

The amendment was put and passed, and the clause adopted.

Clause 53—Forfeited shares to be sold by auction, after fourteen days' notice:

MR. SCOTT thought they ought to make it twenty-one days.

MR. A. FORREST presumed that all these shareholders would have agents to pay up their shares and to look after their interests. Twenty-one days' notice would be of no use to a shareholder in Melbourne for instance.

The clause was adopted.

Verbal amendments were made in other clauses, *sub silentio* ("Votes and Proceedings," pp. 114 and 115).

Clause 92—Who are to be contributors if the assets of a company ordered to be wound up are not sufficient for payment of its debts and liabilities:

MR. HENSMAN said he noticed by the 4th sub-section of the clause that "any married woman in whose name any share in the company shall be registered" was liable to be called upon to contribute. Such a provision might do in Victoria, where they had a Married Women's Property Act, but it would not work here, where we had no such Act in operation.

THE ATTORNEY GENERAL (Hon. C. N. Warton) was much obliged to his hon. friend, and moved that the sub-section be struck out.

Agreed to, and clause, as amended, put and passed.

Clause 97—Contributions due, to be paid within ten days after insertion of newspaper notice:

MR. SCOTT thought "ten" days was too short a time, and moved that "twenty-one" days be substituted.

Agreed to, and clause adopted.

Clause 127—Criminal liability of managers:

MR. HENSMAN said he noticed that according to this clause a manager guilty of certain misdemeanors was liable to imprisonment for twelve months, with or without hard labor. The words "with or without hard labor" did not appear in the Victoria Act, and he did not see why the punishment should be severer here than in that colony. He moved that these words be struck out.

THE ATTORNEY GENERAL (Hon. C. N. Warton) thought that a manager who wilfully made a false entry in the company's register or accounts deserved to

suffer hard labor. Crimes of commercial dishonesty were, in his opinion, much worse than offences committed by vulgar and ignorant thieves.

MR. HENSMAN said the false entry might be a very unimportant one, and not done with a fraudulent intent. He failed to see why the offence should be regarded more heinous here than in a colony like Victoria.

MR. RICHARDSON said it would be discretionary with the committing magistrate to say whether the imprisonment should be with or without hard labor.

MR. MORRISON did not think they could be too strict with the managers of these mining companies. The object of the Act was to encourage speculation in mining, and to induce people to subscribe to the formation of these companies, with the view of developing what was believed to be auriferous country.

The amendment to strike out the words was negatived.

Bill reported, with further amendments.

LOAN ESTIMATES, 1888.

These Estimates were agreed to, in committee, without further discussion.

The House adjourned at half-past ten o'clock, p.m.

LEGISLATIVE COUNCIL,

Thursday, 19th April, 1888.

Committee of Advice under Audit Act—Election of a Governor of the High School—Law and Parliamentary Library Committee—Messrs. C. & E. Millar's submarine cable proposal (Message No. 18): Report of Select Committee—Message (No. 20): Replying to Addresses—Message (No. 21): Replying to Resolution of the House re Messrs. Neil McNeil & Co.'s offer to construct a railway to the Southern Districts—Message (No. 22): Assenting to Bills—Message (No. 23): Disallowing the Victoria Public Library Bill—Message (No. 24): Forwarding proclamation proroguing the Council.

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

PRAYERS.

COMMITTEE OF ADVICE UNDER THE AUDIT ACT.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser), in moving the election, by ballot, of four unofficial members of this House to serve on the Committee of Advice, as provided by the Audit Act, said the practice had been to re-elect the members of the committee; but, unfortunately, this year, two of the members of the committee had resigned their seats in the House, and were consequently ineligible for re-election. These were Mr. Loton and Mr. Parker. The two other members of the committee—Mr. Shenton and Mr. Marmion—were still in the House, and were eligible to be again elected.

Motion agreed to.

Members having delivered to the Clerk the list of members which they wished to serve on the committee,

THE SPEAKER reported the following names as having obtained the greatest number of votes: Mr. Shenton, Mr. Marmion, Mr. Sholl, and Mr. Morrison.

ELECTION OF A GOVERNOR OF THE HIGH SCHOOL.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) said that Mr. S. H. Parker having resigned his seat in the House, and retired from his position as governor of the High School, it became necessary for the House to fill up the vacancy. Although Mr. Parker had resigned his seat in the Legislative Council that did not disqualify him from serving as a governor of the school. The Act said: "When and as soon as the Legislative Council shall have elected three persons to act as governors of the High School of Perth, it shall be lawful for the Governor to appoint four other persons." None of these persons need necessarily be a member of that House, and, as their late colleague Mr. Parker was, he believed, still willing to act as one of the governors of the school, he had much pleasure in moving his election.

MR. SHENTON seconded the motion; which was then put and passed.

