has been guilty of want of fidelity, capacity, and diligence in the discharge of his duties.

Very bald indeed, when regarded merely as question and answer; but interesting undoubtedly when surrounded by or embellished with the explanation given by the Minister. The last question is this:

Have these men been furnished with the nature of the charges against them, as provided by statute; and if not, why not?

The short answer to that is "Yes." Well, these questions and answers, it will be observed, do not of themselves convey a very great deal; but had these gone forward to the general public without the accompanying explanation which I thought the hon. member wanted when he first addressed me on the subject, there would have been left an altogether wrong impression upon the public mind; and so we considered if this matter were to be brought forward in Parliament we should give the fullest possible explanation. I think it is only right that the hon. member should have brought it up. I thank him for so doing, because this is the place where we have to make public explanations as public men; and here in this place we are to justify our actions,

and the position we have taken up. And I say, what we have done we do not regret at the moment. We may regret it if, later on, it be shown to us that we have done an injustice. We shall not only regret it but express our regret, and express it, I hope, in a manly form.

THE COLONIAL TREASURER: And remedy it.

THE PREMIER: And not only express it, but remedy it.

MR. W. J. GEORGE: What remedy is there for the stain you put on a man's character?

THE PREMIER: Oh, there's no stain on the man's character.

MR. DOHERTY: What remedy does the Premier suggest?

THE PREMIER: Well, of course my remedy is practically dismissal.

MR. DOHERTY: What inquiry do you suggest?

THE PREMIER: The inquiry is that which the General Manager himself has demanded. The Government will appoint a board to inquire, which board will report to the Governor; and when the Governor has the report—that is, the Governor-in-Executive-Council—the Executive will either reinstate or dismiss the General Manager, or reduce him, or do whatever may be necessary.

MR. F. CONNOR: How will the board be constituted?

THE PREMIER: Under the Public Service Act. We hesitated to appoint that Royal Commission which was promised in answer to a question during the early part of the session.

MR. DIAMOND: Six weeks ago.

THE PREMIER: Yes; we hesitated to appoint that commission, because we could see all this trouble looming ahead; and we thought "If there is to be a Royal Commission on the railways, we will consult the House as to whether they think this Royal Commission could not make one inquiry instead of several; and unless the House otherwise order, and direct a Royal Commission, this board under the Act will be appointed." But it is possible that the board can discharge the dual functions, namely that of inquiring into the cases of these two officers who have been suspended, and generally into the administration of the department. That, I say, is for the House

to determine. Again, it occurred to us that, suppose the General Manager were to leave the service, there would be no necessity for the Royal Commission; because my own impression—and I know it is the impression of Ministers, though it may not be of members of the House—is that the Royal Commission was really required in order that the general administration of the railways, and particularly the action of the General Manager, might be thoroughly and exhaustively investigated. That is my impression, but I do not know whether I am right or wrong, though we cannot shut our eyes to the fact that for months and months past there has been a howl outside and inside this House against the administration of the railways. [SEVERAL MEMBERS: "Hear, hear."] As soon as Mr. Holmes, the Commissioner of Railways, took office, he set about making inquiries as thoroughly as circumstances admitted; and he came to the conclusion that inquiries were necessary, and that the fault lay at the door of the General Manager. He reported that to the Cabinet. Cabinet Ministers advised that a certain line of action should be taken, on the suggestion of the Commissioner of Railways; and the result is that the General Manager has been suspended. But that is not to say that he must necessarily be dismissed. It does, however, mean that there must be an inquiry. Nobody will baulk that inquiry; but we are determined that the General Manager shall not have a finger in the pie in the management of the railways pending that inquiry; because, if he were not loyal to us, what damage might he not do during that period? That is perfectly outspoken. If I have a man in my employment with whom I am not satisfied, I either get rid of him, or I say to him, "Now you go away for a few minutes while I look into things." And that is about the position to-day. We have taken this step with a full knowledge of the risks and responsibilities which are attendant upon it; and we do not mean to recede from it one jot.

MR. W. F. SAYER (Claremont): I had no intention of entering into this debate, but I cannot allow an observation of the Premier to pass without challenge—the observation that the General Manager of Railways might have been dismissed.

THE PREMIER: Might I be permitted to give the hon. member some food for reflection or for argument? I meant to explain my meaning.

MR. SAYER: I will explain for you. In this question there has been no forbearance on the part of the Government.

THE PREMIER: He could have been dismissed, and left to his remedy.

MR. SAYER: He could not be lawfully dismissed.

THE PREMIER: Oh, yes; he could.

MR. SAYER: The Premier says the General Manager might have been dismissed and left to his remedy. That is not so. The Government could not lawfully do so. It is one of the privileges now secured to a public servant that it is no longer lawful for the Government to dismiss him without a preliminary suspension. The public servant, until the recent Public Service Act—and he does now at common law—held his office at the will of the Crown; and no public servant can bring an action for wrongful dismissal. He has no right and never had.

THE PREMIER: Yes; under that Act.

MR. SAYER: He never had and has not now; therefore in suspending the General Manager of Railways the Government have gone as far as they legally can towards his dismissal: they have gone as far as the law will allow them to go towards his dismissal. The privilege secured to a public servant is this. When a public servant is deemed to be guilty of an offence he may be suspended, and, being suspended, he may demand an inquiry. It is no longer in the power of the Governor to dismiss or remove that servant from his office until after receipt of the report or unless the suspended public servant does not demand an inquiry. The condition precedent to a removal from office is suspension, and, being suspended, when the report is received of the inquiry demanded, or if the servant does not demand an inquiry, then and not until then is it within the power of the Governor to dismiss the servant. That is the privilege secured to the public servant under the Act of last session.

THE PREMIER: I do not dispute that proposition.

MR. SAYER: When the Premier says that the Government could have dismissed this man, I say the Government have not

the power. In suspending him they have gone as far as they legally can go towards his dismissal, at this moment.

MR. HARPER (Beverley): I do not wish to discuss the merits of this question at all; but as an impartial listener to the debate, there are one or two things which I should like to say, and one is that I should like to congratulate the Commissioner of Railways upon the boldness with which he has attacked this servant. The country demanded of him and the Ministry a thorough examination into the working of our railways. There is no question about that; and I must say that if I had been in his place and had received the information which he has placed before the House, I should have been very much inclined to have taken the course which the Commissioner of Railways has taken. There is every reason, if you believe the information given to you of your servant, to put that servant in a position so that he will not prevent your searching into it. I am sorry to say there is one point upon which the Commissioner does not appear to have been as candid as he should have been, and that is as regards the appointment of his secretary. It must have been very well known to the Commissioner that this gentleman was credited with having supplied the present Commissioner of Railways with information from the department, when he was in it. Whether he did so or not is not the question now, but the Commissioner knew well that this officer was credited with that, therefore the suspicion attached to him in the appointment. The Commissioner must have known that the public generally would say that he has appointed the man who had given him information previously. It may be there was some reason for using the officer as a tool for a certain purpose. I do not say the appointment was right or wrong, but I say when the Commissioner was candid on one side he should have been candid on the other. The Commissioner said he wanted some one who knew the inner workings of the department.

THE COMMISSIONER OF RAILWAYS: I did not say that.

MR. HARPER: That was the answer the Premier gave us just now, that you required someone conversant with the inner workings of the department; and at any rate this officer was credited with

having been disloyal to his employers before. Perhaps the hon. member will tell us whether he was or not. I am not attacking the Commissioner for the stand which he has taken; I congratulate him upon it; but I say that his action is injured by the suspicion that he is using a man who has been disloyal to the service, in the opinion of the public, to attack another man. That attack may be right or it may be wrong: that is a point upon which the Government stand or fall.

THE COMMISSIONER OF RAILWAYS: If he is the man you suggest, he is a dangerous man to have about.

MR. HARPER: I say that the Commissioner knew that the public credited this man with being disloyal—in fact I think it was mentioned in the House; therefore when the Commissioner appointed this officer he knew very well that a stigma attached to him, and he might feel confident that the public would not view it with any great degree of confidence. That is the point I wish to bring out. I congratulate the Commissioner on the course he has taken. I think I should have taken the same course myself, provided that I felt confident that much of the information given was correct. At the same time I do not think, when a man poses as standing up for reform, that it is wise to use what the public consider an unworthy tool, in carrying out that reform.