LAW AND PARLIAMENTARY LIBRARY COMMITTEE.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) said that, in consequence of the resignation of the hon. member for

Perth, it became the duty of the House to appoint another member a member of the Law and Parliamentary Library Committee. He moved the appointment of Sir T. Cockburn-Campbell, Bt.

Agreed to.

MESSRS. C. & E. MILLAR'S SUBMARINE CABLE PROPOSAL (MESSAGE No. 18): REPORT OF SELECT COMMITTEE.

Upon the motion of the COLONIAL SECRETARY, the House went into committee for the consideration of the Select Committee's report on the proposals of Messrs. C. & E. Millar to lay a submarine cable connecting the colony with the system of the Indian Government.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) said he did not think it was necessary for him to say anything by way of introduction to the report beyond that the committee had unanimously agreed upon its provisions. He had since been informed that an hon. member was going to move an amendment to one of the recommendations, to which he should raise no objection. He begged to move—

Paragraph 1. "That a sole right to lay and work a telegraphic cable from a point on the coast of this colony, at or south of Derby, King Sound, to connect with the telegraphic system of India, be accorded to Messrs. C. & E. Millar for a term not exceeding twenty-one years from the date of contract."

MR. SHOLL said he was in hopes that the hon. gentleman who introduced this report would have given the committee some information why the select committee had arrived at their conclusions. The object of that committee, he had thought, was not only to recommend the adoption of certain proposals, but also to supply the House with information as to how they arrived at these conclusions, because hon. members who were not on the committee had not the advantage of possessing that information.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) said that it had been his intention, having got the assent of the committee, to explain paragraph by paragraph as it came before them. Having read the letter of the proposers, the hon. gentleman said that when their representative, Mr. Stewart, was examined by the committee, he pointed out that the term for which they desired to have protection

was for 21 years, which was the same term as that proposed by Sir Julius Vogel (which was approved by the House) some years ago, in debating the report of the select committee. Mr. Stewart, on behalf of his principals the Messrs. Millar, said they would be satisfied if the sole right to lay and work the cable from the coast of this colony to connect with the system of the Indian Government were accorded for a term of twenty-one years. Then again, it was understood that if it was agreed to accord this right to Messrs. C. and E. Millar, it would not debar the colony, at a future time, from according the right to lay another cable from this colony to—say Mauritius, or to Batavia, or Java, or in any other direction. With regard to the starting point, the committee simply confined themselves to stating that the cable should start at or south of Derby, King Sound, leaving it to the concessionaires to select a point hereafter.

MR. MARMION said there could be no doubt that the Messrs. Millar—although they said in their letter “the sole right to construct and work this cable”—must have intended that the concession, if made to them, should exclude others from laying down another cable from our shores, whether to Mauritius, or Batavia, or Java, or in any other direction connecting it with the cable system of the world. It was unreasonable to suppose that Messrs. C. & E. Millar would have no objection to any number of other firms laying down cables close beside their own, provided their own line were left to their own working. No doubt their object was to secure a monopoly of any direct telegraphic connection between this colony and India; and the select committee, it would be seen, had been more liberal to these gentlemen than they had been to themselves, for the committee recommended that they should have the monopoly of connecting this colony with the Indian telegraphic system, so long as they made their local starting point at or south of Derby. He did not think we ought to go further than that; he did not think we ought to bind ourselves to refuse any further concessions, in some other direction.

THE DIRECTOR OF PUBLIC WORKS (Hon. J. A. Wright) pointed

out that the proposed concession would prevent another line being connected with Mauritius for 21 years, as such a line would interfere with the communication with India.

MR. A. FORREST said that, as a member of the select committee, he might say that he thought it was understood the Messrs. Millar should have the sole right, but that the concession made to them was not to be hawked about, as some concessions which this colony had made had been.

THE COMMISSIONER OF CROWN LANDS (Hon. J. Forrest) thought if we gave them this right they would certainly expect to get the sole right of connecting this colony with India, whichever way the connection was made. That was a very important question. The projectors were not very explicit in wording their offer, and, if we accepted their proposal literally, they were asking for no monopoly whatever, beyond being protected from interference with the working of their own line. But he hardly thought that was all they intended. He also thought something ought to be said as to the rates to be charged. He considered the present charges of the Eastern Extension Co. altogether prohibitive, but they were masters of the situation, owing to the difficulty of floating any opposition line. An offer had been made to organise a rival scheme by way of Canada, and Vancouver's Island to New Zealand, which was a scheme that, he thought, this colony should encourage. He believed it was looked upon with more favor than any other. One of its special advantages was that it would avoid all foreign territory, the land lines running through British territory only—a most essential consideration in the event of war. It had other special advantages to recommend it, and it was regarded with much favor by most of the other colonies. But it appeared to him we were like a drowning man grasping at a straw in this colony—anything that would bring us a little money. He did not see, however, that this particular scheme was likely to bring us any benefit in that way; nor did it promise anything in the shape of a reduction of current rates. Unless we could secure this, he did not see that the scheme had much to recommend it. In any contract

made, care should be taken to guard against a continuation of the present exorbitant rates. He did not know how it was, but some people seemed to go into raptures over every proposal that any enterprising firm or syndicate made to this colony. For his own part he should not be at all surprised if this line, if constructed, were to be worked in conjunction with the Eastern Extension Co.'s line, and—the monopoly once secured—the present prohibitory rates kept up.