MR. H. DAGLISH (Subiaco): As one who brought before the House the question of obtaining a Royal Commission to inquire into the working of the Railway Department, I should like to say that I somewhat regret that the Commission has not yet been appointed; but I recognise that the Commissioner of Railways is the sufferer by the delay, inasmuch as he has taken on his own shoulders a responsibility which he might have avoided if the Commission had been appointed earlier. I congratulate the Commissioner on the courage which has enabled him to take the action which he has taken, and I am somewhat surprised that the objection which has been taken should have been raised to-night. We are told that it is cruel and humiliating to Mr. John Davies that he should suffer suspension; but it seems to me the fact of the suspension of a high officer, or a prominent officer as he has been spoken of to-night, will lead to

precisely the same effect as the suspension of a less prominent or lower-grade officer. These lower-grade officers have been suspended from time to time without one tittle of the case being established that has been established by the Commissioner to-night, and no word has been said about it. I can assure members that to my knowledge many men have been dismissed from the railway service as well as from other departments of the State by previous Administrations, and dismissal is a far greater stigma on a man than suspension; but no word has been raised. I am here to argue that the Ministry have done the right thing in applying the same principle of action in dealing with a higher-grade officer as in dealing with those of a lower class, and I say this moreover, as far as I can judge, that a number of high-grade officers in the Railway Department and in other departments have received too much consideration in the past, and the public of this State, the people who have to pay the piper, have received too little consideration. It is about time that an inquiry such as that now forced upon us should be held, because we know that business at the present moment is being hampered and greatly hampered by the mismanagement of the Railway Department, due to high-class officers or representative Ministers in this and previous Administrations.

A MEMBER: The Ministry should take the blame.

MR. DAGLISH: Ministers should take the blame to a large extent; but the present Minister has not had time to take the blame—he has not had an opportunity to investigate affairs. He has not had a chance of effecting reforms, and when he has tried to do so he was balked. I contend that the measure of disloyalty to the Minister and attempted interference with him was quite sufficient to warrant the suspension of the General Manager or any officer in the service. Business at the present time is being hampered, many industries are in a state of partial suspension, and working men are walking the streets idle not having a chance of one day's work a week very often, not earning proper wages, because the Railway Department has been and is being mismanaged. I know many business establishments are on the point of being closed down because

of the inability of the Railway Department to supply trucks. And this mismanagement is due to the General Manager or the Commissioner of Railways.

HON. F. H. PIESSE: Have an inquiry.

MR. DAGLISH: I want to see the inquiry forced on, and I am glad of the Minister's action and his assurance of a thorough, searching, and complete inquiry. If there be a thorough inquiry as regards the actions of the General Manager as General Manager, it must embrace the whole administration and working of the Railway Department. For instance, it is alleged openly that numerous appointments have been made in the Railway Department which should not have been made. That is part of the general management of the railways, and should be inquired into if we have an inquiry such as that which I understand is contemplated by the Government.

HON. F. H. PIESSE: That is not included.

MR. DAGLISH: I understand charges must be specified; and if the charges are made broad enough—

MR. W. J. GEORGE: Do you want fair-play?

MR. DAGLISH: I want fair-play and I want a properly constituted board, and we must have fair-play to the public, which we have not had in the past. There has not been fair-play by the officers in the past, but too much rope has been given them. There has been too much consideration to the higher officers and not enough consideration given to those who happen to be lower-grade officers. I do trust, whether it be by a board to be appointed or a separate Commission, that the organisation, discipline, and working of the Railway Department will be thoroughly investigated. I rose mainly for the purpose of saying that so far as I am concerned I do not mind whether it be by a board or by a Commission that the inquiry be made, so long as there is a thorough investigation, so long as all wrongs are set right, and so long as the railway service, which is now seething with discontent, be placed in a happy condition, in the interest of the public concerned. I want to see the public departments working satisfactorily to all. I would point out that the House runs the risk of continuing in existence, if it

appoints a Railway Commissioner freed entirely from public control, a similar state of affairs as exists now.

MR. J. L. NANSON (Murchison): Having listened carefully, and I trust with an open mind, to the explanation of the Commissioner of Railways, I find it difficult to persuade myself that we should have heard anything of the suspension of Mr. John Davies, had it not been for the appointment of Mr. G. W. Davies. The Commissioner told us in the opening portion of his speech that he had intended, had made up his mind I presume, to give the General Manager one year's leave of absence on full pay; but by some means or other—means which he has not explained to this House—it came to his knowledge that an intrigue, or a negotiation of some description or other, had commenced between Mr. John Davies and the leader of the Opposition, the member for the Williams (Hon. F. H. Piesse).

THE COMMISSIONER OF RAILWAYS: The General Manager told me so.

THE PREMIER: I said that, in my speech.

MR. NANSON: The intimation comes from the General Manager. However, we will accept it as a fact that an intrigue of this description was in progress, and therefore that these negotiations for getting rid of the General Manager of Railways by giving him a year's salary, or a year's leave of absence on full pay, were broken off absolutely. This intention of the Commissioner was frustrated, and a new situation was created. In the meanwhile it seems the Commissioner had had intentions of reforming his department—intentions of which I am sure the whole of this House is very pleased to hear. The Commissioner had begun with the Under-Secretary of Railways, who proved more amenable than Mr. John Davies, and consented to resign his position on receipt of a pension. Mr. John Davies had not proved so amenable, and then followed the appointment of Mr. G. W. Davies to the position of Secretary to the Commissioner. I am taking the facts as narrated by the Commissioner of Railways. Not unnaturally a certain amount of discussion took place on the appointment of Mr. G. W. Davies. Assertions were made that his conduct in regard to financial transactions was not altogether

what it might have been, but no direct charge of misconduct appears to have been made against this gentleman at the time of his dismissal. I must confess, however, that it is a somewhat singular circumstance that Mr. G. W. Davies should have accepted his dismissal on not very liberal terms—merely three months' pay—without making absolutely any sort of protest at the time.

THE PREMIER: He did protest.

THE COMMISSIONER OF RAILWAYS: He had not the advantage of the Public Service Act.

THE PREMIER: He did protest, in writing—it is on the file.

MR. NANSON: Was there any form of public protest?

HON. F. H. PIESSE: No.

THE PREMIER: There was a departmental protest.

THE COMMISSIONER OF RAILWAYS: Which reached the officers of the department.

HON. F. H. PIESSE: There was no public protest.

MR. NANSON: So far as the public are concerned, we now learn for the first time to-day that there was a protest; but it appears to have been a protest of so weak and inefficient a description that it never reached the ears of the public before, and was never ventilated in the Press of the State. The Commissioner being dissatisfied, and perhaps rightly dissatisfied, with the conduct of Mr. John Davies, as it appeared to him in regard to the charges made against Mr. G. W. Davies, seems to have thought that he would carry his investigations into the affairs of the department a step farther. He has accused—and I regret to say the phrase occurs repeatedly in the course of his speech—the General Manager and the Chief Traffic Manager of "manufacturing information." I venture to say that that is a somewhat unfortunate expression to use. [SEVERAL OPPOSITION MEMBERS: Hear, hear.] For when you talk of "manufacturing information," the expression is certainly open to the construction that the information was not of a genuine and *bona fide* character, but that it was simply got together as an afterthought, and had no solid basis in fact. However, we have the Commissioner of Railways, having accused Mr. John Davies of hav-

ing manufactured information, apparently to a very great extent doing the very thing of which he has accused his General Manager. For what does the Commissioner say? He tells us that he enlarged the scope of his investigation, and began to look through the files of the department. He began, I suppose, to do that we have heard a great deal of during the past few weeks, namely sorting out the pigeon-holes. Then, the pigeon-holes having been searched, we get a number of charges, and Mr. John Davies is suspended. It strikes me as a remarkable fact that with scarcely an exception—I think only one exception, the sale of two trucks apparently against the instructions of the Commissioner: not a very large matter, and one that might have been capable of explanation, and in regard to which a request for explanation might have been made—we find that all these actions, which I admit should be made the subject of inquiry, were not done since the present Ministry came into power, but were done during the administration of the previous Government. They are the actions of the previous Ministry, and actions for which it has not yet been established that the General Manager is responsible. [SEVERAL OPPOSITION MEMBERS: Hear, hear.] I take it that the meaning of responsible government is that the ministerial head of a department is responsible for the actions of that department, and that if charges of this nature were to be made they should not, at any rate in the first instance, have been made against Mr. John Davies, the General Manager, but should have been made against that member of this House who at the time of these alleged misdeeds occupied the position of Commissioner of Railways.