MR. SHENTON did not think the present rates exorbitant, considering the very great distance between these colonies and England; at the same time it was to be hoped that, with competition, the cost of messages would be reduced. He thought the committee would be quite safe in agreeing to the present proposal, with some slight modifications which he would propose further on. This colony had gone to a very heavy expenditure in extending its telegraphic system to our Northern territory, and we ought to do everything in our power to increase the traffic upon that line, which this scheme would do.

MR. MARMION said the question was whether the present firm intended to secure the monopoly of establishing communication between this colony and India, or simply to connect with the present Indian system. If the former was the case, and another project were started, with some other starting-point, on some other part of our coast, the present promoters would have secured the best of the bargain. The intention of the select committee was that this company should have the sole right of connecting with the telegraphic system of the Indian Government. He thought care ought to be taken in preparing any agreement, so as to leave no room for dispute upon that point.

MR. RICHARDSON said, whether this line would be a competitive line or not, it would bring us this advantage: it would bring all its English and European messages for transmission along our own lines.

THE DIRECTOR OF PUBLIC WORKS (Hon. J. A. Wright) thought it would meet with the views of hon. members generally if provision were made that the right granted was the right to lay a direct cable between this colony

and India. He would move, as an amendment, that the word "direct" be inserted between the words "a" and "telegraphic," in the second line of the paragraph.

MR. VENN said that when they were discussing the proposal in select committee it had never struck him that the promoters were asking for anything but the exclusive right—a monopoly, in fact; otherwise, what concession would they be asking for? What privileges would they gain?

MR. MARMION said he did not understand it in that light. He thought the expression "the telegraphic system of India" was a very vague expression, and we ought to guard ourselves.

MR. HARPER said, whether it was a direct or indirect line, he thought it would be necessary we should stipulate that this company should have the sole right of landing a cable on the shores of this colony; otherwise we should be granting them no protection at all.

MR. MARMION said the projectors had not asked for the sole right of landing a cable on our shores, and why should we go out of our way to place advantages in the hands of smart business people like these. Their request was simply for the sole right to construct and work "this cable." Why should we give them a monopoly which they themselves had not thought of asking for? We had already been more liberal towards them than the proposal made in their own letter.

MR. SHOLL thought the firm ought to be protected against competition, so far as connecting this particular part of the colony with the Indian system went; but he thought some guarantee should be given that this firm or syndicate was not connected with the Eastern Extension Company, otherwise we should find that, so far as the present rates were concerned, we should only be perpetuating a monopoly for the next twenty-one years. On the other hand, if there should be competition, and two rival companies, no doubt there would be a reduction of charges. He hoped the Government, before entering into any agreement, would satisfy themselves on this point. He thought it was more than the company ever expected to give them the sole right of landing a cable on our North-West shores.

MR. RICHARDSON pointed out that there was nothing to prevent another company starting a cable north of Derby.

MR. A. FORREST said unless the Messrs. Millar obtained the sole right of laying down a cable to this coast—to any part of the coast—they would not care for it at all. It was never intended that another company should have the right to land another cable north of Derby.

THE DIRECTOR OF PUBLIC WORKS (Hon. J. A. Wright) did not agree that we should lock up the whole of our coast north of that point. Nor did the company ask us to do so. We should then prevent any offer that might hereafter be made for forming indirect communication with India, say even by way of the Cape.

MR. HENSMAN thought it was a pity the proposal had not come before them in a clearer manner, for there did not seem to be two members of the same opinion as to what the company really intended, and, for his own part, he should simply wash his hands of it. He could not agree that we should give these people more than they had asked for. What was it, according to their own letter, that they did propose? They said: "We are prepared to lay a submarine cable from a point on the North-West coast of Western Australia, between the North-West Cape and Cambridge Gulf, to connect the telegraph system of Western Australia with that of the Indian Government." They did not ask for the sole right to attach our coast with a cable, but to connect some point on the coast between the North-West Cape and Wyndham with the telegraph system of the Indian Government. The question was—what was the telegraph system of the Indian Government? How far did it extend? He did not suppose it extended to Mauritius. It must simply mean the telegraph system which the Indian Government had under their control. Nor were they asking for the sole right, to the exclusion of any other cable project; they simply asked for the right to construct "this cable." They evidently had no lawyer about them when they made that offer; for any other company would have the right to construct any other cable. Of course that could not be what they meant, but the sole and exclusive right; other-

wise it would be a very foolish offer on their part. The House, however, must leave the framing of the contract to the Government and the contractors; and a very difficult contract it would be. He noticed that the select committee had suggested different starting points from the syndicate. The latter proposed that the line should start from any point between the North-West Cape and Cambridge Gulf, but the committee had limited them to a point at or south of Derby. He would rather have stood to the proposal of the contractors. If the intention was to prevent any other company landing a cable on our coast, he should be opposed to it. He also thought it should be distinctly understood there was to be no coalition, as regards tariff, between this company and any other company. Our only hope of a reduction in the existing rates was in there being competition.

MR. A. FORREST said the object of the committee in fixing the northernmost starting point at Derby was because our own telegraph system ended in that locality, and it was thought undesirable to subject the Government to the risk of having to construct further connecting land lines, possibly at great expense.

MR. VENN pointed out that the Governor, in his message, had referred the House to a similar concession applied for by Sir Julius Vogel, about four years ago, which was referred to a select committee, who reported on the 11th September, 1884, and His Excellency asked them whether they would authorise a contract being made with Messrs. C. & E. Millar in accordance with the recommendations of that select committee. He found on reference to the report of the committee that what Sir Julius Vogel asked for was "a concession of the exclusive right to lay one or more cables from Western Australia to India, Ceylon, or the Mauritius, or any intermediate spot, so as to place Western Australia in communication with a system of cables running to England." He thought he might say that the select committee who sat upon the present proposal had the concession asked for by Sir Julius Vogel in mind, and that concession was certainly a more liberal one than that now proposed to be granted to the present applicants.

MR. MARMION moved an amend-

ment, that the words "coasts of this colony at or south of" be struck out, and the words "North-West coast of this colony between the North-West Cape and" be inserted in lieu thereof. The paragraph would then read thus: "That a sole right to lay and work a direct telegraphic cable from a point on the North-West coast of this colony, between the North-West Cape and Derby, King Sound, to connect with the telegraphic system of India, be accorded to Messrs. C. & E. Millar"—etc. There could be no misunderstanding then as to the limits of the point of departure from this colony.

MR. RICHARDSON said if the intention of the firm was to have the exclusive right of landing a cable on our coast to connect us with India, it was only waste of time to discuss their starting point.

The amendment was adopted.

MR. HENSMAN said he took it now to mean that we were to give this firm the sole right to lay a cable, direct, from any point they chose between Derby and the North-West Cape, to connect this colony with the Indian telegraph system—which they never had defined, as yet. If hereafter it should be contended that the telegraph system of India extended to Mauritius or elsewhere, we might be landed in difficulties. This might be a very good offer, but he always had a strong suspicion of offers that were pushed forward too quickly, and they certainly seemed to be rushing this matter through with very little consideration. He hoped the House would not be in too much of a hurry to accept it. If it was a good business offer, it would pay them to repeat it. He thought, at any rate, we ought to understand how far the Indian telegraph system extends.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) said the only thing which the select committee had before them was the letter of the proposers, and the evidence of Mr. Stewart, their local representative. Mr. Stewart, in his evidence, said: "The exact line to be adopted to connect the Western Australian telegraph system with that of India remains to be determined after a survey of different routes. He was not aware that the Indian Government had been as yet consulted in respect to the Western terminus

of the proposed cable." He had since had a conversation with Mr. Stewart as to whether this Government would have the right to give any other company the right of connecting this colony with India, by some other route; but he was sorry to say nothing definite was arrived at from the conversation, and he regretted that we had not more definite information to guide us.

MR. MARMION proposed another amendment—that the words "connect with the telegraphic system of India" be struck out, and the words "any point on the coast of India or Ceylon, thus directly connecting with the Indian telegraphic system," inserted in lieu thereof. He thought that would fix the matter as close as we could.

The amendment was adopted, and the resolution, as amended, agreed to.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) then moved that the following paragraphs of the report be adopted: "2. That it be provided in 'the contract the undertaking shall be completed within a period of two years and a-half from the date of the contract, and provided also such contract be signed within six months from this date.

"3. That due provision be made for 'the proper maintenance and working of the cable, throughout its length, after construction, by the contractors.

"4. That the connections necessary 'between the land lines of this colony and the cable be established at the cost of the contractors."

Question—put and passed.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) moved that the following resolution be adopted, based upon the committee's report: "5. That the contractors pay for the use of the Western Australian land lines, at the rates ruling from time to time, *plus* one penny a word, address and signature to be counted as part of message; provided, however, that such charge shall never exceed three pence a word."

THE DIRECTOR OF PUBLIC WORKS (Hon. J. A. Wright) thought it would be unwise to fix a hard and fast line as to the rates to be paid for the use of our land lines. It seemed to him to be uncalled for to so bind ourselves, or to attempt to bind the contractors. He

thought the whole thing should be left to the contracting parties, to settle to the best advantage. He would, therefore, move, as an amendment, that all the words after "lines," in the third line, be struck out, and the following inserted in lieu thereof, "at a rate to be mutually agreed upon between the contracting parties."