THE PREMIER: When is the General Manager liable, then?

MR. NANSON: The General Manager would be liable when it is proved that the responsible Minister did all in his power to prevent the General Manager from misusing the powers of his office, or misleading the Minister. [A MEMBER: What about giving bad advice?] Coming to the differences of opinion that occurred between the General Manager of Railways and the Commissioner, we find, according to the statement of the Commissioner, that Mr. Davies was in favour of import-

ing trucks from England, whilst the Commissioner was in favour of importing trucks from America. It is perfectly conceivable that differences of opinion of that kind should exist; and it is perfectly right that whilst Mr. John Davies gives his opinion on the one hand, the Commissioner should give his on the other, and that the Commissioner's views should be final. It does seem an extraordinary thing that a difference of opinion of this sort, a difference of opinion which apparently was of a fairly amicable description, should be included in the bundle of charges which the Commissioner has given us as constituting his reasons for suspending the General Manager. Are we to understand that if a member of the Government has a difference of opinion with the permanent head of his department, he has to act not as though he were in a free country, but as though he were in a despotic country, and immediately relieve that official from the discharge of his functions?

MR. GEORGE: Send him to Siberia!

MR. NANSON: I confess that when the Commissioner told us that this was one of the reasons which actuated him in suspending Mr. John Davies, I began to wonder whether, on taking office, he had placed himself in communication with the Czar of Russia or the Sultan of Turkey. In this democratic country we are entitled to demand justice, not only for the poorest and humblest member of the community, but also for those who are highly placed, for those occupying positions which necessarily bring them very often into conflict with diverse interests—positions which it is very difficult to occupy to the best interests of the public without encountering very bitter and determined opposition. We had a very long story about the dealings of the Railway Department with the Goldfields Firewood Company, which seems to be a concern sailing under many aliases. I am not concerned to defend the dealings of that company—I only trust that those dealings will be made the subject of the most searching and determined inquiry. [MR. GEORGE: Hear, hear.] Where the Commissioner failed was in establishing, or bringing before us, one iota of proof to show that it was not the former Commissioner of Railways who was responsible for the

transactions with that company, instead of the General Manager of Railways. On all these charges, so far as the information before the House enables one to judge, the General Manager of Railways is at the very least entitled to a verdict of "non-proven." And so we may go through the other charges—that relating to the Black Swan Foundry, that relating to a siding at Katanning, and to numbers of matters of that description which I venture to say never, until the Commissioner of Railways took this step of suspending the General Manager, had been thought of as affording sufficient ground for interdicting that officer from the discharge of his functions. We do get one very striking example of the reasons which seem to have animated the Commissioner. He told us, in regard to the railway estimates for last year, that the revenue exceeded the estimate by £60,000, while the expenditure exceeded it by £160,000, and that because the revenue did not exceed the estimate by so much as the expenditure exceeded it, therefore Mr. Davies is to be suspended.

THE COMMISSIONER OF RAILWAYS: No, no.

MR. GEORGE: That is the inference, anyhow.

MR. NANSON: If it is not so, if we are being given a fair and judicial statement, why are these figures imported into it at all? Surely in common justice hon. members must admit that no one is more persistent than themselves in going before the ministerial head of the Railway Department and demanding all sorts of privileges and concessions. No member on any side of the House can declare himself absolutely clear in that respect. On the one hand we have hon. members representing large producing interests, who are anxious to obtain the greatest possible concessions in regard to freight rates. On the other hand we have the hon. members sitting behind me—the direct representatives of Labour—who are equally anxious, and of course we do not blame them, to obtain the highest possible wages for the worker. And so it must happen, no matter whom you may have as General Manager of Railways—your General Manager will always be ground between the upper and the nether millstones, between the capitalist on the one hand and the worker on the other. And

yet what I have stated is one of the grounds on which Mr. John Davies has been suspended.

HON. W. H. JAMES: No one said so.

MR. NANSON: We come to another point—the difference of opinion between the Commissioner and the General Manager as regards the salaries to be paid to officers of the Railway Department during the current year. Surely if that difference of opinion is to constitute another ground of suspension, every member of the Government should immediately set about suspending every permanent head of a department in the service. I venture to say that whenever the Estimates are being made up, the same thing happens. Every year heads of departments recommend advances for their officers, and it would be an utter impossibility for the Ministerial head of the department to support all those advances. And yet we have material like this recommendation of advances imported into a justification for the step of suspension. All the very serious charges, as I have already pointed out, belong to a period anterior to the time when the Minister took office. They belong, to a certain extent, to ancient history. I do not say that on that account they should not be inquired into, and that the fullest investigation should not be made; but I submit this is not a fair action, and no civil servant's position is safe if you are to go back into the policy of your predecessors, and make a permanent official responsible for what may have been part of the policy of a Ministry previously in power. Another point is that the auditing of the railway accounts costs as much as the auditing of the whole of the other portions of the Government service. That may be so; it may be a matter for blame; it may be a matter of maladministration; but does anyone suppose that the whole of the machinery of the Public Service Act in regard to suspension is to be put into force because it costs more to audit the accounts of the Railway Department than it does to audit the accounts of the other departments where the transactions are not of the same complicated or commercial character? Then we have the farther circumstance, and the very unfortunate circumstance, I think, that although the General Manager was suspended on

Thursday night or Friday morning, it is not until to-day—or at any rate we have not been told before to-day—that any charges have been brought against him. In the border counties of England there is, or used to be some centuries ago, a system of justice described as “Jedburgh justice.” I will bow to correction by legal members on the other side of the House, but I believe the procedure was to execute the criminal first, and try him after.

MR. DOHERTY: That is what they do now, in my country.

MR. NANSON: In the present instance, surely there was not that need to suspend an officer until you had your charges ready to level against him; because we cannot forget the appearance that an action of this sort may have in the eyes of the general public; in the eyes, that is to say, of impartial observers. The Commissioner has blamed the General Manager for acting with too much deliberation. But, on the other hand, surely the Commissioner is open to the retort that he has acted too hastily. It would have been an easy matter to have postponed the decision with regard to Mr. Davies's suspension until the Government had decided on what grounds they were going to suspend him; but they suspend him on Thursday night or Friday morning, and it is not until to-day we hear they have finally made up their minds as to what charge they will bring against him, and then when we get the charge, it is of so wide, vague, and indefinite a description that I venture to say it will puzzle any inquiry that is conducted on ordinary equitable and legal principles, to fix the Government down to the charge.

HON. W. H. JAMES: The charge is in the exact terms of the Act.

MR. NANSON: The Premier seems to be of opinion that it would be impossible to appoint a Royal Commission when the official against whom the suspicion was directed remained in office. Speaking from memory—I may be wrong—I am not aware that, when the Royal Commission was appointed to investigate the Ice Company frauds, all those officials who came under suspicion were, as a preliminary, suspended from discharging their functions. [A MEMBER: Some of them were.] I am open to correction, but I

believe a number of those officials at any rate were dealt with after the Commission reported. At all events, the fact that many of those officials continued in their functions did not in any way interfere with the due discharge of the duties of the Royal Commission. I cannot but think that if the Government had appointed a Royal Commission to inquire into the working of the Railway Department, such Commission being composed, not of gentlemen who live in this State and who may have already formed opinions on this subject, but of, say, three expert railway men from the other States, we should have had a thorough, a searching, and an impartial investigation; and then, if it had been proved that Mr. John Davies, or Mr. Short, or any other official, high or low, or any Minister who had previously held office, had been guilty of conduct unbecoming his position, of conduct adverse to the best interests of this country, the House would, I think, have known how to treat him, and no complaint whatever would have been made, however severe the punishment that might have been meted out to such offender.