MR. MARMION could not agree with that at all. The hon. gentleman seemed to think that we were the only party to be benefited by this contract, whereas it appeared to him, if we granted the company these concessions, we would be conferring great advantages upon them. Why should we not endeavor to receive some compensation for these advantages? He looked upon the whole scheme as purely a business undertaking, and we ought to treat it as we would any other commercial transaction, and endeavor to secure the best bargain we could for the colony. We only proposed charging an extra penny for the use of our lines from Nickol Bay to Eucla. He thought we would have had a perfect right to have charged twice that rate, and that it would not have hampered the promoters. He considered we were acting very liberally towards them—too liberally in his opinion; and he was surprised at a member of the Government proposing that we should act still more liberally, and allow the rates to be mutually fixed between the contractors and the Government. It must be borne in mind that this colony would be put to a good deal of extra expense in working these lines. It might be that we would have to construct another line, between the North-West and Eucla, in the event of the present single line not proving sufficient for the traffic. This line would have to be kept open night and day, which meant an additional staff, which would entail additional expense. He thought it was the duty of the House to see that the interests of the colony were duly guarded, especially when they considered the great advantages they were conferring upon the other party to the contract.

THE DIRECTOR OF PUBLIC WORKS (Hon. J. A. Wright) said he did not wish, by his amendment, to bind the House nor the Government to a 1d., or 2d., or 3d., or 6d., per word, but to let the matter be settled between the con-

tracting parties. The resolution now before the committee left them no scope whatever, but limited the extra charge to one penny a word. As to the necessity for duplicating our land lines, that could not happen for some years to come, and, when it did come, it would mean that the traffic had so increased that we could well afford it.

MR. HENSMAN suggested that the resolution should read, "*plus* at least one penny per word." That would leave the door open for any higher charge which might be considered fair and reasonable.

THE COMMISSIONER OF CROWN LANDS (Hon. J. Forrest) did not agree with the recommendation of the committee nor with his hon. colleague in this matter. He thought the rates ought to be the ruling rates in this colony, *plus* nothing. It had been said there were two parties to this agreement; he thought there were a great many more who were as much interested as ourselves in establishing another means of telegraphic communication between these colonies and Europe. He thought all the Australian colonies were interested in this question, and he should be sorry to become a party to levying any blackmail upon them simply because the messages went through this colony. He took a broader view of this question than some hon. members. Although we were a poor country he thought we ought to have some chivalrous feeling towards our neighbors, and other portions of the Empire. He thought we ought to follow the example of South Australia, with their Port Darwin line, which that colony did not build for the sake of making money out of it, and, he believed, they never had made money out of it; on the contrary it was a tremendous burden to our neighbors. He did not suppose, if this cable came to our shores, our land lines would be any burden to us, for, although we might have to increase the working staff, there would be a large increase of traffic, which would probably more than counterbalance any extra expenditure. Indirectly, the colony would greatly gain in prestige and importance by having this cable landed on our shores. It would bring our name and excellent geographical position more clearly and decisively before the world; and this itself would be no mean gain.

MR. RICHARDSON said he viewed the matter purely as a commercial undertaking, and not from any sentimental or intercolonial point of view; and, that being so, he thought the colony would be justified in making the best bargain it could with this or any other company that sought a monopoly of this kind.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) pointed out that the colony would necessarily be put to considerable extra expense, by reason of the increased traffic which this cable would bring along our land lines. Communication by this cable would never be closed, night nor day, and he did not know how many repeating stations we should require, at each of which there would have to be three operators, so that the colony would have to incur a good deal of extra expenditure. He thought himself, seeing the immense extent of our overland lines and the cost of maintenance, we would be quite justified in charging this extra rate, or some fair scale of charges that would remunerate us. Therefore, he thought the proposal of his hon. colleague, the Director of Public Works, was a good one,—that it should be left to the Government to make the best terms they could with the contractors. Every precaution would be taken that the rates agreed upon should not be such as would entail any loss upon this colony.

MR. SHOLL thought the Colonial Secretary's argument was unanswerable. He thought we ought to provide against any increased expenditure we were bound to incur, in having to employ an extra staff. He thought the proposal of the select committee, that we should charge an extra penny per word, was a fair and reasonable one.

The amendment was negatived, upon a division, the numbers being—

Ayes	9
Noes	10

Majority against ... 1

AYES.	NOES.
Hon. J. Forrest	Mr. H. Brockman
Mr. A. Forrest	Mr. Congdon
Hon. Sir M. Fraser	Mr. Harper
Mr. Scott	Mr. Hensman
Mr. Shenton	Mr. Morrison
Hon. J. G. Lee Steere	Mr. Pearce
Mr. Venn	Mr. Randell
Hon. C. N. Warton	Mr. Richardson
Hon. J. A. Wright	Mr. Sholl
(Teller.)	Mr. Marmion (Teller.)