MR. F. CONNOR (East Kimberley): After the action I took in reference to this particular question some time ago, in this House, I have no option but to support the Commissioner of Railways in the stand he has taken in connection with the suspension of one particular gentleman, that being the General Manager of Railways. I do not go any farther than that. I do not justify the extension of leave to the General Traffic Manager, and I have nothing at all to say in reference to the suspension of the gentleman who is known as Mr. G. W. Davies. I think, judging by the charges which have been brought before the public, not specifically or definitely, but implied by the newspaper Press and generally understood by the public—there was something wrong in the working of the railways. Before the Loan Bill of the present session was introduced in this House, I thought it my duty to move the adjournment of the House to discuss this question, and to get before the House an expression of opinion from the Commissioner of Railways as to what the decision in connection with these reports of the railway service and the management of

the railway service was likely to be. It was suggested long before that something was wrong; that there was a screw loose in the railway service. That was suggested before the present Government took office, at the time when the ice frauds were referred to, and what were known as the Copley frauds were before the public. Those things led up to other matters, and the present Government were remiss in not taking such notice as they should have done, among other things, of what is known as the Kurrawang wood railway. I recommended to the Commissioner that he should, in justice to the General Manager of Railways at that time, who is now suspended, suspend that gentleman to give him the right to reply to what appeared in the public Press of this State. I urged that, if he was innocent, he should be reinstated, but if he was not innocent and deserved these remarks which appeared in the Press, he should be dismissed, and dismissed with dishonour. The Commissioner did not take the advice tendered to him, but he adopted his own opinion in reference to the matter; and he went farther than that—he appointed a discharged servant of the public service here to act as his secretary in the Railway Department.

MR. GEORGE: To act as jackal.

MR. F. CONNOR: He appointed a discharged servant, and I believe, and am of opinion every member of the House believes, that this discharged public servant whom he appointed as secretary was the man who gave him the information which put him in the position he now holds as Commissioner of Railways. I do not say that as a fact, but I give it as my opinion, and I think it is the general opinion of the House, that he was the man to give the present Commissioner of Railways the information which placed him in the honourable position he now fills.

MR. DAGLISH: You should not say that unless you know.

MR. F. CONNOR: I simply leave it to the member for Subiaco (Mr. Daglish) to discriminate whether I am right or wrong. Let him, when his turn comes, put facts fairly before the House, as I try to do, and not make statements he cannot substantiate. I make no statement, but express my opinion; and I challenge every member of the House to say if

he also does not believe what I now assert I believe.

MR. DAGLISH: Give us facts.

MR. F. CONNOR: I believe the Commissioner did right, but I say he showed political cowardice in not having suspended this man at the proper time. He suspended him after he had made use of this tool, after he had given office or position to this tool which he is supposed to have used, and after he found, on going through the files of the Railway Department, that the department was justified—as I will prove shortly—in discharging that man. For after he employed him he found out that there was something wrong, and then he condescended to suspend not only the General Manager, but also this pet of his own (Mr. G. W. Davies), and to extend the leave of absence to a man whom I believe to be innocent and to be one of the best servants in this State, the General Traffic Manager, Mr. Short. I am not going to labour this question. Let us pass on; and what do find? Small political intrigues. We find the Commissioner of Railways attacking a concern called the Black Swan Foundry. We find this small thing, a thing unworthy, an old past thing that would never have been referred to, never have been raked up, were it not that the member for the Murray (Mr. W. J. George) sits on this side of the House and the Commissioner of Railways sits on the other side. I feel that it is so. I believe I am saying that with which most members will agree when I assert that if it were not for the fact that the member for the Murray sits here and the Commissioner of Railways on the other side of the House, this thing would not be brought up now. I do not make any statement, but I simply give it as my opinion, and I hope that in future when grave charges and questions are being discussed before the House, matters like this will not be brought up in such a small spirit as that which has been evinced. We will go into figures a little. We are told by the Minister that in June, 1900, £2,700 odd was owed by the Kurrawang railway for freight; we are also told that on the same date there was £12,000 due for rails; and the Commissioner of Railways puts these figures before us, and tells us this in condemnation of the people whom he is opposing at the time, or to follow

out his own proposition and to make his case good. Put it that way, he says there is £2,700 owed by them for freight and £12,000 for rails. He has not told us it was paid.

THE COMMISSIONER OF RAILWAYS: There is a balance not paid. I told you I had served a writ for the balance.

MR. CONNOR: What is it?

THE COMMISSIONER OF RAILWAYS: About £4,000.

MR. CONNOR: That is a big difference. However, I did not get up to discuss the financial question. We are to discuss whether or not the Commissioner was justified in suspending the General Manager. I hold he is entirely to blame in not doing it earlier, and for suspending him because he found out from a discredited public servant he employed that it was necessary to do so, and not because he was advised by the members of this House. My opinion is that the whole railway service of this State must be altered; that there must be a sweeping inquiry into the department. I am not in favour of the appointment of commissioners. I say this House, with a good man in charge of the Railway Department as commissioner, is competent to run the railways of this country better than could be done by commissioners; and it is the experience of the other States in which commissioners have been appointed that they have been a failure. But whether there be appointed a select committee or a Royal Commission, some committee of experts must be appointed to examine the whole of this country's railway service, and to do away with the grumbling and the just complaints of the public as to the state of that service to-day.

MR. F. WALLACE (Mt. Magnet): I think this interesting debate was brought about by the desire of the Commissioner to state his position with regard to suspending the General Manager of Railways; and if I remember rightly, not having made notes but having carefully listened, the Commissioner stated, in his notice to the General Manager, that his reasons for suspending that officer were that on perusal of the files obtained from the General Manager's office, the Commissioner had satisfied himself that the management of the railways was not in the best interests of the State. After

hearing the evidence taken from the files, I for one am satisfied that the Commissioner has justified his action. If we take only one of the cases to which he referred, this will be evident. I am sorry to see the observations made by the Commissioner on this case fall rather heavily on several other members. I refer to the Kurrawang companies. We find it clearly stated, in the handwriting of various officers of the Railway Department, that the General Manager distinctly instructed that this railway company, or firewood company as it is called in one instance, or sawmill company as it is called in another, should be supplied with 150 trucks per day, when the General Manager knew that many other industries were starving for want of similar consideration. When we see that, we can come to only one conclusion: that the General Manager, having issued such a definite instruction, and having shown his persistent determination that such instruction should be carried out, was not administering the affairs of the department fairly and impartially. Then again, reference was made to two other industries, of which two hon. members on the other (Opposition) side of this Chamber are the respective heads: the Black Swan Foundry and the firm of F. & C. Piessé. One hon. member took exception to the reference to the Black Swan Foundry, and went so far as to say that reference was an attack by the Commissioner on an hon. member in Opposition. I regret that the hon. member who made that assertion, with his long experience of parliamentary business, should have made it in the way he adopted; and I commend the Commissioner for mentioning the cases of those two members who sit in Opposition; and I do so for the one reason that the Commissioner has given instances of these glaring cases of injustice dealt out by the General Manager; and these instances refer to two gentlemen now here present, who have an opportunity of disproving the statements made by the Commissioner. I take it the House will commend the Minister for mentioning these two industries controlled by two gentlemen sitting in this House; because there was an opportunity to-night of disproving any of the statements made by the Commissioner, which statements are taken from the documents in the handwriting

of various railway officers. Regarding the action of the Commissioner in appointing his late private secretary, I regret to have to say the Minister did not, in my opinion, give that appointment due consideration; but I am pleased to see that directly he found out there was any trace of truth in the statements made by the General Manager, he suspended that secretary, Mr. G. W. Davies, in order that the latter might have an opportunity of disproving the General Manager's statements. I am pleased the Commissioner had the courage to do that, and that Mr. G. W. Davies will receive the justice he deserves; and I hope both suspended officers will be able, after this inquiry has been held, to prove to the satisfaction of this House, and of everyone throughout this State, that the accusations levelled against them are not borne out as regards any charge of dishonesty, but that the circumstances can be satisfactorily explained to the public. I venture to say that the Commissioner, reading from the files as he did to-night, was not in a position to satisfy every hon. member; because it is clear there has been some mutilation of documents going on in the Railway Department. We find that when the Commissioner was approaching some very interesting correspondence between different officers, the file abruptly stopped—any farther evidence was removed from the file; consequently, one or two matters upon which the Minister touched were not brought to that finality which would be satisfactory to hon. members. Prior to this evening, I have not been in possession of any of this information; and I am pleased to say that in my opinion—and I am in a position to form an opinion when I hear statements read from documents written by responsible officers—the Commissioner is justified in the action he has taken; and I trust the officers accused will take advantage of the chance given them, accept the board, and thereby either refute the accusations made against them, or otherwise prove to the State that the Commissioner was right in taking the steps he has followed. I must again congratulate the Commissioner, and I am proud to be associated with a Ministry which has been so firm in this matter.

THE MINISTER FOR WORKS (Hon. W. Kingsmill): It is not my intention

to say more than a few words; but I should like to point out to one or two members who have recently spoken that they seem to be suffering to a certain extent from some misunderstanding of the circumstances. For instance, the member for the Murchison (Mr. Nanson) expressed the opinion that had it not been for the appointment of Mr. G. W. Davies to the position of secretary to the Commissioner of Railways, the suspension of Mr. John Davies would never have taken place. Now I am perfectly well aware that it is not a usual proceeding to disclose Cabinet secrets; but at the same time, I must inform that hon. member that the question of the dismissal, or the suspension, or the getting rid of Mr. John Davies, as a person whose management of the railways was not conducive to the prosperity of the country, had been discussed and decided by Cabinet long before the appointment of Mr. G. W. Davies to the position he lately occupied had been even thought of, I believe, by the Commissioner of Railways. I would ask that hon. member (Mr. Nanson) to accept this explanation; and I can assure him it is absolutely correct. We have heard a great deal about the loyalty which is required from a civil servant. I maintain there are three sorts of such loyalty. The least of all is loyalty to a man's department. Certainly he must be loyal to his department; but far above the loyalty he must display to his department is the loyalty he should show to the whole of the civil service; and above that again, I maintain, is the loyalty he should show to his true employers, the public of this State. And I say, no true loyalty can be shown to the public of this State when undue favouritism in the matter of rates, favouritism which I think has this evening been proved by the Commissioner of Railways practically, to use a historical phrase, "up to the hilt"—when that favouritism is shown, the officer who shows it, within whose control the creation of these rates practically lies, has signally failed in his loyalty to his true employers, the public of Western Australia. Again, we have heard a great deal, and notably from the member for the Murchison (Mr. Nanson), about the responsibility of the Minister. I should like to make that member a present of another little piece of information. The

Commissioner of Railways mentioned, during the course of his speech, the purchase and the sale of certain rolling-stock. To make the matter clear, I will shortly recapitulate the circumstances. That rolling-stock was purchased at the valuation of an expert officer of the Railway Department from the contractors for the Mullewa-Cue railway, at the rate of £930 for locomotives, of which there were two, and £40 for trucks, brake vans, and I think one ballast plough. A good deal of money was spent upon the repairing of the engines: I am informed, from information I believe to be absolutely correct, that upon each of the engines £250 was expended. That brought the price of them up to £1,480. After this sum had been expended, these engines were sold, and became the property of the Kurrawang Firewood Company.

HON. F. H. PIESSE: No; sold to Hedges.

THE MINISTER FOR WORKS: Were sold to Mr. Hedges, who, I am also informed, is the manager of the Kurrawang Firewood Company.

HON. F. H. PIESSE: He was not then the manager.

THE MINISTER FOR WORKS: They were sold for £550 each, and I should like the member for the Murchison (Mr. Nanson) to note that this sale was made without the authority of the then Commissioner; that although it was made some very considerable time before the present Government came into office, yet to the present Government fell the task of issuing the authority, which they could not refuse, because the sale had actually taken place and the goods had been delivered. And yet the hon. member makes a strong point as to the responsibility of the Minister!

MR. NANSON: Why did he omit to mention these facts?

THE MINISTER FOR WORKS: I should like the hon. member to make a mental note of them now.

THE COMMISSIONER OF RAILWAYS: I explained the way they tried to drag me into being a party to the transaction.

THE MINISTER FOR WORKS: With regard to the position of my own department I do not desire to say very much, perhaps because I feel the circumstances rather more keenly than those which I have already enumerated. But

I really do think it a very hard thing that a department of the civil service should be treated by another department of the civil service not so well as the general public, and infinitely worse than a favoured few of the general public. That is a state of affairs against the continuance of which I wish to use my utmost endeavours. I have heard it mentioned, and I believe there is something in the rumour, that there is a certain amount of diversity of opinion between the principal officer whose case we are now discussing, and another gentleman who happens to be my chief executive officer. But that this should influence the conduct of affairs to the prejudice, as I maintain, of the general public of this State, is an instance of disloyalty both to the civil service as a whole and to the public at large. I may say I have taken a good deal of interest in the various discussions which the Government have had over this matter; I strongly support the position taken by the Commissioner of Railways; and amongst all the arguments we have heard to-night, I have heard nothing which has caused me to change my opinion.

MR. DOHERTY (North Fremantle): I think it would be much better if we understood why this discussion has taken place, and why the Commissioner has undertaken the suspension of Mr. John Davies. I think it is nothing more nor less than a political dodge. The Government found themselves in a very tight corner, first through a fatal mistake which they made in reference to the railway employees some time ago, when the employees demanded what they were entitled to—a certain increase of wages. But the Ministry could not sink their dignity, forsooth, and grant the men what was their just and right due, so the country was put to the loss of thousands upon thousands of pounds, and men of business and every private individual in the State were inconvenienced. The Government found that their first political action was one of damnation, and if they had appealed to the country at that moment the country would have sent them from office. The next thing the Ministry do is to appoint a man whom the country does not approve of, namely Mr. G. W. Davies. The country as a whole disapproves of that action, the

same as the country disapproved of the action of the Labour members over the railway strike. The Ministry found that they had again made a political error in the appointment of Mr. G. W. Davies. I think Mr. G. W. Davies, as a railway man, has probably no equal in this State; but as to his honour, that is a different matter, and I can exemplify this man's conduct in a few remarks. Twelve months ago this officer went to a man named B. Copley, who was carrying on business as B. Copley and Co., and said, "I am at the present time out of employment; my wife and children are practically starving; I have information which would put you in the criminal court; I am prepared to sell you that information at a certain price." He farther said, "I do not wish to put you in a corner, because in giving this information I should also have to give away Joe Holmes." He was very familiar, because Mr. Joe Holmes is the present Commissioner of Railways. Now, I brand that man as a liar. I know Mr. Holmes, the Commissioner of Railways, and my knowledge of him tells me that he would not be guilty of any dishonest action. Therefore, the information of this man Davies to Copley meant blackmail. If I were in Davies's position, and my wife and children were starving, I might rob or steal, but I do not think I would sell my honour, even for the support of my wife and children. That is the man whom the Commissioner of Railways has placed in the high position of his secretary. The Commissioner has said that he did not know these things before; but Dame Rumour said this man had many communications with the present Commissioner of Railways prior to his dismissal, and that Mr. G. W. Davies gave a great deal of information to the present Commissioner. Whether he did so or not I have no evidence to bring forward, nor can I substantiate it. The Ministry found they had made a huge mistake; they knew they had lost public favour, and wished to regain that favour with the people of the railway service which they had absolutely alienated. The Ministry said: "We will dismiss John Davies, and get back into favour." We have proof of this in the statement of the Premier to-night. He said that he was prepared to go to the country this

moment, because he thinks he has this trump card to play. But let me tell the Ministry that that act would not put them into power, for they would be swept off the political face of Western Australia if they went to the country. The country knows their political worth.

HON. W. H. JAMES: They have a majority of the House.

MR. DOHERTY: No; you cannot command a majority of the House.

HON. W. H. JAMES: Do not mis-quote.

THE PREMIER: You cannot turn us out.

MR. DOHERTY: When the time comes we will turn you out. But we will let you commit suicide—that will save us the trouble and expense of an execution. I want the country to understand that this is not a matter of Mr. John Davies or of Mr. G. W. Davies: it is a political dodge to cover up the past sins of the Government and bring the whole of the sunshine on this one question. The Government think they have done a great thing, and they will sacrifice a man who has given ten of the best years of his life to the service of this country.

A LABOUR MEMBER: He has been paid.

MR. DOHERTY: You have paid him the paltry sum of £1,200 a year; that is not one-fifth of his worth.

THE SPEAKER: Will the hon. member address the Chair.

MR. DOHERTY: Those gentlemen (Labour members) try to argue that the wages paid at the present time are not sufficient, but here is a man managing a huge concern which is bringing in £1,200,000 a year, and the country pays him a paltry sum of £1,200 a year. The man to blame is the Commissioner of Railways who has held office for the past five or seven years—not the paid General Manager, but the political Commissioner is the man who should be held responsible. But those on the Government side are afraid to put their fingers on this man; yet because the other is a servant of the country, they dismiss him without notice and without fair-play. The Government bring seven or eight or nine charges against the General Manager—as the Commissioner did to-night—without the slightest iota of truth to back them. It is not the General Manager of Railways who is responsible for the present dis-

organised state of the railways: it is the Commissioner who has refused to give money to be put into rolling-stock—it is the want of rolling-stock that has caused the trouble, not the mismanagement by the General Manager, who has been refused money to purchase rolling-stock. The Government have starved the railways, and given the money to construct useless bridges and buildings on the goldfields. The Government in the past have starved our railways, and to-day they put the mismanagement and the chaos on the General Manager. I blame the late Commissioner, who is now the leader of the Opposition; but the Government are afraid to attack him—they will attack the man whom they think they can knock down. I think the country will make the Government suffer, and I would willingly go to the country, because I feel sure that very few members who sit on the Government side to-day would sit again in this House.