The resolution was then put and passed.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) then moved the following resolution, in accordance with the recommendation of the select committee: "6. That Government and Press Messages should be transmitted through the contractors' cables at rates not less favorable, comparatively, than are now accorded to such messages by the Port Darwin cable."

THE COMMISSIONER OF CROWN LANDS (Hon. J. Forrest) said he did not think this clause was favorable enough to the Government, and he proposed to modify it by moving that the word "not," in the third line, be struck out, and the words "to be mutually agreed upon from time to time not being" inserted in lieu thereof.

MR. HENSMAN said if the contractors had a right to charge a certain rate you could not compel them to charge less; and he did not think it would be right to leave it to be mutually agreed upon, when one of the parties had the right to say they would charge so much.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) said the select committee had found this provision in the report of the select committee on Sir Julius Vogel's scheme, in precisely similar terms.

THE COMMISSIONER OF CROWN LANDS (Hon. J. Forrest) said the object he had in view was to place the contracting parties in a position, from time to time, to assimilate the rates for Government and Press messages with the rates by the Port Darwin cable. The resolution as now worded confined them to the rates at present charged by that cable. His amendment would give the Government the option of saying to this company: "If you don't agree to our terms, we will get our messages by the Port Darwin cable."

MR. MORRISON said he regarded this as purely a matter of business between the contractors on the one side and this colony on the other, and he thought we were inclined to be altogether too liberal. He would suggest that the rates for Government and Press messages should be 10 per cent. less than the rates by the Port Darwin line. We were giving this company a concession for twenty-one years, and he thought we ought to see that we got something in return.

The amendment was adopted, and the resolution, as amended, put and passed.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) moved that the following resolution be adopted, as recommended by the select committee: "7. That a deposit of Ten thousand pounds (£10,000) should be made by the contractors to ensure the due performance of the conditions of the contract."

MR. MARMION: When is this deposit to be made?

THE COLONIAL SECRETARY (Hon. Sir M. Fraser): When the contract is signed.

MR. MARMION thought that ought to be specified. He moved that, after the word "contractors," the words "on signing the contract" be inserted.

Agreed to.

MR. HENSMAN thought there ought to be some provision made, that, in the event of the cable not being worked for a certain time, it should become the property of the Government. This would be a very useful hold upon the company, in addition to the deposit, as in the Hordern contract. A deposit of £10,000 did not appear to him enough guarantee for the working of this cable for twenty-one years. He thought we ought to have some hold upon the cable itself, in the case of the company's bankruptcy, for instance.

MR. MARMION would like to see some provision made, that in the event of the cable not being completed within a period of two years and a-half from the date of the contract (as provided in clause 2), the deposit money should be forfeited at once.

THE ATTORNEY GENERAL (Hon. C. N. Warton) believed that was the intention of the committee, but the wording of the resolution was very vague. He would move that all the words after "ensure" be struck out, and the following inserted in lieu thereof: "the completion of the laying of the cable within two and a-half years from the date of such contract."

MR. HENSMAN had understood that the deposit of £10,000 was to remain for the term of 21 years—the duration of the agreement. It was possible these people might not be able to carry out their contract for that term, and we should have no hold upon them at all if we relin-

quished our hold upon the deposit money.

THE DIRECTOR OF PUBLIC WORKS (Hon. J. A. Wright) apprehended the hon. member would be satisfied if his proposition were included in the contract. They were not discussing the contract now, but simply the basis upon which the concession should be granted.

The resolution, as amended, was then agreed to.

MR. HENSMAN moved that the following additional resolution be adopted:

"8. That provision be made in the contract giving power to the Government of Western Australia to take possession and use the cable, in the event of the contractors failing at any time to perform the conditions of the contract." He thought, as he had already said, it was very important that we should have some hold upon the contractors, throughout the term of their agreement.

MR. SHENTON pointed out that this cable would not be altogether in our own waters, and he presumed the Indian Government would have to be consulted in a matter like this. If the contractors laid down this cable, as proposed, it would cost them some hundreds of thousands, and it was not likely they were going to leave it without working it, after all that outlay.

MR. MARMION was afraid such a condition would prove a serious stumbling-block to the contract ever being entered into.

The resolution, upon being put, was negatived, on a division, the numbers being—

Ayes 9

Noes 10

Majority against ... 1

AYES.		NOES.	
Mr. H. Brockman		Mr. A. Forrest	
Mr. Congdon		Mr. Harper	
Hon. Sir M. Fraser		Mr. Richardson	
Hon. J. Forrest		Mr. Scott	
Mr. Morrison		Mr. Shenton	
Mr. Pearce		Mr. Sholl	
Mr. Randell		Hon. J. G. Lee Steere	
Hon. C. N. Warton		Mr. Venn	
Mr. Hensman (teller.)		Hon. J. A. Wright	
		Mr. Marmion (teller.)	