MR. J. GARDINER (in reply): In moving the adjournment of the House to-night, I at least have the satisfaction of knowing now that it has enabled the Commissioner of Railways to show some justification for the action he has taken in suspending two or three of his principal officers. In listening to the speech of the member for the Murchison (Mr. Nanson), I could not help thinking that he gave us every reason to add another response to the Litany, and it is, "From an open mind, good Lord deliver us." He came to this House with an open mind, but I come to the question with a partisan mind. I am a partisan of the present Commissioner of Railways. I was sent into the House pledged to reform, and the country we know, as the member for Beverley (Mr. C. Harper) has said, is craving for reform; yet the first time any reform is attempted, the people who have balked reform for the past five or six years are indignant. No person expected an indorsement of the Commissioner's action by the member for the Williams (Hon. F. H. Piessé), because he practically, as the member for North Fremantle (Mr. Doherty) said, is the accused: many of the things that have taken place occurred during his régime, and he is responsible. And if there was a possibility of following up the suggestion by the member for North Fremantle, we

would practically be justified in dismissing the leader of the Opposition, as he knew as much about the matter as the General Manager does. On the Address-in-reply I commented on the absence, at that time, of nearly every responsible officer in the Railway Department. The Chief Traffic Manager was on leave, the General Manager, the Chief Accountant of Railways, the Engineer for Existing Lines, and the Chief Mechanical Engineer were all out of the State, every one of them at the same time. Yet a section of the Press to-day accuses us saying that the Commissioner, by his action, has left the railways of the State without managerial control. The railways of the State went on very well while all the officers mentioned, who were drawing something like £4,000 a year, were absent from the State. I quite understand that the visit of the Duke of York to Victoria had nothing whatever to do with the absence of these officers, although they were there at that time. I came to the House a reformer, and I am pleased to stand behind a man with sand in him. We have lots of reformers, but the difference between the Commissioner of Railways and the ordinary reformer is that the Commissioner has tried to start at the top of the tree and not at the bottom; and every time he tries to do his duty by his country—we know the Commissioner of Railways is absolutely trying to do his duty by the country—I think it an honour, not only to sit on this side of the House, but to take my coat off and have a fight for him.

MR. DOHERTY: "Barrack" for him.

MR. GARDINER: Yes; I barrack for him because I have every confidence and faith in him.

MR. DOHERTY: You ought to be on this side.

MR. GARDINER: Politics, I do admit, make strange bedfellows, but I should feel very much astray on the other side of the House. What is the position? The Commissioner of Railways goes into this department, and from the very outset is met with every possible opposition. The member for East Kimberley (Mr. F. Connor) accused the Commissioner of Railways of cowardice because he did not at once dispense with the services of the General Manager, seeing that the General Manager at a

public banquet had said that if the present Commissioner came into office he (the General Manager) would walk out.

HON. F. H. PIESSE: That will be refuted yet.

MR. GARDINER: Members from the other side, especially the member for North Fremantle (Mr. D. J. Doherty), have quoted far more unsupported statements than that, and to-day the Press has reported that statement.

HON. F. H. PIESSE: Who gave it to the Press?

HON. W. H. JAMES: What do you know about it?

HON. F. H. PIESSE: Oh, I know something about it.

MR. GARDINER: When the leader of the Opposition was speaking we gave him a very fair show. If the hon. member will speak a little louder, I may be able to reply to him. This is the position. If the Commissioner had dismissed John Davies straight away, what would have been said? Why, that the Commissioner had gone into the matter with his mind made up, or rather with the "open mind" of the member for the Murchison (Mr. Nanson). What does the Commissioner do? Far from taking that course, he says, "I cannot get on: at every possible turn I am blocked by these men." So he looks round and says, "I know a man who is suitable." It has been suggested that he is the man who gave the Minister certain information. I love my country as much as any man here, and if I saw the present Government doing anything dishonourable I would take care to withdraw my support from them, for there is a stage when loyalty becomes an absolute crime. I am not picking a man out and putting him on a pedestal: I am just showing what may happen. That is the course adopted by the Commissioner. He takes a man, and what does he say? He says, "Send down and let us have your record." I admit that when you have to make reforms, you cannot always be particular about the weapons you use. If you wish to put a fire out, you cannot always run about for crystal-clear water.

MR. W. J. GEORGE: You can use disinfectants, though.

MR. GARDINER: No doubt. But Oliver Cromwell did some actions that you and I would not indorse to-day,

though as a result of those actions we enjoy many privileges that otherwise we would not enjoy.

MR. GEORGE: He was a man, anyhow, every inch.

MR. GARDINER: And so is the member for the Murray—every inch of him. He is a man, and to-morrow night he will come down to make a personal explanation and defend himself. But he is not a man who shows such an absolute desire to have G. W. Davies defended in this House.

MR. GEORGE: You have not heard me yet.

MR. GARDINER: I am only judging by what I see. Who is this G. W. Davies? He came here from the other side with testimonials from probably the most advanced railway man in the whole of Australia, the late Commissioner Eddy. It has been suggested that G. W. Davies at times laughingly referred to the efforts of his superiors. Well, the outside public at times laughingly refers to members of Parliament, and consequently I see no crime in that. G. W. Davies is not the only man who has in his time laughed at the efforts of his superiors. Possibly he saw how much or how little his superiors knew. He had come here from a place where there was a very much larger railway system, and where the managers were probably more conversant with go-ahead ideas than is the management of the railways of this State. He had not been long in this particular department before he was asked to do—what? To change his name. Hon. members may say "What's in a name?" There is not much in a name, I will admit. Some names have not much cause to be proud of their owners. Outside the House there are people who say that the name of a member of Parliament has a marketable value. But there are men to whom a name in itself is something. It may be the only heritage they can pass down to their kiddies, and they want to pass it down clean. That is the position. I would like to see a member of this House or the Manager of Railways or anyone else ask me to change my name in order that I might earn my children's bread. The member for North Fremantle (Mr. Doherty) has said what he would do. If a man who was as big as a house asked me to change my name, I would make

him regret it. Yet this is the action of a Government here, that a man to earn his living must change his name. George Williams Davies must become George Williams! because, forsooth, he might otherwise take away from the splendid light shown by the other wearer of the name. [MR. W. J. GEORGE: No, no.] That is a thing which probably never was done before in the history of government, and yet men come and bandy about what should be a good name!

MR. GEORGE: George Williams Davies was supposed to be a relative of the General Manager.

MR. GARDINER: If that were the case, what did it matter? Even if the General Manager of Railways was such a transcendent genius as some hon. members would make us believe, he had a right to be proud, and not ashamed, of his supposed relative. Severe comments have been passed on the action of the Commissioner. I have before me the report of the Select Committee which sat on the ice frauds business. Turning to page 250 I find it suggested that "the frauds have been chiefly perpetrated by William Hancock, William Strathmore Judd. . . ." Why this same William Strathmore Judd, of whom the report says that he should be prosecuted, is employed by the Railway Department at the present time. [MR. GEORGE: No.] I will read it out:—

By Mr. Monger: You gave Judd a billet?—After discussing the matter with Judd, I called in Mr. Hope, the claims clerk, and gave him instructions to make the necessary inquiries; and it was afterwards arranged to get Mr. Judd to assist him in every possible way from information that Judd had received during the time he was with the Perth Ice Company.

For which Judd was paid?—For which Judd was paid.

How much?—He was paid at the rate of £10 a week for ten weeks; £100 he got altogether.

By Mr. Gregory: As a sort of salve to his conscience?—Yes. Well, I felt I had an individual at that time who could give me some information which I required; and, of course, I was not aware as to how the Directors would treat the department, and I wanted to get at the information.

This is what Mr. Short said. What was sauce for Mr. Short's goose should be sauce for Mr. Holmes's gander. Mr. Holmes might well have said, "I had at that time an individual who could give

me the information I required. I knew how I was being treated by the General Manager. I was hampered by the whole of the heads of my department, and consequently I wanted this man to get information." If there is any justice in the railway people employing a man as they did, then I presume my friend the Commissioner for Railways, even if he was actuated by the lowest of the motives which some hon. members have ascribed to him, was amply justified in employing G. W. Davies. What does the Committee suggest? Hon. members talk about Royal Commissions. Royal humbugs! They are the ruin of responsible government: they are nothing but whitewashing machines. They go on for an interminable time until the things they are appointed to investigate are forgotten. I will prove it by this report, which suggests the dismissal of two railway servants, Jaques and Manson.

A MEMBER: And the suggestion was agreed to by Parliament.

MR. GARDINER: The suggestion was agreed to by Parliament, and has it been carried out? No.

MR. A. J. DIAMOND: Whose fault is that?

MR. GEORGE: Were not these two men dismissed?

MR. GARDINER: What earthly use is a Royal Commission?

MR. GEORGE: Were not these two men dismissed?

MR. GARDINER: They were dismissed, for a time.

MR. GEORGE: They must have been taken back lately.

THE COLONIAL TREASURER: Jaques is back in a subordinate position.

MR. GARDINER: We have had frequent reference to what should have been done under the Public Service Act. Clause 25 says:

No public servant shall make any communication, directly or indirectly, to the Press upon any matter affecting the department in which he serves, or relating to the business or the officers thereof, or relating to the Public Service, or his own official position or acts, or upon any political subject or question connected with Western Australia, without the express permission or authority of a Minister. I leave it to the general knowledge of the House to say whether that clause has been observed by the General Manager of Railways. Members talk about what is

right and just under the Public Service Act. Any man who has been in the public service will say, unhesitatingly and truthfully, there was the amplest justification for the Commissioner's suspension of the General Manager, so soon as the latter criticised the Commissioner's action. What does the report of the Commission on the ice frauds say? What do the experts say?

There was an entire want, or pretended want, of knowledge on their part with respect to the duties which they should have performed. The assistance rendered to us by these witnesses was not, on the whole, of much value. . . . Owing to the lack of assistance afforded to us by employees of the department in the course of their examination, we found it necessary to take evidence tendered to us by certain ex-railway officials. . . . Those witnesses, who were practically concerned with the working of this company's traffic, appear, generally, to have neglected their duties. We think that this negligence should not have been possible under careful supervision.

These are all paragraphs from the report of the Commission:

The evidence given by most of the witnesses led us to conclude that, from their point of view, they were absolutely irresponsible.

The Commissioners also express the opinion that there must have been collusion on the part of the railway employees with officers of the Perth Ice Company—that it was impossible for mere negligence to prevail to such an extent as to permit of the frauds. Some of the other things on the paper in my hand I cannot read—the writing is too bad: I think it is the Minister's. Practically the report amounts to this, there was no chance of a satisfactory inquiry while no information was given by the public servants. I come now to several of the charges mentioned by the Commissioner of Railways, and I very much regret having to follow in the strain of other speakers, and to refer to this company of many names, the Kurrawang and everywhere syndicate. I say here, and say it honestly believing what I state, that there is not a man in this House who finds fault with the gentlemen composing this syndicate. They are the keenest business men in this country. I have had some chance of judging them, and I give them credit for being the keenest business men in the State. Therefore I do not blame them. But does it not stand to reason, after

some of the evidence produced by the Minister to-night, that it would be a wise thing for this country to place in charge of its railways a business man capable of meeting these gentlemen on their own ground? A good deal has been said, especially by the member for the Murchison (Mr. Nanson), about certain things that do not appear to his open mind. On these things we must try to enlighten him.

MR. DOHERTY : " We "—the Ministry !

MR. GARDINER : I mean myself with your able assistance.

MR. A. J. DIAMOND : The Minister for Albany !

MR. GARDINER : The Minister for North Fremantle says " we," speaking for his side of the House; and so I say " we " speaking for the Government side of the House. This is what happened. On 10th November, 1899, the transactions between the Railway Department and the Kurrawang Syndicate began, and between 10th November, 1899, and 30th January, 1900, a large quantity of railway material was supplied by the Railway Department to the Kurrawang Syndicate. All this material was delivered in November. It was not till the later date which I have quoted, the 30th January, that authority was given by the Commissioner of Railways for the supply of the material. This is an act we should not permit. I say so without any wish to prejudice the case, on which I am a partisan, as you can clearly see. Then there has been an account rendered—because we have heard a lot about this water business—for £10,721 16s. 8d., and on the 20th January this account was promised attention by the responsible officers of that syndicate. On the 28th February H. Teesdale Smith—I am not referring to the member for Wellington in his capacity as a member of the House, but I am alluding to him in his business capacity, and I know he will not feel hurt—wired :—

Douglas wants payment for freight and rails. Arrangement was Government were to supply rails and take payment in water. Please instruct District Superintendent.

I do not care whether it is the member for the Williams (Hon. F. H. Piesse) or the General Manager of Railways, just as a start, would any business man say it was

a business transaction to part with the assets of the State for a thing now proved, even by their own showing, to be absent, and for which we shall not receive payment until almighty God gives them a rainfall? Business man, forsooth !

MR. F. CONNOR : That is profane.

MR. GARDINER : I hope you do not think I am profane.

MR. F. CONNOR (rising) : I hold that is profane.

MR. GARDINER : The gift of water is essentially the gift of the Creator.

MR. CONNOR : I should like your judgment, Mr. Speaker, on that matter.

THE SPEAKER : The hon. member is in perfect order.

MR. GARDINER : He wired : " Please instruct the District Superintendent." It has been said the General Manager has in no way been connected with this. The member for the Murchison (Mr. Nanson) says there is nothing to connect him with it. All right.

MR. GEORGE : He is on your own side.

MR. GARDINER : I said I was a partisan ; I am proving it. The General Manager indorses the following wire :—

Write the Firewood Company, and say that on receipt of payments from this department for supply of water and firewood I shall be glad if they will apply same first to the liquidation of their freight account with us, and secondly ditto for material supplied.

Just to show you how inconsistent even the General Manager is on that question, what happened on December 13th ? He authorises the payment to the company of £594 13s. 9d. due for firewood supplied, and at that very time according to our own showing the company was very much in this country's debt. The indorsement of the telegram shows conclusively both water and firewood to be put to the credit of that company's account for freight and material, and he varies that. This is on the 22nd of March. On December 13th he varies it by sending authority to pay £594 13s. 9d. He writes on March 19th :—

Please note that approval has been given to the freights on material for the W.A. Goldfields Supply Ltd. being allowed to accumulate.

Here are instructions. Word has been sent down from Golden Gate ; your attention is drawn to it by the Accountant of Railways, and it shows the freight account at Golden Gate on May 10th

was £2,781 5s. 5d. This is as a result of that note from the General Manager, and to-day we have to sue them for this money, or a lot of it. On the 5th June the company owed for plant £14,367 3s. 8d. Farther on, and right away from this correspondence, it will be shown that this stuff invariably was promptly supplied. I never saw anything so promptly done in the railways. I think that when the correspondence is shown to the public the public will see it is a revelation, because a telegram comes down one moment, and the next the goods are supplied, which is an experience no one else has enjoyed on the railways of Western Australia.

MR. GEORGE: Do they not get any water?

MR. GARDINER: Wait a moment; I will give you the water. From January, 1900, to April, 1901, we got from the Kurrawang Syndicate 9,134,400 gallons of water, and it cost the country £15,632. For the same term we got from the Coolgardie waterworks 23,944,400 gallons for £13,761 5s. We pay the Coolgardie water company in April 3s. 9d. a thousand, and we pay the Kurrawang syndicate £3 a thousand.

MR. GEORGE: Three and nine a thousand?

MR. GARDINER: Three and nine.

[Several members indicated dissent.]

MR. GEORGE: I think it is per hundred.

MR. GARDINER: It went from 3s. 9d. upwards. One moment, while my friend the member for Boulder (Mr. Hopkins) is looking up that account: Here you are. Well, whether it be 3s. 9d. or—

SEVERAL MEMBERS: Ah!

MR. GARDINER: Here are the different accounts showing the amounts paid, how the sum is tallied up. There is the very date of Coolgardie. One million gallons at 3s. 9d. per thousand, £187 10s.

HON. F. H. PIESSE: Salt water.

MR. GARDINER: Salt water. What are these other waters? I will take it at 12s. 6d. a thousand. Is that right? There is a vast difference between 12s. 6d. a thousand and £3 a thousand.