The resolutions, as adopted, were then reported.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) moved the following resolution: "That, in reply to the Message

of His Excellency the Governor (No. 18), this Council is of opinion that the proposals of Messrs. C. & E. Millar, on the terms and conditions contained in the attached report, should be accepted."

Mr. HENSMAN said it was familiar to lawyers that when an offer was made and not accepted in the terms of the offer there was no contract. The resolutions passed by the House varied in several particulars from the offer of the promoters; and, that being so, he wanted to know whether the Government would enter into a contract with them varying in any way from the terms agreed upon by the House, and try to come to some other terms with them.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser): The terms of the resolutions will be carried out to the letter, so far as the Government are concerned, and, if the Messrs. Millar do not accept them, no contract will be entered into, without our coming back again to this House to consult it.

The motion was then agreed to.

MESSAGE (No. 20): REPLYING TO ADDRESSES.

THE SPEAKER notified the receipt of the following Message from His Excellency the Governor:

"The Governor has the honor to acknowledge the receipt of Addresses Nos. 17 and 20, of the 13th and 18th instant, with reference to the Auditor General's Report, and with reference to advances made to Heads of Departments under the Audit Act.

"For the information of the Council, the Governor encloses, herewith, copy of some of the many orders and instructions which he has caused to be issued from time to time, with reference to the public expenditure and accounts, and to the strict observance of the Audit Act.

"Government House, Perth, 19th April, 1888."

MESSAGE (No. 21): BAYSWATER-BUSSELTON RAILWAY.

THE SPEAKER announced the receipt of the following Message from His Excellency the Governor:—

"The Governor has the honor to acknowledge the receipt of Address No.

"19, of the 16th instant, requesting him to enter into a contract with Messrs. Neil McNeil & Co., for the construction of a Railway from Bayswater to Pinjarrah, such contract to be in accordance with the recommendations contained in the Select Committee Report annexed to the Address.

"It is proposed that the cost of the Railway, estimated at £135,000, shall be defrayed by the issue of Government bonds, bearing interest at 4 per cent.

"This mode of payment would require consideration before it could be adopted, but it amounts, in effect, to the raising of a further Loan, and, previous to the signing of the contract, a Bill, equivalent to a Loan Bill, would be required.

"In his Despatch No. 109, of the 18th of October last, which has been printed and is before the Council, the Right Honorable the Secretary of State has expressed himself as unable to give at present even a qualified approval of the introduction of a new Loan."

"The Governor, whatever his own views may be, is therefore not in a position to move in the matter, without communication with the Secretary of State, to whom the Address of the Council, and its enclosure, as well as a copy of the report of the Debate on the subject which took place in Your Honorable House, shall at once be forwarded.

"In the speech with which he opened the present session, and in printed despatches before Your Honorable House, the Governor has already expressed his opinion on the points of financial policy connected with the raising of a further loan, and with the construction of further lines of railway at the present time in this Colony.

"With regard to the particular railway now in question, the Governor would refer to the eighth paragraph of his published Despatch No. 195, of the 2nd of September last, in which he wrote as follows:—

"I do not think that a railway to or towards Busselton would do much more than pay its working expenses for a considerable period. At the same time, such a railway would be a great stimulus to settlement and agriculture, and I am strongly of opinion that its

"construction should be undertaken, as soon as the means of the Colony allow."

"The question is, are the means of the Colony equal to this further burden? It is clear that, as they at present stand, they are not equal to it. This can be shown."

"It is doubtful whether the revenue of 1888 will balance, even after the economies which have been effected, the expenditure of the year."

"The present means of the Colony do not even suffice, as Your Honorable House has agreed, for the working of the railways already constructed. The Bunbury railway, though completed, has not been opened. Its rolling stock is laid up in store, pending the time when the cost of working the line can be placed on the Estimates."

"Yet it is now proposed to construct another railway, which would require a large annual provision for its working expenses, which might for some time not be covered by the receipts."

"Besides the £3,000 *per annum* at least required for working the Bunbury railway, other charges in prospect have also to be considered."

"It is expected that the constitution of the Colony will soon be changed. This will involve a new expense of from £5,000 to £10,000 a year."

"The contribution to the Australasian Squadron will amount to about £1,300 a year."

"The expenses of working the Derby and Wyndham telegraph lines, when these shall have been completed, will be considerable."

"A large quantity of additional rolling stock for the existing railways is stated by the Commissioner to be absolutely required."

"If, as is to be hoped, the gold discoveries in the Eastern District prove valuable, a large expenditure will be required in connection with them at an early date, and would have prior claim, as a pressing matter of public utility."

"The financial aspect of the Responsible Government question has been alluded to. The early settlement of this question, in the manner desired by Your Honorable House and supported by the Governor, would be jeopardised by a situation of financial difficulty."

"This consideration is worthy of serious attention. Except great economy and prudence be exercised, it is quite possible that Responsible Government may, for a time, have to yield before a question of pounds, shillings, and pence, in the same manner as the opening of the Bunbury railway has had to yield to such a question."