HON. F. H. PIESSE: There is the question of delivery.

MR. GARDINER: From the Coolgardie waterworks there are two lots only

at 3s. 9d. per thousand, and we pay 12s. 6d., 10s., 12s. 6d. Let us take the other account from February, 1900, to April, 1900. We paid them 6s. per hundred, or in that time we paid them about £8,000 for water, and even after that they get a great advantage, as we are paying them 2s. 6d. per hundred as against 12s. 6d. per thousand for Coolgardie water.

HON. F. H. PIESSE: Cheaper than we could haul it at that time.

MR. GARDINER: I do not care about your hauling. If you had had tenders, probably it would have been tendered for at less.

MR. A. E. THOMAS: Was not water supplied from both places at the same time?

MR. GARDINER: Both at the same time. I am putting the terms of one against the terms of the other. There can be no possible mistake about that. We bought through the Kurrawang Syndicate 9,134,400 gallons of water, for which we paid them £15,632 3s. 9d. We bought over the same term from the Coolgardie waterworks 23,944,400 gallons of water for practically £2,000 less. Reckon it out for yourselves. It is two and a half times less, at any rate. There is a beautiful phase about this particular question. We rented this dam at £15 a month; and in a little over 12 months we paid the company £15,000 for water.

THE COMMISSIONER OF RAILWAYS: And gave them the rails and sleepers.

MR. DOHERTY: That is not the fault of the General Manager.

MR. GARDINER: I am glad to hear you say so. This is probably like one of those other unprovable assertions you made a little while ago. Who is responsible?

MR. DOHERTY: The Commissioner of Railways.

THE MINISTER FOR WORKS: Had the General Manager the Minister's authority?

MR. GARDINER: No; had he the authority of anybody? The Government sold the company £15,000 worth of rolling-stock, and the company paid for it with our own water; and they paid the freight with our own water, and now they owe us a balance of nearly £4,000. I do not wish to prejudge this case, which may be heard in a court of law; but let anybody look at these papers, and say

whether this payment should be made in water or in cash. I make this accusation: the General Manager, whether he did it with or without Ministerial consent, was equally culpable and negligent of the country's interests. The department parted with £15,000 worth of our rolling-stock, and with the water asset which they had in the dam. The company took our water to pay for our rolling-stock, and now owe us a balance of £3,600; and yet hon. members come here and say there is nothing to justify the Minister in suspending such management. Would any man in this House stand it in his own private business? I should like to see any of those gentlemen who so readily defend the General Manager permit one of their own employees to practically throw away as much of their property as he liked, for practically naught. If the Commissioner of Railways had nothing else but that, and the transaction in respect of those engines, to justify him, there would be ample justification for the suspension of any officer. [A MEMBER: And for sacking him.] As the Commissioner remarked, much has been said in the debate about selecting the members for the Murray (Mr. George) and the Williams (Hon. F. H. Piessé) for some particular criticism; but the Commissioner shows that out of all those files he called for, and which he received a couple of days ago, he has had time to examine a few only. I am sure the Minister would be the last to single out a member of this House unless it were done to show the country that the Minister was doing his duty without fear or favour; and, if I know anything of the manliness of the member for the Murray, I am safe in saying he would be the first to say the Minister was doing what was absolutely and undeniably right.

MR. GEORGE: If he had asked me, he might have had every explanation and every paper.

MR. GARDINER: That may be.

MR. DOHERTY: But that would not have been a political job.

MR. GARDINER: I would just remind those hon. members who are so ready with imputations, that imputation is, after all, but self-reflection; and their imputations clearly show that what they think the Minister is doing they would be perfectly willing, were they circumstanced as he is, to do themselves.

MR. DOHERTY: That is unjust.

MR. GARDINER: It is a fair, honest retort to your criticism. I told the House I was a partisan. Hon. members have criticised the man (Commissioner) behind whom I am standing; and I will stand behind any man, either on this side or the Opposition side, who pledges himself to see the public service of this country put on a clean, wholesome, sound foundation. It is quite possible that to-morrow or some other day, as soon as they take advantage of the numbers on the Opposition side of the House, hon. members opposite may cross to these (Government) benches; and if they do so, and attempt to reform the civil service and to give the country what the country has a right to expect for the money paid to civil servants, a loyal, just, true, faithful service, then no man will support those hon. members more heartily than I; even if I differ from them on other public grounds. I say unhesitatingly this subject is too big, too far-reaching, to be brought down to the pettiness of party: that is to say, I am only a partisan of the Commissioner of Railways, not a partisan as regards either the Opposition or the Ministry.

MR. DIAMOND: You do not know what you are.

MR. GARDINER: I say I will support this Ministry, and shall be proud, notwithstanding what the member for North Fremantle (Mr. Diamond) prognosticates, to go with them before the country.

MR. W. J. GEORGE (Murray): I believe it is a little unusual for a member, after reply has been made, to rise to speak on a matter of this sort.

THE SPEAKER: I think it is; and I do not think it ought to be done.

MR. W. J. GEORGE: I should like to do so, if the rules of the House will permit; and I will not detain hon. members more than five minutes. With the business in which I am the chief partner, I shall deal to-morrow night. This evening, although I am not ashamed to say that the gentleman who is principally affected by these suspensions is a personal friend of mine, yet, if the charges made be proved, I will go as far as any member of this House in meting out the exact justice which I, in my own case, should require and feel I deserved. The last

speaker said something about imputations having been made. Some time ago, in the heat of debate, I made an unfortunate reference to one of the present Ministry, for which I apologised before I had finished my speech; and I feel sure that Minister, knowing me, will believe me when I say that I felt as mean as a man could possibly be at having allowed my temper to overcome what should have been my gentlemanly instincts. With reference to this matter, I wish to give this as my opinion. The Commissioner of Railways has stated his views, and it appears to me this is not a question of either one political party or the other; but it is our duty to see absolute justice done to each of the three persons affected, and to the department. Regarding many of the statements made by the Commissioner of Railways, I could, I dare say, give an explanation arising from the result of my life's experience, of what would be the probable cause from which the actions of that officer sprang. And I have yet to learn that the manager of a huge concern is to be convicted, or is deserving of such a sentence as absolute dismissal, because in his judgment the exigencies of the moment required the action that he took. I have no desire farther to intrude on the House. I have said what little I wished to say to-night; and to-morrow evening I shall try to trespass on hon. members for a few minutes, to deal with the matter which personally affects myself.

MR. A. J. DIAMOND (South Fremantle): It was not my intention at the present juncture to address the House at all. It appears to me the matter concerning the suspended officers is very simple. They have been suspended, and have called for a board of inquiry. I may say, a great deal has come from the other (Government) side of the House which should have come from the prosecuting attorney on the board of inquiry. I think it would now be better to leave the matter to be fought out before the board; and, to carry out that principle, I will refrain from saying anything on the rights and wrongs of the subject, although it is one on which I feel very strongly. I wish just to refer to some remarks made by the member for Albany (Mr. Gardiner), who a short time ago tore a passion to tatters for about half an

hour, in reference to a Royal Commission. The hon. member said the Royal Commission—only I cannot give it in quite the dramatic style that he gave it to the House—was appointed for the purpose of whitewashing, and he distinctly referred to the Commission in which I had the honour to be a member. The Commission was appointed to inquire into the Ice Company frauds, and I say fearlessly that that Commission did nothing in the shape of whitewashing.

HON. W. H. JAMES: It was only a general statement.

MR. DIAMOND: You know nothing about it. That Commission did everything in its power to learn the truth, and I am sorry to see that the Commissioner of Railways quoted some mutilated paragraphs, or some paragraphs, from that report without quoting the whole of the remarks on the question. The member for Albany followed suit. I want the report of this Commission laid on the table of the House, so that members can read the report which we made, and then if the member for Albany (Mr. Gardiner) calls that Royal Commission a whitewashing machine, he is very shortsighted indeed.

MR. GARDINER: I referred to the decision of the Select Committee.

MR. DIAMOND: The member for Albany read an extract from the report of the Royal Commission; but these extracts do not represent the opinion of the Commission. The hon. member has no right to refer in general terms to commissions being whitewashing machines, and I resent any such comments on behalf of myself and the other members of the Commission which was appointed to inquire into the Ice Company frauds.

MR. HOPKINS: Another misrepresentation!

Question—That the House do now adjourn—put, and passed on the voices.

ADJOURNMENT.

The House adjourned at 10:53 o'clock, until the next day.