"Your Honorable House will probably agree that, except as a remedy for depression, there would be no idea of undertaking the construction of this new line of railway at present, or until the revenue of the Colony showed signs of expanding beyond the expenditure to which the Government is already pledged."

"The question is, can further loans and railways be safely looked to, in a colony with the limited and fully appropriated present revenue of Western Australia, as an antidote to depression?"

"Is not such a remedy but a very transient and temporary palliative, under any circumstances?"

"May not such a remedy very shortly prove worse than the disease?"

"If a state of depression be left to work its own cure under natural laws of supply and demand, may it not do so, and thus bring about a sounder and healthier state of things than has recently prevailed?"

"The Governor's opinion is, that railways and other costly public works should only be ventured upon, in this Colony, when a legitimately expanding revenue gives the Government and Legislature every reason to feel confident that the income of the near future will be equal to the demands being made upon it."

"The position of the public finances is, so far, not unsatisfactory, and the revenue may not improbably again increase before long. But is the future yet so assured as to warrant a prudent Government, which has already incurred, when all things are considered, a very large expenditure indeed on public works not yet productive, in still further discounting that future, and in laying fresh burdens upon the Colony before the finances have shown themselves equal to bearing them? Is not this an extremely hazardous policy in

"any Colony, and particularly in Western Australia?"

"How is it proposed to meet this new charge, should the revenue, declining in 1887 and, so far, in 1888, not increase during the next year or two?"

"The Governor does not himself feel that he can give to these questions replies which would support the immediate construction of this new line of railway, and, while remaining prepared to advocate its construction the moment the finances of the Colony permit, and the authority of the Secretary of State can be obtained, he cannot alter the opinions expressed in his speech of the 15th of December last, to which he refers Your Honorable House."

"But, as at first pointed out, the Address of the Council could not, in any case, be acted upon without the authority of the Secretary of State, before whom the full views of the Legislature will be laid at the earliest possible date."

"Government House, Perth, 19th April, 1888."

MESSAGE (No. 22): ASSENTING TO BILLS.

THE SPEAKER also announced the receipt of the following Message:

"The Governor has the honor to inform the Honorable the Legislative Council that he has this day assented, in Her Majesty's name, to the under-mentioned Bills:—

"An Act to extend the powers of Municipal Councils, and to promote the Paving of Footpaths in Municipalities, and for other purposes."

"An Act to confirm the Beverley-Albany Railway Contract, and the Assignment thereof to the West Australian Land Company, Limited; and to define exactly the Line of the said Railway."

"An Act for the purpose of further Re-appropriating certain Unexpended Balances of certain Moneys raised under 'The Loan Act, 1884.'"

"An Act for the Incorporation and Winding up of Mining Companies."

"The authenticated copies of the Acts are returned herewith."

"Government House, Perth, 19th April, 1888."

MESSAGE (No. 23): VICTORIA PUBLIC LIBRARY BILL.

THE SPEAKER announced the receipt of the following Message from His Excellency:—

"The Governor has the honor to acknowledge the receipt of Address No. 16, of the 11th instant, stating that Your Honorable House does not agree to the amendments to the Victoria Public Library Bill, suggested in the Governor's Message No. 17, of the 9th instant."

"The Bill, as it stands, departs from the usual practice and legislation in this Colony, in regard to the form of making appointments, and the furnishing of official reports."

"The Governor must confess that he is unable to see why the managing body of the Victoria Public Library should not be appointed under the same form as the Representative of the Colony in the Federal Council of Australasia, the Members of the Immigration Board, the Members of the Central Board of Health, the Members of the Aborigines Protection Board, or of other bodies which might be named, and which have been constituted under laws passed by Your Honorable House."

"It seems difficult, also, to understand why the Annual Report of the Trustees of the Library should be required by law to be forwarded in a different manner to that of other official Reports."

"It appears to the Governor that established procedure in these matters should not be departed from except for good and special reason, and, after careful consideration, the Governor cannot discover that such exists in the present case."

"The Governor has therefore decided to disallow, on behalf of Her Majesty, the Victoria Public Library Bill, and it is hereby disallowed accordingly."

"Pending further legislation, the Governor proposes to follow the course taken with respect to the Public Gardens, and to place the Library—which can only be of small dimensions for some time to come—under the management of a competent Committee."

"Government House, Perth, 19th April, 1888."

MESSAGE (No. 24): FORWARDING
PROCLAMATION PROROGUING THE
SESSION.

THE SPEAKER also notified the receipt of the following Message, proroguing the Session:

"The Governor has the honor to transmit, herewith, a Proclamation under his hand and the seal of the Colony, proroguing the Legislative Council to the 29th day of June next.

"2. The Governor begs to thank Your Honorable House for the supplies, which shall be administered with due economy, voted for the public service, and for the assistance rendered in the matters which have engaged attention this Session.

"Government House, Perth, 19th April, 1888."

The Session then closed.